



# Tax Alert

## Payment of Stamp Duty on Agreements

On Tuesday, 21 January 2025, Uganda Revenue Authority (URA) issued a public notice informing all its clients and general public to pay Stamp Duty on agreements executed or received in Uganda as provided under the Stamp Duty Act. These agreements include sale agreements, purchase agreements, rental agreements, employment contracts, loan agreements, among others.

The notice further informs the public that a person who executes an agreement without payment of stamp duty commits an offence and is liable, on conviction, to a fine not exceeding 100 currency points (an equivalent of UGX. 2,000,000) or imprisonment for a term not exceeding six months or both in accordance with the Stamp Duty Act.

Recently, URA has increasingly conducted Stamp Duty audits on various taxpayers to identify non-compliance with the requirements of the Stamp Duty Act. These audits have been stretched as far back as 2014 and several non-compliant taxpayers have been issued with stamp duty assessments.

### What this means to you

URA will increasingly target taxpayers (individuals, companies, insurance companies, financial institutions, among others) to establish whether stamp duty was paid on all the agreements they executed in Uganda or received in Uganda.



Taxpayers should conduct assessments of their records to establish where they stand in regard to compliance with the Stamp Duty Act to avoid any penalties or audits from URA. Any agreements on which no stamp duty was paid should be presented to the URA or Uganda Registration Services Bureau for Stamping.

KPMG Uganda is available to assist with any matters that may arise as a consequence of the above and advise further.

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