

Uganda

## Non-Governmental Organisations Act, 2016

### Act 5 of 2016

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# Uganda

## Non-Governmental Organisations Act, 2016

Act 5 of 2016

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Assented to on 30 January 2016

Commenced on 14 March 2016 by Non-Governmental Organisations Act (Commencement) Instrument, 2016

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An Act to repeal and replace the Non-Governmental Organisations Act Cap. 113; to provide a conducive and an enabling environment for the Non-Governmental Organisations sector; to strengthen and promote the capacity of Non-Governmental Organisations and their mutual partnership with Government; to make provision for the corporate status of the National Bureau for Non-Governmental Organisations and provide for its capacity to register, regulate, coordinate and monitor Non-Governmental Organisations activities; to provide for the board of directors; to provide for the establishment of branch offices of the Bureau, District Non-Governmental Organisations Monitoring Committees, Subcounty Non-Governmental Organisations Monitoring Committees, to make provision for special obligations of Non-Governmental Organisations and to provide for other related matters.

BE IT ENACTED by Parliament as follows—

### Part I – Preliminary

#### 1. Title

This Act may be cited as the Non-Governmental Organisations Act, 2016.

#### 2. Commencement

This Act shall come into force on a date appointed by the Minister by statutory instrument.

#### 3. Interpretation

In this Act, unless the context otherwise requires—

“**board of directors**” means the board of directors established under section 9;

“**Bureau**” means the National Bureau of Non-Governmental Organisations established under section 5;

“**CBOs**” means Community Based Organisations;

“**Chairperson**” means the Chairperson of the Board appointed under section 9;

“**Community Based Organisation**” means an organisation operating at a subcounty level and below whose objectives is to promote and advance the wellbeing of the members of the community;

“**continental organisation**” means an organisation that has its original incorporation in any African country, other than the Partner States of the East African Community, and is partially or wholly controlled by citizens of one or more African countries, other than the citizens of the Partner State of the East African Community, and is operating in Uganda under the authority of a permit issued by the Bureau;

“**currency point**” has the value specified in Schedule 1;

“**dissolution**” means the cessation of operations of an organisation, voluntarily or by order of the court;

**“DNMC”** means District Non-Governmental Organisations Monitoring Committee;

**“emergency situation”** means a situation of a serious nature that develops suddenly and unexpectedly and poses an immediate risk to health, life, property or the environment;

**“Executive Director”** means the Executive Director of the Bureau appointed under [section 16](#);

**“foreign organisation”** means an organisation that does not have original incorporation in any country, and is partially or wholly controlled by citizens of other countries, other than the citizens of the Partner States of the East African Community, and is operating in Uganda under the authority of a permit issued by the Bureau;

**“indigenous organisation”** means an organisation that is wholly controlled by Ugandan citizens;

**“international organisation”** means an organisation that has its original incorporation in a country, other than a Partner State of the East African Community and is partially or wholly controlled by citizens of one or more countries, other than the citizens of the Partner States of the East African Community, and is operating in Uganda under the authority of a permit issued by the Bureau;

**“Minister”** means the Minister responsible for internal affairs;

**“Organisation”** means a legally constituted non-governmental organisation under this Act, which may be a private voluntary grouping of individuals or associations established to provide voluntary services to the community or any part, but not for profit or commercial purposes;

**“permit”** means a permit issued by the Board under [section 31](#), granting permission to an organisation to operate;

**“regional organisation”** means an organisation incorporated in one or more of the Partner States of the East African Community, and which is partially or wholly controlled by citizens of one or more of the Partner States of the East African Community, and which is operating in Uganda under the authority of a permit issued by the Bureau;

**“register”** means a record of all organisations registered under the Act that is maintained by the Bureau in both electronic and hard copy; and

**“SNMC”** means Subcounty Non-Governmental Organisations Monitoring Committee.

#### 4. Objects of the Act

The objects of this Act are to—

- (a) establish an administrative and regulatory framework within which organisations can conduct their affairs;
- (b) promote and require organisations to maintain high standards of governance, transparency and accountability;
- (c) promote a spirit of cooperation, mutual partnership and shared responsibility between the organisations sector, the Ministries, Departments and Agencies of Government and other stakeholders dealing with organisations;
- (d) provide the development of strong organisations and to facilitate the formation and effective function of organisations for public benefit purposes;
- (e) promote and strengthen the capacity of the organisations sector that is sustainable and able to deliver services professionally;
- (f) promote the development of self-regulation among organisations;
- (g) provide an enabling environment for the organisations sector;
- (h) strengthen the capacity of the Bureau; and

- (i) promote and develop a charity culture that is voluntary, non-partisan and relevant to the needs and aspirations of the people of Uganda.

## **Part II – The National Bureau for Non-Governmental Organisations**

### **5. Establishment of the Bureau**

- (1) There is established a National Bureau for Non-Governmental Organisations.
- (2) The Bureau shall be a body corporate with perpetual succession and a common seal and shall have power to sue and be sued in its corporate name.
- (3) The Bureau may for, and in connection with its functions under this Act—
  - (a) purchase, acquire, hold, manage and dispose of any movable and immovable property;
  - (b) enter into any contract or other transaction it may deem expedient; and
  - (c) do all acts and things as a body corporate may lawfully do.

### **6. Functions of the Bureau**

The functions of the Bureau are—

- (a) to advise the Minister on the policy relating to the operations of organisations;
- (b) to formulate, develop and issue policy guidelines for DNMCs and SNMCs for the effective and efficient monitoring of the operations of the organisations;
- (c) to establish branch offices of the Bureau;
- (d) to formulate and develop policy guidelines for DNMCs, SNMCs, and CBOs;
- (e) to make recommendations to the relevant authorities with regard to employment of non citizens by an organisation, on whether an organisation may be exempted from taxes and duties or be accorded any other privileges or immunities;
- (f) to coordinate the establishment and functions of a National Non-Governmental Organisations consultative and dialogue platform;
- (g) to establish and maintain a register of organisations;
- (h) to consider applications for issue and renewal of permits; and
- (i) to perform any other function under this Act or as may be directed in writing by the Minister.

### **7. Powers of the Bureau**

- (1) The Bureau shall have power to—
  - (a) co-opt technical officers to deal with specific issues;
  - (b) summon and discipline organisations by either—
    - (i) warning the organisation;
    - (ii) suspending the permit of the organisation;
    - (iii) exposing the affected organisation to the public;
    - (iv) blacklisting the organisation; or
    - (v) revocation of an organisation's permit; and

- (c) charge fees for any services performed by the Bureau.
- (2) The Bureau shall before taking any action against an organisation under subsection (1), give the organisation the opportunity to be heard.

## **8. Common seal of the Bureau**

- (1) The Bureau shall have a common seal which shall be kept in the custody of the Executive Director.
- (2) The affixing of the common seal of the Bureau shall be authenticated by the signature of the Executive Director.
- (3) Every document purporting to be an instrument issued by the Bureau, sealed with the official seal of the Bureau, and is authenticated in the manner provided by this section, shall be received and deemed to be such an instrument without further proof unless the contrary is shown.

## **Part III – Board of directors**

## **9. Board of directors**

- (1) The governing body of the Bureau is the board of directors.
- (2) The board of directors shall be appointed by the Minister and approved by Cabinet and shall consist of—
  - (a) a chairperson;
  - (b) a vice chairperson;
  - (c) two representatives from the Non-Governmental Organisations Sector in Uganda; and
  - (d) three other persons.
- (3) A member of the board of directors shall have proven experience of at least ten years in the relevant field.
- (4) At least one third of the members of the board of directors shall be female.
- (5) A member of the board of directors shall—
  - (a) be a citizen of Uganda; and
  - (b) be of high moral character and proven integrity.
- (6) A member of the board of directors may resign his or her office by writing to the Minister or may be removed from office by the Minister on any of the following grounds—
  - (a) inability to perform the functions of his or her office arising out of physical or mental incapacity;
  - (b) incompetence;
  - (c) conflict of interest;
  - (d) is convicted of a criminal offence in respect of which a penalty of imprisonment of one year or more is imposed without the option of a fine;
  - (e) is adjudged bankrupt;
  - (f) abuse of office; or
  - (g) failure to attend four consecutive board of directors meetings without prior permission of the chairperson, or absence from Uganda for more than twelve months.



- (7) Where a member of the board of directors dies, resigns or for any reason ceases to be a member, the Minister may appoint another person to take the place of that member, and the person appointed, shall hold office until the expiration of the term of the member in whose place he or she was appointed.

## **10. Tenure of office of members of the board of directors**

A member of the board of directors shall hold office for a period of three years and is eligible for reappointment for one further term.

## **11. Functions of the board of directors**

The board of directors is responsible for—

- (a) overseeing implementation of the Bureau's policies and programmes in the organisations sector;
- (b) reviewing and approving strategic plans of the Bureau;
- (c) reviewing and approving the annual plans and budget of the Bureau;
- (d) approving the annual reports and accounts of the Bureau;
- (e) establishing and approving rules and procedures for proper financial management and accountability of the Bureau;
- (f) determining and reviewing the structure and staffing levels;
- (g) appointing staff of the Bureau;
- (h) establishing and approving rules and procedures for appointment, discipline, termination of services and general personnel matters;
- (i) determining and reviewing terms and conditions of service of staff of the Bureau; and
- (j) performing such other functions as may be prescribed by law.

## **12. Meetings of the board of directors**

The meetings of the board of directors shall be conducted in accordance with Schedule 2.

## **13. Remuneration of the board of directors**

The chairperson, vice chairperson and members of the board of directors shall be paid such remuneration as the Minister may, in consultation with the Minister responsible for finance, determine.

# **Part IV – Committees and sub-committees of the board of directors**

## **14. Committees and sub-committees**

- (1) The board of directors may establish committees and sub-committees for the efficient performance of their functions under this Act.
- (2) A committee or sub-committee established under this section may comprise members of the board of directors or members of the staff or both.
- (3) The board of directors may assign to any committee or sub-committee established under this section, functions subject to conditions and restrictions as the board of directors may determine.
- (4) A decision of the committee or sub-committee shall be subject to confirmation by the board of directors before being implemented.

- (5) A member of a committee or sub-committee shall disclose conflict of interest.

## 15. Procedure of committees and sub-committees

Except as expressly provided under this Act, the procedure of committees or sub-committees established under [section 14](#) shall be prescribed by the board of directors.

## Part V – Management and staff of the Bureau

### 16. Executive Director

- (1) There shall be an Executive Director of the Bureau who will be appointed by the Minister on the recommendation of the board of directors for a period of four years, eligible for reappointment for one further term on terms and conditions specified in the instrument of appointment.
- (2) The Executive Director shall be a person of high moral character and proven integrity, with the relevant qualifications and experience in any of the following fields—
  - (a) public administration and management;
  - (b) law;
  - (c) economics; or
  - (d) any other applicable qualification.
- (3) The Executive Director shall be an *ex-officio* member of the board of directors.
- (4) The Executive Director shall be the chief executive officer of the Bureau and shall be subject to the general supervision and control of the board of directors, and shall be responsible for—
  - (a) the day to day operations of the Bureau;
  - (b) the management of the funds of the Bureau;
  - (c) the administration and management of the property of the Bureau;
  - (d) the supervision and control of the officers and other staff of the Bureau;
  - (e) keeping a register of registered organisations;
  - (f) implementing the decisions of the board of directors;
  - (g) reporting to the board of directors on the operations of the Bureau;
  - (h) certifying documents upon payment of the prescribed fee; and
  - (i) performing any other functions assigned to him or her by the board of directors.
- (5) The Minister may, on recommendation of the board of directors, remove the Executive Director from office for—
  - (a) inability to perform the functions of that office due to infirmity of mind or body;
  - (b) misbehaviour or misconduct;
  - (c) incompetence; or
  - (d) is declared bankrupt.

**17. Secretary to the Bureau**

- (1) There shall be a Secretary to the Bureau who shall be appointed by the board of directors for a period of four years and is eligible for reappointment for one further term on terms and conditions specified in the instrument of appointment.
- (2) The Secretary to the Bureau shall be the Principal Legal adviser to the board of directors and Bureau;
- (3) The Secretary to the Bureau shall perform such functions as the Executive Director may direct and in addition, shall be responsible for—
  - (a) arranging the business at meetings of the board of directors;
  - (b) taking the minutes of the meetings of the board of directors; and
  - (c) keeping the records of the decisions and other policy records of the board of directors;
- (4) In the performance of his or her duties, the Secretary shall report to the Executive Director.
- (5) The Secretary to the Bureau shall possess the relevant professional qualifications.

**18. Other staff**

- (1) The board of directors may employ officers and employees as may be necessary for the proper and efficient discharge of the objects and functions of the Bureau.
- (2) The officers and employees appointed under this section shall hold office on terms and conditions determined by the board of directors.
- (3) Without prejudice to the general effect of subsection (2), the board of directors may provide for payment to its officers and employees of salaries, allowances, pensions, gratuities or other retirement benefits and may require them to contribute to any pension, provident fund or superannuation scheme.
- (4) Public officers may be seconded to the service of the Bureau or may otherwise give assistance to the Bureau.
- (5) The board of directors may, subject to any conditions and restrictions delegate any of its powers under subsection (1) to a committee of the board of directors, the executive director or any employee of the Bureau.

## **Part VI – The District and sub-county Non-Governmental Organisation Monitoring Committees**

**19. Branch offices of the Bureau**

- (1) There is established offices of the Bureau.
- (2) The functions of branch offices of the Bureau are—
  - (a) to supervise DNMCs;
  - (b) to maintain a register of the registered organisations and CBOs within the region;
  - (d) to perform any other function that the Bureau shall deem fit and necessary for purposes of giving effect to this Act.

**20. District Non-Governmental Organisations Monitoring Committee**

- (1) There is established a DNMC in each district.

- (2) The DNMC shall comprise of—
  - (a) the Chief Administrative Officer who shall be the chairperson of the committee;
  - (b) the District Community Development Officer who shall be secretary to the committee;
  - (c) the District Health Officer;
  - (d) the District Internal Security Officer;
  - (e) a representative of organisations in the district;
  - (f) the District Education Officer; and
  - (g) the Secretary for gender and community services.
- (3) The committee may co-opt technical officers to deal with specific issues.
- (4) The functions of the DNMC are to—
  - (a) to consider applications for registration by CBOs;
  - (b) to keep and update the register of CBOs;
  - (c) to monitor and supervise SNMCs;
  - (d) to recommend organisations to the Bureau for registration;
  - (e) to advise the district councils on matters of registration and monitoring of organisations;
  - (f) to monitor and provide information to the Bureau regarding activities and performance of organisations in the district;
  - (g) to guide and monitor CBOs in the provision of their services; and
  - (h) to implement policy guidelines for CBOs.
- (5) Community Based Organisations shall be required to register with the DNMCs.

## **21. Subcounty Non-Governmental Organisations Monitoring Committee**

- (1) There is established a SNMC in every sub-county in Uganda.
- (2) The SNMC shall comprise of—
  - (a) the Senior Assistant Secretary who shall be the Chairperson of the committee;
  - (b) sub county Community Development Officer of the subcounty who shall be secretary to the committee;
  - (c) the sub county health inspector;
  - (d) the Gombolola Internal Security Officer (GISO); and
  - (e) a representative of organisations in the subcounty.
- (3) The functions of the SNMC are—
  - (a) to recommend CBOs to the DNMC for registration;
  - (b) to advise the DNMC on matters of organisations and CBOs in the subcounty;
  - (c) to provide the CBOs in the subcounty with guidelines to enable them effectively participate in the implementation, monitoring and evaluation of programmes;
  - (d) to monitor and provide information on activities of the organisations in the subcounty to the DNMC;

- (e) to report to the DNMC on matters of the organisations in the subcounty; and
- (f) to perform any other function that the Bureau shall deem necessary for purposes of giving effect to this Act.

## **Part VII – Financial provisions**

### **22. Funds of the Bureau**

- (1) The funds of the Bureau shall consist of money appropriated by Parliament for the purposes of the Bureau.
- (2) All non-tax revenue raised by the Bureau shall be remitted to the consolidated fund.
- (3) The Bureau shall at all times comply with the Public Finance Management Act, 2015.

### **23. Estimates**

- (1) The Executive Director shall, within three months before the end of each financial year, cause to be prepared and submitted to the board of directors for its approval, estimates of the expenditure of the Bureau for the next financial year.
- (2) The board of directors shall within two months after receipt of the estimates referred to in subsection (1) cause to be submitted to Parliament for approval the estimates of income and expenditures approved by the board of directors.

### **24. Bank accounts**

The Bureau shall with the authority of the Accountant General open and maintain such bank accounts as are necessary for the performance of its functions.

### **25. Financial year of the Bureau**

The financial year of the Bureau shall be the same as the financial year of Government.

### **26. Accounts**

- (1) The Executive Director shall cause to be kept, proper books of accounts and records of the transactions of the Bureau.
- (2) The board of directors shall cause to be prepared and submitted to the Minister and Secretary to the Treasury in respect of each financial year, statement of accounts which shall include—
  - (a) a balance sheet, statement of income and expenditure and a statement of surplus or deficit; and
  - (b) any other information in respect of the financial affairs of the Bureau as the Minister responsible for finance may, in writing require.

### **27. Audit**

- (1) The Auditor General or an auditor appointed by the Auditor General shall, in each financial year, audit the accounts of the Bureau.
- (2) The Bureau shall ensure that within four months after the end of each financial year, a statement of accounts under [section 26](#) is submitted for auditing to the Auditor General or an auditor appointed by the Auditor General.

- (3) The Auditor General or an auditor appointed by the Auditor General shall have access to all books of accounts, vouchers and other financial records of the Bureau, and is entitled to any information and explanation required in relation to those records.
- (4) The Auditor General or an auditor appointed by the Auditor General shall, within four months after receipt of the statement of accounts, under subsection (2) deliver to the Bureau a copy of the audited accounts together with a report on the accounts.

## **28. Annual report**

- (1) The board of directors shall, within three months after the end of each financial year submit to the Minister the annual report of the activities of the Bureau.
- (2) The Minister shall, within one month after the receipt of the annual report from the Bureau, submit the report to Cabinet.

## **Part VIII – Registration and incorporation of non-governmental organisations**

### **29. Registration of organisations with the Bureau**

- (1) Any person or group of persons incorporated as an organisation shall register with the Bureau.
- (2) An application made under subsection (1) shall be accompanied by—
  - (a) evidence of statements made in the application as the Minister may prescribe by regulations;
  - (b) a certificate of incorporation;
  - (c) a copy of the organisation's constitution; and
  - (d) evidence of payment of the prescribed fee.
- (3) Upon compliance with the requirements of subsection (2), the Bureau shall register the organisation.
- (4) An organisation that has been registered remains registered until—
  - (a) its registration is cancelled in terms of this Act;
  - (b) the organisation is voluntarily deregistered; or
  - (c) the organisation is wound up or dissolved.

### **30. Refusal to register**

- (1) An organisation shall not be registered under this Act—
  - (a) where the objectives of the organisation as specified in its constitution are in contravention of the laws of Uganda;
  - (b) where the application for registration does not comply with the requirements of this Act;
  - (c) where the applicant has given false or misleading information in any material particular.
- (2) Where the Bureau refuses to register an organisation under subsection (1), the Bureau shall inform the applicant in writing of the reasons for the refusal within thirty days.

### **31. Application and issue of permit**

- (1) An organisation shall not operate in Uganda without a valid permit issued by the Bureau.

- (2) Subsection (1) shall apply to organisations incorporated or registered under the Companies Act or Trustees Incorporation Act and those that fall within the definition of organisation under [Section 3](#) of this Act.
- (3) An organisation shall apply to the Bureau for a permit, and the Bureau shall, within forty five days issue a permit subject to conditions or directions stipulated by this Act.
- (4) An application made under this section shall be in a form as the Minister may by regulations prescribe.
- (5) An application made under this section shall specify—
  - (a) the operations of the organisation;
  - (b) the areas where the organisation may carry out its activities;
  - (c) staffing of the organisation;
  - (d) geographical area of coverage of the organisation;
  - (e) location of the organisation's headquarters; and
  - (f) date of expiry of the previous permit.
- (6) An application made under subsection (2) shall be accompanied by evidence of payment of the prescribed fee.
- (7) Subject to the provisions of this section, the Bureau may issue an Organisation with a permit to operate for a period not exceeding five years at a time.

### **32. Renewal of a permit**

- (1) Subject to [section 31](#), an organisation shall apply for renewal of a permit within six months before the expiry of its permit.
- (2) An organisation applying for renewal of a permit will comply with subsection (4) of [section 31](#).
- (3) The Bureau shall renew a permit if it is satisfied that the organisation has complied with the requirements of the permit and this Act.
- (4) An organisation that requires to change the conditions of the permit, or the area of focus or the geographical area of focus shall apply to the Bureau to have its permit reviewed.
- (5) The Bureau may review and renew the permit for an organisation applying under subsection (4).
- (6) An organisation whose permit expires, but continues to operate without renewal of its permit will be fined ten currency points in case of Community Based Organisation and one hundred currency points for any other organisation, for every month of operation in default of renewal of the permit.

### **33. Grounds for revocation of a permit**

- (1) The Bureau may revoke the permit of an organisation if—
  - (a) the organisation does not operate in accordance with its constitution;
  - (b) the organisation contravenes any of the conditions or directions specified in the permit.
- (2) Before the Bureau revokes a permit under this section, it shall within thirty days from the date of notice in writing request the holder of the permit to show cause why the permit should not be revoked.
- (3) Where the Bureau revokes a permit under this section, it shall inform, in writing, the holder of the permit of the reason why the permit has been revoked.

- (4) Where the Bureau revokes a permit of an organisation under this section, the organisation shall, subject to the conditions for grant of a permit under this Act, be allowed to re-apply for a permit.

### **34. Registration of organisations incorporated outside Uganda**

- (1) Any organisation incorporated outside Uganda which intends to operate in Uganda shall apply to the Bureau to be registered and issued with a permit.
- (2) An application made under subsection (1) shall be—
  - (a) accompanied by the prescribed fee;
  - (b) a certified copy of certificate of incorporation from the country of incorporation; and
  - (c) a certified copy of its constitution, or charter or documents governing the organisation.
- (3) Subject to fulfilment of the requirements under subsection (2), the Bureau may proceed to register and issue a permit to such an organization.

### **35. Exemption of organisations**

- (1) The Minister may in an emergency situation, and in consultation with the Bureau, exempt an organisation from the requirements of registration and issue of a permit.
- (2) Any exemption made under sub section (1) shall not include payment of prescribed fees.
- (3) Subject to sub-section (1), the minister shall issue a provisional permit for the exempted organisation to operate for a period not more than six months.

## **Part IX – Self-regulation, administrative and reporting obligations**

### **36. Interpretation**

For purposes of this part—

- (a) “**self-regulatory body**” refers to a body set up by registered organisations that have come together and agreed that the body exercises some degree of regulatory authority over them upon consenting or resolving that they would abide by a set code of conduct, rules and procedures; and
- (b) “**self-regulatory mechanism**” means self-regulatory tools, rules and standards that organisations adopt to govern them in an agreed set up.

### **37. Formation of self-regulatory body**

- (1) Two or more organisations may form a self-regulating body.
- (2) A self-regulatory body shall be registered with the Bureau.
- (3) An application for registration under this section shall be accompanied by—
  - (a) the resolution of each of the organisations forming the self-regulatory body stating its willingness to be part of the self-regulatory body;
  - (b) the code of conduct of the self-regulatory body; and
  - (c) any other information that the Bureau may reasonably require.
- (4) The code of conduct of a self-regulatory body shall be adopted by a special meeting of the policy making organ of the self-regulating body, attended by not less than three quarters of the voting members present.



- (5) A self-regulatory body under this section shall adopt its own structure, rules and procedure for the efficient administration of its activities.

### **38. Self-regulatory mechanism**

A self-regulatory body that has established a self-regulatory mechanism shall inform the Bureau of its existence and mode of operations.

### **39. Annual returns, estimates and furnishing of information**

- (1) An organisation shall, in accordance with the generally accepted standards of accounting practice—
- (a) keep accounting records of its income, expenditure, assets and liabilities; and
  - (b) within six months after the end of its financial year, draw up financial statements.
- (2) An organisation shall within two months after drawing up its financial statements, submit to the Bureau a report stating whether or not—
- (a) the accounting policies of the organisation are appropriate and have been appropriately applied in the preparation of the financial statements; and
  - (b) the organisation has complied with the provisions of this Act and of its constitution which relate to financial matters.
- (3) An organisation shall—
- (a) submit to the Bureau annual returns and a report of the audited books of accounts by a certified auditor;
  - (b) declare and submit to the District technical planning committee, the DNMC and SNMC of the area in which it operates, estimates of its income and expenditure, budget, work plan, information on funds received and the sources of funds; and
  - (c) submit to the Bureau, DNMC and SNMC in the area of operation, any other information that may be required.
- (4) A Community Based Organisation shall—
- (a) submit to the SNMC in the area of operation, annual returns and a report of the audited books of accounts by a certified auditor;
  - (b) declare and submit to the SNMC its budget, work plan, information on funds received and the sources of funds; and
  - (c) submit to the SNMC, any other information that may be required.

## **Part X – Offences and penalties**

### **40. Offences and penalties**

- (1) An organisation or a person commits an offence who—
- (a) on being required to do so, fails or refuses to produce to the Bureau a certificate, permit, constitution, charter or other relevant document or information relevant for the purposes of this Act;
  - (b) knowingly gives false or incomplete information for the purpose of obtaining a permit or other requirement;
  - (c) operates contrary to the conditions or directions specified in its permit; or

- (d) engages in any activity that is prohibited by this Act.
- (2) Any person who contravenes subsection (1) commits an offence and is liable on conviction to a fine not exceeding seventy two currency points or to imprisonment for a term not exceeding three years or both, and in the case of a continuing offence, to a further fine not exceeding fifteen currency points for each day during which the offence continues after conviction.

## Part XI – Miscellaneous

### 41. Inspection

- (1) An inspector may, at any reasonable time inspect the premises of an organisation and may request for any information that appears to him or her necessary for purposes of giving effect to this Act.
- (2) An inspector may, investigate any matter for the purpose of ensuring compliance with this Act and may subject to the power of the Director of Public Prosecutions under Article 120 of the Constitution prosecute any person for an offence alleged to be committed under this Act.
- (3) Subject to the provisions of this section, the Bureau may designate from among its officers such number of inspectors as are necessary for carrying out the purposes of this section.
- (4) A person designated as inspector, shall be Gazetted in the national *Gazette*.
- (5) Notwithstanding the powers given to an inspector under this section, no inspection shall be done without prior notice of at least three days being given to an organisation stating the time and purpose of the inspection.
- (6) For purposes of this section, reasonable time refers to hours of 8:00am to 5:00pm on working days.
- (7) A person who—
  - (a) without any lawful excuse denies an inspector access to any property, books of account, records, returns, document or information requested for under this section;
  - (b) knowingly presents to the inspector a false or fabricated document or makes a false statement with intent to deceive or mislead the inspector; or
  - (c) without reasonable excuse, refuses or fails to comply with any order or direction of the inspector;commits an offence and is liable on conviction to a fine not exceeding twenty four currency points or to imprisonment not exceeding one year, or both.

### 42. Protection from liability

A member of the board of directors, an officer or an employee of the Bureau or a person acting on the directions of the Bureau is not personally liable for any act or omission done or omitted to be done in good faith in the exercise of the functions of the Bureau.

### 43. Assistance to the Bureau

Ministries, Departments and Agencies of Government shall afford the Bureau all necessary assistance for purposes of giving full effect to this Act.

#### 44. Special obligations

An organisation shall—

- (a) not carry out activities in any part of the country, unless it has received the approval of the DNMC and Local Government of that area and has signed a memorandum of understanding with the Local Government to that effect;
- (b) not extend its operations to any new area beyond the area it is permitted to operate unless it has received a recommendation from the Bureau through the DNMC of that area;
- (c) co-operate with local councils in the area of its operation and relevant DNMC and SNMC;
- (d) not engage in any act which is prejudicial to the security and laws of Uganda;
- (e) restrict its operations to the area of Uganda in respect of which it is permitted to operate;
- (f) not engage in any act, which is prejudicial to the interests of Uganda and the dignity of the people of Uganda;
- (g) be non-partisan and shall not engage in fundraising or campaigning to support or oppose any political party or candidate for an appointive office or elective political office, nor may it propose or register a candidate for elective political office; and
- (h) have a memorandum of understanding with its donors, sponsors, affiliates, local and foreigner partners, if any, specifying the terms and conditions of ownership, employment, resources mobilised for the organisation and any other relevant matter.

#### 45. Staffing of organisations

An organisation shall comply with the following in respect to staffing—

- (a) at the time of applying for registration, submit to the Bureau a chart showing its organisational structure as stipulated in its constitution accompanied by a statement—
  - (i) specifying its foreign staff requirements where necessary;
  - (ii) indicating its requirements of Ugandan counterparts of the foreign employees; and
  - (iii) indicating the period for the replacement of its foreign employees with qualified Ugandans;
- (b) comply with any written law in Uganda relating to labour and employment services;
- (c) shall not employ a person who is not a citizen of Uganda unless that person has, before proceeding to Uganda for the purposes of the employment by the organisation, submitted to the Ugandan diplomatic mission in his or her country of origin for transmission to the Government of Uganda for consideration, for his or her suitability for the employment—
  - (i) certified details of his or her certificates, credentials and recommendations of his or her academic and professional qualifications and proven work experience; and
  - (ii) a certificate of clearance of no criminal record from his or her country of origin;
- (d) ensure that any remuneration including salaries, allowances, fringe benefits and other terms and conditions of service of the Ugandan employees of the organisation are reasonably comparable to those for the time being prevailing in the employment market in Uganda or reasonably comparable to those of their foreign counterparts.

#### 46. Business operations of organisations

- (1) An organisation or a member or employee of the organisation shall not use the organisation directly or indirectly to engage in any gainful activities for individual interest, except for the economic interest of the organisation or in fulfilling its objectives.
- (2) An organisation shall open and maintain a bank account.
- (3) Where an organisation receives monies in foreign currency, it shall open and operate a foreign currency bank account with a bank in which the currency shall be deposited and through which the transactions shall be conducted.
- (4) Except for fundraising purposes, where an organisation sells any goods or services to the public or to any other organisations, the prices of the goods and services shall be in conformity with the prices if any, prescribed by the Government for those goods and services or conformity with the open market prices in respect of those goods and services for the time being prevailing in Uganda.
- (5) Any sum of money received from the sale of any goods or services under subsection (4) in excess of the administrative costs incurred in the sale shall be reinvested in the project or as directed by the organisation.

#### 47. Affiliated organisations

- (1) An organisation which is affiliated to another organisation registered under this Act shall not operate in Uganda, unless it has itself been duly registered under this Act.
- (2) For purposes of this section, affiliated organisation means an organisation which is formally or closely connected to or controlled by a nationally or internationally incorporated organisation or group.

#### 48. Dissolution

The dissolution of an organisation may be either—

- (a) voluntary; or
- (b) by order of court.

#### 49. Voluntary dissolution

- (1) Members of the organisation may by resolution in accordance with the constitution of the organisation, dissolve the organisation.
- (2) voluntary dissolution of the organisation shall be taken to have commenced at the time of passing the resolution under sub section (1).
- (3) where an organisation passes a resolution for voluntary dissolution, it shall, within fourteen days after passing the resolution—
  - (a) inform the Bureau of the resolution and the reasons for the resolution; and
  - (b) publish the resolution in the *Gazette* and in any newspaper with wide circulation in Uganda.
- (4) A resolution for voluntary dissolution shall be registered with the Bureau and a copy sent to the official receiver within seven days after the date of passing the resolution.
- (5) Where default is made in complying with this section, the organisation and every officer of the organisation who defaults commits an offence and shall be liable to a fine not exceeding thirty currency points.

- (6) An organisation that has made a resolution for voluntary dissolution shall develop and submit to the Bureau and to the official receiver a statement of its affairs showing particulars of assets, liabilities, names, residence and occupation of the creditors and the securities held by them.

## **50. Dissolution by court**

- (1) The jurisdiction in dissolution matters shall be exercised by the High Court.
- (2) Any person, organisation or bureau may apply to court for an order of dissolution of an organisation, on any of the following grounds—
  - (a) defrauding the public;
  - (b) threatening national security; or
  - (c) gross violation of the laws of Uganda.
- (3) where a person lodges a complaint against an organisation under subsection(2), court shall inquire into the affairs of the organisation.
- (4) Where an organisation is found guilty of any of the grounds stipulated in sub section (2), court shall move to dissolve the organisation.
- (5) It is an offence to cause an organisation, when it is being wound up or dissolved, to transfer its remaining assets otherwise than in the manner contemplated by this Act and the laws of Uganda.

## **51. Composition or scheme of arrangement**

- (1) An organisation that makes a resolution for voluntarily dissolution shall make a scheme of arrangement showing how the organisation intends to deal with its assets and liabilities.
- (2) The scheme of arrangement shall be submitted to the official receiver and a copy shall be given to the Bureau.
- (3) For avoidance of doubt the scheme in subsection (1) shall consider the liabilities in accordance with the constitution of the organisation.
- (4) The official receiver shall have powers to vary the scheme where he or she is of the view that the scheme may not meet the needs of all the creditors.
- (5) The official receiver or a person appointed by court shall oversee the disposal of assets and liabilities of the organisation in accordance with the scheme or the direction of court.
- (6) where the organisation has met the requirements of this Act, and the provisions set out in the scheme of arrangement, the members of the organisation shall apply to court for an order of dissolution.

## **52. Adjudication and appeals mechanism**

- (1) A person aggrieved by a decision of the SNMC or DNMC under sections 20 and 21 of this Act, shall appeal—
  - (a) from a decision of SNMC to DNMC; or
  - (b) from a decision of DNMC to the Bureau.
- (2) Where the DNMC or Bureau makes a decision against any organisation, it shall in writing inform the organisation of the reason for the decision.

### 53. Adjudication committee

- (1) There is established an adjudication committee to handle appeals by persons aggrieved by a decision of the Bureau.
- (2) The Minister shall constitute the adjudication committee by appointing its members to serve on terms and conditions specified in the instrument of appointment.
- (3) The adjudication Committee shall be constituted as follows—
  - (a) a chairperson who shall be an advocate of the High Court of not less than ten years standing;
  - (b) a representative of organisations;
  - (c) a representative of the Bureau; and
  - (d) two senior citizens.
- (4) Upon any complaint or appeal being made to the adjudication committee, the adjudication committee may—
  - (a) confirm, set aside, vary or quash the decision in question;
  - (b) require the Bureau to revise or review its decision; or
  - (c) make such other order as may be appropriate in the circumstances.
- (5) A person who is dissatisfied with the decision of the adjudication committee established under subsection (1) may appeal to the High court.
- (6) The Minister shall publish the general rules and guidelines to be used by the adjudication committee in execution of their functions under this Act.

### 54. Minister's powers

The Minister may, subject to this Act, give to the Bureau written instructions of a general or specific nature relating to its functions to which it shall be bound to comply.

### 55. Regulations

- (1) The Minister may, after consultation with the Bureau, make regulations for giving full effect to this Act.
- (2) Without prejudice to the general effect of subsection (1), regulations made under subsection (1) may prescribe the following—
  - (a) the form of application for registration;
  - (b) the form of a permit;
  - (c) the form of application for renewal of a permit;
  - (d) fees for foreign, indigenous, continental, regional and international organisations for purposes of application for registration and application for renewal of permits;
  - (e) the manner in which the organisation shall—
    - (i) be wound up when it ceases to operate;
    - (ii) carry out a search at the Bureau;
    - (iii) self regulate;
    - (iv) acquire tax exemption;

- (v) submit annual returns;
  - (vi) replace its permit in case of loss or damage; and
  - (vii) notify the board on changes within the organisation and its constitution;
  - (f) terms and conditions that may be specified in the permit;
  - (g) the manner in which the Bureau shall handle complaints;
  - (h) fees for services rendered by the Bureau; and
  - (i) anything that is required or authorised to be prescribed under this Act.
- (3) The Minister may, by statutory instrument amend Schedule 1 to this Act, with the approval of Cabinet.
- (4) Regulations made by the Minister under this section shall be laid before Parliament.

## **56. Repeal of the Non-Governmental Organisations Act, Cap. 113 and savings**

- (1) The Non-Governmental Organisations Act, Cap. 113 is repealed.
- (2) Any statutory instrument made under the Non-Governmental Organisations Act, Cap 113, repealed under subsection (1) and which is in force immediately before the commencement of this Act, shall remain in force, so far as it is not inconsistent with this Act, until it is revoked by a statutory instrument made under this Act and until that revocation, shall be deemed to have been made under this Act.

## **Part XII – Savings and transitional**

### **57. Vesting of assets and liabilities**

On the commencement of this Act—

- (a) all property and assets vested in the Board before the commencement of this Act shall be vested in the Bureau subject to all interests, liabilities, obligations and trusts affecting the property;
- (b) any money held by or on account of the Board shall vest in the Bureau;
- (c) all contracts, agreements and undertakings made by the Board and all securities lawfully given to or by it and in force immediately before the commencement of this Act have effect as contracts, agreements and undertakings by and with the Bureau and may be enforced by and against the Bureau; and
- (d) any proceedings commenced by or against the Board may be continued by or against the Bureau.

### **58. Continuation of the Bureau and employment of employees of the Board**

- (1) Notwithstanding the repeal in [section 56\(1\)](#), the Board established under the Non-Governmental Organisations Act, Cap. 113, shall continue to operate until the Minister appoints the board of directors, under [section 9](#) of this Act.
- (2) On the commencement of this Act—
- (a) every person who, immediately before the commencement of this Act was employed by the Board becomes an employee of the Bureau and shall continue to be employed by the Bureau;
  - (b) the terms and conditions, including the salary, on which a person referred to in subsection (1) was employed immediately before the commencement of this Act, shall be no less favourable than those that applied to that person's office immediately before the commencement of this Act; and

- (c) there is no break or interruption in the employment of such person because of the enactment of this Act.
- (3) Subject to subsection (1) (b), the terms and conditions of any employment referred to in subsection (1) may be varied after the commencement of this Act.
- (4) Nothing in this Act affects the pension rights under the Pensions Act of any person referred to in subsection (1).
- (5) For purposes of Sections [57](#) and [58](#) of this Act, reference to the Board means the Board established under the Non-Governmental Organisations Act, Cap. 113 repealed under [Section 56\(1\)](#) of this Act.

## **59. Continuation of operation of organisations**

An organisation and Community Based Organisation which existed immediately before the commencement of this Act and to which section 2(1) of the Non-Governmental Organisation Act, Cap. 113 applied, before the commencement of this Act, may continue to operate.

### **Schedule 1 (Sections 3)**

#### **Currency point**

A currency point is equivalent to twenty thousand shillings.

### **Schedule 2 (Section 12)**

#### **Meetings of the board of directors**

##### **1. Meetings of the board of directors**

- (1) The Chairperson shall convene meetings of the board of directors who shall meet at least once every three months at such places and at such times as may be decided upon by the board of directors.
- (2) The chairperson or in his or her absence the vice chairperson shall preside at every meeting of the board of directors and in the absence of both the Chair person and vice chairperson; the members present shall elect from among their number, an acting chairperson.
- (3) The Chairperson may, at any time, convene special meeting of the board of directors.
- (4) with the exception of a special meeting, notice of the board of directors meeting shall be given in writing to each member at least fourteen working days before the day of the meeting.

##### **2. Quorum**

The quorum for a meeting of the board of directors is five members.

##### **3. Minutes of meetings**

- (1) The board of directors shall cause to be recorded and kept, minutes of all meetings of the board of directors in a form approved by the board of directors.
- (2) The minutes recorded under this paragraph shall be submitted to the board of directors for confirmation at its next meeting following that to which the minutes relate and when so confirmed, shall be signed by the Chairperson and the Secretary to the Bureau, in the presence of the members present at the latter meeting.



**4. Decision of the board of directors**

- (1) All decisions at a meeting of the board of directors shall be by simple majority of the votes of the members present and where there is an equality of votes, the person presiding at the meeting shall have a casting vote.
- (2) A decision reached by the board of directors shall be binding on all members.

**5. Power to co-opt**

- (1) The board of directors may co-opt any person who, in the opinion of the board of directors, has expert knowledge concerning the functions of the board of directors, to attend and take part in the proceedings of the board of directors.
- (2) A person co-opted under subparagraph (1) may take part in any discussion at the meeting of the board of directors on which his or her advice is required but shall not have any right to vote at that meeting.

**6. Disclosure of interest of members**

- (1) A member of the board of directors who is in any way directly or indirectly interested in a contract made or proposed to be made by the board of directors, or in any other matter which falls to be considered by the board of directors, shall disclose the nature of his or her interest at a meeting of the board of directors.
- (2) A disclosure made under subparagraph (1) shall be recorded in the minutes of that meeting.
- (3) A member who makes a disclosure under subparagraph (1) shall not—
  - (a) be present during any deliberation of the board of directors with respect to that matter; or
  - (b) take part in any decision of the board of directors with respect to that matter.
- (4) For purposes of determining whether there is a quorum, a member withdrawing from a meeting or who is not taking part in a meeting under subparagraph (3) shall be treated as being present.

**7. The board of directors may regulate their own procedure**

Subject to this Act, the board of directors may regulate their own procedure or any other matter relating to its meetings.