

THE PROTECTION OF SOVEREIGNTY BILL, 2026

Summary as Passed at Third Reading

Parliament of Uganda, Tuesday 5 May 2026

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1. Overview and Legislative History

The Protection of Sovereignty Bill, 2026 was tabled for its First Reading on 15 April 2026 by the state minister for Internal Affairs, Hon. David Muhoozi. It was referred to the joint parliamentary committees of Legal and Parliamentary Affairs and Defence and Internal Affairs for scrutiny, during which over 224 stakeholders submitted views, clustered under 60 groups. These included the Bank of Uganda, the World Bank Group, the Uganda Law Society, Makerere University Academic Staff Association (MUASA), civil society organizations, religious bodies, political parties, private sector groups, diaspora representatives, and the United Nations.

On 30 April 2026, the Attorney General, Hon. Kiryowa Kiwanuka, presented sweeping government amendments to the joint committees. On the same day, President Museveni published a four-page letter distancing himself from the Bill's broader provisions, questioning whether the Bill before Parliament was the same one he had initiated in Cabinet.

The Bill was then debated, passed at Second Reading, considered clause-by-clause in Committee of the Whole House, and read for the Third Time on Tuesday, 5 May 2026 in a packed plenary session chaired by the Speaker, Rt. Hon. Anita Among. The Speaker confirmed quorum with 353 Members of Parliament present, including eight attending by Zoom. The Bill now awaits Presidential assent.

2. Summary of the Bill as Passed

2.1 Stated Purpose

The Bill seeks to protect Uganda's sovereignty by regulating the activities of agents of foreign interests, particularly in the sphere of political influence, policy-making, elections, and national security. It creates a registration and licensing regime for persons acting on behalf of foreign entities and prescribes penalties for unlicensed political agency and related offences.

2.2 Key Provisions as Passed

Provision	Description as Passed
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Scope of Application	The Act applies strictly to agents of foreigners. Earlier provisions that applied broadly to "any person" have been deleted. The law targets only individuals or entities acting on behalf of foreign interests in specified influence-related activities, particularly in political processes and public decision-making.
Definition of Foreigner	A foreigner is defined as: a non-Ugandan citizen; a foreign government or diplomatic mission; a corporation registered outside Uganda; or an international/multinational organization. Critically, Ugandan citizens living abroad are explicitly excluded from the definition of foreigner. The original clause listing "a Ugandan citizen residing outside Uganda" as a foreigner has been deleted.
Definition of Agent of a Foreigner	A person (individual or legal entity) who formally and knowingly acts for, under the direction of, or is financed by a foreigner for the purpose of engaging in political activities that further the foreigner's interests. The definition requires intentionality and formal engagement. Passive or incidental association with foreign entities no longer triggers classification as an agent.
Definition of "Person"	The original broad definition of "person" has been deleted entirely. Parliament introduced clearer terms, including a defined category of "political activities," to enhance legal precision and restrict the law's reach.
Political Activities	A new defined term. Includes actions aimed at influencing legislation, government policy, government decision-making, elections, who governs Uganda, and ideologies deemed inconsistent with the Constitution or cultural norms. This definition remains broad and has attracted criticism from opposition MPs and civil society.
Definition of Foreign Policy	Amended to mean "a policy developed by a foreigner and has not been adopted by Government." This narrows the scope to exclude policies that Uganda has voluntarily adopted.
Definition of Government Policy	Defined as "a statement, decision or actions of government on how a sector is regulated or governed issued in accordance with the Constitution and laws of Uganda."
Licensing Regime	Agents of foreigners must be licensed by the Minister of Internal Affairs upon application. Approval is to be determined within 14 days to three weeks. Licences are subject to renewal every two years. Operating without a licence is a criminal offence.
Foreign Funding: UGX 400 Million Threshold (Clause 22)	The UGX 400 million (approximately USD 106,000) threshold per twelve-month period has been retained. However, the mechanism has changed fundamentally. In the original Bill, receiving foreign funding above this threshold required prior written ministerial approval, with no prescribed timeline for the Minister's decision, no deemed-approval mechanism, and no independent appeal body. Funds received without approval were liable to forfeiture to the State. In the Bill as passed, the blanket ministerial approval requirement has been replaced with a declaration regime: agents of foreigners must declare funds received above UGX 400 million rather than seek prior approval. An agent who obtains or receives funds exceeding UGX 400 million from a foreigner without declaring in accordance with the Act commits an offence punishable by up to 10 years imprisonment or a fine of Shs 2 billion, or both.
Banking Compliance Obligations	The original Bill required banks and financial institutions to verify that declarations and authorizations were in place before releasing funds, with civil penalties of up to approximately USD 1.06 million for non-compliance. The passed version retains obligations on financial institutions within the broader declaration framework, though the exemption of financial institutions from the scope of the Act may limit direct enforcement against banks.

Exemptions	Wide-ranging exemptions protect key sectors: financial institutions; academic and research bodies; health facilities; medical institutions; faith-based organizations; and individuals receiving funds for legitimate commercial or domestic purposes. Lawful financial flows are explicitly protected, including: diaspora remittances, foreign direct investment, portfolio investment, export proceeds, trade finance, commercial loans, humanitarian assistance, grants, concessional financing, and development assistance. Entities already regulated under existing laws (e.g., the NGO Act, the Anti-Money Laundering Act, the Companies Act) are also exempt to avoid regulatory duplication.
Economic Sabotage (Clause 13)	An agent of a foreigner who knowingly publishes false information or participates in disruptive acts that weaken, undermine, or damage the economic system commits the offence of economic sabotage. In the original Bill, this offence applied to "any person" (not just agents) and carried no intent requirement and no truth defence. As passed, the offence is restricted to agents of foreigners and requires proof of intent. Penalties: Shs 2 billion fine for legal entities; Shs 1 billion fine for individuals, or 10 years imprisonment, or both.
Penalties (General)	Maximum imprisonment reduced from 20 years in the original Bill to 10 years. Proof of intent (mens rea) is now required for all criminal provisions. Clearer definitions of offences have been introduced throughout.
Deleted Provisions	Several controversial provisions were removed entirely: (a) mandatory mental and physical health examinations for applicants; (b) inspection powers allowing the Minister to enter an agent's premises without a court order; (c) the Minister's power to declare any person, institution, or body a foreigner through statutory instrument; (d) the clause listing "employing, recruiting, engaging, sponsoring or contracting any person to promote the interests of foreigners" as a disruptive activity; (e) the clause allowing the Minister to exempt certain foreign funding to government institutions.
Ministerial Powers	Significantly scaled back. The power to declare any person a foreigner has been removed. Broad discretionary authority has been replaced with structured, rules-based mechanisms. Timelines and procedural safeguards have been introduced to ensure transparency and adherence to natural justice.
Unlawful Assembly	The Bill retains provisions prohibiting engagement in "unlawful" demonstrations or assembly, though in narrower form. Critics maintain this remains an overly broad interference with the constitutional right to freedom of assembly.
Constitutional Safeguards Inserted	Parliament inserted explicit safeguards stating that the law shall not restrict lawful foreign direct investment, portfolio investment, diaspora remittances, export proceeds, trade finance, commercial loans, humanitarian assistance, grants, concessional financing, and development assistance. These safeguards were added to address concerns raised by President Museveni, the Bank of Uganda, the Buganda Kingdom, and the World Bank.

3. What Changed: Original Bill vs. Bill as Passed

The Bill underwent what opposition MP Hon. Abdallah Kiwanuka estimated at up to 87 per cent amendment from the original text. The Attorney General proposed 18 formal amendments. The table below maps the key changes across the major provisions.

Provision	Original Bill (April 15)	Bill as Passed (May 5)	Extent of Change
Scope	Applied to "any person" in Uganda	Restricted strictly to agents of foreigners only	Fundamental narrowing. Universal application deleted entirely.
Definition of Foreigner	Included "a Ugandan citizen residing outside Uganda" alongside non-citizens, foreign governments, etc.	Excludes Ugandan citizens living abroad. Foreigner defined as non-citizens, foreign governments, diplomatic missions, foreign corporations, international organizations.	Major reversal. Diaspora Ugandans removed entirely.
Definition of Agent	Any person acting as agent, representative, employee or servant of a foreigner; or whose activities were supervised, directed, controlled, financed or subsidized by a foreigner.	A person who formally and knowingly acts for, or is financed by, a foreigner for the purpose of engaging in political activities that further the foreigner's interests. Requires intentionality.	Substantially narrowed. Passive or incidental association no longer captured. Intent requirement added.
Definition of Person	Broadly defined in the original text.	Deleted entirely. Replaced with clearer terms including defined "political activities."	Complete deletion and replacement.
Foreign Policy Definition	Not clearly defined.	"A policy developed by a foreigner and has not been adopted by Government."	New clarifying definition added.
Government Policy Definition	Not clearly defined.	"A statement, decision or actions of government on how a sector is regulated or governed issued in accordance with the Constitution and laws of Uganda."	New clarifying definition added.
Foreign Funding (Clause 22): Mechanism	Required prior written ministerial approval for foreign funding above UGX 400 million (~USD 106,000) per year. No timeline for Minister's decision. No deemed-approval. No appeal. Funds without approval forfeited to the State.	UGX 400 million threshold retained, but mechanism changed from prior approval to mandatory declaration. Agents must declare funds exceeding UGX 400 million. Failure to declare is an offence: 10 years imprisonment or Shs 2 billion fine, or both.	Major structural change. Threshold retained but mechanism transformed from permission-based to declaration-based. Reduces bottleneck but retains criminal exposure.
Banking Obligations	Banks required to verify declarations/authorizations before releasing funds. Civil penalties up to ~USD 1.06 million for non-compliance.	Financial institutions exempted from scope of the Act. Declaration obligations remain on agents. Exact enforcement mechanism against banks may be reduced.	Partially softened through institutional exemption, but declaration framework still engages financial system.
Ministerial Powers	Minister could declare any person a foreigner by statutory instrument. Broad discretionary authority over licensing, inspections, and approvals. Could exempt foreign funding to government institutions.	Power to declare foreigners removed. Exemption power removed. Discretionary authority replaced with structured, rules-based mechanisms with timelines and procedural safeguards.	Major curtailment. Ministerial discretion substantially reduced.
Penalties	Up to 20 years imprisonment. Broad offence definitions. No explicit intent requirement.	Maximum reduced to 10 years. Proof of intent (mens rea) required. Clearer offence definitions.	Penalties halved. Intent threshold added.

Economic Sabotage	Applied to "any person." No intent requirement. No truth defense. Criminalized publishing information that "weakens or damages the economic system." Up to 20 years.	Restricted to agents of foreigners. Intent ("knowingly") required. Redrafted with narrower language. Fines: Shs 2 billion (entities), Shs 1 billion or 10 years (individuals).	Narrowed and clarified. Still broad but less sweeping.
Inspections	Minister could inspect an agent's premises without a court order.	Warrantless inspection powers removed.	Complete removal.
Health Exams	Mandatory mental and physical health examinations required for applicants.	Provision deleted entirely.	Complete removal.
Recruitment Clause	"Employing, recruiting, engaging, sponsoring or contracting any person to promote the interests of foreigners" listed as a disruptive activity.	Clause deleted entirely.	Complete removal. Addresses fears that consultancy, partnerships, and employment linked to foreign-funded entities could be criminalized.
Exemptions	No explicit exemptions. Broad application risked capturing financial institutions, academia, health sector, religious bodies, commercial activities.	Wide-ranging exemptions: financial institutions, academic/research bodies, health/medical institutions, faith-based organisations, legitimate commercial activities, diaspora remittances, FDI, portfolio investment, trade finance, export proceeds, commercial loans, humanitarian aid, development assistance. Entities under existing regulation also exempt.	Sweeping new exemption architecture. Virtually all non-political foreign engagement protected.
Constitutional Safeguards	No explicit constitutional safeguards or carve-outs.	Explicit safeguards inserted: the law shall not restrict lawful FDI, portfolio investment, remittances, export proceeds, trade finance, commercial loans, humanitarian assistance, grants, concessional financing, development assistance.	Entirely new. Inserted to address concerns from President, BoU, Buganda, and World Bank.
Unlawful Assembly	Prohibited engaging in "unlawful" demonstrations or assembly broadly.	Retained in narrower form. Still controversial.	Partially narrowed but remains contentious.

4. Dissenting Views and Unresolved Concerns

Despite the extensive amendments, several Members of Parliament filed dissenting minority reports. The key objections raised on the floor were as follows:

Member of Parliament	Objection Raised
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Hon. Jonathan Odur (UPC, Erute County South)	Led the dissenting reports. Argued that 18 amendments were proposed by the Attorney General rather than the Bill's originator (Minister Muhoozi). Alleged that committee co-chairpersons were partial and that microphones of members opposed to the Bill were switched off during committee proceedings.
Hon. Wilfred Niwagaba (Ndorwa County East)	Argued that the Bill criminalizes free speech and infringes on Article 1 of the Constitution, which vests sovereignty in the people of Uganda, not in the state or the government.
Hon. Gilbert Olanya (Kilak South County)	Contended that the Bill fundamentally contradicts the Constitution and poses risks to civil liberties, the economy, and Uganda's global standing and international relationships.
Hon. Abdallah Kiwanuka (NUP, Mukono County North)	Estimated that up to 87 per cent of the Bill was amended, arguing that this exceeded the permissible threshold and effectively transformed it into a new piece of legislation requiring fresh introduction and public consultation.
Hon. Medard Ssegona (Busiro County East)	Argued that consultation was insufficient, with Parliament conducting the process within its precincts without broader public engagement across the country. Described the Bill as redundant in addressing any actual mischief, since existing laws already address the concerns cited.
Hon. Joel Ssenyonyi (Leader of the Opposition)	Raised a procedural concern on Clause 2 citing Rule 215(2) of the Rules of Procedure regarding minority reports. Questioned why minority report presenters were given less time. Cited a letter from the President reportedly disowning the Bill. Argued the extent of amendments effectively created a new piece of legislation, citing precedent where ministers had been told to withdraw heavily amended Bills.

Speaker's Ruling: Rt. Hon. Anita Among ruled that the amendments had not altered the object of the Bill, overruled the procedural objections, and proceeded to read the Bill for the Third Time.

5. Key External Submissions and Reactions

Stakeholder	Position / Concern
President Yoweri Museveni	Published a four-page letter on 30 April distancing himself from the Bill's broader provisions. Emphasized that Uganda runs a free economy where forex is bought and sold in privately run bureaus, calling this "the strength of the Ugandan economy." Stated the NRM "cannot countenance the interference with the freedom of movement of capital and money into or out of Uganda." Questioned whether the Bill before Parliament was the same one he initiated in Cabinet.
World Bank Group	Submitted to the Joint Committee (via the Clerk to Parliament) that the Bill in its original form "criminalizes core World Bank Group activities in Uganda." Acknowledged Uganda's sovereign right to legislate but warned of far-reaching consequences for development financing and operations.
Bank of Uganda	Viewed the Bill as a possible "macro-financial shock." The joint committee acknowledged a clash between the Finance Ministry's cost certificate (Shs 29.029 billion, deemed "technically compliant") and the central bank's assessment that

	broader risks to "financial sector stability, capital flows, and monetary policy effectiveness" were not captured in the Finance certificate.
Human Rights Watch	Described the Bill as emulating laws adopted by rights-abusing governments (notably Russia's foreign agents law) that have been deemed to violate international law by the UN Human Rights Committee and the European Court of Human Rights. Called it part of a broader campaign to clamp down on free expression and peaceful assembly in Uganda.
ARTICLE 19 Eastern Africa	Filed two parliamentary submissions. Concluded that the Bill is "irredeemably problematic" and called for its complete withdrawal. Argued it is not narrowly targeted at genuine foreign interference but broadly restricts constitutional rights to freedom of expression, association, and civic participation.
MUASA (Makerere University Academic Staff Association)	Submitted that the Bill would criminalize study abroad, collaborative research, exercise of academic freedom, publication, and discourse by academic staff. Warned it would stifle funding for research and training, calling this "a disastrous outcome for a university sector" dependent on international research partnerships.
ICNL (International Center for Not-for-Profit Law)	Highlighted eight key concerns, including the sweeping restrictions on the ability of individuals and organizations to work with or receive financial support from foreign partners.
ENS Africa (Law Firm Advisory)	Published a detailed legal analysis warning that the Bill's impact extends into "the heart of ordinary commercial activity, foreign investment, development finance and the exercise of fundamental rights." Noted the UGX 400 million threshold is exceptionally low for commercial transactions and would routinely be exceeded by single loan disbursements or capital injections.
Civil Society Joint Statement	A coalition of citizens demanded immediate withdrawal, arguing the Bill criminalizes remittances and civil liberties, dismantles constitutional safeguards, and centralizes power. Called on Parliament, the media, the diaspora, the private sector, and development partners to collectively oppose the Bill.
Buganda Kingdom	Raised concerns that contributed to the insertion of constitutional safeguards protecting lawful financial flows, including FDI, remittances, and development assistance.

6. Assessment: Extent of Change from Original Text

By any measure, the Bill as passed on 5 May 2026 is a substantially different document from the one tabled on 15 April. The amendments were extensive, touching virtually every major provision. The following assessment captures the nature and degree of the transformation:

Dimension	Assessment	Degree of Change
Scope of Application	Fundamentally narrowed from universal ("any person") to agent-specific	Radical

Definition of Foreigner	Diaspora exclusion reverses the most controversial original provision	Radical
Definition of Agent	Intent requirement and political-activity focus substantially narrow exposure	Major
Definition of Person	Deleted entirely and replaced with precision terminology	Complete removal
Policy Definitions	Foreign policy and government policy now explicitly defined	New clarifying provisions
Foreign Funding (UGX 400m)	Threshold retained but mechanism transformed from prior approval to declaration. Criminal exposure remains for non-declaration.	Major structural change (threshold same, mechanism different)
Banking Obligations	Financial institutions exempted from scope, but declaration framework still engages financial system	Partially softened
Ministerial Discretion	Broad powers curtailed; declaration of foreigners, exemption powers, and warrantless inspections all removed	Major curtailment
Penalties	Halved (20 to 10 years); intent now required for all offences	Significant
Exemptions	Entirely new exemption architecture covering finance, academia, health, faith-based organizations, trade, remittances, FDI, humanitarian aid, development assistance	Radical (new)
Constitutional Safeguards	New explicit protections for lawful financial flows inserted at the insistence of President, BoU, Buganda, and World Bank	Radical (new)
Removed Provisions	Health examinations, warrantless inspections, ministerial power to declare foreigners, recruitment clause all deleted	Complete removal (4 provisions)
Economic Sabotage	Redrafted: restricted to agents, intent required. Still broad; committee itself warned of "chilling effect"	Moderate
Political Activities	New defined term introduced; still broad and potentially contentious	New provision

Unlawful Assembly	Narrowed but retained; remains controversial	Minor
Overall Estimate	Opposition estimated 87% amended. Government acknowledged amendments were "sweeping." Bill passed on NRM numerical dominance.	Substantial to near-total transformation of original text

7. Concluding Observations

The Protection of Sovereignty Bill, 2026 as passed at Third Reading on 5 May 2026 is materially different from the version tabled three weeks earlier. The amendments addressed many of the most alarming provisions of the original text, particularly the classification of diaspora Ugandans as foreigners, the blanket ministerial approval regime for foreign funding, the warrantless inspection powers, the mandatory health examinations, and the broad scope that would have captured ordinary commercial, academic, religious, and civil society engagement with foreign entities.

The UGX 400 million foreign funding threshold remains a significant feature of the law. While the shift from prior ministerial approval to a declaration regime reduces the bureaucratic bottleneck and the risk of arbitrary ministerial delay, the threshold itself remains low by commercial standards. A single foreign loan disbursement, grant, capital injection, or development programme funding tranche would routinely exceed it. For agents of foreigners who fail to declare, the penalties are severe: up to 10 years imprisonment or a Shs 2 billion fine. How the declaration regime will be administered in practice, and whether it will create a de facto permission system through delayed or contested declarations, remains to be seen.

The definition of "political activities" remains broad, encompassing actions aimed at influencing legislation, policy, government decision-making, elections, and ideologies deemed inconsistent with the Constitution or cultural norms. The offence of economic sabotage, while narrowed, still carries heavy penalties and could, depending on implementation, exert a chilling effect on journalism, advocacy, and critical research. The joint committee itself acknowledged this risk. The licensing regime for agents of foreigners introduces a layer of state gatekeeping that will require careful administration to avoid abuse.

The procedural questions raised by the opposition, particularly whether the volume of amendments (estimated at 87 per cent) effectively transformed the Bill into a new piece of legislation, remain unresolved. The Speaker's ruling that the amendments did not alter the object of the Bill settled the matter procedurally but not necessarily constitutionally. This question may resurface if the Act is challenged in court, particularly given the precedent cited by Hon. Ssenyonyi where heavily amended Bills were withdrawn.

The Bill now awaits Presidential assent. Given President Museveni's public letter distancing himself from the original version, his explicit defence of the freedom of movement of capital, and

the substantial amendments Parliament introduced, the question of whether the President will sign the Bill, return it with objections, or allow it to lapse will be the next critical juncture. The passage of the Bill under tight military and police security, the heated debate, and the deep divisions it exposed within both the ruling party and the opposition suggest that its legislative journey may be far from over.