

Telephone : 256 41 4707 000  
: 256 41 4232 095  
Fax : 256 41 4230 163  
: 256 41 4343 023  
: 256 41 4341 286  
Email : [finance@finance.go.ug](mailto:finance@finance.go.ug)  
Website : [www.finance.go.ug](http://www.finance.go.ug)



Ministry of Finance, Planning &  
Economic Development  
Plot 2-12, Apollo Kaggwa Road  
P.O. Box 8147  
Kampala  
Uganda

THE REPUBLIC OF  
UGANDA

In any correspondence on  
this subject please quote No. BPD 86/150/01

15<sup>th</sup> January 2016

All Accounting Officers (Central and Local Governments)

## BID CURRENCY FOR LOCAL CONTRACTS BY ALL GOVERNMENT AGENCIES IN UGANDA SHILLINGS

Currently, Government contracts on works, goods and services are paid either in local or foreign currencies. However, this practice has significantly contributed to the increased pressure on the Uganda shilling resulting into its depreciation and budget shortfalls which culminate into supplementary expenditure.

You will note that since budgeting is done in Uganda Shillings, awarding of contracts in a foreign currency has an implication on the budget execution particularly when the exchange rate is unstable. Therefore in order to streamline budget implementation and minimize shortfalls and supplementary requests, all Government contracts will only be issued in Uganda Shillings going forward.

The purpose of this circular therefore, is to instruct all Accounting Officers to ensure that all domestic contracts for works, goods and services are awarded in Uganda Shillings with effect from the date of this Circular. Failure to comply with this circular will attract sanctions as spelt out under Section 79 of the Public Finance Management Act 2015. This however, will not affect all contracts which have already been concluded and signed.

By copy of this circular, the Executive Director/PPDA is requested to review the standard bidding documents to ensure that they comply with this instruction.

Handwritten signature of Keith Muhakanizi in black ink.

Keith Muhakanizi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

cc. Rt. Hon. Speaker of Parliament  
Rt. Hon. Deputy Speaker of Parliament  
Rt. Hon. Prime Minister

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**Mission**

*"To formulate sound economic policies, maximize revenue mobilization, ensure efficient allocation and accountability for public resources so as to achieve the most rapid and sustainable economic growth and development"*

Hon. Minister of Finance, Planning and Economic Development  
All Hon. Ministers and Minister of State  
The Auditor General, Office of the Auditor General  
The Solicitor General, Ministry of Justice and Constitutional Affairs  
The Executive Director, Public Procurement Disposal of Public Assets Authority  
The Accountant General  
Ag. Internal Auditor General

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