

A. Refining of gold;

Plant and machinery exempted from import duty, VAT is deferred for a period of one year and an extension can be sought. To qualify for VAT deferment you must be registered for VAT and the amount sought must be at least US 22,500 at the point of importation.

B. Domestic taxes

Annual allowable deductions like; depreciation for assets, carried forward losses and startup costs (expenditure incurred in starting up a business to produce income included in the gross income and must be non-recurring preliminary opening costs like);

1. Scientific research expenditure;
2. Training expenditure for employees of the company not exceeding the aggregate of five years, of a citizen or permanent resident of Uganda;
3. Fee of accountant;
4. Registration of business;
5. Promotion and advertising activities.

C. Banking investment;

Taxation;

Bad debts are an allowable deduction if all steps for recovery have been taken and that there is reasonable ground that the debt is not recoverable.

Interest earned by financial institutions as a result of granting loans for agriculture purposes is taxable i.e. standard rated at a rate of 18%

Banks charge 10% excise duty for money transfer services.

Interest received as result of money lending from business of banking is business income and subject to tax at rate of 30%