

IGG orders URA to recover Shs40b from gold exporters

GOLD EXPORTS

Bank of Uganda data indicates that gold contributed over 4 percent of the country's total exports in FY2023/2024 financial year. Figures further show that gold exports increased from 2,118kg in June 2014 to 48,620kg in June 2024.

the country.

Between July 2021 and March 2023, gold valued at Shs12 trillion was exported under the Mining and Minerals Act, 2021, which was repealed by the Mining Act, 2023.

However, the IGG noted that no taxes were paid on gold exports between January 2020 and June 2021 due to a presidential directive that waived the payment of the 5 percent levy on refined gold and 1 percent fees on imports of unrefined gold.

On March 7, 2023, the Energy minister requested URA to halt the implementation of the Mining and Mineral (Export Levy on Refined Gold) Regulations 2023, thereby creating a gap, as there was no applicable levy on gold exports from that period going forward.

This saw the gold refineries filing a civil suit No. 0092 of 2023 challenging the implementation of the Mining and Mineral (Export Levy on Refined Gold) Regulations 2023, alleging that it contravened Article 152 (1) of the Constitution and Section 172 (1) and 2 of the East African Community Customs Management Act, 2004.

URA could not collect the gold export levy from gold dealers in 2023 because of the case.

In May 2024, the Energy minister issued Statutory Instrument No. 30 of 2024, the Mining and Minerals Regulations, 2024, which stipulated a levy of \$200 (about Shs709,120) per kilogramme of exported gold.

The ombudsman added that although some efforts were made to recover the arrears, some taxpayers asked the Finance ministry to allow payment in instalments, while others formally objected to the tax assessments.

Efforts to obtain a comment from Mr Robert Kalumba, the spokesperson of URA, on whether they will heed the IGG's directive and collect the gold taxes within 60 days, were futile by press time. Our repeated calls to his known number were unanswered by press time.