

## CHAPTER 101

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## CHAPTER 101

### THE TRADE (LICENSING) ACT.

*Commencement:* 31 December, 1969.

**An Act to amend and consolidate the law relating to trading and other matters connected therewith.**

*Interpretation.*

#### **1. Interpretation.**

In this Act, unless the context otherwise requires—

- (a) “general business area” means an area of any city, municipality or town declared under section 3 to be a general business area for the purposes of this Act;
- (b) “hawker” means a person who, whether on his or her own account or as the servant of another person, sells goods by retail other than in trading premises or in a market established under the Markets Act;
- (c) “Minister” means the Minister to whom functions under this Act are assigned;
- (d) “owner” includes occupier;
- (e) “prescribed” means prescribed by regulations made by the Minister under this Act;
- (f) “sell”, with its grammatical variants and cognate expressions, includes to offer for sale and to expose for sale and their grammatical variants and cognate expressions;
- (g) “sell goods wholesale” means to sell goods to a person or the servant of the person who is reasonably believed by the seller to intend to resell the goods by retail;
- (h) “trade” or “trading” means the selling of goods for which a licence under this Act is required, in any trading premises, whether by retail or wholesale;
- (i) “trading premises” includes any structure attached to the land, whether of a permanent or temporary nature, except a market established under the Markets Act, in which trade is carried on;
- (j) “travelling wholesaler” means a person who, whether on his or her own account or as the servant of another person, sells goods by wholesale other than in trading premises.

*Trading centres.*

**2. Declaration of trading centres.**

(1) The Minister responsible for local administrations and urban authorities may, by statutory order—

- (a) declare any specified area in Uganda, other than an area declared a trading centre by an administration of a district, to be a trading centre for the purposes of this Act;
- (b) assign a name to the trading centre;
- (c) define the boundaries of the trading centre;
- (d) alter the boundaries of any trading centre;
- (e) declare that any trading centre shall cease to be a trading centre.

(2) Any trading centre declared by an administration of a district before the coming into operation of this Act which has not ceased to be a trading centre shall be deemed to be a trading centre for the purposes of this Act.

(3) Subject to subsection (4), no person may erect any shop or carry on any trade in a shop in any area within a radius of two miles outside the boundary of any trading centre.

- (4) The prohibition contained in subsection (3) shall not apply—
  - (a) to any shop or store which at the commencement of this Act is situated in any area within a radius of two miles outside the boundary of any trading centre; or
  - (b) to any trade specified in section 8(2).

(5) For the avoidance of doubt, it is declared that, notwithstanding any other provision in any written law to the contrary, on and after the coming into force of this Act, the power to declare any area of Uganda to be a trading centre shall be exercised only by the Minister responsible for local administrations and urban authorities.

*Restriction on trade.*

**3. Declaration of business areas and trading centres.**

The Minister may, from time to time, by statutory order, declare—

- (a) any area of any city, municipality or town or any part of that area to be a general business area for the purposes of this Act;
- (b) any trading centre to be an area in which a person who is not a citizen of Uganda is prohibited from trading.

#### **4. Declaration of specified goods.**

The Minister may, from time to time, by statutory order, declare any particular goods or goods of any particular class to be specified goods for the purposes of this Act.

#### **5. Restriction on trading by noncitizens in certain areas and goods.**

(1) Subject to subsection (3), it shall not be lawful for any person who is not a citizen of Uganda—

- (a) to trade outside any city, municipality or town;
- (b) to trade in any trading centre in respect of which an order made under section 3(b) is in force;
- (c) to trade in any area of any city, municipality or town which has not been declared, under section 3, a general business area; or
- (d) to trade in specified goods which are not endorsed on his or her licence.

(2) Subject to subsection (3), it shall not be lawful for any person—

- (a) who is a citizen of Uganda to trade either directly or indirectly on behalf of any person who is not a citizen of Uganda whether under a licence granted to that citizen of Uganda or in any other way; or
- (b) who is not a citizen of Uganda to engage or allow a person who is a citizen of Uganda to trade either directly or indirectly on his or her behalf, whether under a licence granted to that citizen of Uganda or in any other way,

in any area or goods in which that person is, under this Act, prohibited from trading.

(3) Subsections (1) and (2) shall not apply to a company or a firm composed partly of persons who are citizens of Uganda and partly of persons who are not citizens of Uganda if the company or, in the case of a firm, its firm name, was registered as such in Uganda on or before the first day of January, 1969.

**6. Date of commencement of an order under section 3 or 4.**

An order made under section 3 or 4 shall specify the date on which it shall come into force, so however, that that date shall not be more than six months commencing with the date of the publication of the order in the Gazette.

**7. Offences and penalties.**

Every person who contravenes any provision of section 5 commits an offence and is liable to a fine not exceeding ten thousand shillings or to a term of imprisonment not exceeding twelve months or to both.

*Trading licence.*

**8. Trading prohibited without a trading licence.**

(1) Subject to subsection (2), no person shall trade in any goods or carry on any business specified in the Schedule to this Act unless he or she is in possession of a trading licence granted to him or her for that purpose under this Act.

- (2) No trading licence shall be required in any event for—
- (a) the trade of a planter, farmer, gardener, dairyperson or agriculturist in respect of the sale of his or her own dairy or agricultural produce;
  - (b) the trade of a person in respect of goods bona fide made by him or her by his or her handicraft in or on any premises where he or she normally resides, or by the handicraft of persons normally residing with him or her or who are his or her employees or members of his or her family;
  - (c) the trade carried on in any market established under the Markets Act;
  - (d) the sale of tobacco, cigarettes, newspapers, books, nonintoxicating liquor or playing cards by the management of a proprietary or members club to its members in the club premises;
  - (e) any other trade which the Minister may, by statutory instrument, declare to be a trade for which no trading licence is required under this Act; or
  - (f) any trade or business in respect of which a separate licence is required by or under any written law.

## **9. Licensing authority.**

For the purposes of granting a trading licence or hawkers licence under this Act—

- (a) in any city, municipality or town, other than an administration town, the licensing authority shall be the town clerk of the respective council;
- (b) in any area, other than the areas specified in paragraph (a), the licensing authority shall be such person as may be appointed for that purpose by the appropriate administration of a district.

## **10. Application for trading licence.**

(1) An application for a trading licence shall be made, on such form as may be prescribed, to the appropriate licensing authority.

(2) Any person who makes any statement in his or her application for a trading licence which is to his or her knowledge untrue commits an offence and is liable on conviction to a fine not exceeding five thousand shillings or to a term of imprisonment not exceeding twelve months or to both.

(3) Where a person is convicted of an offence under this section, the court by or before which he or she is convicted may, in addition to any penalty that it may impose, order that the trading licence of that person shall be revoked or that the person shall be disqualified from holding any trading licence under this Act for such period as the court may specify in the order.

## **11. Grant of trading licence.**

(1) Subject to this Act, a licensing authority may, on application made to it in the prescribed manner and on payment of the appropriate fee specified in the Schedule to this Act, grant to the applicant a trading licence.

- (2) A trading licence—
  - (a) shall be in the prescribed form;
  - (b) shall be granted subject to such conditions as may be prescribed; and
  - (c) shall specify the premises in respect of which it is granted.

(3) The licensing authority may refuse to grant a trading licence under this section without assigning any reason for the refusal, and may

revoke any licence granted under this section if it is satisfied that any of the terms and conditions upon which the licence was granted has been contravened.

(4) Any applicant who is aggrieved by the refusal of the licensing authority to grant him or her a trading licence may appeal to the Minister whose decision shall be final.

## **12. Disqualifications for holding a trading licence.**

A licensing authority shall not issue a trading licence to any person—

- (a) who is disqualified from holding a trading licence under an order made by the court under section 10(3), or under the corresponding provisions of the Act repealed by this Act;
- (b) who has not attained the apparent age of eighteen years unless that person undertakes, to the satisfaction of the licensing authority, to trade in partnership with one or more persons all of whom have attained the apparent age of eighteen years; or
- (c) if the granting of the licence contravenes any other provision of any written law.

## **13. Duration of trading licence.**

Unless earlier revoked, a trading licence granted under this Act in respect of any year shall expire on the thirty-first day of December of that year.

## **14. Exhibition of trading licence.**

Every holder of a trading licence shall keep his or her licence exhibited in a conspicuous place of his or her trading premises.

## **15. Inspection of trading licence.**

(1) Any administrative officer, police officer, licensing authority, or any person authorised in writing by the licensing authority, may at all reasonable times enter—

- (a) any trading premises in respect of which a trading licence has been granted for the purpose of inspecting the trading licence and of satisfying himself or herself that the provisions of this Act are being complied with; or
- (b) any premises in respect of which a trading licence has not been

granted under this Act but in which he or she has reasonable grounds to believe there is carried on a trade for which a trading licence is required under this Act,  
and may require the owner of the premises to furnish him or her with any information he or she may deem necessary.

(2) The owner of any premises to which subsection (1) applies shall provide all necessary assistance and furnish all necessary information as any administrative officer, police officer, licensing authority or a person authorised in writing by the licensing authority may deem necessary for the discharge of his or her duties under that subsection.

(3) Any person who obstructs or hinders, or knowingly makes a false declaration or gives any false information to any administrative officer, police officer, licensing authority or a person authorised in writing by the licensing authority in the performance of his or her duties under subsection (1) commits an offence and is liable on conviction to a fine not exceeding two thousand shillings or to a term of imprisonment not exceeding six months or to both.

*Hawkers licence.*

**16. Grant of hawkers licence.**

(1) No person shall act as a hawker unless he or she is in possession of a valid hawkers licence granted to him or her for that purpose by the licensing authority.

(2) A licensing authority may, on application made to it in the prescribed manner and on payment of the appropriate fee specified in the Schedule to this Act, grant to the applicant a hawkers licence.

(3) A hawkers licence shall be in such form as may be prescribed and shall be granted subject to such conditions as to—

- (a) the kind of goods which may be hawked;
- (b) the area within which the hawking shall be restricted;
- (c) the hours during which the goods may be hawked, and such other conditions as the licensing authority may think fit to impose.

(4) Where any person employs a servant to hawk goods on his or her behalf, he or she shall take out, in his or her own name, a licence to be

carried by the servant when so employed; and where it is desired that more servants than one shall be so employed, an additional licence shall be taken out in respect of each additional servant.

(5) Subject to subsection (6), no hawkers licence shall be required in respect of any person who acts as a hawker of—

- (a) fish, poultry, vegetables, eggs, fruit, victuals, firewood or newspapers;
- (b) any goods bona fide made by his or her handicraft in or on any premises where he or she normally resides or by the handicraft of persons residing with him or her or who are his or her employees or members of his or her family;
- (c) any other goods which the Minister may, by statutory instrument, declare to be goods which may be hawked without a hawkers licence under this Act.

(6) Nothing in subsection (5) shall apply or be deemed to apply to any city, municipality or town established under the Local Governments Act, and nothing in that subsection shall be deemed to override the provisions of the Markets Act.

(7) A licensing authority may refuse to grant a hawkers licence under this section without assigning any reason for the refusal, and may revoke any hawkers licence granted under this section if it is satisfied that any of the terms and conditions upon which the hawkers licence was granted has been contravened.

(8) Any applicant who is aggrieved by the refusal of the licensing authority to grant him or her a hawkers licence may appeal to the Minister whose decision shall be final.

#### **17. Duration of hawkers licence.**

Unless earlier revoked, a hawkers licence granted under this Act in respect of any year shall expire on the thirty-first day of December of that year.

#### **18. Hawkers licence not transferable.**

A hawkers licence granted under this Act shall be personal to the holder of the licence and shall not be transferable.

**19. Production of hawkers licence on demand.**

Every person who holds a hawkers licence granted to him or her under this Act shall carry his or her licence with him or her at all times while he or she is acting as a hawker, and shall produce the licence for inspection on the demand of any administrative officer, police officer or any person authorised in writing by the licensing authority.

*Travelling wholesalers licence.*

**20. Travelling wholesalers licence.**

(1) No person shall act as a travelling wholesaler unless he or she is in possession of a travelling wholesalers licence granted to him or her for that purpose under this Act.

(2) For the purpose of granting a travelling wholesalers licence, the licensing authority shall be such person as the Minister may, by statutory instrument, appoint.

(3) The licensing authority may, on application made to it in the prescribed manner and on payment of the appropriate fee specified in the Schedule to this Act, grant to the applicant a travelling wholesalers licence.

(4) A travelling wholesalers licence shall be in such form as may be prescribed and shall be granted subject to such conditions as the licensing authority may deem fit to impose.

(5) In addition to any condition which the licensing authority may impose under subsection (4), every travelling wholesalers licence shall be subject to the condition that the holder of the licence shall not sell, or permit the sale of, goods by retail.

(6) The licensing authority may issue a travelling wholesalers licence either generally, or in respect of any part of Uganda.

(7) A travelling wholesalers licence granted under this Act shall be personal to the holder of the licence and shall not be transferable.

(8) The licensing authority may refuse to grant a travelling wholesalers licence under this section without assigning any reason for the

refusal, and may revoke any travelling wholesalers licence granted under this section if it is satisfied that any of the terms and conditions upon which the travelling wholesalers licence was granted has been contravened.

(9) Any applicant who is aggrieved by the refusal of the licensing authority to grant him or her a travelling wholesalers licence may appeal to the Minister whose decision shall be final.

**21. Duration of travelling wholesalers licence.**

Unless earlier revoked, a travelling wholesalers licence granted in respect of any year shall expire on the 31st day of December of that year.

**22. Travelling wholesalers servant.**

Where a person holding a travelling wholesalers licence employs a servant to act as a travelling wholesaler on his or her behalf, he or she shall take out, in his or her own name, a licence to be carried by the servant when acting as a travelling wholesaler and, when it is desired that more servants than one shall be so employed an additional licence shall be taken out in respect of each additional servant.

**23. Production of travelling wholesalers licence on demand.**

Every person who holds a travelling wholesalers licence, including every servant of that person, shall carry his or her licence with him or her at all times while he or she is acting as a travelling wholesaler, and shall produce the licence for inspection on the demand of any administrative officer, police officer or any person duly authorised in writing by the licensing authority.

*General.*

**24. Issue of duplicate licence.**

Where a licensing authority is satisfied that any licence granted under this Act has been lost or destroyed, the licensing authority which granted the licence shall, on application made to it and on payment of the fee prescribed in the Schedule to this Act, issue a duplicate of the licence to the applicant.

## **25. Transfer of licence.**

(1) Subject to this Act, any holder of a licence granted under this Act, except a hawkers or travelling wholesalers licence, may make an application for the transfer of his or her licence; and, on payment of the appropriate fee specified in the Schedule to this Act, the licensing authority may transfer the licence to any other fit and proper person—

- (a) in respect of the same trade; or
- (b) in respect of a trade different from that in respect of which it was originally granted,

and shall endorse the particulars of any such transfer on the licence.

(2) Notwithstanding subsection (1), the licensing authority may refuse to transfer a licence under this section without assigning any reason for the refusal.

(3) Any applicant who is aggrieved by the refusal of the licensing authority to transfer his or her licence may appeal to the Minister whose decision shall be final.

## **26. Books of account.**

(1) Subject to subsection (5), every person holding a licence granted under this Act shall keep or cause to be kept such books of account as are sufficient to show the true financial position of his or her trade at any time.

(2) Any person who contravenes subsection (1) commits an offence and is liable to a fine not exceeding two thousand shillings or to a term of imprisonment not exceeding six months or to both.

(3) Any licensing authority or police officer of or above the rank of assistant inspector may, if satisfied that a person holding a licence granted under this Act is not complying with subsection (1), apply to a magistrate's court presided over by a chief magistrate or a magistrate grade I for an order that the books of account of that person shall be examined, and the court may, on being satisfied that there are reasonable grounds for suspecting that the provisions of subsection (1) are not being complied with, make an order for the examination of the books either by the person making the application or by some other fit and proper person appointed by the court.

(4) Where an examination of any books of account is ordered under

subsection (3) and the books are kept in any language other than English, the court may order that the books shall be translated into English; the cost of translation of the books of account shall be borne by the holder of the licence.

(5) This section shall only apply to a person holding a licence where the maximum selling value of his or her goods on hand at any time during the currency of his or her licence exceeds five thousand shillings.

## **27. Endorsement and revocation of licence.**

(1) Any person holding a trading, hawkers or travelling wholesalers licence who is convicted of giving short change, short measure or weight, in addition to any penalty to which he or she may otherwise be liable, on a first conviction is liable to have the conviction endorsed on his or her licence by the court and on a second or subsequent conviction whether for the same or any other offence under this Act, is liable to have his or her licence revoked by the court.

(2) Where any licence is endorsed under this section, any subsequent licence of the same kind issued to the holder of the licence shall be similarly endorsed.

## **28. General penalty.**

(1) Any person who contravenes or fails to comply with any provision of this Act or with any condition of any licence issued to him or her under this Act, commits an offence and is liable on conviction, where no other penalty is specifically provided, to a fine not exceeding one thousand shillings, and in addition to that penalty the court by or before which that person is convicted may, in its discretion, revoke any licence granted to him or her under this Act.

(2) Where a person charged with an offence against this Act is a body corporate, every person who, at the time of the commission of the offence, was a director or officer of the body corporate may be charged jointly in the same proceedings with the body corporate, and where the body corporate is convicted of that offence, every such director or officer shall be deemed to have committed the same offence unless he or she proves that the offence was committed without his or her knowledge or that he or she exercised all due diligence to prevent the commission of the offence.

## **29. Regulations.**

The Minister may, by statutory instrument, make Regulations—

- (a) prescribing the forms to be used under this Act;
- (b) for the classification of any trade or class of trade in relation to any licence to be granted under this Act; or
- (c) prescribing any matter required to be prescribed under this Act.

## **30. Licence fees.**

(1) The fees specified in the Schedule to this Act shall be payable on the issue of a licence in the areas set out in the Schedule in respect of the various trades specified in that Schedule.

(2) For the purposes of determining the fees payable in any city, municipality or town, the Minister shall, by statutory order, divide the area of any city, municipality or town into two grades.

(3) The Minister may, by statutory instrument, amend the Schedule to this Act.

(4) The Minister may, in respect of any person, reduce any fee payable under this Act if, in his or her opinion, the reduction is desirable for any reason which may seem to the Minister to be sufficient.

- (5) Any fees collected in respect of—
  - (a) trading licences, hawkers licences, transfers and duplicates of those licences, shall, where the licences are granted by—
    - (i) a district administration, be credited to the revenues of the appropriate district administration;
    - (ii) the town clerk, be credited to the revenues of the appropriate municipal or town council;
  - (b) licences and duplicates of licences other than licences specified in paragraph (a), where the licences are granted by the Government, shall be paid into the Consolidated Fund.

## **31. Exemption.**

The Minister may, by statutory order, and subject to such conditions, if any, as may be specified in the order, exempt any trade or class of trades or any

person or class of persons either generally or in respect of any area, from the operation of all or any of the provisions of this Act.

### **32. Presumptions.**

(1) Where, for the purposes of this Act, there is reasonable doubt whether a person is a citizen of Uganda, the burden of proof shall be upon that person.

(2) For the purposes of this Act, a “company” whether incorporated in Uganda or not and a “firm” the firm name of which is registered in Uganda, shall be regarded as a citizen of Uganda if in the case of a company, more than 50 percent of its share capital, or in the case of a firm, more than 50 percent of its partnership property, is held by or on behalf of persons who are citizens of Uganda; and a statutory declaration made by a director, partner or other person responsible for the management of that company or firm that to the best of his or her knowledge and belief more than 50 percent of the share capital of the company or more than 50 percent of the partnership property of the firm, is so held, shall be prima facie evidence that it is so held.

### **33. Licences required under other Acts.**

Nothing in this Act shall be construed so as to entitle the holder of any licence granted under this Act to sell any article or substance for the sale of which a separate licence is required by any written law for the time being in force.

### **34. Savings.**

Notwithstanding the repeal of the Trading Act—

- (a) any trading centre established or deemed to have been established under the Trading Act, and which has not ceased to be a trading centre immediately before the commencement of this Act, shall be deemed to have been established under the corresponding provisions of this Act;
- (b) any rules, appointments, directions or other statutory instruments and acts lawfully done under that Act and in force immediately before the commencement of this Act shall be deemed to have been made under the corresponding provisions of this Act and shall, to the extent that they are not inconsistent with such provisions, continue to have effect.

*Schedule.*

ss. 8, 11, 16,  
20, 24, 25, 30.

**Licence fees.**

*Part A.*

Trade	Licence fees				Other areas
	Municipality		Town		
Business or trade	Grade I shs.	Grade II shs.	Grade I shs.	Grade II shs.	shs.
Retailers	2,500	1,500	1,500	1,000	450
Wholesalers	3,500	2,500	2,500	1,500	500
For commission agent, indenting agent, manufacturer's representative, management consultant, insurance broker, estate agent	2,000	2,000	2,000	2,000	2,000
Motor vehicle repairers	5,000	3,500	3,500	2,500	1,500
Hawkers	1,000	1,000	500	500	250
Duplicate licence	100	100	100	100	50
Transfer of licence	100	10	50	50	25

Travelling wholesalers:

- (a) countrywide 2,500
- (b) one district 500

*Part B.*

Trade	Licence fees	
	For operating within one district shs.	For operating in more than one district shs.
Trade or business		
Travelling wholesalers	100	500
Duplicate licence	5	20
For insurance agent	50	50
Duplicate licence	5	5

*Part C.*

Trade	City Council of Kampala			
	Grade I shs.	Grade II shs.	Grade III shs.	Others shs.
Business or trade				
Retailers	35,000	20,000	—	—
Wholesalers	100,000	60,000	—	—
Workshop	50,000	30,000	—	—
Garages	150,000	100,000	50,000	—
Tailors	35,000	15,000	—	—
Hawkers	35,000	—	—	—
Direct import and export agent	—	—	—	80,000
Land and estate agent	—	—	—	50,000
Clearing and forwarding	—	—	—	150,000
Manufacturer's representative	—	—	—	100,000
Commission agent	—	—	—	50,000
Office	—	—	—	50,000
Business consultants	—	—	—	50,000
Legal firms	—	—	—	50,000
Auditors and accountants	—	—	—	50,000
Income tax consultants	—	—	—	50,000

Trade	City Council of Kampala			
	Grade I shs.	Grade II shs.	Grade III shs.	Others shs.
Business or trade				
Clinics and maternity houses	20,000	10,000	—	—
Surveyors, engineers and valuers	—	—	—	50,000
Pharmacy	50,000	20,000	—	—
Nursing clinic	—	—	—	10,000
Driving schools	—	—	—	50,000
Commercial secretarial schools and colleges	—	—	—	50,000
Nursery school	30,000	20,000	—	—
Private primary school	—	—	—	50,000
Private senior secondary school	—	—	—	50,000
Printing/publishing house	150,000	75,000	—	—
Contractors	200,000	150,000	—	—
Security guards	—	—	—	20,000
Insurance broker	—	—	—	50,000
Duplicate or transfer of licence—				
(a) duplicate licence	—	—	—	2,000
(b) transfer licence	—	—	—	2,000
Application forms for a licence	—	—	—	1,000
Registration card	—	—	—	500

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**History:** Act 14/1969; S.I. 145/1969; S.I. 206/1969; S.I. 8/1983; S.I. 17/1990.

### Cross References

Local Governments Act, Cap. 243.

Markets Act, Cap. 94.

Trading Act, 1964 Revision, Cap. 100.

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