Uganda

KATENDE, SSEMPEBWA & COMPANY ADVOCATES

GENERAL

1. What is the relevant competition legislation and who are the enforcers?

Uganda adopted dedicated competition legislation in the form of Competition Act, Cap 66 (**Act**), which was assented to on 2 February 2024, and commenced on 19 April 2024. In accordance with the provisions of the Act, the Minister responsible for Trade (**Minister**) implemented the Competition Regulations S.I. No 60, 2025 (**Regulations**), which were gazetted and took effect on 8 August 2025.

The Ministry responsible for Trade (**Ministry**) is tasked with the administration of the Act, and a technical committee on competition and consumer protection (**Technical Committee**) within the Ministry must be established to assist the Ministry in performance of its functions and to provide technical guidance and advice on the implementation of policy and laws relating to competition and consumer protection. At the time of writing, the Technical Committee had yet to be formally appointed.

In addition to the Act, various pieces of sector-specific legislation remain in place, in terms of which competition law principles may also be applicable, as shown in the table below

SECTOR	LAW	REGULATOR
Banking	Financial Institutions Act, Cap 57	Bank of Uganda (**Central Bank/ BOU**)
Capital markets	Capital Markets (Takeover and Mergers) Regulations S.I. No 55 of 2012	Capital Markets Authority (**CMA**)
Communications	Uganda Communications Act, Cap 103, and the Uganda Communications (Competition) Regulations S.I. No 50 of 2019	Uganda Communications Commission (**UCC**)
Electricity/ Power	Electricity Act, Cap 157	Electricity Regulatory Authority (**ERA**)
Insurance	Insurance Act, Cap 191	Insurance Regulatory Authority (**IRA**)
Petroleum	Petroleum Supply Act, Cap 163, Petroleum (Exploration, Development and Production) Act, Cap 161, and the Petroleum (Refining, Conversion, Transmission and Midstream Storage) Act, Cap 162	Ministry of Energy and Mineral Development/ Petroleum Authority of Uganda (**PAU**)
Pharmaceuticals	National Drug Policy and Authority Act, Cap 198	National Drug Authority (**NDA**)
Mining and Minerals	Mining and Minerals Act Cap 159	Directorate of Geological Surveys and Mines

2. Have there been any recent developments in the law? Are any proposed amendments or new regulations expected to come into force?

While the Act took effect in 2024, the accompanying Regulations that operationalise the Act were only published on 8 August 2025. These Regulations offer essential details regarding various provisions introduced in the Act. For example, the Act establishes the Technical Committee, while the Regulations outline its composition, appointment process and functions.

Additionally, the Regulations specify detailed merger notification thresholds and requirements, as well as criteria for assessing dominant market positions and identifying anti-competitive practices.

As mentioned in the response to question 1, the Technical Committee had not yet been constituted at the time of writing.

3. Is the law actively enforced?

The Act is still in its implementation phase and developing institutional capacity, especially with respect to the Technical Committee still being constituted. At present, notifications of mergers received by the Ministry which have a cross-border effect are being forwarded on to the Common Market for Eastern and Southern Africa (**COMESA**) Competition and Consumer Commission or the East African Community Competition Authority (**EACCA**). For purely domestic mergers, the Ministry receives and handles the notifications internally, pending the establishment of the Technical Committee. It is expected that the Technical Committee will be constituted and commence processing of merger notifications during January 2026.

At the sectoral level, the law is enforced by the various sector-specific regulators.

Uganda is a Member State of COMESA and the East African Community (**EAC**), where competition law is enforced at a regional level by the COMESA Competition and Consumer Commission and the EACCA, as applicable. Notably, the EACCA only commenced its merger notification regime on 1 November 2025 and the interaction between Uganda's domestic and regional competition framework with the EACCA is as yet unclear. For instance, whereas the Regulations exempt merger notification in Uganda where the COMESA thresholds are also met, there is no similar exemption for EAC qualifying mergers, which may imply a dual filing requirement both at the Ministry in Uganda and the EACCA for EAC qualifying mergers.

4. What are the current priorities or focus areas of the competition authorities?

The Act applies to anti-competitive practices and anti-competitive agreements, abuse of a dominant position, and mergers, acquisitions and joint ventures. Once the Technical Committee is established and operational, there may be guidance on the intended areas of focus.

The sector-specific regulators focus on any area that triggers unfair competition in their relevant industries, such as:

- **Uganda Communications Commission (UCC):** UCC prioritises monitoring and enforcing against abuse of dominance in the communications sector, ensuring fair interconnection rates and promoting market conduct that leads to services that are reasonably accessible and fairly priced for consumers. Focus areas include anti-competitive agreements or concerted practices and anti-competitive mergers, takeovers, consolidations or acquisitions. The UCC regulations specifically prohibit anti-competitive practices such as price abuses, refusal to supply and vertical restraints.
- **Capital Markets Authority (CMA):** CMA focuses on safeguarding market integrity, investor protection and orderly development of the capital markets. This is achieved through strict enforcement against misconduct and active oversight of takeovers and mergers involving listed companies to ensure equality of treatment for all shareholders, adequate disclosure and protection of minority rights, as mandated by the Capital Markets (Takeovers and Mergers) Regulations.
- **Electricity Regulatory Authority (ERA):** ERA focuses on reducing the cost of electricity for industrial users to boost national competitiveness. They also prioritise the regulation of licensee conduct across the sector to promote efficiency and quality of supply, and ensure fair practices among generation, transmission and distribution operators.
- **Directorate of Geological and Mines (DGSM):** The Directorate focuses on preventing the formation of cartels, monopolies, and unfair competition, specifically within mineral processing, smelting, and refining operations. The Mining and Minerals Act Cap 159 defines prohibited anti-competitive behaviors—or "cartelisation"—in this sector to include fixing prices, restricting production output, and allocating markets. Any person or agent who forms a cartel, secures a monopoly, or assists in cartelisation in the value addition and beneficiation of minerals commits an offence liable to a fine of up to five hundred thousand currency points (Uganda Shillings Ten Billion only) or imprisonment for up to ten years, or both.

MERGER CONTROL

5. What kind of transaction constitutes a notifiable merger and how are joint ventures treated?

A notifiable merger occurs when a transaction results in a change of control over the whole or part of another undertaking, provided the financial thresholds in the Regulations are met.

Under the Act, mergers, acquisitions and joint ventures are regulated based on the competition law concept of control:

- A merger is defined as the amalgamation or joining of two or more firms into an existing firm or to form a new firm.
- An acquisition refers to acquiring, or agreeing to acquire, directly or indirectly, shares, voting rights, management control or control over assets in another person.
- Joint ventures are treated as mergers under the Act if they result in a change of control. The Act defines a joint venture as 'a person who is subject to joint control by two or more economically independent undertakings'. However, only full-function joint ventures are notifiable in terms of Regulation 31(1)(a).

Control is broadly defined as the right to exercise restraint or direction over another person and includes the ability to:

- exercise 49% or more of the voting rights of the other person;
- appoint more than half of the members of the board of directors to a similar body of the other person; or
- control the affairs of the other person.

Parties proposing to enter into a merger, acquisition or joint venture must notify the Ministry in the prescribed manner. Notably, Regulation 30(2) empowers the Ministry to require approval even for transactions below the thresholds if they may substantially lessen competition, restrict trade or raise public interest concerns.

Where a Ugandan filing is excluded due to a COMESA notification, parties must inform the Ministry in writing within 14 days of filing with the COMESA Competition and Consumer Commission.

Finally, internal restructurings, such as mergers between a holding company and its wholly owned subsidiaries or amalgamations among wholly owned subsidiaries within the same group, are exempt from notification.

In terms of sector, specific regulation, generally, the requirement is to notify regulators of changes in control with some sectoral regulation having a broader definition of 'control', such as under the communications and electricity sectors where control extends beyond voting rights and control of the board to direction of management through securities, partnership or other ownership interests and agreements.

6. Is it necessary to obtain approval for foreign-to-foreign mergers?

Regulation 31(3) specifies that a merger, acquisition or joint venture shall not be subject to notification if it is taking place wholly or entirely outside Uganda and has no connection to Uganda. Regulation 34 clarifies that threshold values are limited to gross annual turnover and value of assets in Uganda. Therefore, where a transaction takes place outside Uganda, but where the parties to the transaction have assets or revenue in Uganda that meets the merger notification thresholds, then the merger is notifiable in Uganda.

From a sector-specific perspective, this depends on the regulatory framework of the sector. Where the operations of parties or ownership of a locally operating company are affected by a foreign-to-foreign merger, notification may be required. For as long as the merger will affect the ownership, structure and management of a company operating in Uganda, a notification or approval may be required.

In practice, there is a focus on regulated sectors where operators are licensed, such as insurance and communications. For instance, a substantial foreign shareholder merging with a foreign entity may trigger notification requirements, since that foreign party is a controlling member of the locally licensed entity.

The Uganda Communications Act specifically gives wide consideration as to what constitutes a transfer of licence to include the acquisition of control of the licence holder, with control interpreted as the possession, directly or indirectly, of the power to direct or determine the direction of the management of that person, whether through the ownership of shares, voting, securities, partnership or other ownership interests, agreement or otherwise.

7. What are the thresholds for mandatory merger notification (eg assets, turnover and/ or market share)?

The notification thresholds are set out in the Merger, Acquisition and Joint Venture Thresholds under Schedule 4 of the Regulations.

The thresholds provide for three types of mergers as set out below.

NOTIFIABLE MERGERS (parties must submit a merger notification form in the prescribed form)	EXCLUSION APPLICATIONS (requiring parties to submit an exclusion application in the prescribed form)	MERGERS THAT DO NOT REQUIRE APPROVAL (do not need notification)
General: The undertakings have a minimum combined turnover or assets (whichever is higher) of UGX 1 billion and the turnover or assets (whichever is higher) of the target undertaking is above UGX 500 million.	The combined turnover or assets (whichever is higher) of the merging parties is between UGX 500 million and UGX 1 billion.	The combined turnover or assets (whichever is higher) of the merging parties does not exceed UGX 500 million.
Competing or can be vertically integrated: The turnover or assets (whichever is higher) of the acquiring undertaking is above UGX 10 billion and the merging parties are in the same market or can be vertically integrated.	The firms are engaged in prospecting in the carbon-based mineral sector, irrespective of asset value.	The merger meets the COMESA Competition and Consumer Commission (**CCCC**) Merger Notification threshold, and at least two-thirds of turnover or assets (whichever is higher) is not generated or located in Uganda.
Carbon-based mineral sector: The value of the reserves, the rights and the associated assets to be held as a result of the merger exceeds UGX 10 billion.		
COMESA mergers: The undertakings operate in COMESA and meet the thresholds for notification in COMESA, and two-thirds or more of their turnover or assets (whichever is higher) is generated or located in Uganda.		

8. What filing fees are required?

The fees are prescribed in the Merger, Acquisitions and Joint Venture Threshold Guidelines (Schedule 4) of the Regulations:

Combined turnover/ assets (UGX)	Notification fee (UGX)
500 000 001 to 1 billion	Nil (exclusion filing requiring approval from the Ministry)
1 000 000 001 to 10 billion	1 million
10 000 000 001 to 50 billion	2 million
Above 50 billion	4 million

Where a Ugandan filing is excluded by virtue of a COMESA notification, parties must inform the Ministry in writing that the notification has been made within 14 days of filing the notification with the CCCC.

9. What is the merger review period?

Under the Act, the merger review period provided is 120 days. If the Ministry fails to communicate its decision within this time period, the merger is deemed to be approved. It is not yet clear whether the reference to 'days' is meant to be business days or ordinary calendar days. In an exclusion application, the Ministry must respond within 14 days.

10. Is there a prohibition on the pre-implementation of a merger? If so, does the legislation make provision for a penalty?

A person who proposes to enter into a merger, acquisition or joint venture must first give notice of the merger. A failure to give notice of a merger will result in the transaction being declared void and the relevant party being liable upon conviction to a fine not exceeding 10% of annual turnover.

The Ministry may (i) after consultation with the Technical Committee order the termination or nullification, as the case may require, of any agreement, conduct activity, practice or decision prohibited by the Act; and (ii) take any reasonable action necessary in furtherance of its functions.

The Act provides for a fine not exceeding 10% of the annual turnover of the undertaking involved in the prohibited action. The Regulations also state that a person who contravenes the Regulations is liable, on conviction, to a fine not exceeding 1 000 currency points (UGX 20 000 000), or imprisonment for a term not exceeding 10 years, or both.

In addition, there is an element of personal liability introduced by both the Act and the Regulations. Section 22 of the Act states that (i) where a person contravenes a provision of the Act, the person, and an individual who, at the time of the contravention was in charge of and responsible to the person for the conduct of the business of the person, commits the offence and is liable to the penalty prescribed for the offence; and (ii) where a person contravenes this Act and it is proved that the contravention is done with the consent or connivance of, or is attributable to any wilful neglect on the part of any director, manager, secretary or other officer of the person, the director, manager, secretary or other officer also contravenes this Act and is liable to the penalty prescribed for the offence.

From a sector-specific perspective and by way of example:

- **IRA:** Sections 75 and 100 of the Insurance Act, Cap 191 require notification to the authority and its approval before any change in control; this includes mergers.
- **BOU:** Section 19 of the Financial Institutions Act restricts or limits a group of related persons from collectively owning more than 5% in the shareholding of a financial institution without express approval from BOU in writing.
- **UCC:** Operators are not allowed to undergo restructurings by way of mergers, joint ventures or acquisitions without approval by the UCC, according to regulation 8(2) of the Competition Regulation.
- **CMA**: A person who intends or proposes to acquire effective control (acquiring 25% or more of voting rights) in a listed company is required to serve a notice of intention to the CMA and announce the proposed offer by press notice within 24 hours, according to Regulation 5(1) of the Capital Markets (Takeovers and Mergers) Regulations.

11. Are pre-notification contacts with the authorities permitted? Are pre-notification meetings normal practice?

The Act is silent on pre-notification contact, and it is not yet known what the approach of the Technical Committee may be to prior contact. The Regulations provide for parties obtaining an advisory opinion from the Ministry on whether or not notification is required in a particular instance.

The various sector-specific laws do not provide for pre-notification meetings. However, subject to confidentiality agreements that may relate to the proposed transaction, it is possible to approach authorities to hold a pre-notification meeting in respect of a proposed transaction.

It is noteworthy that some sector regulators allow sector players to contact the regulator for guidance on a potential or proposed transaction that is likely to create competition or raise concerns. For instance, in the communications sector, the Communications (Competition) Regulations allow for an operator to request the UCC for guidance on whether the operator's agreement and conduct comply with the provisions of fair competition under the Act or the rules of fair competition under the Regulations.

The guidance from the UCC may identify whether the agreement or conduct is likely to infringe any relevant provisions of fair competition under the Act or these Regulations, or whether the conduct or agreement would be likely to be granted an exemption if an application in that regard was made.

However, seeking guidance may limit an organisation's options to the view of the regulator. That is, where guidance is given, the UCC does not reopen a case unless:

- there are reasonable grounds for believing that there has been a material change of circumstances since the guidance was given; or
- there is reasonable suspicion that materially incomplete, misleading or false information was given; or
- a complaint is received from a third party.

12. To what extent are non-competition factors relevant to the assessment of a merger?

In terms of the Act and Regulations, the public interest is also a necessary factor to consider in the assessment of a merger. Regulation 36(1) provides for the prescription of remedies where a merger raises competition or public interest concerns. In this regard, while the Act does not set out any public interest factors relevant for the assessment of notifiable transactions, the object of the Act includes (i) the promotion of employment and advancement of socio-economic welfare of Ugandans; and (ii) the guarantee that all persons have an equitable opportunity to participate in the economy.

Moreover, the merger notification form contained in the Regulations requires parties to make submissions on the effect of the transaction on specific public interest factors.

In certain sectors, non-competition factors are relevant to the assessment of a merger, while other sectors are silent on this. For instance, under the Uganda Communications Act, Section 58 provides for exceptions to fair competition considerations where the UCC is satisfied that the competition act or omission:

- contributes to the improvement of any goods or services;
- contributes to the promotion of communications services in Uganda in accordance with sections under the Act;
- does not impose on the parties' restrictions which are not indispensable to attaining the objectives specified above; and
- gives the parties the ability to substantially reduce competition in respect of the goods or services in question.

It is on a case-by-case basis for each sector and at the discretion of the regulator.

13. Is there scope for government intervention in merger transactions (separate from the competition authority)?

The Act is to be administered by the Ministry, a body within the Ugandan Government. In addition, Regulation 35 provides for the Ministry to consult with other government agencies in its assessment of a merger.

14. Do the authorities contact customers and competitors of the merging parties as part of the merger review process? To what extent are the submissions of customers and competitors influential?

The Act makes provision for inquiries into mergers, acquisitions and joint ventures, and the regulator may invite any person affected or likely to be affected by the merger or acquisition to file their written comments or objections. Regulation 35 states that the Ministry may request any information relevant to the subject matter of the case, including economic data in writing from the main undertakings or third-party undertakings. Additionally, the prescribed merger notification form requires parties to provide contact details of the top five customers.

Some established sector regulations provide for the engagement of the public, which includes both customers and competitors. In some cases, the option is at the discretion of the relevant regulator to exercise that consultation as it deems fit. For instance, in the Uganda Communications (Competition) Regulations, Regulation 8(5), the regulator may hold a public hearing to solicit comments from the public as part of its investigation before determining whether to approve a merger. The Insurance Act, Cap 191 also requires the applicants for a merger to notify the public by publishing a notice of the merger/ amalgamation through the Uganda Gazette. This notice requires affected persons in the public to submit their concerns to the IRA in writing within 30 days.

15. Who else can make submissions to the authorities when a merger is being considered? Are employees contacted as part of the process and can employees make submissions?

The Act allows any person affected or likely to be affected by a merger, acquisition or joint venture to file written comments or objections to the merger, which includes employees. Regulation 27 provides for a merger to be published in a newspaper of wide circulation in the community or communities where the parties are located. Among other information, the publication must describe the effect of the transaction, including whether the transaction involves the closing of a branch office, and provide the time within which interested parties can submit their nature of interest. The publication must be published for a period of 14 days.

In the communications sector, the UCC can consult the general public, which includes employees. In the insurance sector, members of the public concerned or aggrieved by a merger/ amalgamation can submit their concerns to the regulator, the IRA. Furthermore, the employment regime, on its own, provides for the protection of employees during such transitions. Section 27 of the Employment Act, Cap 226 requires the consent of employees to be sought before transfer of their contracts from one employer to another in cases of a merger or acquisition.

16. Are merging parties given an opportunity to make representations before a decision is issued where the authority intends to prohibit a merger or impose conditions?

Yes. The Act contains a mechanism for engagement between the Ministry and merging parties on proposed conditions to remedy any adverse effects of the merger on competition in the market. From a sector-specific perspective, in the communications sector for example, regulation 8(2) of the Uganda Communications (Competition) Regulations provides a licensed operator with the opportunity to make representations before the UCC. The operator may appear before the UCC either in person or through an advocate.

17. Where the parties are dissatisfied with a decision in respect of a merger, what opportunities are there for judicial appeal or review?

Under the Act, a person aggrieved by a decision or order made by the Ministry may appeal to the High Court. Judicial review may only be pursued where the Ministry's decision is challenged as unlawful, unreasonable or on grounds of procedural impropriety. Where a merger has been prohibited in terms of a sector-specific law, an aggrieved party can challenge the decision of the relevant authority by way of appeal to the High Court of Uganda.

RESTRICTIVE TRADE PRACTICES

18. Does the legislation specifically prohibit cartel conduct? If so, are there examples of the authorities pursuing firms for engaging in cartel conduct?

The Act prohibits a person from engaging in an anti-competitive practice or entering into an anti-competitive agreement. Any such agreement, decision, concerted action or concerted practice is void. The Act therefore envisages concerted action or anti-competitive practices that inevitably include cartel conduct.

Some sector-specific legislation restricts industry operators from engaging in practices that may amount to, or create, cartel practices.

For instance, while the Petroleum Supply Act (**PSA**) regulates prohibited practices and specifically prohibits certain horizontal restrictive practices (unlawful conduct between competitors), the Communications Act and Electricity Act each contain umbrella provisions within which horizontal restrictive practices may fall.

The PSA is more specific as it stipulates that participants in the petroleum supply chain shall not form cartels or attempt to control prices or create artificial shortages of products or services, or engage in any other restrictive practices or any other acts or omissions that are contrary to the principles of fair competition or are intended to impede the functioning of the free market for petroleum products in Uganda.

The Communications Act provides that an operator shall not engage in any activities, whether by act or omission, which have, or are intended to or likely to have, the effect of unfairly preventing, restricting or distorting competition in relation to any business activity relating to communications services, including entering into any agreement or engaging in any concerted practice with any other party, which unfairly prevents, restricts or distorts competition. This wording is inclusive of all business conduct deemed to undermine the sector and would, logically, include cartels.

The Electricity Act provides for a breach of fair competition. A licensee is in breach of fair competition if the licensee conducts any activity, alone or together with others, which, in the opinion of the ERA, is intended to or is likely to have the effect of restricting, distorting or otherwise preventing competition in connection with any activity licensed under the Electricity Act or is prejudicial to the interests of consumers. This provision does not expressly identify cartels but highlights that any business practice/ conduct that has the same effect creates unfair competition and is prohibited.

The Mining and Minerals Act, Cap. 159 specifically prohibits cartel conduct. A person is in breach of fair competition if that person or an agent of that person forms a cartel in the operations of value addition and beneficiation of minerals. This includes conduct such as fixing prices, restricting production output, or allocating markets. The legislation explicitly identifies cartels and monopolies and empowers the Minister to take the necessary measures to prevent their formation and unfair competition in mineral processing, smelting, and refining operations. This prohibition highlights that any collective or monopolistic conduct intended to restrict, distort, or prevent free competition in the mineral value-addition chain is prohibited.

We are not aware of any instances in Uganda where the authorities in a given sector have pursued firms for engaging in cartel conduct.

Further, we are also not aware of any specific complaints that have been made to authorities in respect of cartel conduct by operators in regulated industries.

19. What are the authorities' powers of investigation in relation to cartel conduct and other prohibited practices?

Under the Act, the Ministry may inquire into conduct alleged to contravene the Act upon receipt of a complaint from any person, a referral being made to the Ministry by any person, or knowledge or information acquired by the Ministry from any source.

Sector-specific legislation confers some powers of investigation on officials with regard to business conduct, which includes anti-competitive conduct in general. Although most legislation does not explicitly mention cartels, the description of prohibited business conduct can be construed to include the operations of cartels.

In terms of the Electricity Act, the ERA may investigate any licensee or systems operator who commits any act or omission in breach of fair competition. Under section 74(2) of the Electricity Act, any person with a complaint of breach of fair competition against a licensee shall lodge a complaint to the ERA, and the ERA shall, if it appears that a breach of competition has been committed, investigate the act or omission and, where appropriate, issue an order to remedy the breach.

The ERA may appoint inspectors for the purposes of verifying compliance by a licensee with the Electricity Act. An inspector may, among others, enter and inspect at any reasonable time any premises owned by or under the control of a licensee in which the inspector believes, on reasonable grounds, there to be a document or information relevant to the enforcement of the Electricity Act and examine the document or information or remove the document or information for examination or reproduction, as the case may be.

Under section 8 of the Financial Institutions Act, the BOU may, if it has reason to believe that a person is transacting or carrying out a prohibited practice, authorise an officer of the BOU to:

- enter into any premises which the BOU has reason to believe are occupied or used by any person for an unauthorised purpose;
- search any book, record statement, document or other item used;
- seize or make a copy of any book, record or statement;
- question any person who is present on the premises, auditors, directors, members or partners of any person conducting business on the premises;
- examine any book, record, statement or document; or
- require any person to produce the book, record, statement or document to the officer of the BOU issuing the notice.

Under the Mining and Mines Act, Cap 159, the Minister and Authorised Officers (Inspectors of Mines) have powers to investigate prohibited practices like cartels. Their investigation powers include:

- **Entry and Inspection:** The power to enter and inspect any mine, refinery, factory, or premises where minerals are processed, stored, refined, or smelted, to ensure compliance with the Act.
- **Documentation and Records:** The power to require the production of licences and permits, and to inspect and copy all books and records relating to mineral operations.
- **Search and Seizure:** The power to stop and search any vehicle, vessel, or aircraft, and to seize any minerals, gear, or equipment suspected of being used in, or obtained from, an illegal operation. Officers can conduct searches with or without a warrant.
- **Compulsion and Arrest:** The power to demand the name and address of an offender, and to arrest an offender if they refuse to cooperate or if necessary to prevent them from escaping.
- **Remedial Orders:** The power to issue written orders to remedy dangerous or defective mining operations.

These powers enable authorities to gather evidence to pursue cases related to the prohibited cartel and monopoly practices outlined in the Act.

The Uganda Communications Act empowers the UCC to investigate any complaint regarding a breach of the rules of fair competition within 30 days of receipt of the complaint, and issue a competition notice to the operator if the Commission believes that a breach in fact occurred. The competition notice states the facts and alleged breach, and further information required from the operator, where appropriate.
The IRA also has the mandate to appoint a special investigator to investigate control of an insurance company or what may be deemed as prohibited business, among several other things.

20. What are the penalties for cartel conduct? Is there a leniency policy in place? Does the legislation impose criminal sanctions?

In general terms, the Act prohibits anti-competitive behaviour. The Act empowers the Ministry to direct an enterprise to cease and desist from anti-competitive conduct or it may order the termination or nullification of the conduct. The Ministry may also take other reasonable action necessary in furtherance of its functions. The Act contemplates both financial penalties as well as personal criminal liability. This includes individuals who, at the time of the contravention, were in charge and responsible, instances where it is proved that the contravention was done with their consent or connivance, or wilful neglect on the part of any director, manager, secretary or other officer of the person. In these circumstances, such director, manager, secretary or other officer also contravenes the Act and is liable to a penalty.

Section 20 of the Act states that where the Ministry finds after an inquiry that a party has contravened the Act, the Ministry may make an order directing each person involved in the agreement, practice or abuse of a dominant position to pay a fine not exceeding 10% of the person's average turnover for the last three years, award compensation to aggrieved parties in terms of the Regulations, including a cost order, or direct the agreement to be modified.

There is no specific leniency policy in place for cartel conduct in Uganda.

In relation to the sector-specific laws, the PSA imposes criminal sanctions against any person who breaches its fair competition provisions. The PSA prescribes a fine not exceeding UGX 2.4 million, or imprisonment not exceeding five years, or both, upon conviction for a contravention. The legislation also provides that where a person charged with any offence under the PSA is a body corporate (although the definition of a body corporate is unclear), every person who, at the time the offence was committed, was a director, manager, secretary or similar officer or agent of that body corporate may be charged jointly or severally in the same proceedings with the body corporate and, on conviction, is liable to the penalty prescribed for the offence. In addition, any partner in an unincorporated enterprise, firm or joint venture shall be jointly and severally liable for the acts or omissions of any other partner insofar as the acts concern the enterprise, firm or joint venture.

Notwithstanding the above, a director, manager, secretary or similar officer, partner or agent will not be liable if they prove to the satisfaction of the Court that the act in question was committed without their knowledge, consent or connivance, and that they took all necessary steps to prevent the commission of that act, having regard to all the circumstances.

An employer who employs in or for their operation or place of business any agent, clerk, servant or other person is answerable and liable for any act or omission of an employee that constitutes a contravention of the PSA, insofar as it concerns the business of the employer. Any holder of a permit or licence, any consumer of a petroleum product, or any recognised consumer organisation may initiate civil legal proceedings before a court of competent jurisdiction.

Communications Act

Under the Communications (Competition) Regulations, the UCC may (i) direct the operator to take specific remedial action; (ii) impose a financial penalty on the operator not exceeding 10% of the annual turnover of the operator; (iii) void any anti-competitive agreement or declare contracts null and void; and (iv) publish the results of its investigation in a newspaper of wide circulation and other media. Where an operator breaches fair competition obligations more than once, the Commission may suspend or revoke the operator's licence.

In addition, a person who sustains loss or damage as a result of any act or omission that is contrary to the Communications Act may, in a court of competent jurisdiction, sue for and recover the loss or damage suffered from any person who engaged in, directed, authorised, consented to and/ or participated in the act or omission.

Electricity Act

The Electricity Act provides that a licensee found to be in breach of fair competition by the ERA shall pay such amount of compensation as the ERA may determine to the consumer for any loss caused to them.

The Mining and Minerals Act

The Mining and Minerals Act imposes severe penalties for cartel conduct, including the possibility of criminal sanctions. The Act itself does not set out a leniency policy, as this is usually governed by Uganda's national competition framework. For engaging in cartel conduct or forming a monopoly in mineral processing, smelting, or refining operations, a convicted individual is liable to a criminal sanction of up to UGX 10,000,000,000 (approximately USD 2.7m).

The offence also carries a possible imprisonment term of up to ten years or both the fine and imprisonment. Additionally, the Minister may suspend or cancel a mineral processing, smelting, or refining licence if the holder is found to have engaged in prohibited cartel conduct.

21. Is there a provision in the legislation providing for a mechanism to apply for exemption from certain parts of the legislation?

Other than excluded mergers, the Act is silent on exemptions.

- Some sector-specific legislation makes provision for exemptions, but in limited circumstances. The PSA, for example, provides for exemption from its provisions in the case of a declaration of a petroleum supply emergency. Save for this, prices for petroleum products through the supply chain are governed by forces of supply and demand in a free and competitive market.
- The Communications Act under section 23 and regulation 11 of the Communications (Competition) Regulations provides for an exemption to carry out certain prohibited acts/ waivers in relation to particular conduct of an operator to the extent that the UCC is satisfied that the Act contributes to the improvement of goods and services in Uganda and generally promotes communications services as stipulated in the Uganda Communications Act.

22. Is minimum resale price maintenance prohibited?

The Act provides that a vertical agreement is anti-competitive where the agreement involves resale price maintenance.

The Act defines resale price maintenance as an agreement between a supplier and a distributor with the object or effect of directly or indirectly fixing a minimum selling price to be used by the distributor when reselling goods to a customer.

Minimum resale price maintenance is also prohibited under the Communications (Competition) Regulations.

23. In what circumstances are exclusive agreements unlawful? If exclusive agreements raise concerns in specific circumstances, what factors are relevant to their lawfulness or unlawfulness?

The Act provides that a vertical agreement is anti-competitive where the agreement involves an exclusive supply agreement or an exclusive distribution agreement. In addition, Regulation 24 provides that an exclusive supply or distribution agreement may constitute an abuse of a dominant position if it forecloses competitors by hindering them from supplying or distributing to customers. In this regard, the Ministry or Technical Committee must take into account (i) the competitive constraints exercised by both actual and potential competitors; (ii) the stability of market shares; (iii) the likelihood of a new entry; and (iv) the portion of the market affected by such conduct and the duration of the exclusive purchasing obligation.

The Contracts Act of 2010 and common law principles provide and protect the concept of freedom of contract, but this is subject to the lawfulness of the purpose of the contract. Where the purpose is established as a prohibited conduct in any legislation, it will be deemed an illegal contract which cannot be enforced. The legality largely depends on the provisions of sector laws and the interpretation of 'exclusive agreement'. It is more likely to be considered under blanket provisions which may be all-inclusive in nature, such as the Uganda Communications Act, which has an umbrella provision restricting practices and agreements that may lead to a distortion of the industry.

Under section 53, this amounts to any abuse by an operator, independently or with others, of a dominant position which unfairly excludes or limits competition between the operator and any other party; or entering into an agreement or engaging in any concerted practice with any other party, which unfairly prevents, restricts or distorts competition; or effecting anti-competitive changes in the market structure and, in particular, anti-competitive mergers and acquisitions in the communications sector. Even without express mention, it can be read into the blanket provision if it results in the effect the law is created to fight. Exclusive contracts may be perceived as agreements that distort the market unfairly.

In the decided High Court case of *EzeeMoney (Uganda) Ltd v MTN Uganda Ltd High Court Civil Suit No 330 of 2013*, MTN was considered to have abused its dominant position by coercing its agents and pressuring them to avoid dealing with EzeeMoney. This is a vivid example of how exclusive agreements can become the subject of legal scrutiny and be considered illegal as a result of contravening considerations of fair business practices established by sector regulation.

24. Does the legislation prohibit the abuse of a dominant position? If so, what is the threshold for dominance and what conduct amounts to an abuse?

Yes, the Act prohibits abuse of a dominant position. An organisation is deemed to be dominant under the Act if it possesses a substantial level of market power. There are a number of factors to determine dominance, including whether a firm has a market share of 30% or where three or more persons supply or acquire 60% of the market. The Regulations are however clear that while market share is an important factor in determining dominance, it is not on its own sufficient without having regard to other factors under the Act and the Regulations. This includes considering constraints imposed by existing suppliers, the market position of the undertaking and its competitors, financial power, access to suppliers or markets or links with other competitors, constraints exercised by credible threats of future expansion by actual competitors or entry by potential competitors, bargaining strength and an assessment of countervailing buyer power. In the case of multi-sided markets and network industries, the Ministry must also consider:

- the existence of direct and indirect network effects;
- the extent to which users engage in parallel use of services from different providers and the switching costs incurred by users in changing service providers;
- the economies of scale enjoyed by the undertaking as a result of network effects;
- the undertaking's access to data that is relevant for maintaining or enhancing its market position; and
- the extent of innovation-driven competitive pressure in the market.

The Act provides a non-exhaustive list of abuses of dominance, including:

- directly or indirectly imposing unfair or discriminatory purchase or selling prices or conditions;
- limiting production, markets or technical development to the prejudice of consumers;
- indulging in actions resulting in denial of market access;
- making the conclusion of contracts subject to acceptance by the other parties of supplementary obligations which by their nature or according to commercial usage have no connection with the subject of the contracts; or
- using dominance in one market to move into or protect another market.

The Act also prohibits the exploitation of consumers by dominant persons, prohibiting a person from:

- directly or indirectly imposing unfairly high or unfairly low purchasing prices or similar unfair trading conditions;
- limiting production or technical development and innovation to the prejudice of consumers; or
- discriminating between consumers or suppliers on the basis of non-commercial criteria, including nationality or place of residence.

The Act further prohibits the exclusion of competitors from the market by a dominant person as a result of engaging in the following practices:

- predatory pricing;
- price squeezing;
- cross-subsidisation;
- refusal to deal;
- refusal of access to an essential facility;
- tying arrangements; and
- unjustifiable discrimination among customers or suppliers.

Sector-specific laws also regulate abuses of a dominant position. Examples of such sectors include the communications sector where the Communications Act prohibits the abuse of a dominant position. The Act stipulates that an operator shall not engage in any activities, whether by act or omission, which have, or are intended to or are likely to have, the effect of unfairly preventing, restricting or distorting competition in relation to any business activity relating to communications services.

Prohibited activities include any abuse of a dominant position by an operator, either independently or with others, which unfairly excludes or limits competition between such operator and any other party. However, the Act does not provide a threshold to determine what amounts to dominance. The Competition Regulations define 'dominant position' as a position of market power enjoyed by an operator or authorised person, which enables the operator or authorised person to prevent effective competition in the relevant market by giving it the power to behave, to an appreciable extent, independently of its competitors and customers.
The UCC is yet to issue guidelines to be followed in determining whether one occupies a dominant position.

The following points should be noted:

- Although not an express reference to the abuse of a dominant position, the PSA provides that participants in the petroleum supply chain shall not, among others, attempt to control prices or create artificial shortages of products or services, or engage in any other restrictive practices or any other acts or omissions which are contrary to the principles of fair competition or are intended to impede the functioning of the free market for petroleum products in Uganda.
- Similarly, without expressly referring to the abuse of a dominant position, the Electricity Act stipulates that a licensee is in breach of fair competition if they conduct any activity, alone or together with others, which in the opinion of the ERA is intended to have or is likely to have the effect of restricting, distorting or otherwise preventing competition in connection with any activity licensed under the Electricity Act.

25. Are there examples of the authorities pursuing firms for abusing a dominant position?

We are not aware of any instance in this jurisdiction where sector regulators have pursued firms for abusing a dominant position. However, we are aware of industry operators challenging other operators for abuse of a dominant position. Some challenges are through regulatory bodies such as the Fair Competition Commission in the communications sector or cases filed in the Commercial Division of the High Court of Uganda. For instance, in EzeeMoney (Uganda) Ltd v MTN Uganda Ltd High Court Civil Suit No 330 of 2013, EzeeMoney instituted a suit against MTN Uganda, alleging that MTN had:

- engaged in activities intended to have the effect of restricting or distorting competition in relation to the business activity of communications services contrary to section 53(1) of the Uganda Communications Act 2013; and
- breached the statutory duty not to deny customers services unfairly contrary to section 56 of the Uganda Communications Act 2013.

In this case, the plaintiff's case was premised on, among other things, the fact that MTN forced mobile money agents to sign exclusivity agreements prohibiting them from offering EzeeMoney services, punished those who breached these agreements by confiscating their implements, and influenced an aggregator to decline offering aggregation services to EzeeMoney. EzeeMoney claimed that these actions breached several provisions under the Communications Act that prohibited abuse of a dominant position and unfair competition.

The gist of the matter was whether or not a mobile telecommunications firm with a dominant position in the telecommunications market in Uganda was abusing that dominant position. The Court found in favour of EzeeMoney and awarded it damages of UGX 2.3 billion.

This is a good example of 'exclusive agreements' that would be found to be unfair, with the effect of distorting the market.

In *Ubuntu Towers Uganda Ltd v American Towers Corporation Ltd (ATC) and Airtel Uganda Ltd (Airtel)*, in a decision of the UCC in May 2022, certain clauses in an agreement between ATC and Airtel were found to be anti-competitive, and ATC was found to be a dominant operator in the CSPI market segment with 90% market revenue and 87% of the total national tower inventory.

The UCC directed ATC and Airtel to expunge the impugned clauses from their agreement, warned them against engaging in any retributive acts against the complainant, and ordered them to cease and desist from engaging in anti-competitive practices.

More recently, on 21 April 2025, the Ugandan High Court considered a contractual dispute between VAS Garage Ltd (**VAS**) and MTN Uganda Ltd (**MTN**) that was at its heart an abuse of dominance case. The High Court and the UCC relied on the Uganda Communications Act and its regulations and found that MTN had abused its dominance by effectively foreclosing VAS from the market, forcing them to exit as they deleted their databases of subscribers. In addition to the contractual damages for loss suffered by VAS, the High Court also awarded compensation with a view to deterring anti-competitive conduct. MTN was ordered to pay VAS UGX 1 395 952 628 as general damages for unfair competition in addition to the damages for demonstrated loss.

26. Does the legislation provide for penalties to be imposed on firms for the abuse of a dominant position?

Under the Act, in addition to the penalties described under question 20 above, the Ministry may, notwithstanding any other law, order the division of an entity with a dominant position to ensure that the entity does not continue to abuse its dominant position.

Whether abuses of dominance are punishable in terms of sector-specific legislation will depend on the specific sector.

For instance, under the Communications Act and the Petroleum Act (described under question 19), the regulators have general penalties for unauthorised or illegal conduct, and this can be interpreted to include the conduct of abuse of a dominant position.

Under the Communications (Competition) Regulations, the UCC may direct the operator to (i) take specific remedial action; (ii) impose a financial penalty on the operator not exceeding 10% of the annual turnover of the operator; (iii) void any anti-competitive agreement or declare contracts null and void; and (iv) publish the results of its investigation in a newspaper of wide circulation and other media. Where an operator breaches fair competition obligations more than once, the UCC may suspend or revoke the operator's licence.

It is not clear how the Ministry intends to harmonise its penalties with the various sectoral regulators; however, the Act requires all statutory authorities or bodies before which matters with an effect on competition are brought to refer such matters to the Ministry and take into account the Ministry's opinion (which may include an opinion on penalties) in deciding the matter.

27. Are there rules in relation to price discrimination?

Yes, please see the response to question 24 above. Certain sectors have also addressed their markets on the issue. For instance:

- The Electricity Act provides that a licensee shall not, in fixing tariffs and terms of supply, show undue preference for or discriminate against customers similarly situated or in similar circumstances.
- The PSA also provides that participants in the supply chain shall sell their products to all persons without any form of deliberate discrimination by means of quality, quantity and price.
- The communications industry prohibits price discrimination or undue preference through the Competition Regulations.

28. Does the authority publish its decisions and, if so, is there a website where such decisions are available?

There is no obligation on the Ministry or the Technical Committee to publish its decisions. The Act does, however, empower the Ministry to publish reports generally, and it contains confidentiality protections that would apply if any information were to be disclosed. It remains to be seen whether decisions will be made publicly available and, if so, where.

KATENDE, SSEMPEBWA & COMPANY ADVOCATES

Sophia Nampijja
Partner
E: snampijja@kats.co.ug

Angella Tendo Namubiru-Mulira
Senior Associate
E: tendo@kats.co.ug

Penelope Shakira Nassozi
Associate
E: nassozi@kats.co.ug