

LEGAL ALERT



MANDATORY E-INVOICING & E-RECEIPTING IN UGANDA

Overview:

The Uganda Revenue Authority (URA) issued General Notice No.2218 of 2025 outlining the mandatory requirement for businesses in Uganda to issue electronic invoices (e-invoices) and electronic receipts (e-receipts) through URA's Electronic Tax Invoice and Receipting System effective 1st July 2025.

The Notice expands the mandatory use of e-invoicing and e-receipting to twelve (12) key sectors including:

1. Wholesale and retail of fuel,
2. Mining and quarrying,
3. Manufacturing,
4. Electricity, gas, steam and air conditioning supply,
5. Water supply, sewerage, waste management and remediation activities,
6. Construction,
7. Transportation and storage,
8. Accommodation and food services activities,
9. Information technology and communication,
10. Real estate activities,
11. Professional, scientific and technical activities, and
12. Arts, entertainment and recreation.

This mandate aims to enhance tax compliance, reduce revenue leakages, improve overall efficiency in the tax collection processes and reduce tax disputes.

Implications:

Non-compliance could lead to the following penalties:

- a. Failure to use the electronic fiscal device, or to issue an e-invoice/ e-receipt or tampering with the electronic fiscal device attracts a penal tax equal to double the tax

due on goods or services.

- b. Any person who attempts to acquire or acquires an electronic device that is not linked to the centralised invoicing and receipting system or authenticated by URA is liable, on conviction, to pay a fine not exceeding 300 currency points (UGX 6,000,000) or imprisonment not exceeding three (3) years, or both.
- c. The non-compliant businesses also risk suspension of their licences until compliance is achieved.

Conclusion:

We urge all businesses in the affected sectors to act promptly to ensure compliance by:

- i. Ensuring that the invoicing systems are URA compliant.
- ii. Training the finance and compliance teams on the new requirements.
- iii. Seeking clarification from URA if unsure about the implementation.

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This alert provides general information only and does not constitute legal advice. KTA Advocates has made every effort to ensure the accuracy of the information presented. However, the legal landscape can be complex, and this article should not be taken as a substitute for personalized legal counsel. For specific guidance regarding tax and compliance, we strongly encourage you to contact a qualified Ugandan attorney.

Please feel free to reach out to KTA Advocates at corporate@ktaadvocates.com to discuss your specific needs.

