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**BILLS****SUPPLEMENT No. 5****25th March, 2025****BILLS SUPPLEMENT***to The Uganda Gazette No. 25, Volume CXVIII, dated 25th March, 2025*Printed by UPPC, Entebbe, by Order of the Government.

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**Bill No. 8***Value Added Tax (Amendment) Bill***2025****THE VALUE ADDED TAX (AMENDMENT) BILL, 2025****MEMORANDUM**

The object of this Bill is to amend the Value Added Tax Act, Cap. 344, to provide for the anti-fragmentation rule for imported goods; to exempt biomass pellets and solar lanterns from Value Added Tax; to zero rate the supply of aircraft; to prescribe the United Nations related Agencies and specialised Agencies as listed institutions and for related matters.

**MATIA KASAIJA, (MP)***Minister of Finance, Planning and Economic Development*



**A Bill for an Act****ENTITLED****THE VALUE ADDED TAX (AMENDMENT) ACT, 2025**

**An Act to amend the Value Added Tax Act, Cap. 344, to provide for anti-fragmentation rule for imported goods; to exempt biomass pellets and solar lanterns; to zero rate the supply of aircrafts; to list the United Nations related Agencies and specialised Agencies as listed institutions and for related matters.**

**BE IT ENACTED** by Parliament as follows:

**1. Commencement**

This Act shall come into force on 1st July, 2025.

**2. Amendment of Value Added Tax Act**

The Value Added Tax Act, in this Act referred to as the principal Act, is amended in section 47, by inserting immediately after subsection (1) (a), the following—

“(ab) an importer imports goods under separate consignments, which if aggregated would qualify the importer to be registered under this Act;”

**3. Amendment of Schedule 2 to principal Act**

The principal Act is amended in Schedule 2—

- (a) by inserting immediately after “United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)” the following—

“United Nations related Agencies and specialised Agencies;” and

- (b) by substituting for the words “International Atomic Agency (IAA)” the words “International Atomic Energy Agency (IAEA)”.

#### **4. Amendment of Schedule 3 to principal Act**

Schedule 3 to the principal Act is amended in paragraph 1—

- (a) by substituting for subparagraph (v) the following—

“(v) the supply of deep cycle batteries, solar lanterns and raw materials for the manufacture of deep cycle batteries and solar lanterns;”;

- (b) by substituting for subparagraph (ai), the following—

“(ai) the supply of wet processing operations and garmenting, cotton lint, artificial fibres for blending, polyester staple fibre, viscose rayon fibre, yarn, other than cotton yarn, textile dyes and chemicals, garment accessories, textile machinery spare parts, industrial consumables for textile production, textile manufacturing machinery and equipment;”;

- (c) by repealing subparagraph (ak); and

- (d) by inserting immediately after subparagraph (az), the following—

“(ba) the supply of biomass pellets”.

#### **5. Amendment of Schedule 4 to principal Act**

Schedule 4 to the principal Act is amended in paragraph 1 by inserting immediately after subparagraph (i), the following—

“(j) the supply of aircraft;”.