

Uganda Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Uganda's national cooperative legal framework, based on the work of national legal experts and ICA member input.

In Uganda, the constitution and regulation of cooperatives is governed by the Cooperative Societies Act Cap 112 and operationalized by the Cooperative Societies Regulations SI 112-1.

Main regulations: This table displays a selection of cooperative regulations identified by experts and ICA members. For the full analysis including all relevant regulations, see the full report.

Regulation	Brief Description
The Cooperative Societies Act Cap 112	All cooperatives must be registered under this law
The Tier 4 Microfinance and Money Lenders Act, 2016	Regulates the licensing of small SACCOs
The Micro Finance Deposit Taking Institutions Act, 2003	Regulates the licensing of large SACCOs

Cooperative Friendliness: From the view of ICA contributing member organizations, the Cooperative Societies Act is more cooperative friendly than not, fairly balanced and it allows members to take charge of their affairs with less government interference. Equally, it allows cooperatives to grow by giving them space to thrive, allowing tax exemptions and making it mandatory for societies to apply the cooperative principles.

However, the regulation of SACCOs under the Tier 4 Microfinance and Money Lenders Act, 2016, is a very big obstacle to cooperative development. It fragments the licensing of SACCOs to three separate legal regimes and due to the continued delay to make regulations, SACCOs in Uganda are practically unregulated.

Key recommendations for improvement: The improvement should seek to address streamlining and realigning the role and powers of the Registrar, expressly recognize the ICA principles within the law, and should bring the management and licensing of SACCOs under the Cooperative Societies Act Cap 112

Conclusions: In conclusion, it is important that cooperatives in Uganda should be uniformly registered, licensed and managed under a single legal regime. There is also a need for training to policy and law makers to enable them understand the uniqueness of cooperatives. Accordingly, the sections in the Tier 4 Microfinance and Money Lenders Act, 2016 that provide for the licensing of SACCOs should be repealed so that the Registrar of Cooperatives is empowered to adequately deal with all matters concerning cooperatives..

