



Public Procurement and Disposal of Public Assets Authority

Plot 37 Nakasero Road, UEDCL Tower 5th floor, P.O. Box 3925, Kampala, Uganda

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Our Ref:.....PPDA/M06/B11/000

Your Ref:.....

17th September, 2015

**TO ALL ACCOUNTING OFFICERS
(Central Government & Local Government)**

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RE: VAT REGISTRATION FOR BIDDERS – CIRCULAR NO. 1 OF 2015

Reference is made to guidance given by the Public Procurement and Disposal of Public Assets Authority (PPDA) dated 16th July, 2012 on the above subject.

The Authority is in receipt of further information from the Ag. Commissioner Domestic Taxes, Uganda Revenue Authority (URA) dated 1st September, 2015 with respect to the requirement for Value Added Tax (VAT) Registration by bidders in public procurement activities.

The Authority hereby advises all Procuring and Disposing Entities that VAT registration should not be part of the requirements for any bidding process.

Please note that URA is not under any obligation to register any person who does not qualify for VAT registration as provided for under the VAT Act, Cap 349. VAT registration is also not applicable to foreign bidders.

For purposes of bidding, a TIN Registration Certificate and Tax Clearance Certificate are sufficient proof of compliance that the bidder has fulfilled the obligation to pay taxes.

Cornelia K. Sabiiti
EXECUTIVE DIRECTOR

Encl. Guidance from URA

US/sm

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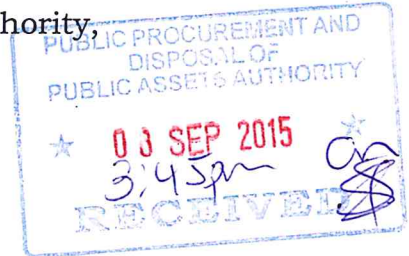
Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

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Our ref: URA/DTD/BP/15/1000027572

1st September 2015

The Executive Director,
Public Procurement and Disposal of Public Assets Authority,
Plot 37 Nakasero Road, UEDCL Tower 5th Floor,
P.O Box 3925,
Kampala.



Dear Madam,

RE: VAT REGISTRATION FOR BIDDERS

It has come to our attention that Procuring entities have continued to make VAT registration a pre-qualification requirement for tenders and bids.

Following our Public Notice issued on 23rd July 2007 (*Copy attached*), we wish to reiterate that VAT registration should not be part of the pre-qualification requirements for tender/bids.

Please note that Uganda Revenue Authority is not under any obligation to register any person who does not qualify for VAT registration as provided for under the VAT Act, Cap 349.

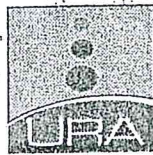
For purposes of tenders/bids, a TIN Registration Certificate and Tax Clearance Certificate should be sufficient proof of compliance.

The purpose of this letter therefore is to request you to advise and communicate the same to all procuring entities accordingly.

Yours faithfully,

John .W. Mayanja
AG.COMMISSIONER DOMESTIC TAXES DEPARTMENT

Copy to: Assistant Commissioner Compliance Management, Uganda Revenue Authority



Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER

UGANDA REVENUE AUTHORITY PUBLIC NOTICE

VALUE ADDED TAX (VAT) ON GOVERNMENT CONTRACTS

Uganda Revenue Authority has noted that Local Governments (District and Urban Authorities), Central Government and Government bodies have continued to make VAT registration as a pre-qualification requirement for tenders.

This is to remind the Chief Administrative Officers and all Accounting Officers that the VAT registration certificates should not be part of the conditions for tender. The Permanent Secretary/Secretary to the Treasury clarified this to all Government Accounting Officers in his letter of 20th November 2005.

The Commissioner General wishes to reiterate that Uganda Revenue Authority is not under obligation to register for VAT any person who does not qualify, as a pre-requisite for tender application. Taxpayers are registered for VAT only if they satisfy the requirements of the Value Added Tax Act Cap. 349.

Please further note that in case of VAT registered contractors, all payments in respect of contracts must be VAT inclusive for all standard rated supplies to enable the contractors account for the VAT as required by law. In other words VAT must not be deducted at source.

All Accounting Officers are also reminded to submit regularly the information pertaining to all contracts awarded and payments effected to Uganda Revenue Authority by the 20th of the month following the month of the transactions.

Jacqueline Kobusingye
COMMISSIONER DOMESTIC TAXES DEPARTMENT