

THE REPUBLIC OF UGANDA
IN THE TAX APPEALS TRIBUNAL AT KAMPALA
APPLICATION NO. 105 OF 2023

UAP OLD MUTUAL INSURANCE LIMITED.....APPLICANT

VERSUS

UGANDA REVENUE AUTHORITY.....RESPONDENT

BEFORE: MS. CRYSTAL KABAJWARA, MS. KABAKUMBA MASIKO, MS. SAFI GRACE

RULING

This application is in respect of a stamp duty assessment of Shs. 1,726,901,982 arising because of the Respondent treating endorsements as instruments and each beneficiary as a policy holder liable to stamp duty.

1. Background Facts

The Applicant is engaged in general insurance business in Uganda. In May 2023, the Respondent conducted a compliance review of the Applicant's stamp duty for the period January 2017 to June 202. The Respondent established that the Applicant had issued 182,555 medical insurance policies. The Respondent contended that the policies attracted stamp duty of Shs. 6,378,925,000. The Applicant remitted Shs. 4,452,123,018 and the Respondent issued the Applicant with a demand notice of the balance of Shs. 1,726,901,982.

The Respondent treated endorsements as instruments chargeable to duty and each beneficiary as a policy holder. The Applicant objected to the assessment on the grounds that endorsements are not separate instruments from the insurance policy and that stamp duty on a medical insurance policy is not payable by each beneficiary. The Respondent disallowed the objection hence this application.

2. Issues

The issue for determination by the Tribunal is whether the Applicant is liable to pay the stamp duty assessed by the Respondent.

3. Representation

The Applicant was represented by Mr. Joseph Luswata, Ms. Sophia Nampijja and Mr. Winston Churchill Ruhayana of M/S S&L Advocates while the Respondent was represented by Ms. Eseza Victoria Ssendege and Mr. George Ssenyomo.

Mr. Dennis Twambale, the Head of Medical Business of the Applicant was the Applicant's first witness (AW1). In his witness statement, he stated that the policies issued by the Applicant may cover a single individual or corporate cover for a group of individuals. He also stated that group or corporate policies include workers compensation policy, group personal accident policy, medical policy, professional indemnity policy and others. He further stated that insurance cover in a group medical policy often covers employee and their dependents or family.

The witness also stated that the group medical policy is issued upon application by the employer. Terms are negotiated between the Applicant and the employer and the premium payable depends on the number of employees and dependents to be covered by the policy. Upon the successful negotiation of the policy, the Applicant issues the policy holder with an invoice along with a schedule of employees covered by the policy issued, valid for a specified period. If the policy holder desires to renew the policy, they apply for renewal by a document called renewal endorsement or renewal policy.

New beneficiaries or employees during the life of the policy are reported to the Applicant and added as and when the Applicant is informed. If a beneficiary ceases to be an employee of the policy holder he is omitted from the schedule to the invoice.

The witness further stated that in consideration for the insurance cover to the beneficiaries of the group medical policy, the policy holder pays a premium and other charges including stamp duty on the policy and on the renewal endorsement. The

Stamp duty per policy of renewal endorsement is then paid to the Respondent monthly.

The witness also testified that group policies are generally more affordable than retail or individual policies because they cover a large number of people, which lowers the cost per person. He further testified that the Respondent alleges that the Applicant issued 182,255 policies of which 53,432 were medical policies. The difference between the 4731 medical policies issued by the Applicant and the alleged 53,432 arises from the Respondent's treatment of endorsements and all beneficiaries of the policy as instruments as subject to stamp duty. For example, in respect of the policy cover for 32 employees on AE6 of the Joint Trial Bundle (JTB), the Respondent expected the sum of Shs. 1,120,000 being the rate of Shs. 35,000 as provided for in the stamp duty Act times the number of the beneficiaries.

During cross examination, the witness also stated that an endorsement is a document that is issued by a policy holder to the Applicant to add new beneficiaries. He also confirmed that renewal of the policy creates a new right and liability. He stated that medical policies run for a period of 12 months and at the end they receive instructions to renew it. There are two endorsements which include renewal endorsement for the entire policy or an endorsement for adding beneficiaries.

Mr. Dan Musiime the Chief Executive Officer of Jubilee Health Insurance Company and Chairman Medical Council of Uganda Insurers Association was the Applicant's second witness (AW2). He testified that corporate/group policies are recommended because they are cheaper in terms of premium as the risk is spread among several beneficiaries.

He stated that in his 18 years of experience in medical insurance business, medical policies are negotiated by the insurer and the employer. There is no involvement of the covered employees who only fill enrolment forms with their bio data, dependents and the necessary consents. He stated that policies are renewable every 12 months by an endorsement and an invoice.

AW2 further testified that during the continuance of medical policy, any new staff are reported to the insurance company and added on to the policy and charged premium on pro- rata basis until the expiry of the policy and an invoice is issued to this effect.

During cross examination, AW 2 confirmed that dispatcher renewal endorsement does not extend the rights or liabilities of the insurance policy

The Respondent's first witness was Mr. Harold Okodi, a Supervisor in the Respondent's Domestic Taxes Department (RW1). He testified that there were under declared policies that arose mainly from endorsements where the Applicant claimed stamp duty was already paid on the original policy. The objection was disallowed on grounds that endorsements are chargeable with stamp duty and that stamp duty should be accounted for in respect of each person the policy covers. During cross examination, he stated that Shs. 35,000 is payable upon removal or addition of a beneficiary from a policy.

4. Submissions of the Applicant

The Applicant submitted that Section 2 of the Stamp Duty Act provides that a policy of insurance includes-

"An instrument by which one person, in consideration of a premium, engages to indemnify another person against loss, damage or liability arising from an unknown or contingent event."

The Applicant stated that the policy holder pays stamp duty of Shs. 35,000 irrespective of the number of beneficiaries under the policy in line with item 48 (a) of the Second Schedule to the Stamp Duty Act.

The Applicant submitted that According to Section 2 of the Interpretation Act, a "person" is defined to include *"any company or association or body of persons, corporate or unincorporate"*. This means that a person who is indemnified against loss, damage or liability can be a corporate body such as in the instant case where, as evidenced in exhibit AE4, the insured is Stromme Foundation Uganda. This shows that despite the number of beneficiaries covered by the policy, the insured remains the employer and not the beneficiaries.

The Applicant further submitted that if the law makers had intended for beneficiaries to be included under the definition of a "policy of insurance", they ought to have expressly stated so

The Applicant cited the case of ***Cape Brandy Syndicate v. Inland Revenue Commissioners (1921) 12 TC 358***, where court stated:

"In a taxing Act one has to look at what is clearly said. There is no room for any intendment. There is no equity about a tax. There is no presumption as to a tax. Nothing is to be read in, nothing is to be implied, one can only look fairly at the language used."

The Applicant submitted that there is nothing in the literal and plain meaning of a policy of insurance to suggest that stamp duty is payable for every beneficiary under a group policy.

The Applicant submitted that it is established law that the basic principle of legal policy is that law should serve public interest. Therefore, the Tribunal should strive to avoid a construction that would be adverse to public policy. (*See Fender v. St John Mildmay [1937] 3 ALL ER 42*). The Applicant invited the Tribunal to find that stamp duty under group/corporate policies is Shs. 35,000 irrespective of the number of beneficiaries under the policy.

Whether stamp duty is payable on an endorsement of an insurance policy?

The Applicant submitted that an endorsement to add or remove a beneficiary does not attract stamp duty. The Applicant cited Section 2 (1) of the Stamp Duty Act which lists the instruments shall be chargeable with duty in accordance with Schedule 2 to the Act. An endorsement of an insurance policy is not listed in the above schedule as a dutiable instrument. An endorsement is not a policy of insurance.

According to *Bryan A. Garner's Black's Law Dictionary, 9th Edition, at p. 607*, an endorsement simply amends/alters the terms of an insurance policy.

The Applicant contended that save for a renewal endorsement, which renews and extends the lifetime of a policy and attracts both premium and stamp duty, endorsements that alter the terms of the policy attract no premium and are not dutiable as they do not create a new policy.

The Applicant contended that the endorsements in issue were endorsements to add or remove beneficiaries on a medical insurance policy as the Applicant accounted for stamp duty on all renewal endorsements. Having paid stamp duty on an existing policy, there is no requirement to pay additional stamp duty where the terms of the policy are altered.

The Applicant submitted that in the absence of a specific provision imposing stamp duty on an endorsement, the Tribunal should find that stamp duty is not payable on an endorsement to amend an insurance policy.

In the alternative, stamp duty on a policy of insurance is as a matter of law and agreement payable by the insured, not the insurer.

The Applicant submitted that in Misc Application No. 110 of 2023, the Tribunal granted the Applicant leave to rely on this additional ground in accordance with Section 16 (4) of the TAT Act.

Paragraph 2 of the Third Schedule to the Stamp Duty Act provides that the expense of providing the proper stamp shall in the case of a policy of insurance other than a fire insurance be borne by the person effecting the insurance. The person effecting the policy of insurance is the insured who has the obligation to pay stamp duty not the insurance company. The obligation to pay stamp duty does not lie with the Applicant but rather with the various insured persons such as Stromme Foundation Uganda.

The Applicant submitted that if found that indeed stamp duty is payable on endorsements to add or remove a beneficiary, the taxpayers are the insured persons under the respective policies and not the Applicant/insurer. The Applicant prayed the Tribunal declares:

- a) The additional tax assessed is erroneous and not payable.
- b) The Respondent refunds the Applicant Shs. 518,040,595 paid as 30% of the tax in dispute with 2% interest per month from the date of payment to the date of refund.
- c) The obligation to pay stamp duty on a policy of insurance lies with the Insured and not the Insurer; and
- d) Endorsements to add or remove a party to a policy of insurance do not trigger a fresh requirement to pay stamp duty under the Stamp Duty Act and
- e) Costs awarded to the Applicant.

5. Submissions of the Respondent

The Respondent submitted that the addition or removal of a beneficiary from an insurance policy alters the terms of an insurance policy thereby resulting in the creation of an endorsement which is an instrument that is liable to pay stamp duty.

Section 2 of the Stamp Duty Act defines an instrument to include:

“ a document by which a right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded”.

The Respondent cited Section 2 of the Stamp Duty Act which defines policy of insurance as:

“ (a) an instrument by which one person, in consideration of a premium, engages to indemnify another person against loss, damage or liability arising from an unknown or contingent event; or

(b) a life policy, and a policy insuring a person against accident or sickness, and any other personal insurance;”

Section 3 (1) (a) of the Stamp Duty Act provides:

(1) Subject to this Act, the following instruments shall be chargeable with duty in accordance with Schedule 2-

(a) every instrument mentioned in Schedule 2 which, not having been previously executed by a person, is executed in Uganda and relates to property situated, or to a matter or thing done or to be done, in Uganda.”

The Respondent further submitted that Section 2 of the Stamp Duty Act defines the word “chargeable” as:

“ An instrument chargeable under this Act or any other law in force the instrument was executed or, in Uganda when where several persons executed the instrument at different times, first executed:”

The Respondent contended that under Stamp Duty, every beneficiary is supposed to pay stamp duty. This is premised on fact that whenever a new person is added to a policy this creates a new right which amounts to an endorsement which is liable to Stamp Duty. Therefore, every beneficiary is liable to pay stamp duty.

Furthermore, the Respondent submitted that item 66 of the 2nd schedule to the Stamp Duty Act caters for instruments which are not specifically mentioned in the 2nd schedule. This means that instruments which are not specifically stated in the Stamp Duty Act can pay Shs. 15,000 as Stamp Duty. Therefore, endorsements attract stamp duty.

It was the Respondents submission that adding or removing a beneficiary creates an instrument known as an endorsement by which new rights and liabilities are created and hence liable to Stamp Duty and the Applicant had to pay additional Stamp Duty.

The Respondent cited the case of ***Uganda law Society & 12 Others Versus Attorney General Constitutional Petition No. 32 of 2020*** where Justice Irene Mulyagonja held:

"I am fortified in coming to this conclusion by the commentary in Halsbury's laws of England, Volume 99 (2023" where it is explained at Paragraph 1130, that stamp duty is a charge on instruments as follows: Stamp duty is chargeable on instruments and not transactions. The liability of an instrument to stamp duty arises at the moment at which it is executed and depends on the law in force and the circumstances which exist at that time. The character of the instrument must be ascertained by reference to its legal effect when it is executed.

The Respondent submitted that according to General Principles of Insurance by Paul Bierly at page 1-43, an endorsement is defined as:

"a written amendment added to and made part of the policy for the purpose of restricting or expanding the coverages granted by the policy" the term rider is more often used regarding life or health insurance and is functional equivalent)"

The Respondent submitted that the purpose of an endorsement is to record any change to the original terms of the insurance policy to reflect the correct negotiated agreement between the parties. Extensions to cover are affected by endorsement of the policy. Extensions of the policy period usually occur at the end of the policy period to facilitate the renewal of negotiations while extensions of cover are used to incorporate additional cover into the policy.

The Respondent maintained that amendments to the policy create endorsements which are liable to pay stamp duty, and these endorsements go beyond addition and removal of beneficiary's duty. The Respondent submitted that adding or removing a

beneficiary creates an instrument known as an endorsement (not a policy) by which new rights and liabilities are created hence liable to stamp duty.

Whether stamp duty is payable for every beneficiary under a group policy?

The Respondent submitted that under stamp duty every beneficiary is supposed to pay stamp duty because whenever a new person is added to a policy this creates a new right which amounts to an endorsement liable to pay stamp duty. Item 66 of the second Schedule to the Stamp duty Act caters for instruments such as endorsements which are not specifically stated in the Stamp duty Act liable to pay Shs. 15,000 as stamp duty.

It was the Respondent's submission that individual beneficiaries are catered for under the definition of a person. This may be an individual who may be either an employee or dependent. Stamp duty is meant to be paid on an instrument where a beneficiary has a vested interest.

In the alternative, stamp duty on a policy of insurance is a matter of law and agreement payable by the insured, not the insurer.

The Respondent objected to the Applicant's introduction of arguments which were never raised in the objection but were irregularly introduced before the Tribunal during the hearing of TAT Application 105 of 2023. The Respondent cited Section 16 (4) of the Tax Appeals Tribunal Act provides that:

"Where an application for review relates to a taxation decision that is an objection decision, the Applicant is, unless the Tribunal orders otherwise, limited to the grounds stated in the taxation objection to which the decision relates."

The Respondent submitted that the Applicant has never sought leave to raise new grounds as submitted by the Applicant vide Miscellaneous Application No. 110 of 2023. It was the Respondent's submission that this ground should be disregarded since the Applicant has neither ever sought leave nor has the Tribunal granted such orders.

In the matter of *Amatheon Agri Uganda Limited Versus URA No.7 of 2021* the Tribunal held:

“Though the decision of Margaret Akiiki Rwaheru & 13945 others Versus URA (supra) was made after the objection, the applicant did not obtain leave from the Tribunal to raise it during the trial. The Tribunal is limited to the grounds raised in the objection unless it orders otherwise

*Furthermore, the said issue was not raised in the applicant's application. It was not raised during the scheduling. In **Interfreight Forwarders (U) Ltd Versus East African Development Bank Civil Appeal No. 33 OF 1992**, Justice Oder stated; The system of pleadings is necessary in litigation. It operates to define and deliver it with clarity and precision the real matters in controversy between the parties upon which the court will be called upon to adjudicate between them. This serves the double purpose of informing each party what is the case of the opposite party which will govern the interlocutory proceedings before the trial and which the court will have to determine at the trial.*

There was no evidence led during the trial on the said 15% VAT. Even the tax paid may still be in dispute. Since the issue of the purported illegal VAT of 15% was not raised in objection nor pleaded, nor addressed during scheduling the Tribunal will not address it”.

The Respondent averred that the above notwithstanding, if the Tribunal is inclined to entertain the arguments on this issue it should be noted that it is the Applicant that collects the money from the insured and remits it to government through the Respondent. The Respondent submitted that the Applicant had remitted Shs. 4,652,123,018 as Stamp Duty. Why was the Applicant remitting the said stamp duty if it is not the right party to assess for the unpaid balance. The Respondent prayed that this Application is dismissed with costs to the Respondent.

6. Applicant's Submissions in Rejoinder

In rejoinder the Applicant submitted that they agree with what is articulated in **Stanbic Bank UG LTD & Others v URA, HCCS No. 792 of 2007** that:

“Stamp duty is chargeable on instruments not transactions.”

There is one instrument for a group policy irrespective of the number of beneficiaries under the policy. Charging duty per beneficiary is tantamount to charging duty to a transaction and not the instrument.

The Applicant further submitted that Section 2 of the Stamp duty Act does not impose stamp duty on every beneficiary under a group policy. The Applicant stated that the insured is the entity, and the individuals are only beneficiaries under the

policy taken out by the corporation. At no point do the beneficiaries pay premium and cannot claim against the insurer.

The Applicant also maintained that only renewal endorsements which renew or extend the life of a policy are instruments under the Act and dutiable which the Applicant duly remitted.

In the Alternative, the Applicant submitted that should the Tribunal find that all endorsements are dutiable, they agreed as conceded by the Respondent that endorsements are taxable at a rate of Shs. 15,000 under item 66 as any other instrument not specifically mentioned. The Applicant averred that it cannot have been the intension of parliament to impose duty on every beneficiary. It would make the group medical insurance too expensive and dissuade employers from acquiring group medical insurance for their employees.

On the issue of additional grounds, the Applicant submitted that there is an Application No. 110 of 2023 to rely on, the Tribunal allowed the Applicant to rely on the additional ground. The Applicant maintained that there is no express requirement under the Stamp duty Act requiring insurance companies to pay stamp duty because this obligation lies with the insured person.

The Applicant prayed that this Application is decided in the Applicant's favour with costs.

7. The Determination by the Tribunal

Having studied the evidence on record as well as the submissions of the parties, this is the decision of the Tribunal.

The Respondent conducted a compliance review of the Applicant's stamp duty declarations and established that they had issued 182,255 policies attracting stamp duty of Shs. 6,378,925,000 and only remitted Shs. 4,652,123,018. The Respondent issued a demand on the outstanding stamp duty of Shs. 1,726,801,982.

The Applicant objected on grounds that endorsements are not separate instruments from the insurance policy and should not attract stamp duty and that stamp duty is not payable by each beneficiary to the policy. The objection was disallowed on

grounds that endorsements are chargeable with stamp duty and that stamp duty should be accounted for each individual beneficiary covered by the policy

This raises two issues:

- (i) Whether stamp duty of Shs. 35,0000 as provided for under item 48(a) of the should be charged for each beneficiary?
- (ii) Whether the endorsements are chargeable with stamp duty?

These are addressed below.

- (i) **Whether stamp duty is payable for every beneficiary under a group policy**

Section 2 of the Stamp Duty Act is the charging provision which imposes stamp duty on every instrument that is mentioned in Schedule 2. It provides as follows:

“Subject to this Act, the following instruments shall be chargeable with duty in accordance with Schedule 2:

- (a) Every instrument mentioned in schedule 2, which having not been previously executed by a person is executed in Uganda and relates to property situated, or to a matter or thing done or to be done, in Uganda.”*

The following can be summarized from the above provision:

- a) Only instruments mentioned in schedule 2 are chargeable with stamp duty. Therefore, if an instrument is not mentioned in schedule 2, it should not be charged with stamp duty.
- b) The instrument should not have been previously executed in Uganda. This means that an instrument should pay stamp duty only once, upon execution.

Therefore, the next step is to determine whether the instruments in contention are mentioned in Schedule 2.

Schedule 2 of the Act mentions 66 items or instruments that are chargeable with duty. Items 1-65 are specific while item 66 is a residual provision, meant to cover instruments not explicitly mentioned in items 1 – 65. It is essentially acting as a catch-all provision to address any remaining items that might not be covered by the schedule.

Insurance policies fall under item 48 which states:

"Policy of insurance; including a policy of takaful – 35,000/=

The above is the only item that deals with insurance policies and by extension the beneficiaries thereunder.

The Respondent has argued that the duty should be charged based on the number of beneficiaries covered by each policy. The Applicant maintains that only policies of insurance are liable to stamp duty.

Section 2 of the Stamp Duty Act defines a "policy of insurance" to mean:

"(a) an instrument by which one person, in consideration of a premium, engages to indemnify another person against loss, damage or liability arising from an unknown or contingent event; or

(b) a life policy, and a policy insuring a person against accident or sickness, and any other personal insurance;"

Therefore, in the present case, the Applicant, in consideration for a premium paid for by the employers i.e. the policy holder, engaged to indemnify the employer against loss, damage or liability arising from unknown or contingent events. The beneficiaries of the policies neither pay any consideration to the Applicant nor engage with the Applicant. In fact, even as beneficiaries, they are not privy to the policy of insurance and cannot enforce the policy against the Applicant in their own right.

Further, being a beneficiary does not make one a policy holder.

A policy holder is defined in the ***Black's Law Dictionary (Supra)*** on page 1344 as:

"Someone who owns an insurance policy, regardless of whether that person is insured party. -Also termed policy owner".

The above definition shows that a policy holder is one who owns an insurance policy. Beneficiaries under insurance policies do not own the policies unless they themselves have directly engaged with the insurance company and have paid a premium.

Consequently, Item 48 (a) is very clear in as far as it subjects policies of insurance to stamp duty. If the legislature intended for stamp duty to be levied for each beneficiary, the Stamp Duty Act would have clearly stated as much. A legislator who enacts a provision regarding an insurance policy would surely know that policies are

entered into for the benefit of a beneficiary. If their intention was to extend the liability to beneficiaries, they would have pronounced themselves when framing the statute.

It is a cardinal rule of the interpretation of tax statutes that statutes must be strictly interpreted. Nothing should be read into the statute and there should be no room for intendment (*Cape Brandy Syndicate v Inland Revenue Commissioners*).

Therefore, an attempt to charge stamp duty on the basis of the number of beneficiaries is a stretch of imagination.

We therefore find that the clear wording of the statute is that stamp duty is chargeable per policy of insurance and not per number of individual beneficiaries covered by each policy.

(ii) **Whether stamp duty is payable on an endorsement of an insurance policy?**

The Respondent's position is that whenever a new beneficiary is added to a policy this creates a new right which gives rise to stamp duty. According to the Applicant, an endorsement to add or remove a beneficiary does not attract stamp duty. The exception is a renewal endorsement, which renews and extends the lifetime of a policy attracts both premium and stamp duty.

The Respondent contends that item 66 encompasses endorsements. Item 66, which we have indicated is a residual provision, states as follows:

"Any other instrument not specifically mentioned – 15,000/="

The Respondent has also argued that endorsements fall within the definition of the term "instrument" as provided for in Section 2 of the Stamp Duty Act. The section defines the term to mean:

"a document by which a right or liability is, or purports to be, created, transferred, limited, extended, extinguished or recorded".

As already indicated, item 66 is a residual provision meant to cover instruments not explicitly mentioned in items 1 – 65. It is essentially acting as a catch-all provision to address any remaining items that might not be covered by the schedule. However, as it is a general provision, it must be interpreted subject to the specific provision in item 48. Therefore, in interpreting item 66, a harmonious interpretation must be

adopted. This means that item 66 cannot be read as a standalone provision, independent of item 48 (a).

In the case of *Farid Meghani v Uganda Revenue Authority*, Civil Appeal No. 0006 Of 2021, Justice Mubiru held:

One of the cardinal rules of statutory interpretation is that statutes are to be read as a whole, in context, and, if possible, the court is to give effect to every word of the statute. The court is bound to give consistent, harmonious, and sensible effect to all of the parts of a statute, to the extent possible. Thus, in cases involving statutory construction, courts are not permitted to consider only a certain isolated part or parts of an act but are required to consider and construe together all parts thereof in pari materia. It is the duty of the court, as far as practicable, to reconcile the different provisions so as to make them consistent, harmonious, and sensible.

Having concluded that under item 48 (a), stamp duty is chargeable on a policy of insurance and is not charged based on the number of individual beneficiaries covered by the policy, it would defeat the intention and purpose of Item 48 (a) if, an endorsement, which serves to add or remove beneficiaries, is treated as an instrument that is chargeable to duty. This would be tantamount to charging duty per beneficiary and not per policy as required for by item 48 (a).

Therefore, we agree with the Applicant that an endorsement whose purpose is to amend an existing policy of insurance is not an instrument that is chargeable to duty within the meaning of the Stamp Duty Act.

Obiter

Lastly, in view of the fact that this matter concerns the health sector, we consider it useful to comment on some of the policy considerations concerning medical insurance. This is because tax does not operate in a vacuum and enactment and interpretation of tax laws must be considered through the lens of the wider public benefit and due attention must be paid to government policy.

Policy considerations

One of the government's key strategies and policy reforms as promulgated in the Uganda's Vision 2040 is to develop a universal health insurance scheme through

public private partnership (*see page XVI of Vision 2040*). This is in response to one of the key challenges facing the country, which is well documented at page 255 of Vision 2040 as follows:

“Uganda’s current health service delivery system is expensive, inefficient and not sufficiently responsive to the health needs of the different categories of the population. Addressing these challenges calls for a policy shift in the health delivery system from mainly public centered to a public-private-partnership arrangement. One of the key strategies will be to adopt a universal health insurance system”

Further, the Insurance Regulatory Authority in its 2023 Annual Report, at page 30, advocated for the universal health insurance system as the uptake of health insurance is less than 1% in Uganda.


Therefore, a charge on each beneficiary and dependents covered by a policy of insurance would have far reaching consequences for the health of Ugandans at large. This would lead to an increase in the cost of medical insurance which would in turn reduce access to health services for several Ugandans. This would also make the sector unattractive to private sector participation which is expected to play a critical role in the formation and sustainability of the universal health insurance system.

The application is allowed and costs are hereby awarded to the Applicant.

Dated at Kampala this 14th day of February 2025.



CRYSTAL KABAJWARA
CHIRPERSON



KABAKUMBA MASIKO
MEMBER



SAFI GRACE
MEMBER