

**THE EFFECT OF TAX ADMINISTRATION AND MANAGEMENT
SYSTEM ON THE VOLUME OF IMPORT IN UGANDA**

**CASE STUDY OF CUSTOMS TAXES AT UGANDA REVENUE
AUTHORITY GOOD SHED NAKAWA
KAMPALA – UGANDA**

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**A RESEARCH REPORT SUBMITTED IN PARTIAL FULFILLMENT
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DECLARATION

I Okee Michael hereby declare that this research report is original and has never been produced in what so ever form in any institutions of learning.

Any secondary information's included therein has been given due authority.

Sign.....

OKEE MICHAEL

Date.....

APPROVAL

The report has been submitted with the approval of the supervisor Mr. Okello Okello Francis (Lecturer) School of Business and Management of Kampala International University.

Sign *Fee.* Date *30/04/2007.*

OKELLO OKELLO FRANCIS

DEDICATION

With great respect, I dedicate this research work to my late parents Mr and Mrs. Benjamin Ochaya, my sister Labol Rose and brother Ochaya Geoffrey alongside Oyella Joyce for the sacrifice, support and encouragement whatsoever they had given during the struggle to produce this research work.
May the almighty God bless them.

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ABSTRACT

The overview of uncontrolled and fluctuating level of imports in Uganda basically accredited to the tax administration system in place.

The fact that taxes are the biggest sources of government revenue, custom duties constitute the biggest percentage of total tax revenue.

Given Uganda's tax system and increasing the tax ratio, as part of the tax administration and management system on the varying volume of imports is deemed necessary

The study was taken to have a critical look at the magnitude of the tax administration as opposed to the level of imports considered that Uganda's economy was mainly import driven.

The study was zeroed down to the objectives of the research proposal. The respondents were members of the staff of the customs and excise Department of Uganda Revenue Authority (URA). A cross section of importers, some clearing Agent and to a small extent other interested members of the public selected using judgment sampling.

The undertaking had good shed Nakawa internal Custom Revenue Department of the Uganda Revenue Authority as the researcher's case study.

The information was therefore sought from the primary sources as well as the secondary (from available literature).

ABBREVIATIONS

A-SY-CU-DU	-	A computer software package develop for tracking custom Data imports and exports.
C.I.F	-	Custom Insurance Freight paid
D.T.I	-	Direct trade import
I.C.D	-	Internal container deport.
L.D.C	-	Low Develop Country
MOFPED	-	Ministry of Finance Planning and Economic Development
OECD	-	Organization for economic Cooperation and Development
R.P.S	-	Revenue Protection Services
UBOS	-	Uganda bureau of statistics
U.C.C.F.A	-	Uganda Customs Clearing and Forwarding Associations
U.R.A	-	Uganda Revenue Authority
VAT	-	Value Added Tax

CHAPTER ONE

1.0 INTRODUCTION

Uganda Revenue Authority was established in 1991 by the Acts of parliament with the primary function of revenue collection for, and on behalf of the government of Uganda.

Its first commissioner General was Ghanaian who worked for years and since his departure as commissioner General, the URA has changed about three commissioners as Mr. Stephen Akabwaye, Mrs. Annebrit Aslund and currently being headed by Mrs. Allen Kagina as commissioner General.

Uganda Revenue Authority good shed Nakawa act as an inland port of Uganda and is situated four kilometers on the Eastern side of Kampala city along Kampala – Jinja High way. It is about three hundred meters from the road junction off Ntinda – Jinja road after spear motors work shop.

1.1 BACKGROUND OF THE STUDY

Brian Kasigazi (1999) states that tax is the most important source of government income. It is considered a compulsory contribution impose on the individuals or persons to meet the expenses incurred by the state to help for governmental operations.

In this respect, it can be argued that taxation being a necessary evil, its administration and management such as of custom taxes out to be critically observed to enhance the volume of trade.

Uganda's economic performance was commendable in the 1960's; today the country is rank amongst the least performing countries (World Bank African Development Indicator 2005/2006)

A systematically coordinated tax administration of customs taxes for example fosters a cordial relationship between the imposters and customs officials. It keeps in place adaptable and versatile employees in the general running of the Uganda Revenue Authority (URA) work ensuring compliance culture among the payees especially importers, there by improving the level of imports.

The new vision Friday October 2005 reported:

As the URA explores Avenues of raising revenue, crafty traders are exploiting loopholes to beat the tax body's machinery. URA has observed that clearing companies import goods claiming that they were in transit or raw materials. In order to evade taxes, sell goods to manufacturers or other buyers for re-export.

Enock Ekanya, a former URA commissioner noted that there were loopholes and vacuum in the administration and management of the taxes especially at the customs and called for the customs Act to be amended.

To check on the falling of imports, the system requires an organized, planned and controlled procedure to block up the taxation activities at the different URA customs offices to ensure a harmonized working relation with the business community.

Falling short of this will mean an alarming increments of the imports problem as revealed below:

Background to the budget 2005/2006 states that the import of the recent sharp appreciation of the domestic currency vis-à-vis other major trading demands during the fiscal year 2004/05.

In real terms, import dropped from 30% of GDP in 2003/04 to 26.75 in the GDP during 2005/06 representing a decline of 4.2% of GDP. Oil import payments alone reduced nearly to 19.0%.

There was an overall reduction in imports in absolute terms of 5.4% from US\$1870.8 million in 2003/04 to US\$1770.1 million in 2004/05.

The background to the budget 2005/06 clearly states an anomaly as the total imports are estimated to have declined by just over half percent from US\$1.51 billion in 2004/05 to US\$1.5 billion in 2006/07. The decline is government imports estimated at 13%.

Warranting a need for research is the emphasis by the same authority that in the same fiscal year 2006/07 of the overall revenue performance was below target. The ratio of URA revenue /GDP stagnated at 11.3% the same level as the years 2005/06.

This is still too low a figure to be depicted of the GDP in Uganda low imports would virtually mean low level of economic empowerment and increased tendencies of tax evasion.

This is an indication that something has to be done about the tax administration and management procedures in place to raise the volume of imports and therefore capital stems into the country for improved productivity.

The customs taxes like imports duty, V.A.T, excise duty, import commission and other related tariffs need immediate attention to better the climate operated in today.

There is a high need for maintaining on informs, committed and appropriately trained workforce.

Infact revamping the administration and management of taxes, if need be has never been more urgent in Uganda Revenue Authority than it is now.

1.2 STATEMENT OF THE PROBLEM

The tax management and administration system in place greatly determines the volume of trade in any country. Uganda being a low developing country it has always registered low level of export implying that the country's economy is mainly import driven.

Despite several measures put forward through the revenue protection service, computerization of the various customs ports through A-SY-CU-DA and constant training of staff, the tax administration systems has not had recognizable positive influence on the volume of imports into the country that allow in both capital and consumer goods and services hence, a need for an assessment of the administration and management system and its influence on the level of imports.

1.3 OBJECTIVES

1.3.1 General Objective

The general objective of the study is to asses the aspect of tax administration and management system on the volume of imports through Uganda Revenue Custom points.

1.3.2 Specific Objective

- Asses the effect of the tax management system on the volume of import through URA points
- Establish the tax administration procedures in URA
- To find out what computerization system (packages) are in place to counter fraud
- To determine the level of import through URA customs points

1.4 RESEARCH QUESTIONS

- What tax administration procedures do you have in place at the URA for effective tax management?
- What has been the effect of tax management system on the volume of imports between the years 2003 – 2006?
- What problems do you (importers) encounter when your goods reaches Nakawa good shed?

1.5 PURPOSE OF THE STUDY

The purpose of the study will be to broadly determine whether the tax administration and management system in place has been the leading causes of the falling volume of imports or has otherwise enhanced their growth in Uganda's economic performance.

1.6 CONCEPTUAL FRAMEWORK

Independent variable which is the tax administration and management system in place are the main variables under investigation. The effect which are likely to impact on the volume of the import at URA Nakawa good shed while the dependent variables is the volume of imports in to Uganda.

INDEPENDENT
VARIABLES

INTERVENNING
VARIABLES

DEPENDENT
VARIABLES

Tax administration
And management
System in place

- Creation of responsible tax paying culture
- Education of tax payers and tax collectors
- Adequate physical control of fixed capital and resources.
- Sophisticated information technology.

Volume of
import

Results of proper application of
intervening variables

- Increased government revenue
- Better service delivery
- Improve economic development
- Reduced corruption
- Accurate trade statistics reports
- Enhance productivity and volume of GDP.
- Improvement in guarantee (bonds) management in the transit and ware house
- Reduced administrative and operational cost as a result of DTI

Results of poor method of
application of intervening variables

- Increased smuggling
- Increased tax evasion
- Increased tendency of corruption
- Total reduction of import
- Loss of government revenue
- Poor economic development
- Increase government dependency on donor
- Increase home use imports declared as transit goods
- Low compliances culture

1.7 SIGNIFICANCE OF THE STUDY

The study will reveal whether the management of custom taxes has worked on curtailing the volume of imports in Uganda. This will benefit the tax administration on improving the system as to widen the tax base.

Other beneficiaries of this research will be training institutions to establish what should be included in their curriculum to make their output a competitive workforce, academic researchers' elsewhere in related field and the business community as a whole who are affected.

To crown it all, will be the researcher himself who will have accomplished the requirement for the award of a degree.

1.8 SCOPE OF THE STUDY

The research will study the impact of the tax administration and management system on the import business in Uganda.

Particular concern shall be laid on the custom taxes, tax administration procedures by Uganda Revenue Authority at the Good shed Kampala, being the largest inland entry point that will perform a representative of the rest of the country.

Other factors affecting the volume of imports at customs points in Uganda will not be considered by the researcher. The researcher will restrict himself to the period July 2003 – June 2006. It is particularly a study concerning imports because Uganda being a developing economy benches so much on imports as a source of capital inflow that will help rejuvenate the export sector with our increased level of Gross Domestic Product.

1.9 DEFINITIONS OF CONCEPTS AND TERMS

1.9.1 Tax

A tax is a compulsory levy imposed by the government or assessing of an individual or corporate body, a contribution designed to reduce private expenditure in form of public expenditure to enable the government obtain funds for provision of public and merit goods and services, redistribute income and clear market imperfections to stabilize the economy.

1.9.2 Tax administration and management

This is a broad term whose components include:

- Creation of a responsible tax paying culture
- Tax payers and tax collectors Education
- Adequate physical controls of resources
- Sophisticated information technology
- Building strong legislation and political support (Kasigazi 1999)

1.9.3 Customs taxes

The tax code prescribes taxes as (custom duty, import duty, VAT and excise duty) and levies payable upon the crossing of the customs borders. Payment of the taxes at the customs is performed prior to the completion of customs clearance of goods through some legally licensed agent by the URA and dully recognized by the Uganda Customs Clearing and Forwarding Association.

1.9.4 Imports

Imports are goods or services coming into a country from another be they are consumable or of capital nature.

1.9.5 VAT (Value Added Tax)

VAT is payable on imported goods and services by any person who receives imported items from outside the country as under (section 5C and 6C of VAT statute 1996 as amended).

CHAPTER TWO

LITERATURE REVIEW

2.0 REVIEW OF RELATED LITERATURE

The consideration in this chapter was about the simulation of the salient issues as regards the study put forward by various scholars. The rationale was to review information got from text books, journal publication, media sources and other relevant authorities that has help the researcher to analyze the topic.

2.1 DEFINITION OF A TAX

Dalton (1987) has defined taxation as a compulsory contribution imposed by a public authority irrespective of the exact amount of services rendered to the tax payer in return.

This is the implication that one is bound to adhered to taxation requirements than compare it with the social services provided by the government. The consideration need not to be adequate.

Kanyunyuzi (2001) noted that the definition of taxation was just like any other definition within the academic world and lack universal identity and many scholars have advanced different revisions. This draw us to a general conclusion that taxation can be defined as a non – quid – pro – quo compulsory levy imposed on assessee and of which the tax payer does not expect a direct return immediately.

Kasigazi (1999) defined tax as a payment exerted on persons, co-operations and other economic entities by government to help pay for its operations as to

discourage the consumption of goods and services. The definition is that a substantial recognition that a tax can be of a regulatory function that the indirect taxes of so imposed will either raised the prices of the item in question or subsidize it to enhance consumption.

2.2 TAXATION ATTRIBUTES RATIONALE

Brian Kasigazi (2000) stated that the major purpose of taxation was for the mobilization of resources to finance public expenditures and subsequently attained internal financial stability so as to balance the budget. One of the basic pursuits of Uganda government today is the attainment of an independent and self sustaining economy. This can only be achieved with an appropriate tax administration system in place.

Uganda's economy is basically import driven. The mandate to increased the volume of capital inflow lies in URA's bid to foster an increased level of imports. The current systems seemed to concentrate more on customs as a major tax base by simply increasing the tax rates for more revenue to hit the set targets at the different internal container depots (ICD's).

As a policy at the Good shed, in a bid to hit the desired shilling 600 million monthly collections, URA have introduced a surcharge of 20,000/= for the CB5 transshipment procedure from the railway wagons on the truck. This has instead discarded off some prominent customers to clear their goods elsewhere. For instance if Nile Breweries was let to go, the entry port would forego an approximately 300 million it pays per month. In this case tax effort in relation to the import level would depend on the flexibility and relation between the administrators and tax payers. The harmonized system enhances collection.

2.3 CUSTOMS TAXES

Tax codes describe tax (customs duty, VAT and excise duties) are levies for customs procedures and rendering of licenses payable from the crossing of the customs boarder. Payment of the taxes at the customs is performed prior to the completion of the customs clearance of goods (<http://lgeoble.org>), ([custom – legislation.htm](#)).

Those customs taxes are administered by the Uganda Revenue Authority alongside other customs charges like surcharges, commission and other tariffs charges. However, there are quite a lot to be revised for effective control of imports into Uganda.

According to Awori (June 2003), customs taxes are advalorem, charge basing on the percentage rates provided by the tax law. The rates are then charge to a customs value expressed in the local currency (Ushs), a product of the running exchange rate and determined custom, insurance and freight (CIF) value in foreign currency.

Point incase has always been the reflection of the invoice from tenders. Sometimes the invoices are discovered to have been fabricated therefore making research inevitable.

2.4 CUSTOMS PROCEDURES

The custom and excise department has introduced simplified procedures for clearing goods. They were as a result of a reviewed exercise aimed at facilitating trade through reducing the clearance period and ultimately the costs incurred by the business community (URA tax news, March 2005)

Those procedures implemented on 18th February 2002 incorporated view from stake-holders like Uganda clearing and Forwarding Agents Association (UCFAA)

alongside the world customs organization in the revised Kyoto convention on the simplification and harmonization of customs procedure.

Volume 1 No 2 of the March 2002 URA tax news listed the revised procedures as:-

All the custom taxes encompassed into a Bill Of Entry warrants assessment of tax are affected. Bank Payment advice forms issued to the tax payer enabling him/her to pay through Stanbic Bank branches were available.

Awori (June 2000) asserts that once the Bank has acknowledged the receipt of taxes paid to URA offices then the cashier at the long room issues a receipt to the tax payer to enhance clearance of the goods.

2.4.1 Revised customs procedures

These were drawn from the URA tax news Vol. 1 No 2 as Goods for direct home use are cleared for use in Uganda. These are cleared without being warehoused. At the long room the entry forwarded to documents assessment a process destined to take one end or half a day. Goods for warehousing (Forms S7), implying that the importer is not yet ready to pay taxes. The entry is taken to the location of goods for a sight account and dispatched to long room warehousing section. Goods are then dispersed to the bonded warehouse for full verification. The process should normally take one day according to URA custom procedures. At the warehouse long room, assessment is done base on the verification account: a Bank payment advice form is used for taxes to be paid.

The process should normally take one day: however, despite all the revised procedures above and anticipated time, the process seemed to be simply lying on paper because much longer time is undeservedly spent at the customs because of conflicting methods employed by the agents such as Spedag and tax authority.

2.4.2 Problems of the customs procedures

Some of the problems of administering the procedures includes:-

- **Imports for home use declared as transit goods.** For instance Uganda Revenue Authority (source New Vision of Friday January 05 – 2007) impounded 2700 cartons of imported candle at the former premises of the Coffee Marketing Board in Bugolobi which were declared as transit to the Democratic Republic of Congo but were diverted to the local market, Revenue official said they estimated the value of the consignment to be about Shs 160 million as can be seen on the photo start.

Revenue impounds candles

By Fortunate Ahimbisibwe and Richard Ssemakula

THE Uganda Revenue Authority yesterday impounded 2,700 cartons of imported candles at the former premises of the Coffee Marketing Board in Bugolobi.

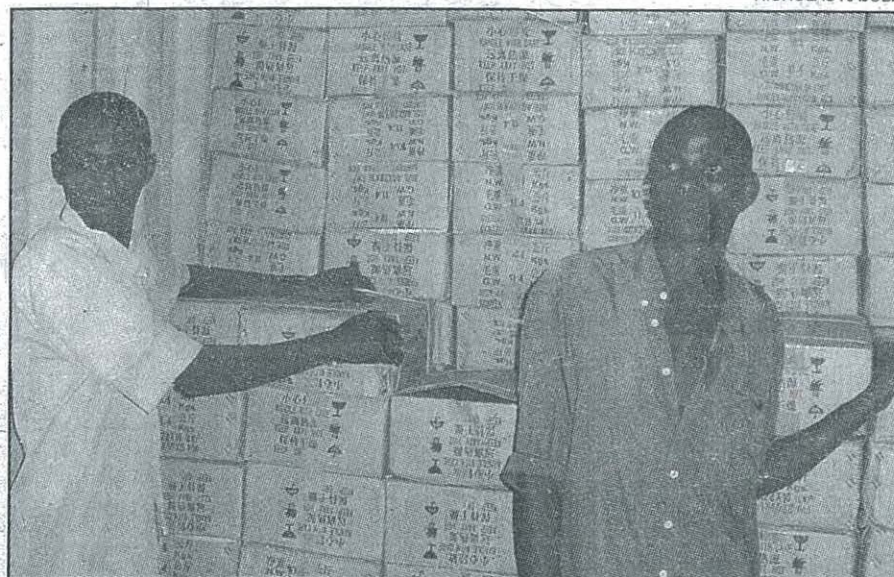
The candles were meant for the Democratic Republic of Congo but were diverted to the local market, revenue officials said. They estimated the value of the consignment to be about sh160m.

The premises are currently occupied by Apparels Tri-star and the Uganda Coffee Export Centre, a company linked to the wife of a prominent state minister.

The managers of both companies denied knowledge of the container.

URA officials, however, questioned how the trailer entered the tightly-guarded compound.

The revenue body's commissioner for enforce-



NICHOLAS KAJOBA

CORNERED: Some of the suspects found offloading the candles at Tri-star yesterday

ment, Julius Rubagumya, told *The New Vision* that they found about eight people offloading the candles from the trailer to a nearby container. The candles were packed in boxes with Chinese logos.

He said the candles were registered for export to Congo. "The owners were trying to evade import duties by returning the candles to the local market. They removed the custom seals from the

containers and parked inside this place," he said.

Questioned by officials, Joseph Kivumbi, a supervisor at the premises, said he worked for the coffee firm and was paid by one Peter to offload the candles. Another batch of candles was discovered in a nearby store.

Rubagumya said a fictitious company, known as Victoria Best Limited, P.O. Box 1050, Masaka, was registered as the

exporter, while the addressee was Warson Laguna, a Congolese.

Operations manager, Andrew Seguya, claimed he did not know anything about the trailer, which was parked in front of his office. "I am also surprised how this trailer got here," he said.

A source said the container had been cleared, indicating that an insider in the customs department was involved.

- **Possibility of evasions or avoidance of the tax.** Smugglers reap big in West Nile (source New Vision Thursday June 19-2003)

Due to high tax levied on fuel being imported into the country citizens have resorted to smuggling to avoid paying high taxes that reduces their profit margin. For example a litre of petrol in a container in Moyo or Arua town was costing shillings 1,800 i.e. shilling 60 higher than a litre of petrol in Kampala.

Mean while, the legal sellers (petrol stations) sell at shillings 2,000 per litre which was shilling 260 higher than in Kampala.

Uganda Revenue Authority information stated that smugglers can not be stopped because there are many ways that they smugglers used to get fuel into the country and those activities affect both tax to be collected and data concerning the amount of import in Uganda since smuggled goods are not recorded by URA customs points.

- **Low compliance culture**

Commissioner James Kahoza and Assistant commissioner customs and excise central region Evelyn Nyakato said "importers rarely declare genuinely, we have a problem with them, the majorities are dishonest and they forge invoices or some times they import blank invoices and fill them here, all their interest is to beat us and dodge paying taxes". (Source New Vision Tuesday 20 June 2003)

- Some transactions involved sophisticated goods that warrant longer time than scheduled for the process.
- **Under declaration and forging of documents** are the worst forms of tax evasion as it affects business greatly because those who do the right thing (declaring) can not compete with those who do not declare their goods directly.
- **The culture of "eat where you work"** (corruption) has complicated the whole procedures at the customs point.

Tax administrators need to determine a reform strategy aimed at improving the existing compliance level while reducing the costs involved, obtaining significant gains by considerably modifying the approached tax. This is in view of rejuvenating the level of imports considering the fact that Uganda's economy is mainly import driven.

It is through selective importation that it can enhance productivity for we lack the capital items such as heavy machinery, raw materials and computers required to enhance production capacity.

Tax evasion, URA blames politicians and traders blame it all on unfair tax policies. (Source monitor July, 31 2003 page 15)

URA boss Ms. A. Anne Britt say tax evasion caused politicians interference and high tariffs are to blame for the high incidence of evasion. Certain tax payers enjoy patronage from political big shot that helps them flout tax rules.

Mr. Christopher URA's Assistant commissioner tax education noted that there was political interference even though the law was in place hence living there hand tied. He said in some cases, the tax body tries its best to compel tax evaders to pay but some politicians whom he could not name because of his job security interfere and fail the process.

Government officials also smuggle goods into the country while avoiding tax, a case of DANZE Clearing and forwarding firm which was involved in smuggling.

Evading tax by misclassifying and then undervalue the goods in question. All the goods that are imported into the country have different international codes. The last figure of the code usually identify the goods and custom officer use this to value the goods.

Incase the goods in question have no specific code, and then they can be value according to the code of the goods similar to those in question.

But what usually happen is that, custom officers use code similar to that with very low value which attract lower tariffs and asked trader to pay less. The different is then shared amongst URA officers, importer or clearing Agent leaving the government to lose at the end of the day.

The tariffs factors

URA Officers also says that some punitive tax policies that set high tax rates and tariffs which do not conform to the principle of fairness and equality have also encourage tax evasion.

Trader requesting the government to reduce the tax burden from 54% to 45% in order to increase compliance for them to stop evading or else they will find themselves in a fixed situation and the only solution to bribe the URA officials, said one Lukoma.

Chairman Kampala City Trader Association said "importers pays 10% excise duty, 18% VAT, 16% import duty, 4% import commission and 6% withholding tax which amount to 54% of the value of products". This he said is very high. Zziwa says that considering other cause such as rent, electricity, transport, clearing Agents fee, license and packing fees a trader end up paying more than 100% of the original price of import.

Traders said tax compliance rules give them little time to arrange payment and this increase the temptation to evade tax, admitted Kaweesa, provision deny trader grace period to prepare their books of account at the end of a financial year which make them panic and in the long run they evade taxes.

The tax official regularly exploit ignorance of the tax laws on the part of the tax payers and that is why according to Kaweesa tax educationist, tax education is necessary. There is need to educate the business community about the tax laws, the very automated system to reduce human involvement and above all, improve tax policies to ensure fairness and equity.

Importers print fake invoices.

URA commissioner General Ms Aslund noted that government was losing million of shillings into tax revenue to a racket of custom officers and shrewd importers. The duo use locally printed invoices to value and clear goods, rather than those from the country of origin.

The forged documents are used to defraud government, through undervaluation and under declaration of imported goods at entry points. She accused some customs officers of abetting tax evasion after taking bribes.

Other problems faced by URA are under declaration, undervaluation and forged documents printed in Uganda and use by some traders who do not want to pay taxes to URA. (Source URA tax news Vol. 7 Issue 3)

Graft slow growth "as noted by ERIK-JAN VAN QOSTREHOUT the commercial attaché at the Netherlands Embassy noted that the Uganda government through its URA will lose a lot of investment opportunity and taxes on imports as corrupt government official and those at URA continues to ask for bribes at entry points into the country or at clearing points a case on sight was URA good shed at Nakawa, URA Entebbe Airport and entry points along the Uganda boarder.

He further noted that the red tape in government and the long administrative procedure and importer goes through while clearing must be reduced because this at the end of it all increases net taxes paid as demurrage.

Officer at the entry points into the country asked for bribes before they get you the required document and the situation are worsened by the red-tape and the practices in URA points.

Solutions to the problems of customs procedures

- Training of both officer and importers about the tax-benefit.
- Correctly taxing of import goods basing on the right tax method as stipulated in the tax law.

- Companies that are found to be printing the fake invoices will be got rid of.

2.5 TAX REFORM

Van der Heeden (2003) stressed that an essential ingredient of a successful tax reform in Uganda need strong commitment at both the policy making and management levels. Tax administrators and tax payers need to know that the legislative and executive branches of governments are fully supportive of the reform. Concession, not only weaken commitment but also diminished the enforce capability of the tax administration.

Uganda tax gap lies between a range of 40% and above, typical of a developing economy.

2.5.1 Procedures and guidelines in the management of custom taxes

Allan firestone (1999) stressed that the current URA tax system has left the administration in the state of disarray and indecisiveness, hampered by instructions hence, the lose administration of VAT and its enforcement.

It requires a concerted effort from the ministry of Finance and Management of URA to restore confident in and effectiveness of the tax administration.

Measures to improve the management of import includes the following

- Organizing the URA headquarters into support departments (Finance and administration, computerization and development, internal audit and tax audit and investigation, tax payer services, research and statistics and large tax pay monitoring), and operational departments(internal revenue, customs and excise and VAT).
- This was evidenced in the URA tax news issue August 2003 volume 1 No 7 revealing a new organizational structure. It further stated that the restructuring exercise which was carried out in July 2003 led to vital

changes affecting the formation of department and their functional structure. The department affected included custom and excise Domestic direct and indirect taxes, information technology and corporate services, finance, human resource and the liked which were destined to improve the import management system.

- Update the VAT register for the new threshold level and canvassed for new tax payers.
- Revise the system of payment of refunds and planned to audit refund claims, large tax payers and was to plan broad audit coverage.
- A reviewed of the Bank collection system to simplify procedures and reduced administrative cases. Those had so far taken effect as diversification had extended to other Banks of importer's convenience like Orient Bank, Barclays Bank, DFCU Bank along side Stanbic Bank branches only. What probably waits was to advocate for a tax compliance culture. This was to improve the volume of imports than discourage them.
- Computerization of the URA customers department and other departments.

This was in such a way to introduce an integrated tax administration system to perform the function desired in VAT books and IRD offices.

This was true with the introduction of A-SY-CU-DA in Uganda as a software package developed by UNCTAD for use by customs management in processing import and export documents facilitating further clearance of goods and accounting for the revenue collection.

2.5.2 Expected outcome of implementation of A-SY-CU-DA

The following outcome where the result seen on the volume of imports checked and business enhanced to the effect as:-

- Increased revenue as a result of faster clearance of goods and reduction of fraud.

- Accurate trade statistic reports.
- Reduced administration and operations costs as a result of D.T.I.
- Improvement in the guarantee (bonds) management in the transit, warehouse and declaring account (URA tax news May 2004).

If this was strictly followed, then the stringent government pursuit will inevitably be achieved as controlled imports inflow will enhance productivity and therefore the volume of GDP.

2.6 IMPORTS FLUCTUATION STATISTIC

Information from the background to the budget (2003/2004) indicated a varied scenario. The impact of the recent depreciation of the domestic currency (shilling) vis-à-vis other major trading currencies (Dollar, Euro and Pound sterling) has been a contraction in imports demand during fiscal year 2002/2003.

In real terms, imports dropped from 30.9% in 2002/2003 to 26.7% of GDP during 2003/2004, representing a decline of 4.2 of GDP. Oil imports payment alone reduced by nearly 19.0%. There was an overall reduction in imports in absolute terms of 5.4% from US\$ 1870.8 million in year to US\$ 1770.1 million in 2002/2003.

The minister of finance Mr. Gereald Sendawula, in his background to the budget (2003/2004) stated that the slight growth in the private sector imports, estimated 2.3% was more than set by the declines in the government imports estimated at 13%.

Given those sub situation, there was an indication that the growth of imports was insignificant much as it contributed to a lot to Uganda's economy by the shaping the trend of the GDP growth.

In his statement he further asserts that in the fiscal year 2004/2005, the overall revenue performance was below target. The ratio of URA revenue stagnated at 11.3% the same level as 2003/2004. The overall revenue which included non URA revenue was 11.5% GDP down from 11.7% the previous year.

2.7 CROSS-BOARDER COMPARISON FOR IMPORTATION PARAMETERS

Dwanjie et al (1999) compared the East African countries like Kenya, Uganda and Tanzania, consideration was that which of the three countries was in the best position to attract foreign investors (import) focusing on manufacturing and tourism as they are the key area for foreign direct investments in Eastern Africa. Tax provisions and economic parameters for foreign firms were based on the United Kingdom's tax systems as it accounts for the target share (about 25%) of the total actual foreign investment in Uganda.

In Kenya import duty for most capital goods was 5% and that for most of the raw material was 15%. The average fuel tax 62%. The import duty in Tanzania was between 0 and 5% on capital goods and between 10-20 percent on raw materials.

Adhoc exemptions, partially for large investors seem to be more common than in Uganda. Ad-quantum fuel rates in Uganda was a menace as deemed too high for the trade (source Ministry of Finance June Issue 4 2005).

The Uganda rate of import duty between 10 and 15% was rather high and no particular consideration for raw material imported to enhanced local production to increase the GDP. This has a drastic influence on the import based with the consideration of the tax administration and management system by the tax authority URA.

The idea was that Uganda's rate and administration procedures were highest of the three countries with no consideration for importation allowances of factors inputs. The systems summarily discourage the inflow of capital items and therefore a narrow tax base.

2.8 EFFECT OF TAX ADMINISTRATION ON IMPORTS STATISTICS

Duanjie Chen (1999) in his research established that amongst the tax legislators/Authority, URA was the least popular agency in the 1998 from the survey as well.

There was some evidence that tax and custom administration was either holding steady or improving. Specifically, on average firms indicated there had been no change in the administration of some taxes, while a slight improvement in others.

According to the Board of Director report to the minister of state for Finance, Planning and Economic Development, there are loopholes in the tax administration and Management system. The problem being that, it rendered the loading of 2003, 2004 and 2005 data into the EUROTRACE system not being completed to the effect that data lodged came only from non ASYCUDA files thereby leaving the ASYCUDA files out.

This in effect implies that even on the fluctuation of the administration and management modules such effects will be recurrent. There were other environmentally related effects as raised by Organization for Economic Cooperation and Development (OECD) (2001).

The impact of tax administration on the level and distribution of after tax on the importers and economy at large as:-

- Effects on the industrial sector
- Employment effects
- Effects on prices
- Effects on economic growth
- Indirect economic effect on households
- Regional effects
- Exchange rates and the balance of payment (BOP)
- Compliances and administration costs

All the above needed a proficient tax administration and well managed import policy to curb them.

2.8.1 Planned activities

The Board of Director (MFEP July 2004) report had some plan put forward to overlook the trade and finance statistical administration.

- The unit had planned reconciliation of data structures for A.SY.CU.DA and non A.SY.CU.DA to come up with one national file.
- It intended to understand the extraction and loading of data into EUROTRACE for the year 2003,2004, 2005 and the first period of 2006.
- Efforts were to be made to determined commodity weights and computation of trade indices.
- Visiting data collection organization and major customs stations giving priority to improve on accuracy and coordination between the bureau and other data providers.
- It was also the unit's intention of making available publications on external trade statistics bulletins. Some of the laid down exports of the ministry of finance and URA were now effective but further relentless effort in administration should call for some research to enhance external trade administration and management.

2.9 PROBLEMS OF TAX ADMINISTRATION ALONGSIDE CUSTOMS DUTIES

There was a bid for the custom point to raise the set revenue targets required by the principle revenue officer in charge. That raises pressure and some discrepancy between the tax payers and tax authority.

According to Duajie Chen (1999) the study carried revealed that among the firms that were audited, at least every a third had to pay additional taxes, while every fourth firms had to incur additional costs such as bribes. It was interesting to note that all firms whose tax assessment differed by 100% or more reported that they "always" had to pay bribes to URA officials while an average all survey firms reported they were required to pay bribes only "seldom".

In effect marginal expenditure tax rate (METR) can reduce the tax burden if it provided an opportunity to tax evasion. The end result would be reduced volume of imports through the entry points.

For every mode of importation and source, traders alongside forwarding agent and URA officers devise a way of dodging the tax and therefore some invisible business.

2.9.1 June 2006 Statistical Abstract Reveal

The abstract reveals that the European Union accounted for 10% of Uganda's import in 2005 compared to 17.3% to 2004. Asia accounted for 11.6% total imports in 2005 compared to 15.9% in 2004.

A total of 12.5% of the imports in 2005 as opposed to 14.5% in 2004 was from COMESA countries. (Source Uganda Bureau of statistics).

That draw a general conclusion of the value of total imports between 2004 and 2005 growing down by 16.6% that was however according to the available statistics but the Ssebutinde Commission tremendously revealed a lot more "trash" and unbelievable figures characterized by massive corruption and bribery in the URA administration and management of taxes by the authority in-charge.

Kanyunyuzi (2001) further noted that some problems as:-

- Tax payers changing names to evade taxes.
- Rigidity in the time period which the tax payers must take remittance, to URA was a weakness in collection because not all tax payers are able to pay on time hence accumulating demurrage to importers.
- High duty rate.
- Discriminatory tendencies based on political, economics and other social instincts.
- Stringent regulation on imports in a bid to promote the export sector.

CHAPTER THREE

METHODOLOGY

3.0 RESEARCH METHODOLOGY

This chapter provided the background on which the finding of the study was based. The entailment covers the survey population, research design, data collection criteria, data processing and analysis tools and the problems of research for the researcher's primary objectives.

3.1 RESEARCH DESIGN

The research design was both analytical and descriptive in view of both quantitative and qualitative data. The data were collected by the use of structured questionnaires which were administered to the Uganda Revenue Authority Staff such as Commissioner Customs, Revenue Officers and Senior Customs Officers plus importers and clearing Agents.

This was based on questionnaires, interview guides and alongside observations where deemed fit for the study as a tools/instruments.

3.2 SURVEY POPULATION

The population that were surveyed was based on the custom top management, middle managers and the low level employees that formed the basis of regulatory measures of the import business in URA.

It was this particular department of URA that was selected for it forms the basis of the framework of import into Uganda.

Also given that, the researcher's coverage was good shed Nakawa depots, it was not to cover an extensively large population but worth representation of the customs in the country.

Another look was also to seek some information from a few members of importers and clearing agents for comparison purposes.

At URA the population was segmented as:

Table I: Showing the division of URA population interviewed

Unit	Number of people
Commissioner customs	2
Senior custom officers	3
Revenue officers	5
Junior revenue officers	5
TOTAL	15

Table II: Showing non URA personnel interviewed

Unit	Number of people
Importers	8
Clearing Agents	8
TOTAL	16

3.3 SAMPLING

Owing to the fact that the researcher can not use the whole population at URA, part of the population was surveyed avoiding constraints on the available resources.

3.3.1 Sampling Design

The consideration was that researcher selected a sample that was just convenient without going through random sampling (purposive sampling).

In this case, matters of import were got from the customs department of URA.

3.3.2 Procedure

For some of those (URA staff, importers and clearing agents) to be contracted, questionnaires together with introductory letter from the institution were forwarded before the actual interviewed. Their responses were analyzed to generate the required information.

3.3.3 Sampling Size

It look at different level of the URA organization from the commissioner customs, senior customs officer, revenue officer to junior revenue officers which had covered a size of 15 people in total at the Nakawa Good shed Kampala.

3.3.4 Stratified Random Sampling

The researcher had a sub group to ensure that both men and women were represented. Also other groups were selected to cater for the import duty, excise tax, VAT and other custom tariffs, that helped cater for all areas of administration and management of customs taxes on the imports.

3.3.5 Volunteer Sampling

In this case the researcher had room for those people within the customs areas that had volunteer to be interviewed and had the required knowledge and interest to bridged the comparison between the information availed by the URA staff, importers and clearing agents.

CHAPTER FOUR

DATA COLLECTION, PROCESING AND ANALYSIS

4.1 DATA COLLECTION

4.1.1 Sources of Data

Data had been, collected from two sources for better comparisons of what was and cut to be.

(a) Primary sources

The responses from interview, observations and questionnaires formed the solid basement for the primary data.

(b) Secondary sources

Data to this effect were collected from literature as from text books, magazine, reports, journals and dissertation. Other sources of information were got from higher institution of learning book bank, Kampala City Council, Ministry of Finance, Planning and Economic Development Library, custom department of the URA and its research department without rendering other relevant sources insignificant.

4.2 DATA PROCESSING

4.2.1 Inspecting and Editing

This was done to discover the items that might have been misunderstood by respondents and to monitor the accuracy of the single research. Research assistant was sought in the process.

A careful editing of the questionnaires and interviewed data were adhered to, to ensure accuracy and consistency.

4.2.2 Coding

This was done for aligning symbols to respond for identifications purposes and early follow up. Data were organized into codes given to each one of them as required. This eased the arrangement of the data with ultimate ease.

4.2.3 Tabulation

Having collected the data, it was arranged into table, making the analysis quite easy and understandable in a summarized format.

4.3 DATA ANALYSIS

The research was sought to determine the effect of tax administration and management system on the volume of import into Uganda.

The results of the report were obtained from the Uganda Revenue Authority Good shed Nakawa, importers and clearing Agents.

This framework called for the preparation of the study that more time was needed to ensure the questions in the questionnaire by the key respondents selected.

The data analysis was done through the use of table, average percentages changes frequencies of imports and their accelerations into the country through the customs. It was effected to assess the consistency of responses and eventual comparisons of the research findings with previous scholars in the related fields.

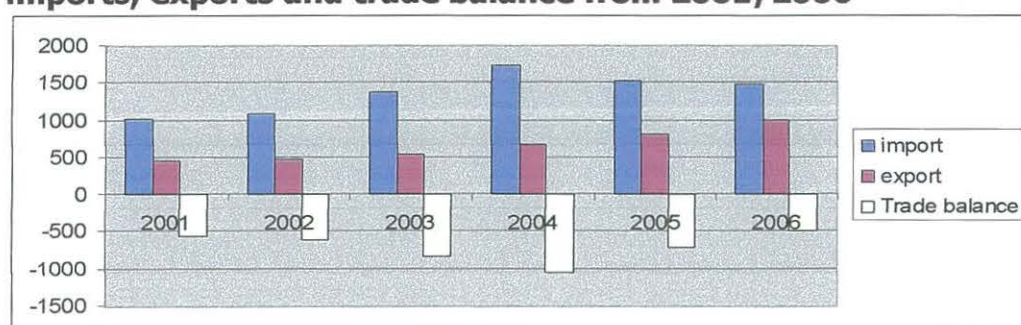
Imports, exports and trade balance 2001/2006

Table 4.3.1 Show effects of tax management system on the volume of imports, exports and trade balance from 2001/2006

category	2001	2002	2003	2004	2005	2006
import	1006.6	1073.7	1375.1	1726.2	1526.2	1478.7
export	451.8	467.6	534.1	665.1	812.9	986.4
Trade balance	-554.8	-606.1	-841.0	-1061.1	-713.3	-492.3

(Source 2006 statistical abstract Uganda bureau of statistics abstract)

Figure 4.3.1 Show effects of tax management system on the volume of imports, exports and trade balance from 2001/2006



Source UBOS and URA

The figure above shows the trend of import, export and trade balance from 2001 to 2006.

As summary of external trade statistics 2001/2006 (millions US dollars)

From the graph, both import and export increase from 2001 to 2004, export increase by 3.5%, 14.5% and 24.5% in the year 2001, 2002, 2003 and 2004 respectively. Mine while import increase by 6.7%, 28.1% and 25.5% in the same period but in the year 2005/2006 import reduced by about 16.6% in 2005 and 15.8% in 2006.

According to statistical abstract obtained from the Uganda Bureau of Statistics, there was a steady increase in the volume of import into Uganda in regards to

the tax administration and management system of URA in place as noted in both table and graph.

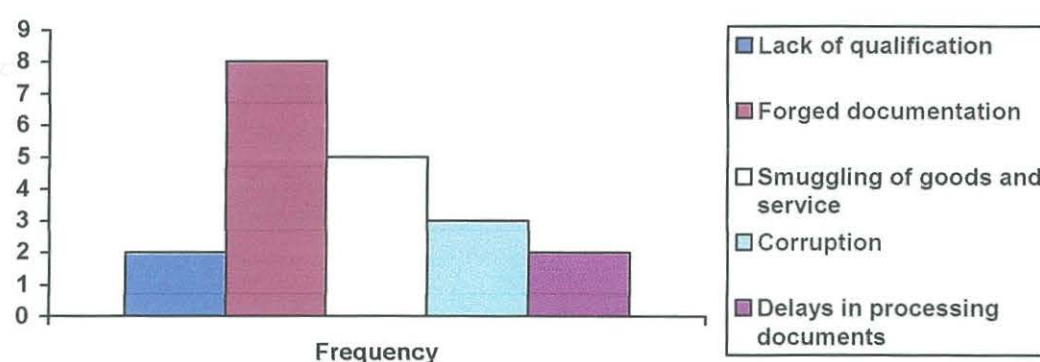
That draw a general conclusion of the volume of total imports between 2004/2005 growing down by 16.6% that was however according to the available statistics, but importers, clearing and forwarding Agent sources revealed a lot more "trash" and unbelievable figures characterized by massive corruption and bribery in URA that caused the decrease.

Table 4.3.2 Problems faced by Revenue Administration and Customer

Problems	Frequency
Lack of qualification	2
Forged documentation	8
Smuggling of goods and service	5
Corruption	3
Delays in processing documents	2
TOTAL	20

(Source URA custom department Nakawa)

Figure 4.3.2 Problems faced by Revenue Administration and Customers at custom points



It was discovered that the biggest problems facing both revenue administration and customers (importers and clearing and forwarding) personnel has been the

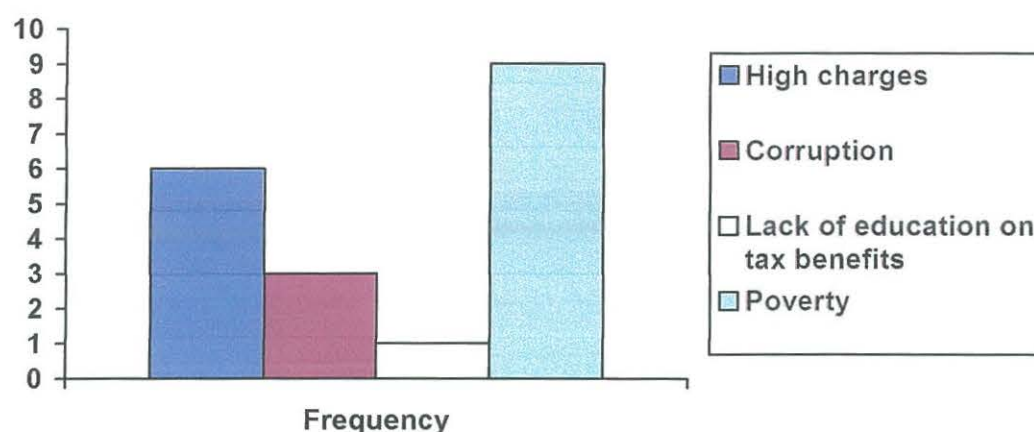
issue of forged documentation followed by smuggling in a goods and services as shown on both table and graph presentation. Lack of education on tax benefit and higher taxes being levied by the government.

Table 4.3.3 Causes of non-compliance toward paying taxes.

Causes	Frequency
High charges	6
Corruption	3
Lack of education on tax benefits	1
Poverty	9
TOTAL	20

(Source URA customs department)

Graph 4.3.3 Showing causes of non-compliance to paying taxes.



Results from the URA customs department revealed that, the greatest influence toward non-compliance to paying taxes by the business communities has been due to poverty of the population and seconded by high taxes charge that forced the entire business people to seek better ways and method of beating the tax body to make quick and lump sum profit at the end of the day.

Commissioner James Kahoza and Assistant commissioner customs and excise central region Evelyn Nyakato noted that "importer rarely declare genuinely, we

have problem with them, the majority are dishonest and they forge invoices or some times they import blank invoices and fill them here, all there interest is to beat us and dodge paying taxes”.

Table 4.3.4 Loopholes in tax administration that perpetuate decrease in volume of imports

	Loopholes	Frequency in Percentage
A	Corruption tendency	10
B	Under declaration of import	10
C	Weak customs act	60
D	High taxes	20
	TOTAL	100

(Source:URA customs department Nakawa)

According to the fact on the ground at URA custom department factor that act as loopholes in the tax administration has been the weak custom act that allow importers, Clearing and Forwarding Agent and other business community to use and avoid paying taxes charge on the goods or services.

Mr. Christopher Kiwanuka URA’s Assistant Commission tax education noted that there was political interference even though the law was in place hence leaving their hand tied. Certain tax payers enjoy patronage from “political big shorts” who help them flout tax rules.

He said in some cases, the tax body tries its best to compel tax evaders to pay but some politician whom he could not name for the safety of his job interfere and fail the process.

Diagram 4.3.4 Showing loopholes in tax administration.

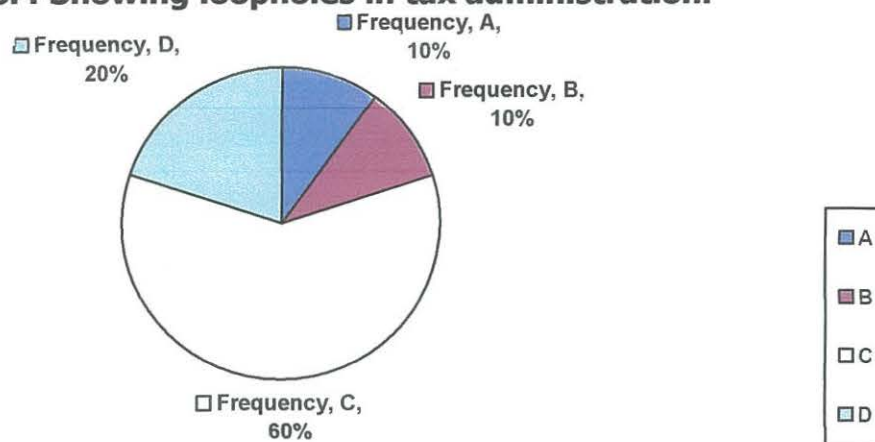


Table 4.3.5 Showing problems faced by the importers with URA tax Administration and management in place.

	Problems	Frequency
A	Delay in processing document	3
B	Corruption	2
C	Bureaucracy policies	5
D	High taxes	9
	TOTAL	19

(Source COSMOS (U) LTD, TADASHI TRADING LTD (U) & COIN ICD)

Graph 4.3.5 Showing problems faced by the importers with URA tax Administration and management in place.

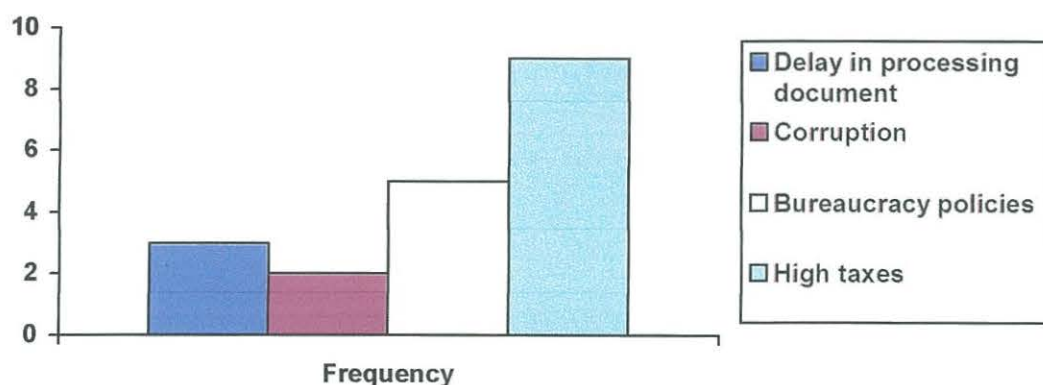


Table 4.3.6 Problems encountered by customs clearing and forwarding personnel towards clearing goods/services at URA custom point.

Problems	Frequency
Increase demurrage	9
Increase cost of declaration	1
Lost of imports confident	3
Bureaucracy practices	6
TOTAL	19

(Source: Unifreight (U) Ltd, Spedag (U) Ltd, SDV Tran Sámi Ltd).

Graph 4.3.6 Problems encountered by customs clear

ing and forwarding personnel towards clearing goods/services at URA custom point.

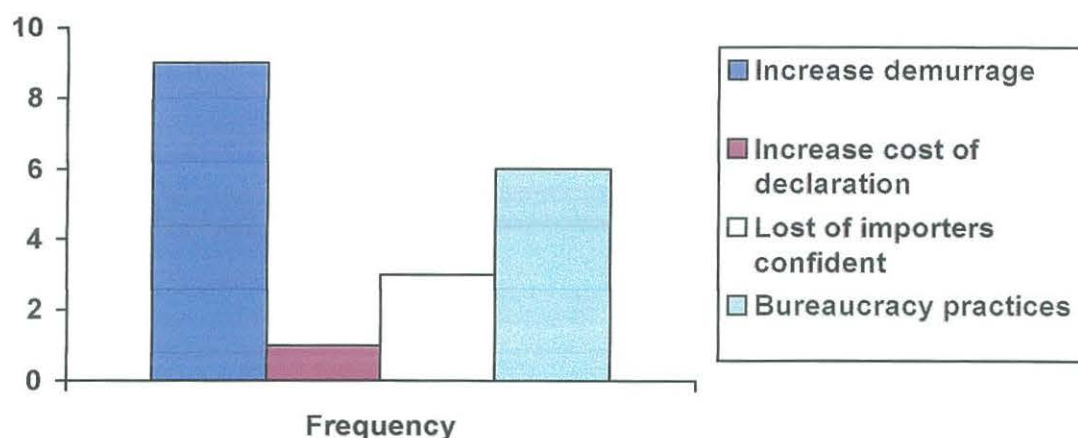
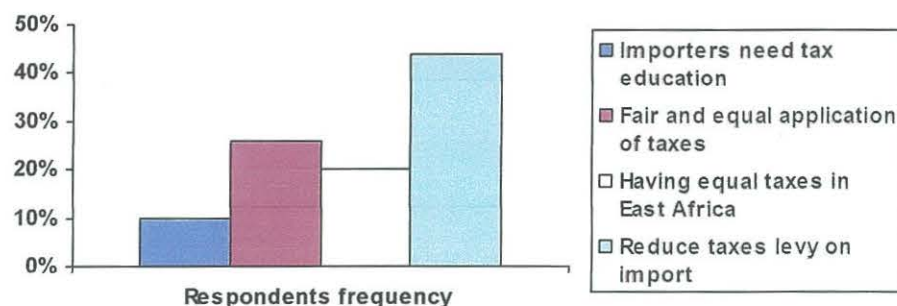


Table 4.3.7 Advice to government on tax issues to enhance improvement in volume of imports.

Advice	Respondents frequency
Importers need tax education	10%
Fair and equal application of taxes	26%
Having equal taxes in East Africa	20%
Reduce taxes levy on import	44%

Graph 4.3.7 Advice to government on tax issues to enhance improvement in volume of imports.



According to the respondents interviewed, the highest percentage about 44% agreed that the government should be fair and equal application of taxes regardless of political affiliates.

According to the Revenue officers in charge of customs points at the following are the ways forward to improve the volume of import into Uganda.

- Government should improve the total taxes charge on imported goods and services to increase its importation.
- Corruption should be fought head by the whole nation to wipe it out.
- There should be no delays in processing import declaration and documentation to ease import clearing at customs points.
- There is need to have high efficiency information technology system for quick and better storage of data and retrieving.

4.4 LIMITATIONS OF THE STUDY

A number of problems were encountered during this study.

- In the first instance, the URA as a body entrusted with the collection of taxes on behalf of the government doubted the genuineness of the researcher that ended into the body refusing to give some vital information about the topics.

- Many respondents were not willing to either be interviewed or fill in the questionnaire claiming to be so busy. Hence leaving the researcher with no options but to tips them where possible.
- The time given for the research study was too short for the researcher to carryout a comprehensive research and hence leaving a lot of vital information uncollected.
- The necessity to translate questionnaire to local languages (vernacular) and recording answers in English as well as rephrasing questions for some participants were really inconveniencing.
- The research met some anticipated non-cooperation from the Revenue Officers as they were not sure whether the researcher was truly a student despite bearing the institution identification card and not a spy from probe commission as had previously been.
- There was lack of sufficient funds to finance the study as research work was generally so taxy or expensive venture.
- Inadequate and inaccurate information concerning the subject as the case study was a government parastatal with high sensitivity of non-disclosure of information.
- Research work is a repetitive task that is equally tedious and required some patience.

4.5 ETHICAL CONSIDERATION

As there are ethical considerations to be put into account when carrying out any research work, the following ethical issues were observed during the research.

A letter of introduction was obtained from the Associate Dean School of Business and Management of KIU introducing the researcher to the management of URA as a student on a field works.

Permission was sought from the management of URA before embarking on data collections.

The data was solicited from the respondents on the basis of volunteered, sample selection and those with technical knowledge of the questionnaires without using threats or coarsening them.

Respondent's numbers were used on the interview schedules instead of respondent's names to keep them anonymous.

All the respondents were interviewed in confidentiality and all information volunteered was treated with a lot of secrecy and all the information collected was for the purpose of this research and nothing else.

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATION

5.1 DISCUSSION

In this section the researcher has discussed the findings of this study with the related literature reviewed.

5.2 CONCLUSIONS

In conclusion, the following issues have been drawn from the findings of this study.

1. The single most persistent cause of decrease in volume of imports in Uganda has been due to high taxes levied by the government on the imported goods and services.
2. Quite a lot need to be done about the management of imports taxes to ensure non-discouragement of imports that would foster productions and therefore gross development Product.
3. There are both internal and external factors which has cause descriptpancy (differences) in the level of imports into Uganda under tax administration and management system by URA.

External factors such as those attributed by the economical changes for instance inflation, exchange rate fluctuation, government policies on imports, depression and technological changes.

Whereas the internal factors relating to function areas of business are such as management policies (poor application of tax rate and employing un-qualified personnel), lack of discipline on the job and corruption by both the URA staff and importers, which required an urgent actions by the government if the volume of imports into Uganda is to improve.

4. A part from lack of qualification, forged documentation and absence of patience greed for money (short term gain, "kito-kidogo") has emerged as critical problems faced by both Revenue administrators and customers at the custom point.

An imbalance of the trade policy with a sole target of discouraging imports and encourage exports.

In this circumstance the government disregards the fact that Uganda is basically import driven. It is through increase of import of capital goods and effective tax administration measures that we can achieve the import substitution policy.

There are a number of loopholes that need to be addressed through an appropriate tax reform and revamping the current gap rather than harass the importers through the special Revenue Protection Services.

The managers of the key customs units in the collection process, audit and enforcement need to understand the functions and responsibilities not only of their own units but of the others for effective administration.

5.3 RECOMMENDATIONS

On the basis of findings of the research study, the following recommendations requires serious considerations and actions if the government is to realize steady and increase volume of imports into Uganda despite the challenges faced by the tax body (URA).

This includes:

1. The government should reduce tax rates levied on imports to improve on the volume of imported goods and services as this will stabilize tax compliances by the importers and clearing agents.
2. There should be continuous tax education of the tax payer about the benefit of paying taxes.
3. The government should invest a lot of fund in the bodies that fight corruptions such as Anti-corruption coalition of Uganda and the inspector general of Government to fight corruption.

4. There is need to organize more seminars and workshops for the staff of URA in order to increase their management effectiveness as shown by slow processing of documentations at the custom points.
5. The tax law needs to be amended by the parliament of Uganda to fight corruption and forging of documents to enhance tax collection by the tax body.
6. The tax body needs to acquire new methods of management system in term of computer applications to speed up data entry and up to-date information storage.

APPENDIX 1

TIME FRAME

The research work carried out within a period of two and half months.

Each particular week was assigned some task to be accomplished as below.

Months/ 2007	WEEKS			
	1	2	3	4
MAY	Planning the introductory part of the study and introductions.	Continue writing and review with the supervisor.	Identification of literature services and literature reviewed.	Continued literature search and assessment of literature reviewed with supervisor.
JUNE	Selection of the appropriate design and tools methodology.	Further methodology and correction where necessary.	Analysis and making final correction.	Binding and final presenting of research report.
July	Due to unavoidable circumstances beyond control, the research report was presented in July 2007.			

APPENDIX 2

THE BUDGET

Below was the expenditure pattern for the writing of the research report.

Items	Particular	Rates	Amount
1	Stationeries		
	03 reams of photocopying papers	8,000	24,000
	02 printing charges	10,000	20,000
	01 ink tube	4,000	4,000
	03 copies of research reports binding charges	8,000	24,000
2	Photocopying 150 pages from resource center book bank and library	100	15,000
3	Telephone calls and faxes		30,000
	Airtime and public pay phone		50,000
SUBTOTAL			302,000
4	Travel and circulations for 05 returned journey	5,000	25,000
5	50 pages of typing charges	1,000	50,000
6	Subsistence 43 days	4,000	172,000
7	Research assistant remuneration	50,000	50,000
SUB TOTAL			297,000
8	Contingency		59,900
	TOTAL		383,900

APPENDIX 3 PERSONAL INTERVIEW GUIDES AND QUESTIONNAIRES

PERSONAL INTERVIEW GUIDE

1. What tax administration procedures do you have in place at the URA for effective tax management?

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2. What computerization system (package) do you have in place to counter fraud or for effective data management?

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3. What step do you have in practice to counter the above problem incase it occurs?

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4. What would be the future prospect of URA in terms of tax administration on the volume of import in the next 2-3 years

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5. What problems do you (importer/clearing agent) encounter when your goods reaches Nakawa goodshed?

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6. Despite the presence of Revenue Protection Services, continuous training of Revenue official, the best praying job in the land and the best computerized packages, crafty trades still beat the tax body machinery. What are the problems?

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Appendix I: Questionnaire

Dear Respondents,

I Okee Micheal Code **BSP/5952/41/DU** a student of Kampala International University pursuing a Bachelor's Degree in Supply Chain and Procurement Management.

I am conducting a research on the effect of Tax Administration and Management System on the volume of imports in Uganda.

The research seeks broadly to determine whether the tax administration and management system has been the leading causes of the falling volume of imports or has otherwise enhanced their growth in Uganda's economic performance.

Am requesting for your cooperation and I promise that privacy and confidentiality shall be highly regarded as this study is purely for academic purpose.

Please fill and tick the boxes where appropriate;

RESPONDENT PERSONAL INFORMATION

GENDER

MALE

FEMALE

☐☐

AGE

25-35

☐

41-50

☐

36-40

☐

51 AND ABOVE

☐

LEVEL OF EDUCATION

'O' Level of Education

☐

Degree

☐

'A' Level Certificate

☐

Master

☐

Diploma

☐

COMPANY

URA

☐

IMPORTER

☐

Clearing Agent

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SECTION A

1. What tax administration procedures do you have in place at the Uganda Revenue Authority (URA) for effective tax management?

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2. What has been the effect of the tax management system on the volume of imports from 2003-2006 financial year

A-2003/2004 Increased volume ☐ Decreased volume ☐

B-2004/2005 Increased Volume ☐ Decreased Volume ☐

C-2005/2006 Increased Volume ☐ Decreased Volume ☐

3. What volume of imports have you realized over the years through this port

A-2003/2004.....

B-2004/2005.....

C-2005/2006.....

4. What are the problems faced by both your Revenue Administrators and Customers at the Customs?

A-Lack of qualifications ☐

B-Forged Documentation ☐

C-Smuggling of goods & services ☐

D-Corruption ☐

E-Delays in processing documents ☐

5. Despite several measures put forward by Revenue Protection Services, what are some of the causes of non-compliance and the possible problems by URA in the tax administration?

A- High Tax charges ☐

B- Corruption ☐

C- Lack of education on tax benefits ☐

D- Poverty ☐

E- Others ☐

6. What loop holes in the tax administration and management system perpetuate the decrease of volume of imports into Uganda?

A- Corruption tendency ☐

B- Under declaration of import ☐

C- Weak custom act ☐

D- Higher taxes ☐

7. As a Revenue Officer, what is the way forward to improve the volume of import into Uganda?

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SECTION B:

1. Given all the above information on the effect of the tax administration and management system, what do you think will be the volume of imports in Uganda in the next two years?

- a. Increase volume of imports ☐
- b. Decrease volume of imports ☐
- c. Steady increase of volume of imports ☐
- d. Stagnant volume of imports ☐

2. According to your perception and analysis of the tax administration and management system by the URA, do you think the inception of East African Community will improve/increase the volume of imports into Uganda?

- a) Yes ☐ b) No ☐

If no, why?

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3. As an importer, what problems do you face with the URA tax administration and management system in place?

- a. Delay in processing document ☐
- b. Corruption ☐
- c. Bureaucracy practices ☐
- d. High taxes ☐

Others

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4. What has been the effect of URA tax administrating and management system on the volume of your import into the country in the past 3 years

- a. Decrease import ☐
- b. Increase import ☐

SECTION C:

1. As a Customs and Declaration Personnel, what problems do you encounter with the URA tax administration and management system in place?

- a. Delay in processing document ☐
- b. Bureaucracy practices ☐
- c. Gap between tax payer and tax collector is widening due to undisclosure of vital information ☐

2. How does it affect your performances towards meeting your customer/clients requirements towards clearing their goods?

- a. Increased demurrage ☐
- b. Increased cost of declaration ☐
- c. Lost of importers confident ☐
- d. Others specify..... ☐

3. What advice do you have to Government about tax issues in relation to your activities to enhance improvement in the volume of imports into Uganda?

- a. Importers need tax education ☐
- b. Fair and equal application of taxes ☐
- c. Having equal taxes in East African Countries ☐
- d. Reduce taxes levy on import ☐

4. According to your perception and analysis of the tax administration and management system by the URA, do you think the inception of East African Community will improve/increase volume of imports into Uganda?

- a. Yes ☐ b. No ☐

If no, why?

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I wish to thank you so much for taking your valuable time to answer my questions.

If you have any comments or suggestions for this study, please write below in the space provided.

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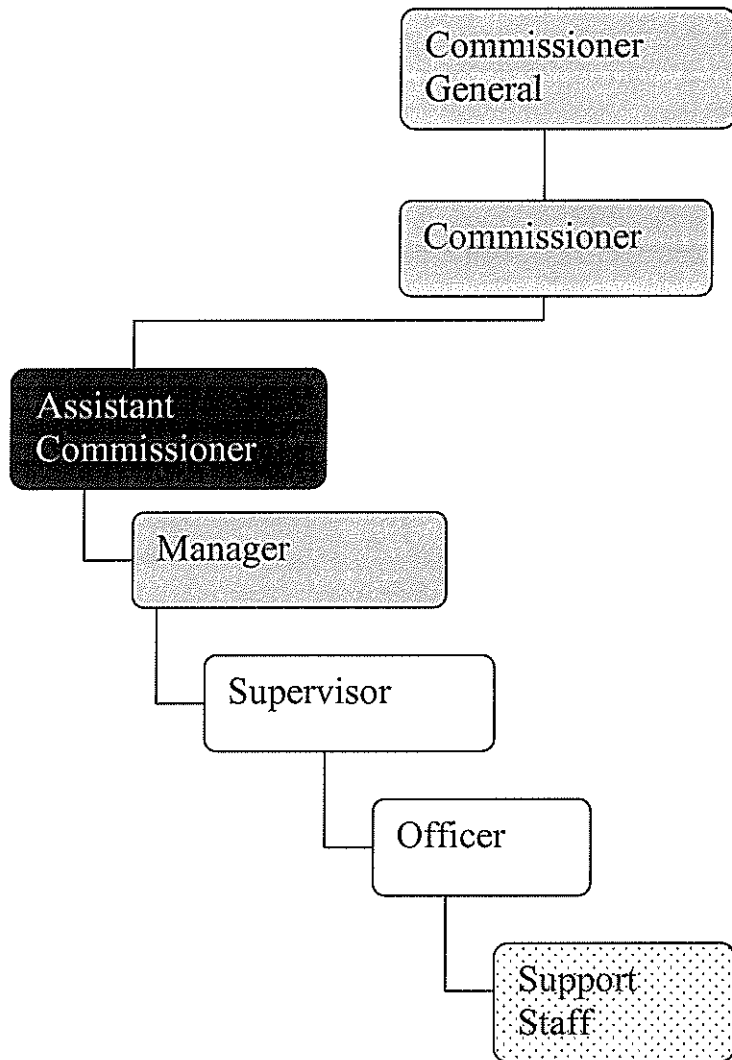
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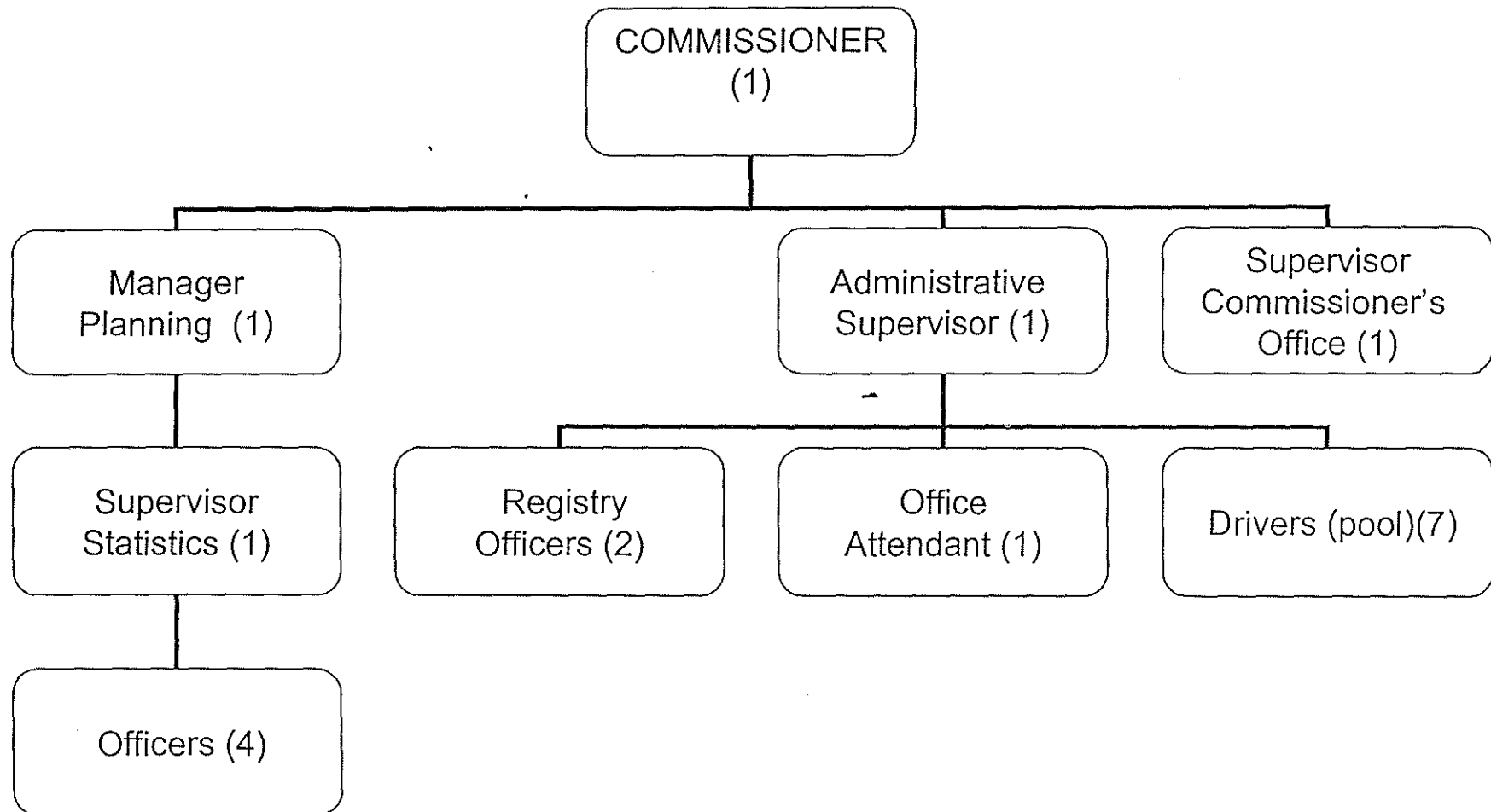
APPENDIX 4 STRUCTURE OF URA GOODSHED NAKAWA

URA STRUCTURES

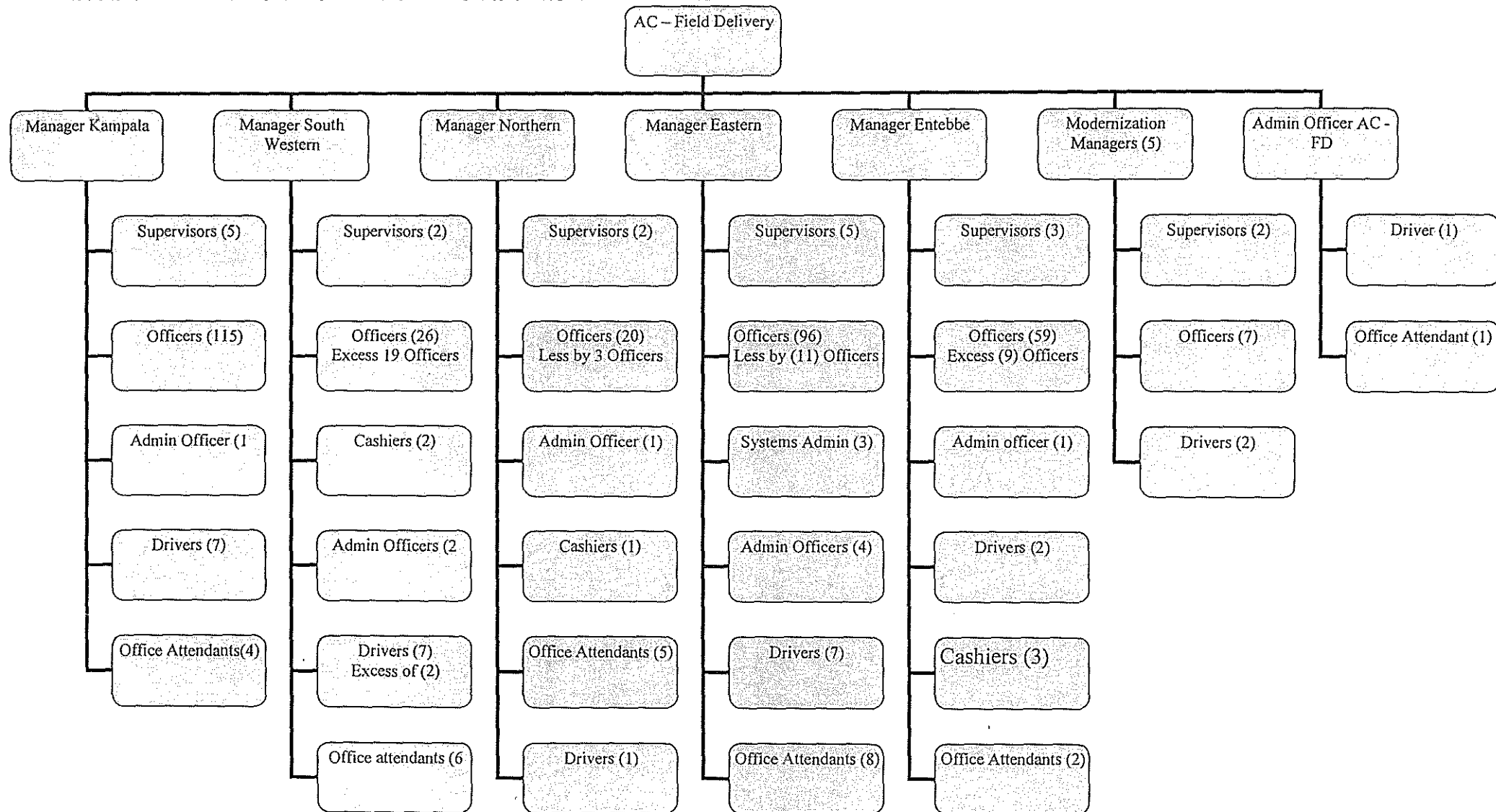
MARCH 2005 - 2007



PROPOSED STRUCTURE FOR COMMISSIONER CUSTOMS OFFICE



PROPOSED STRUCTURE FOR CUSTOMS FIELD DELIVERY DIVISION



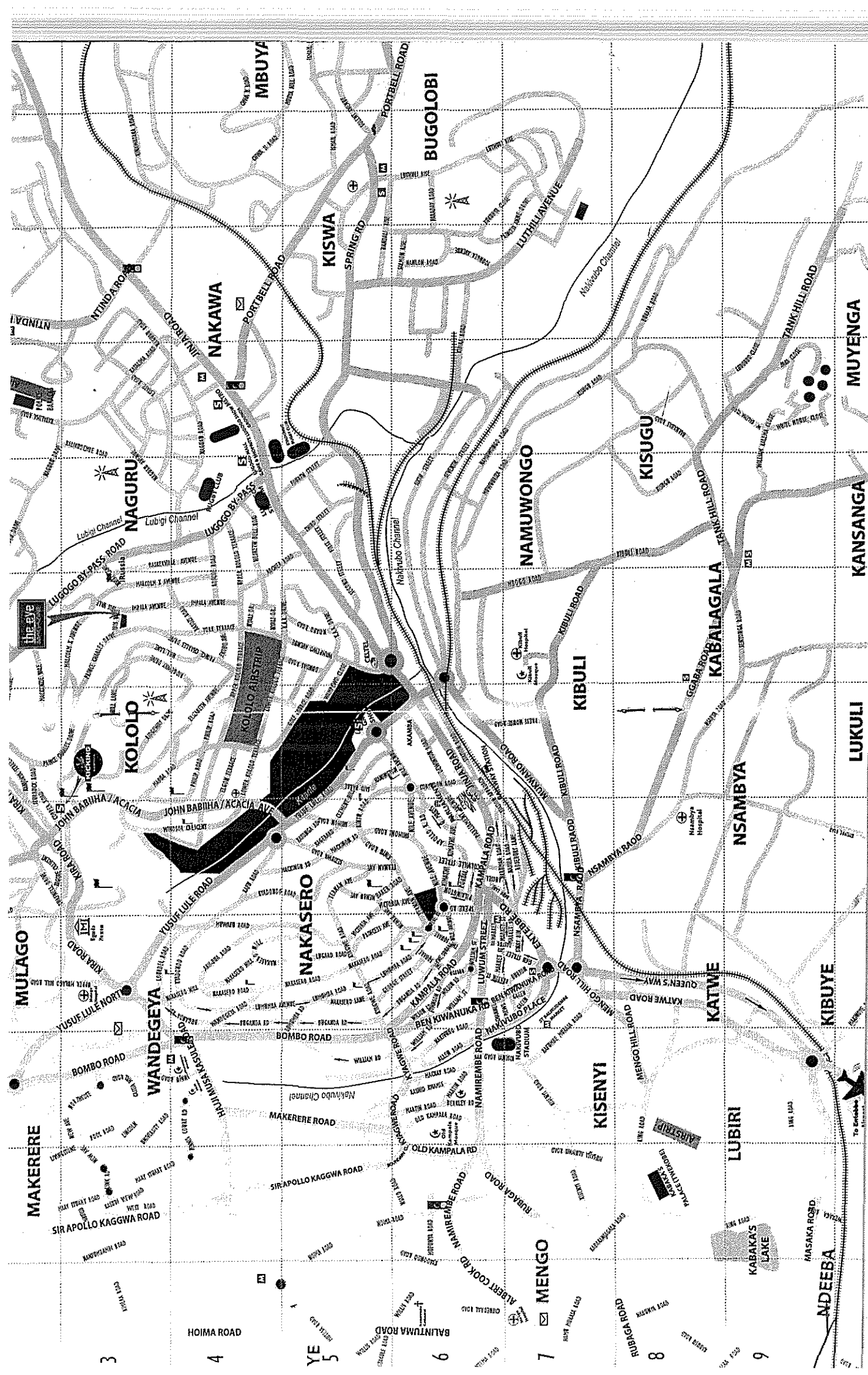
MAP OF UGANDA



Map Uganda



MAP OF KAMPALA CITY



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