



FOREX NEWS

A PUBLICATION OF UGANDA FOREX BUREAU & MONEY REMITTANCE ASSOCIATION

Liquidity Crisis: Where is the Money?



IS THE US DOLLAR THE NEW BASE CURRENCY?



SHUMUK FOREX BUREAU LTD.

Service with a Smile

P.O. BOX 6552, KAMPALA; EMAIL: KRSNA@SWIFTUGANDA.COM

SHUMUK MAIN BRANCH

Shumuk House
Plot 2, Colville Street,
Tel/Fax: 0414-342834
Mob: 0772-424336
Open 8.00am-6.00pm

SHUMUK GRAND IMPERIAL HOTEL (BRANCH)

Entrance, Tel: 0414-259736,
0772-653808
Open 7 days a week
8.00am-8.00pm

SHUMUK IMPERIAL ROYALE HOTEL (BRANCH)

Tel: 0414-343303
Open 7 days a week
8.00am-7.00pm

SHUMUK ARUA (BRANCH)

Plot 5, Avenue Street
Tel: 0782-522581
Open 6 days a week
8.00am-6.00pm

SHUMUK KISEMENTI (BRANCH)

Krisna Mart
Kisementi, Kamwokya
Mob: 0702 869 766, 0772 869 766,
0773 152 539, 6 days a week
8.00 a.m. - 7.00 p.m.

***MONEY
TRANSFER
SERVICES**
***WESTERN
UNION**

FOREX NEWS CONTENTS



CURRENCY IN FOCUS



THE SOUTH SUDAN POUND - PAGE 30

- 3** **CURRENCY TRENDS:** Shilling Vs Dollar analysis
- 5** **LIQUIDITY CRISIS:** Where is all the money?
- 8** **IS THE US DOLLAR:** New Base Currency?
- 10** Implications of the 2013/2014 budget
- 13** **TOURISM:** Sector's Impact on Forex Trade
- 16** Forex Association - AGM Pictorial
- 19** Mobile Money Services, integration into the Forex Bureau Service
- 23** Global Oil Price Stability Plus for Dollar
- 26** Embeera y'eb'y'efuna: Bbanka ya Uganda Enkulu emyummyudde Enkola
- 29** Currency In Focus - Sa Rand
- 30** Parliament finally passes the anti-money laundering bill 2009



RELIABLE
EFFICIENT
LISTENING
INNOVATIVE
ATTRACTIVE
NEGOTIABLE
CARING
ENTICING

In a world where business thrives on taking timely decisions and actions to exploit opportunities that never wait for the latecomer, you need a reliable partner to enable you fly with time, act smart and keep you in the lead. Reliance Forex Bureau's dependability and passion for its clients' success means you have a partner who can always give you the best possible deal, at any point in time, in all your foreign exchange needs



RELIANCE FOREX BUREAU LTD.

SIIOP NO. 6, PEOPLE'S PLAZA, PLOT 17, WILLIAM STREET, P.O.BOX 22647, KAMPALA
UGANDA, TEL:0414-237529, 0414-231167
MOB: 0772426003, EMAIL:pktjk@yahoo.com

Your Reliable Partner!



**UGANDA FOREX BUREAU AND
MONEY REMITTANCE ASSOCIATION**

SECRETARIAT

Plot 10 Buganda road
Uganda Institute of Banking and Financial
Services Building,
Room 4, P.O. Box 7258, Kampala
Tel: 256 414 250198
Email: forex@ugandaforex.ug
www.ugandaforex.com

Forex News is publication of Uganda Forex Bureau and Money Remittance Association and is published one a year and distributed free of charge to members of the Forex Association, importers & exporters, operators in the financial sector, relevant Government offices, and other stakeholders.

MISSION OF THE ASSOCIATION

Uganda Forex Bureau & Money Remittance Association exists in order to articulate the interest and concern of members forex bureaus, to strive to promote and enhance the practices of forex dealing and money transfers, to promote ethical and responsible practice, to promote communication and exchange among members, to encourage members to adhere to and comply with laid-down Bank of Uganda foreign exchange regulations, and to provide leadership and advocacy for the forex bureau industry.

ARTICLES, DESIGN & PRODUCTION

EDITORIAL TEAM

Editorial team
Walugembe Moses Tsubira - Editor in Chief
Farouk Kayondo - Editor
Contributors
Walugembe Moses Tsubira
Mulondo Mordecai
Nalongo Rose Bukirwa
Joseph Buwule

EDITORIAL COMMITTEE

Barbara Kanyiginya
Shamir Hussein Manji
Caroline Batemyetto

EDITOR

Walugembe Moses Tsubira

ADVERTISING INQUIRIES

Walugembe Moses Tsubira
Tel:
Caroline Kiiza Batemyetto (Mrs)
Tel: 256 414 250 198

DISCLAIMER

The views expressed in this publication are not necessarily those of the Forex Association. The publisher does not guarantee the accuracy of statements made by contributors and advertisers, nor accept responsibility for any statements made in this publication.

© UGANDA FOREX BUREAU AND MONEY
REMITTANCE ASSOCIATION

Editor's Word



Welcome to this edition of the foreign exchange news magazine.

The foreign exchange news magazine is a publication that highlights accounts of the foreign exchange bureau market in Uganda and in this edition we bring you views on critical issues concerning the trade, of course notwithstanding the achievements made by the Uganda Forex Bureau and Money Remittance Association in pushing for the smooth operation of this business trade.

Foreign exchange trade is a line of work that the mass media (including business writers in Uganda) has had less attention to while writing about financial matters. Most newspapers, magazines and broadcast stories emphasize issues such as inflation and its control by the central bank, issues concerning traders, the lending rates and others but not forex. Yet foreign exchange is a trade that shapes, affects and is affected in the Ugandan trade economy thus needs prominence.

In this edition of the foreign exchange news magazine we examine how trade policies affect foreign exchange, majorly looking at how using the US Dollar as a means of transacting business in Kampala's central business district

is upsetting the foreign exchange industry and proposals on how this could be well-ordered.

We also look at how the foreign exchange business is regulated by government of Uganda as well we break the news of the enactment of a new law on money laundering- the Anti-Money Laundering bill 2009 which the 8th parliament passed.

Still more interesting is that in this edition we bring you an insight into Uganda's No.1 income earner- The Tourism industry (according to 2012 World Bank statistics), and how the industry is playing a vast role in nourishing the foreign exchange trade operations in Uganda.

We thank the various contributors and interviewees, most of whom we disturbed at their various busy desks and at their busy workplaces, whose invaluable views and opinions have made our stories richer.

We hope you will enjoy reading this publication as much as we enjoyed putting it together.

You can send us your feedback to forex@ugandaforex.ug .

Kind regards
Walugembe Moses Tsubira
Editor in Chief

SHILLING VS DOLLAR ANALYSIS

Walugembe Moses Tsubira.

How the shilling has rallied against the dollar since January

For one to say the Uganda shilling has been in a waver situation against the US dollar, they are probably right.

According to Everest Kayondo, the Chairperson of Kampala City Traders' Association (KACITA), six months ago, the dollar demand was too high as many local, regional and international traders had anticipated a chaotic Kenya election hence

an increased demand for the dollar to import huge wagons of imports just in case.

“This led to the Uganda shilling to largely weaken as it traded in the range of 2700 and 2730,” says Kayondo.

But, by mid-June, the shilling had rallied and, it was trading in the range of 2500 and 2580.

However, the Budget framework paper released in April this year, projects the shilling to weaken to 2813 per dollar as donor aid will continue to dwindle.

The paper shows, the shilling is depreciating at an average of 2.7% but with aid cut, it is likely to decline by not less than 7.1% in the next financial year. Headline inflation is expected to be in the 7.1% range.

Forex analysts believe the gaining of the shilling after a poor start to the year was as a result of a peaceful Kenya election, Bank of Uganda's intermittent market withdraw, the downward trend of the monetary policy and huge volumes of imports in the months before March.



SPOT CASH
FOREX BUREAU



OUR LOCATIONS:

**P. O. Box 33147,
Kampala - Uganda
Transnile - link Plaza,
Arua Park next to
Nile Coach**

Tel: +256 414 597 970

Mob: +256 712 628 689

+256 776 628 689

+256 701 628 689

**Plot 17, Wilson Road
P. O. Box 33147,
Kampala - Uganda
Suncity Arcade,
Arua Park next to
Kampala Coach**

Tel: +256 414 233 380

Mob: +256 781 727 908

+256 774 459 884

CURRENCY TRENDS

“There was also shilling shortage (scarcity) which was bringing down the dollar rate,” explained a trader at Lloyds Forex Bureau.

In August 2011, the shilling had its weakest trading against the dollar in many years when it was quoted at Ush2995 per dollar.

This was more than 10% weaker within two months. It prompted economists to express it as the world’s worst performing currency in the month.

They equated it to the Suriname dollar and the Maldives rufiyaa’s, which were first and second respectively among the world’s worst performing currencies at the time.

The central bank’s tight monetary policy also helped to strengthen the shilling as well as bringing down both headline and core inflation.

Bank of Uganda (B.O.U) reduced the Central Bank Rate (CBR) by one percentage point to 11 per cent from 12 per cent, a level it has been since the beginning of December last year.

This decision to maintain the benchmark rate was

projected towards recovery of Uganda’s economy through reduced risks of a higher cost of living and the need to help growth in the local economy.

“The one percentage point reduction in the CBR rate at which commercial banks borrow from Bank of Uganda was meant to boost private sector credit growth in local currency,” said Emmanuel Tumusiime Mutebile the Central Bank governor while announcing the June 2013 Central Bank Rate.

According to Mutebile, it led to a reduction in the commercial lending rates which had remained relatively high at an average of 24 per cent.

Uganda’s economic growth in the financial year ending June 2013 is now projected to be higher than in the previous fiscal year, with the growth rate projected to be around 5.6 per cent.

According to the regulators, there are expectations of growth in investments from the public and private sectors, household consumer spending will be the main driver of growth in the coming year and that this will be supported by credit growth.



Securing your money
TRANSFERS from or to everywhere

Eagen House, Plot 2 Entebbe Road

P.O.Box 28329 Kampala, Tel: 0414 230324, Mob: 0772 517385

Email: matrixuganda@gmail.com

We partner with Salabed

Visit our agent website: Salabedinternational.co.uk

Thank you for choosing us.

B.O.U'S TIGHT MONETARY POLICY



Mordecai Mulondo

A day has not gone by without a Ugandan at least asking the other, “where is the money?”

To others questions such as “who is hiding the money” are literally common talk in their backyards. Messech Lumansi is a second hand cloth trader.

On different days, Messech heads to St. Balikuddembe market (formerly Owino market) to hand pick second hand clothes from the day’s cloth bell stock.

He then cleans them, reselling them at a boutique (Marvin Boutique) he secured on Titanic Plaza-a new building opposite Mabirizi complex in Kampala’s central Business District.

For more than 10 years now, Messech a father of four has survived on this trade without having to seek employment.

“I have been able to educate my children and my first child will join University this year,” says Messech. “But of recent business is not easy as the money is not coming as it used to,” he adds.

Messech is just one of many Ugandans who are wondering why money flow in the economy has gone down.

But the answer to all this is simple, a liquidity crisis hit Uganda leading to limited availability of credit/cash to the various companies/individuals conducting businesses in Uganda.

Liquidity is the term used to describe how easy it is to convert assets to cash. Liquidity crisis is when cash is hardly accessed by the business people.

Cash is a company’s lifeblood. In other words, a company can sell lots of commodities and have good net earnings, but if it can’t collect the actual

cash from its customers on a timely basis, it will soon fold up, unable to pay its own obligations.

After failing to convince donors to resume their financial support to the Uganda budget coupled with the failure of the Uganda Revenue Authority to achieve its revenue collection estimates, the Uganda government has resorted to borrowing money from

the commercial banks at an interest rate above 20%.

This desperate measure by the Uganda government has not limited cash available for business people to borrow but it has also made it more expensive.

Banks now find it more profiting and secure to lend government than lending to businesses whose repayment chances are very limited.

Uganda is known as one of the countries in the world with the highest death rate of businesses started and this has increasingly made banks incredulous in lending to private businesses.

The limited cash inflow has even rendered government unable to pay various civil servants for three months and left many government ministries, institutions and agencies without the necessary funds to implement their programs.

Corruption is another factor fueling the liquidity crisis. Whereas the Central Bank undertook several monetary measures to mitigate inflation which reached 30%, its policies drastically reduced money in the legal economy.

John Mbaziira, an economist thinks that Bank of Uganda’s monetary police had a role to play in this trend of affairs. “The Central Bank got it wrong to target money in the legal economy to reduce

The limited cash inflow has even rendered government unable to pay various civil servants for three months and left many government ministries, institutions and agencies without the necessary funds to implement their programs.

LIQUIDITY CRISIS

inflation. Of course it became hard for them because the money that caused inflation was in the illegal economy in the hands of people who had stolen money for elections,” Mbaziira explains.

A study conducted by the World Bank established that over sh600b is stolen by Uganda government officials every year. But many local analysts believe the figure is far higher than that.

Apart from the State House, the ministry of works and transport and the defense ministry, all the remaining ministries got less than what had been allocated to them for the 2012/2013 financial year. What the Central Bank was unable to do is to remove money from the hands of corrupt government officials many of whom have decided to hide their cash in properties like houses and land.

This partly explains why the price of land and houses keeps going up at a very supersonic speed and why many people making investments in such ventures are becoming millionaires in just a twinkling of an eye.

“If the interest rates were low, people would have enough money to invest. Right now, people fear borrowing and this means people cannot invest and when that happens, it means there will be less economic activities to employ people. That is why unemployment is so high in Uganda”

According to Gloria Tumwine, an economist from the East African Development Bank, the liquidity crisis is due to the influx of so many foreign investors in the country who repatriate the profits they make to their home countries.

“When these people take money back to their countries, it reduces the amount of money available in Uganda’s circulation,” Tumwine explained.

Makerere University Economics Professor, Augustus Nuwagaba, attributes the crisis to several factors one of which is the high interest rates charged by the commercial

The Name You Can Trust



ECONOMIC EXchange

FOREX BUREAU

We Transfer Indian Rupees, KES, AED, USD, GBP, EURO and much more...

ECONOMIC EXCHANGE FOREX BUREAU

Plot No 13B, Amadinda House, Ground Floor, Opp. Orient Plaza. Tel: +256 414 258561, Mob: +256 752 258561.
P.O. Box 21140, Kampala, Uganda. Email: economicexchangeug@hotmail.com

**ECONOMIC EXCHANGE FOREX BUREAU
(William Street Branch)**

Plot No 46, William Street, next to Orient Bank Ltd, Kampala, Uganda. Tel: +256 414 253541, Mob: +256 714 253541, Mob: +256 754 253542
Email: economicexchangeugs@live.com / economicexchangeugs@yahoo.com



Lumansi Messech at his shop at Titanic Plaza a building opposite Mabirizi complex. Messech a trader of old clothes sourced from owino market but then cleaned for resale has survived in this business for more than 10 years.

banks.

“There is a high cost of doing business caused by high interest rates. With such a situation, credit is inevitably squeezed,” Nuwagaba explains.

He adds, “There is contraction of economic activity and that means there are less people borrowing which means less supply of liquidity.”

The renowned professor believes the high interest rates are responsible for the slow pace of economic growth in the country.

“If the interest rates were low, people would have enough money to invest. Right now, people fear borrowing and this means people cannot invest and when that happens, it means there will be less economic activities to employ people. That is why unemployment is so high in Uganda,” Prof. Nuwagaba elaborates.

For Kampala City Traders Association spokesperson Isa Kasiita Ssekito the credit crunch that is slowly biting Uganda is due to the high rate of corruption in the country.

“There are so many factors that have caused this situation that is negatively affecting us the business community. One of these is that prior to elections people stole a lot of money and this money is either in foreign accounts or it is unbanked in their homes because they know it can easily be tracked by the IGG in the Ugandan banks,” Ssekito illuminates.

Reports from the Central Bank indicate that during the campaign period in 2010 and 2011, the percentage increase of money in circulation strangely jumped to 30% from the average of 3% at which it had been increasing in the previous years. The vocal businessman also blames the financial

squeeze in the country on capital flight arising from fears investors have, regarding Uganda’s political weights.

Capital flight is when investors move their securities out of a particular country because of a fear of likely risks like political shakiness, or because of the attraction of higher returns in a different country.

“There are many big companies that are repatriating the profits they are making,” says Ssekitto. He adds, “These companies make a lot of profits and take the money back to their countries. If there was compulsory shareholding like many developed countries do, much of the profits would remain here in the hands of local shareholders.”

He and many others believe that the budget season also usually worsens the situation.

Whenever the budget time is approaching, people hold back their money/halt investments waiting to do so after budget reading.

This fear is justified because it would be unwise to invest in products whose prices will tomorrow drastically reduce after government has removed taxes on them.

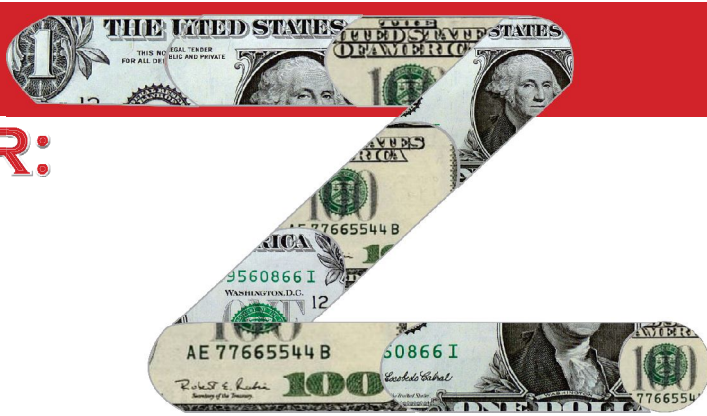
Ssekitto expressed dismay that despite the prevailing volatile economic situation government has not come up with practical solutions in the 2013/2014 budget to boost the volume of production in the country.

“Economic activities are so low. Whereas over 80% of Ugandans depend on agriculture, government has given the sector only 3.4% of the national budget. This cannot get our majority farmers out of subsistence farming. When majority of the population don’t have disposable income, liquidity flow will be very low,” Ssekitto argued.

Ssekitto also thinks that withholding money by donors due to corruption scandals unveiled is as well an issue to tag the situation.

To Ssekitto, owing to corruption scandals being brought to the limelight, donor funding was stopped in some sectors and in others reduced. “A lot of free money which was in circulation in the economy stopped in addition to other factors causing the liquidity crisis,” he says.

Indeed, with this description of Uganda’s current Economic Land Scape the picture of a future cloth bell trading for people like Messech Lumasi can only but present doom and gloom.



IS THE US DOLLAR: NEW BASE CURRENCY?

Walugembe Moses Tsubira.

Foreign exchange bureaus getting hurt.

We have perhaps all dealt with currency exchange when we travel from one country to another.

And the rule is; before you take the next taxi at the airport or even think of visiting the nearest shop to carry out any transaction, one has to visit a bank or foreign exchange bureau to buy currency for that particular country they are visiting.

This act that normally in Uganda has been termed as 'forex', one would say is elective but an essential obligation.

In a reportedly developing trend of using the US dollar within the Ugandan economy, traders down town Kampala are offering to accept foreign currency as settlement of transactions, without buyers having to exchange to local currency.

"Traders who come from Sudan, Rwanda, Congo to purchase goods receive offers from sellers (businessmen in town), who instead of recommending them to exchange currency to Uganda Shillings, they offer to accept dollars as currency for sale of goods and give them at a lower rate," notes Mr. Lameck Kiiza, Chairman, Uganda Forex Bureau and Money Remittance Association.

Within this new rising trend, if a dealer should have bought at the rate of 2600, traders offer the buyer of goods (their clients) at 2585. And so because they should have bought from foreign exchange bureaus at a rate of 2600, they sell goods in dollars and bank directly on their dollar accounts ready for

the next flight without necessarily visiting forex bureaus to do the swapping.

So they save 5/= as such, they keep attracting buyers by offering lower rates than foreign exchange bureaus.

Foreign exchange bureau operators cry foul

Many hotels, safari companies and airlines for instance ask for US dollars although Uganda Shillings will be accepted in many cases instead, not always at market exchange rate.

Residential and commercial property charges have rent charged in US dollars, and all these deal with simple sums of foreign currency.

Foreign exchange bureau brokers argue that they are losing out on businesses and yet they pay licenses. They cite that if this trend is left to blossom, it will encourage traders to go away from the true business channels and as well affect their forex businesses as profits go down.

"We are being hurt by those unlawfully trading in dollars; they don't pay overhead costs such as licence fees to Bank of Uganda, neither do they pay taxes to Uganda Revenue Authority; they incur nothing especially when it comes to dealing with forex," says Mr. Lameck Kiiza, the Chairman, Uganda Forex Bureau and Money Remittance Association. "In fact B.O.U is not able to track movement of these funds, which is one of their core function," he adds.

Ssalongo Makubuya proprietor of Superior Forex bureau in down town Kampala says this act is creating a black market trading system.

"There are no taxes on these transactions and it also encourages money laundering," Makubuya says.

"If a trader sells goods worth \$30,000 in US Dollar currency and directly sends it to China to buy more goods, where is that money captured in the system?", asks another forex operator who preferred anonymity.

At foreign exchange bureaus it is a requirement that for any foreign currency exceeding \$5000, details of the customer are required including declaring the source and purpose of funds.

It is at this level that money from illicit trade activities such as drug dealings and laundering can be detected a point allegedly missed when foreign currency is used as medium of exchange by traders, according to forex bureau operators.

"And there is no law to stop traders from receiving foreign currency as settlement for transactions," Mr. Lameck Kiiza, the Chairman, Uganda Forex Bureau and Money Remittance Association adds.

Liberalized economy

When asked about Bank of Uganda's plans on this matter, Bank of Uganda Governor Emmanuel Mutebile's quick response points to the current liberalized economy that allows

freedom in doing business.

Liberalization in Uganda was part and parcel of an overall Economic Reform Programme (ERP) that was initiated in 1987 at the recommendation of the World Bank. At the time, the economy had virtually collapsed.

Uganda has therefore implemented both external and domestic trade liberalization since 1987. External trade liberalization included a whole range of measures that included lowering and binding of tariffs, simplification of trade procedures and abolition of licensing as well as administrative controls.

Domestic trade liberalization included elimination of state controls and monopoly commodity marketing boards and state companies, liberalization of the foreign exchange market as well as an attempt to open rural areas to markets through improvement of infrastructure.

The foreign exchange market was too segmented with a large foreign exchange rate premium.

Such measures opened the economy including forex trade paving way for anyone to do business freely. But forex bureau operators think it is being misused.

Justine Bagyenda, the Executive Director Supervision, B.O.U says she was unaware of this trend.

“We are hearing this for the first time that dollars are being traded freely in Kikuubo,” Justines says. “But I want to give you information that Uganda’s current and capital accounts were liberalized in the early 1990s and there were two major policy actions taken,” Justine says.

“First, foreign exchange bureaus were licensed as money shops where Ugandans are free to buy and sell foreign exchange. The second action was that Ugandans, residents and non-residents were free to open foreign exchange accounts in banks, meaning all

restrictions on dealing in foreign exchange were removed,” she adds.

“So in Uganda you can come in with your foreign exchange in whatever form, dollars, pounds and you trade and go out of the country. There is no illegality on whatever they are doing. What we have to do as BOU is to continue to monitor the activities in the economy,” Justine Bagyenda adds.

“If the foreign exchange bureaus are complaining, its liberalization; you can’t tell Bank of Uganda to instruct everyone to convert



all the dollars; then we are going back to where we have come from,” says Phillip Andrew Wabulya, Executive Director Operations, B.O.U.

“All transactions and currencies coming in are recorded either at the point of sale or at the point of payment, we actually still capture it,” Wabulya adds.

On accounting for money inflow in the country, Dr. Adam Mugume, B.O.U Executive Director, Research says while the central bank may not capture foreign exchange transactions at the shops, it will still always be captured somewhat.

“Wherever the money comes from, it doesn’t matter as long as the balances of payments add up,” says Dr. Adam Mugume.

Mugume adds that a situation where certain transactions are not recorded cannot be true in an economy. “Either things will not add up somewhere, either your GDP will be wrong or balance of payments or taxes will be wrong”, he says.

But Uganda Forex Bureau and Money Remittance Association Chairperson Lamech Kiiza suggests the need for a law to at least restraint traders from accepting huge volumes of foreign currencies as settlement for transactions.



**You can Win
with Strategic
Customer Service
Skills
Training!**

That is why at Cozicare, we provide extraordinary customer service training tools you need, to get the edge in Customer relationship management.

WHY TRAIN WITH US?

Training improves skills, techniques, knowledge and attitude whatever an individual's role within an organization. *Morale will be raised, problems solved, efficiency improved and goals attained*, all because of the practical ability, confidence and motivation that effective training builds.

OUR RANGE OF SERVICES

Customer Service Training | Personal development | Team development
Stress Management | Professional Telephone Skills and *so much more.*

COZICARE
consultancy
customer care solutions

Plot 6/8, Kisozi Complex - Annex building
P.O. Box 31308, Kampala
Mobile: +256 792 500077
Email: aziz@cozicare.co.ug
log on to: www.cozicare.co.ug



IMPLICATIONS OF THE 2013/2014 BUDGET

Mordecai Mulondo

Pressed between a rock and a hard place arising from withdrawal of donor support and poor performance of the economy, government has introduced a raft of taxes in the 2013/2014 which will have a negative bearing on doing business in the country.

Taxes on water, hotel accommodation, wheat and flour, betting and gaming, mobile money transactions, promotional activities, cigarettes, stamp duty, vehicle and motorcycle licensing and fuel levies will contribute sh320b.

The above taxes will predictably increase the cost of production in the country and increase prices of essential commodities.

The finance minister Maria Kiwanuka said she would levy Value Added Tax on piped water for domestic use. For excise duty, sh50 and sh200 on each liter of petrol and paraffin respectively.

She proposed to increase excise duty by over sh14, 000 on each carton of cigarettes to raise

sh3.2b. Excise duty on imported spirits will doubled from 70% to 140%.

Government has also introduced an additional levy of sh30,000 stamp duty on third-party insurance policies. Motorcycle registration fees has been raised by sh12,000 to 250,000 while motor vehicle registration has been raised by sh200,00.

The finance minister also imposed a 10% excise duty on money transfers and 20% excise duty on promotional activities. She also announced a plan to provide a legal framework through which URA will collaborate with Uganda Registration Services Bureau, Local governments and KCCA to identify more taxpayers and collect taxes on small businesses which been previously hard to reach to URA.

Government officials justify these tax measures with the argument that Uganda's tax ratio to GDP is still one of the lowest in Africa at 13% which is below the Sub-Sahara Africa's average of 18%. The total budget for the

taxes on water, hotel accommodation, wheat and flour, betting and gaming, mobile money transactions, promotional activities, cigarettes, stamp duty, vehicle and motorcycle licensing and fuel levies will contribute sh320b.

2013/2014 financial year is sh13, 169b of which domestic sources will contribute sh10,509b; representing 80% of the total budget. The external financing of the budget will amount to sh2,660b, which is equivalent to 20%.

The works and transport sector took the lion's share of the budget amounting to 2.3trillions followed by the education sector which was given 1.8trillion.

The security budget will be increased to 1045.9b from the 945.1b which was approved in the ending financial year.

The energy and mineral development sector budget

will also be increased from the 1481.8b for the current financial year to 1762.2b. The budget for the health sector will also be increased from 852.2b to 930.5b.

The water and environment sector's budget has been increased to 382.3b from 354.1b it got for the ending year.

Public sector management budget also increased from 1044.5b to 1121.1b and public administration budget increased from 238.8b to 357.3b.

The information and communications technology budget has slightly reduced from 15.5b to 15.3b while the budget for parliament has remained the same at 235.4b despite previous demands for it to be increased.

The social development budget has reduced from 58b to only 26.3b for the next financial year and the accountability budget has also been reduced from 580.1b to 539.8b in the next budget.

In the 2012/2013, the economy has been growing at an average rate of 5.1%, showing a significant improvement from 3.4 growth rate for the previous

year. Inflation also went down from 18% at the beginning of the year to 3.6% at the end of the 2012/2013 financial year.

Government regrets to note that there are many other critical requirements which it has been unable to fund in the 2013/2014 financial year and these include salary enhancement for teachers, health workers, UPDF and other lower cadre civil servants amounting to sh365b.

Another priority issue government has been unable to fund is the money for conducting the long overdue national census. The Uganda National Bureau of Statistics (UBOS) boss Ben Mungereza pleaded with parliament Finance Committee in May to convince government to provide money for the census which was last done in 2002.

Last month parliament passed a host of resolutions to be included in the next budget for revamping

Uganda's education sector which included the need to increase salaries for teachers by 100% (from sh27300 to sh546, 000)

The MPs also asked government to increase capitation grant for each UPE pupil to at least sh20000 from the current sh5000 and to provide more funds for construction of classroom buildings across the country.

The budget that government read on Thursday left many stakeholders unhappy that government ignored funding certain key priorities.

Top on the list of these priorities government has denied funding include money to cater for the salary enhancement for teachers, health workers, UPDF and other lower cadre civil servants amounting to sh365b.

After series strikes by the teachers across the country in 2011, government promised it would increase their remuneration in the subsequent three financials by 15% in the first two and by 20% in the 2013/2014 financial year.

In the runner-up to the budget reading, Uganda National Teachers Union petitioned the parliament budget committing indicating that if their salary remuneration is not increased

Sovereign Asset Management | Foreign Exchange Solutions | Market Advisory

Alpha 
CAPITAL PARTNERS
adding value....

12 Kampala Road Cham Towers suite 17 (Nkrumah Road Street Level)
P.O. Box 33996, Kampala Uganda. T: +256 414580619 / +256 392 612648 www.alphacap.co.ug

by 20% as government had promised they would have to lay down their tools.

Early this year, after a stormy debate on the report by the parliament education committee which contained the major challenges bedeviling the education sector, parliament made a resolution that government should increase teachers' salaries by 100% in the 2013/2014 budget.

Even the parliament budget committee, in its report which was completed at the end of May, unanimously resolved that government should do whatever it takes to increase salaries of civil servants involving teachers, health workers, lower cadre police officers and soldiers by 20%.

Makerere University lecturers had also laid down their tools demanding for a pay rise of 100% on their salaries in the 2013/2014 budget which has also not been catered for.

Another priority issue government has been unable to fund is the money for conducting the long overdue national census.

The Uganda National Bureau of Statistics (UBOS) boss

Ben Mungereza pleaded with parliament Finance Committee in May to convince government to provide money for the census

This failure of the executive to honor resolutions and recommendations made by parliament is likely to widen the standoff between the two decision-making pillars of the state.

which was last done in 2002.

Mungereza revealed that UBOS had already spent sh22.7b for procurement and therefore government risked making losses in having to pay penalties to the service providers.

This angered the MPs on the committee who accused the Government of using 2002 figures to plan for the people whose number they don't know. Reports from the finance ministry indicate UBOS needed an extra funding of sh85b to complete the entire census.

This failure of the executive to honor resolutions and recommendations made by parliament is likely to widen the standoff between the two decision-making pillars of the state.

We consequently expect to witness another standoff between parliament and the executive regarding the budget for the health sector.

Last year parliament snubbed passing the budget until government accepted to release additional funding for the health sector to cater for the recruitment of 8079 more health workers.

As the prices of essential commodities go up arising from the new fiscal policies, the cost of living will certainly go up making so many workers unable to make ends meet. With the various controversies surrounding this year's budget, we are likely to witness another round of walk to work like protests from politicians, traders, civil society activists, teachers and lecturers as they demand for pay rise to make ends meet.



**Shalom
Forex Bureau**



Now available

**Portal Avenue
Plot 11 Adam House
P.O. Box 22109,
Kampala - Uganda,
Tel: 256-312-263555
Cell: 256-752-696800
Email: forex@shalombureau.com**

And soon getting...



TOURISM: SECTOR'S IMPACT ON FOREX TRADE

Walugembe Moses Tusubira

If Uganda's tourist attractions are anything to go by, then Ugandans must attach great significance to the tourism sector as a major foreign exchange complement.

In 2012, Uganda was voted as the number one tourist destination by Lonely planet (the largest travel guide book and digital media publisher in the world).

Among the country's highly rated attractions are; Mt Rwenzori voted among the top hiking spots in Africa and in the world.

Virunga volcanoes in south-western Uganda, were voted "A must see place for 2012" among the 12 places one has to visit in their life time as the only remaining home and sanctuary of the endangered mountain gorillas in the world.

Bwindi Impenetrable National Park also received a pat as Africa's number one birding site by the African Bird club.

But to say the list, Uganda, a motherland described in "My African Journey", Winston

Leonard Spencer-Churchill as, "... from end to end a beautiful garden" (1908:88), "...the exuberance of vegetation...scarcely describable" (1908: 151), and enamored with a designation "Pearl of Africa" because of its splendor, brags of numerous tourist attractions.

Uganda received 1,151,000 visitor arrivals in the year 2011 representing an increase of 34% from 2010, an indication of a growing tourism market.

As a result, the sector is already

making major contributions to employment, revenue generation, and foreign exchange earnings.

2011 statistics also indicate that tourism contributed about 4 percent to Uganda's total GDP as well providing jobs to over 500,000 people.

In 2012, Uganda fetched 834m US Dollars from tourism alone.

The same statistics also show a recent declining trend of tourists in the country full of splendor, which



**COMDEL
FOREX BUREAU
"Burea de change"**

Fast exchange, best rates

**Plot No.6 Entebbe Road.
P.O. Box 31081 Kampala
Shop No. Gf21 Kamu Kamu Plaza
comdelforex@yahoo.com**

**Mob: +256 752 641540
+256 782 808170
+256 701 641540**



“It will have advance effect on our marketing and promotional activities especially because the much anticipated tourism levy has not yet been fully commissioned,” according to a statement from Uganda Tourism Board Senior Marketing Officer, Sylvia Kalembe.

“Because of the reduced funds the budget for marketing tourism will be reduced thus this will affect the number of tourists coming to Uganda and hence reduction in revenue got from tourism,” she adds.

UTB executive director Cuthbert Baguma’s reaction to the budget cuts was that, a number of activities that had been lined up to be executed next year may be halted due to financial constraints.

Some of the activities that might be affected include the hotel classification and grading exercise, stimulating of domestic tourism, research and the sector’s ability to promote the country’s tourism potential in emerging source markets such as China, Japan and the Middle East to boost the sector’s competitiveness.

And of course the effects of these trends are directly passed onto the foreign exchange traders whose survival depends on foreign currency entry.

is a chilling effect.

Records from the Uganda Wildlife Authority indicate a 27,657 decline in the number of tourists between 2011 and 2012, from 209,806 in 2011 to 182,149 tourists in 2012 in the national parks alone.

Murchison falls National Park received the biggest number of travelers with a record 60,803 in 2012 from 2011’s 60273 travelers; while tourists who visited Queen Elizabeth National park declined from 87,924 tourists in 2011 to 58,172 in 2012. (See table)

“Sometimes if there is an incident like Marburg, Ebola, bad press reports on Uganda and insecurity from our neighbors, figures go down. So it depends on the scenario,” says Sylvia Kalembe, senior Marketing officer, Uganda Tourism Board.

Despite highlighting that some key tourism roads will be rehabilitated next financial year, the biggest wish of tourism entrepreneurs to increase its budget allocation did not come true in the 2013/2014 budget readout by finance Minister Maria Kiwanuka.

Industry players had hoped that government would increase funding to the sector, to facilitate

activities of marketing Uganda as a premium destination in key tourism source markets.

However, in a move that came as a shock, Finance Minister Maria Kiwanuka announced a cut in the sector’s budget from Shs10.9b in the 2012/13 financial year to Shs10.761b.

Allotment to the Uganda Tourism Board – a body charged with marketing and branding Uganda as a preferred tourism destination – was slashed to Shs1.4b from Shs1.8b in the previous (2012/13) financial year.

This meager funding is likely to cause less achievement according to sector players.



“Each time there is a decline in the number of tourists in the country, we feel it,” says Mr. Lameck Kiiza, Chairman, Uganda Forex and Money Remittance Association. “Because then it means we will not see tourists coming to exchange dollars into shillings for us to earn as well as enable us to have enough dollars that we will then sell out to traders and others who need dollars,” he adds.

Ms Kiwanuka, however, said government commits to improve accessibility to tourist sites by rehabilitating tourism roads including Kidepo, Ishasha – Katunguru among others.

She also promised to support hotels to gain accreditation and to back skills training in a way to boost the industry.

In all, failure to prioritize the tourism sector has seen the country move a step back in the

World Economic Forum’s Travel and Tourism Competitiveness Index 2013 to 116th position out of 140 countries from the 115th in the 2011 ranking.

In the same year, Uganda ranked 109th in the prioritization of travel and tourism sub index and 121 under the business environment and infrastructure index.

According to Vision 2040, Uganda has potential to reap more than \$12b from the tourism sector annually if promoted well to develop among the leading top 10 tourism destinations in the world.

Those in favor of the leisure industry sector remain optimistic that Uganda’s tourism still takes one of the highest places as the country’s major foreign exchange earner.

According to Uganda tourism Board, they are not about to

give up on the sector despite the challenges.

“We have a tourism master plan which covers components like marketing Uganda’s tourism, product development, and resource mobilization, to mention but a few,” says Sylvia Kalembe UTB Senior Marketing officer.

Sylvia adds that they are also still in the process of validating the tourism policy, working on putting in place the tourism levy so as to generate more funds for the tourism sector as well as promoting domestic tourism.

Other UTB prospects on which to count on are their 5 year marketing strategy, the East African community (EAC) markets which focuses’ on Regional Tourism and the East African Joint Tourism Marketing strategy whose focus is on branding Tourism in the EAC region.



Klyn-Cash

Forex Bureau

Friendly Service, Good Rates!

The true place to get your “**Clean Cash**”.

OPEN DAILY
Weekends and Public Holidays

Head office:

Shoppers Stop Plaza (Next to Shoprite)
Plot 7 Sikh Street, Nakasero
Tel: 0414-345224

Branch:

UAP Insurance Building (Next to
Ethiopian Airlines)
Plot 1 Kimathi Avenue,
Tel: 0414-343290

Friendly Service, Good Rates!

AGM PICTORIAL



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption



Caption

MOBILE MONEY SERVICES, INTEGRATION INTO THE FOREX BUREAU SERVICE



Mobile money is used to loosely refer to money stored using the Subscriber Identity Module (SIM) as an identifier as opposed to an account number in the conventional banking business. It can also be defined based on its functionality by observing that it includes all the various Initiatives (long-distance remittance, micro-payments, and in-formal air-time) aimed at bringing financial services to the unbanked, as well as convenience to the banked population. (Ernst & Young, 2010).

The Foreign Exchange sector is looking to integrate the mobile money service to boost their revenue and increase customer base by offering a wider range of monetary functions and remittance solutions all under one roof.

Experience from other markets such as Kenya, Nigeria and the Philippines has shown that the Central Bank can effectively increase financial inclusion while developing prudent regulations for mobile money services. It demonstrates that a combination of market led initiatives and an enabling regulatory frame work can be an effective means of increasing access to payment services

As mobile money agents, Forex Bureaus stand to make extensive income raised from commissions by taking advantage of an exponentially growing sector.

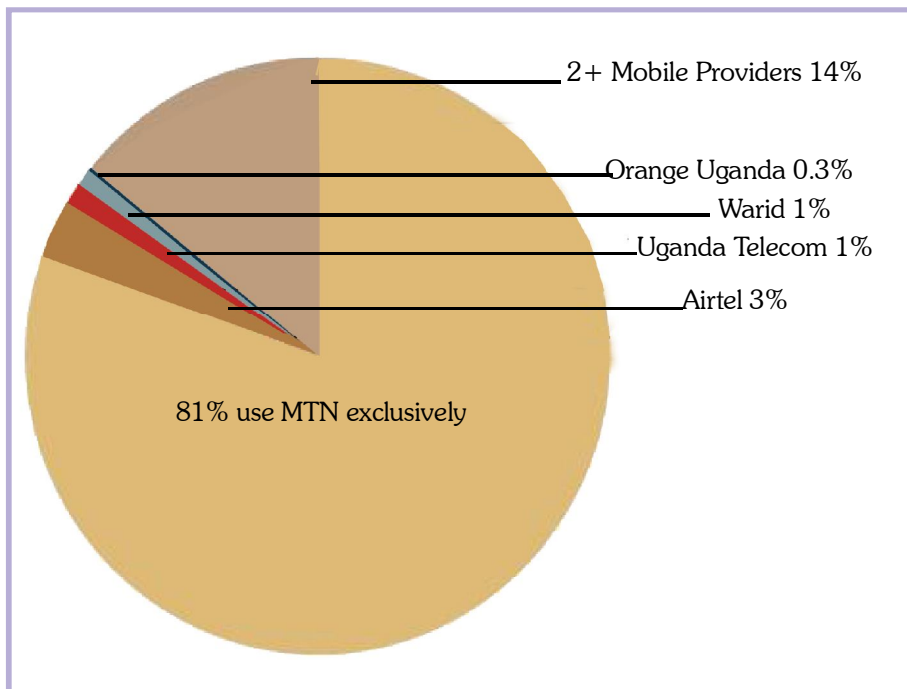
This surge is currently led by the telecom companies in Uganda with MTN Uganda having the largest share of these mobile money subscribers, with its Chief Executive Officer, Mazen Maroue, stating that over

20 million transactions were carried out on the network by its 3.5 million mobile money subscribers in 2012.

Reports from UCC reveal that there are over 15 million mobile phone users and all these are not registered on mobile money which would expand the forex bureau customer base even beyond telecommunications companies.

Given their current expertise and exposure to large volume transactions, Forex Bureaus are in a position to make larger and numerous remittance and cash transactions generating even more revenues in commissions and cash transactions and providing the Central Bank with greater control over a largely unregulated sector as well as direct control, as the Forex Bureaus are directly and exclusively monitored and regulated by the Central Bank.

Figure 1: Market share of mobile phone communication service providers among households with at least one m-money user



Source: FITS study of households in Uganda, February-March 2012 and n=3,000.

The integration of mobile money services into Forex Bureaus presents an opportunity to monitor mobile money transactions seeing that all mobile money transfers

would be recorded with customer details (applying the KYC principal) before they are reported to the bank.

With these increased remittance and cash transaction solutions adopted by Forex Bureaus, they (Forex Bureaus) become a one stop shop giving the customer the ability and convenience of making multiple transactions from one till to the next covering services

from foreign exchange, bill payment and point to point remittance among others, all in a matter of minutes.

In UGANDA...

In Uganda, only five years ago, it was only MTN operating mobile money. However, currently the customer has a choice; Since the inception of mobile money transfer in Uganda, many other players besides MTN have come into the market both in Bank-led models such as CenteMobile (Centenary bank), DFCUMobile (DFCU Bank) among others, and non-bank-led models with products such as WaridPesa (Warid Telecom), M-Sente (Uganda Telecom), Airtel Money (Airtel Uganda) and most recently Ezee Money, and Posta Cash have emerged as a preferred method due to their convenience and speed.

The Uganda Communications Commission (UCC) places the number of mobile subscribers in the country at 15 million, with 8.9 million of them using mobile money transfer services. This number has been growing steadily from 1.8 million and 2.8 million in 2010 and 2011 respectively.

Mobile money service In Africa: A kaleidoscope of its evolution.

Since the year 2000, Africa has had an annual average growth of 30% in mobile telephone usage.

ROLIS

FOREX BUREAU LTD



P.O. Box 8650,
Kampala

Tel: 0776 931 665
0775 694 410
0312 513 775

**We deal in
all major
currencies**

Find us at:
**Superior Complex
Building
Shop No. 34M**

For the Best rates in Town

With an increasing mobile coverage on the continent ,reported at more than 620million

Mobile phone subscribers in Africa;the number is forecasted to reach 735million by the end of 2012(African Mobile Observatory, 2011). Under the pressure from a narrowing Profit margin.

Due to fierce competition, most MNOs plan to diversify operations and add values to existing mobile services.

Mobile financial innovations have, therefore, been on a rapid increase in Africa since Celpay started a business-to business (B2B) payment service I in Zambia in 2002;and First National Bank started a bank led similar service in South Africa in 2005,though limited to existing customers.

Given the underdeveloped financial market and limited competition between financial institutions in Africa, many small low-income African countries consider it important to try alternative financial service

providers. It is against this backdrop that SAFARICM innovated M-PESA in Kenya in 2007. The success of SAFARICOM has compelled other M-money operators to enter the Kenyan competitive landscape.

Various market players (telecom authorities, MNOs, technology firms and the Forex Bureau and Money Remittance Association, including the Central Bank, should collaborate together, to help identify challenges to mobile payments and transfers, prioritize solutions to these identified challenges, and engage in policy dialogues so as to yield from the broad spectrum of benefits already explored above and to facilitate inclusion of mobile payment and transfer services to the full suite of services offered by Forex Bureaus in Uganda.

BLUEPRINT SOFTWARES "Software for Social Good "

3G 7:16 PM

Forex

- ▶ Save Money
- ▶ Save Time
- ▶ Up grade your Business Tools
- ▶ Go Electronic

Bank Of Uganda

Username

Password

Authorization Key

Login

Sales Receipt:

Bank Of Uganda

USD Cash

Customer Name

Amount* Rate*

E-Receipting

E-Reporting

SMS Marketing

Rate sharing

Book Keeping

No Manual Work

Blueprint Software
Established in 2009 is a IT provider of innovative software products and services. **Blueprint Software** is committed to delivering world-class solutions for its customers.

We have developed Business Process Management System is a software designed to ease the way forex bureaus issue receipts to customers, report to Bank Of Uganda, prepare their internal book keeping / auditing reports, medium to communicate with clients through integrated bulk SMS and gather market/ forex information.

Equatorial Parking Mall Suite 672
P.O.Box 26155, Kampala Uganda
t. (041) 555-0150
m. (+256) 782-791499
info@blueprintug.com
www.blueprintug.com

GLOBAL OIL PRICE STABILITY PLUS FOR DOLLAR



Our Reporter

The general stability of oil prices on the global market has had a positive play on the stability of the United States dollar on the global market visa viz other factors that influence dollar oscillation.

Oil prices fell by around \$35 per barrel between April and June, in large part down to deteriorating Eurozone economic prospects and the knock on impact on the world economy.

The outlook for global oil prices are expected to be in the range of

\$90 and \$95 per barrel, which has been the general trading of oil in the global market for oil.

This trading is way below the \$115 and \$110 price that was quoted in the in October 2012 price index. It was also better trade than 2011 when the barrel price escalated due to the political unrest that ousted Muammar Gaddafi the former Libyan president, one of the top oil producing countries then.

Analysts believe that the

discovery of oil in more African countries Uganda inclusive, and the imminent drilling could also drive downwards the global oil prices which will be a plus for the dollar as its demand for oil imports may reduce.

Global oil price predictors think oil prices may go down to as low as \$50 per barrel which may see the dollar rate also coming down.

Francisco Blanch of Bank of America Merrill Lynch was quoted by Bloomberg saying

BICCO FOREX BUREAU LTD.
FOREIGN EXCHANGE & MONEY TRANSFER

...fast, secure and reliable.

 Bicco Forex Bureau Ltd.
Shop No.2 Ground Floor,
Communication House,
Portal Avenue,
Colville Street,
P.O. Box 3307, Kampala
Tel: +256-414-252428,
+256-772-977798

 TRANSAFRIQUE KENYA LTD
5th Floor, Rehema House
Kaunda Street
Off Kimathi Avenue
Tel: 254 720849521
Tel: 254 20244523

 Kariakoo, Livingstone
Street No. 34 near
Harare Hotel
Tel: 255754309586
Tel: 255754686472
Dar Es Salaam

 SHL Southal,
41 Western Road,
UB2 5HE, London,
United Kingdom
Tel: 02088677501
02086267424

 E-Fulus 2938 Pillsbury Ave South,
Minneapolis, Mn 55448,
Tel: 612-520-7623,
www.efulus.com

 DEIRA – DUBAI
Map Express Trading
Al Sabkha Building
1st Floor, Office E122
Tel: +9714-2290266

that “for next year (2014), and speculated that WTI could drop as low as \$50 a barrel within the next two years.”

Citigroup’s Ed Morse asserted that U.S. producers can break even down to \$72 a barrel, and would keep drilling new tight oil wells at \$60 because they are hedged. This all has a positive effect on the performance of the dollar that can see a global downward trend.

For Uganda case, though fuel prices will likely go up following a Ush50 tax increment on petrol and diesel, and the restoration of Ush200 excise duty on Kerosene in the 2013/14 Uganda National Budget, the US Dollar rate is likely to trade in a narrow range unless the demand for other basic commodities pushes it up.

The shillings’ average of Ush2580/2650 against the US dollar in the first half of the year is expected to stay helped

unless the demand for imports in Uganda increases tremendously.

Mr. Ivan Kyayonka, the Vivo Energy Uganda Managing Director says the shillings’ resilience in the 1st and 2nd quarter of 2013 against the dollar due to the tightening of the monetary policy had it relatively stronger than it was in late 2011 or 2012.

“I don’t have statistics at the moment but I can say the exchange rate of Ugandan Shilling against the US Dollar is now far better than it was at the end of 2011” Ivan explains. “A weak shilling has a stronger impact on our fuel prices. The impact was there but minimal compared to what we experienced in the last quarter of 2011,” adds Ivan.

The shillings’ weakest trading against the US Dollar this year was on January 8 when it touched the 2719 mark, while the highest pump price charge for this year was experienced in March when

operators increased the petrol pump price to Shs3, 950.

By June 17th 2013, the shilling was trading in the range of 2597 while fuel prices were at 3105 and 3450 for diesel and petrol respectively.

In March this year however, Uganda experienced a surcharge in fuel prices due to the scarcity that was caused as a result of a week of irregular supply that saw some fuel dealers take advantage of the situation to increase the pump price by more than Shs100. This situation was short lived when more than 1.5 million litres of fuel imports arrived in the country.

According to the Chairperson of Uganda Petroleum Dealers Association Mr. Rajin Taylor, it was partly caused by the low numbers of Ugandan-destined fuel trucks making it into the country during the Kenyan election exercise.



UAE XCHANGE™
Service is our Currency

The one stop shop
to address your multiple financial requirements

Instant Bank Transfers
Instant Money Transfers
Foreign Exchange
Bulk money transfer to UAE & Rwanda*

* Conditions Apply

World's trusted money transferer
Africa • Americas • Asia • Australia • Europe

Instant Money Transfers
XPRESS MONEY single fac. sale
MoneyGram money transfer

UAE Exchange Uganda Ltd.
Customer Care: +256-414-232952
+256-312-265012 | +256-313-202880
customercare.uganda@ug.uaexchange.com
www.uaexchange.com

**JASCO
FOREX BUREAU**
Authorised Forex Exchange Dealers

Best Rates, Best Services.

Mukwano Centre-Nakivubo,
Opp-Centenary Bank.
P.O.Box 3236 K'la
Uganda.
Email: jascoforexbureau@yahoo.com

Tel: 0312-294-505
Mob: 0774-967-839
0774-618-067
0753-810-646

FRIENDS FOREX BUREAU
For Competitive rates and will match any competition

Mabirizi Complex, Shop B 03
Plot 47, Kampala Road
Opposite Pioneer Mall

+256 702 179 331
+256 703 001 318
+256 754 179 331
balvev@msn.com

FOREX BUREAU

0757 711177
0705 383848
0717 711177
sa.forexbureau@gmail.com

P.O.Box 22766
Kampala-Uganda
Shop D/G/03, Mukwano Centre
Ben Kiwanuka Street

Convenient location | Fast & Efficient services
Best Forex rate | Maximum transaction safety & Security

SAYONA FOREX BUREAU (U) LTD

VINAY P. RANGANI
DIRECTOR

Arua Park,
Ben Kiwanuka Street,
People's Plaza, Plot 17
Shop No: 51
P.O.Box: 21985,
Kampala-Uganda,
Mobi: (256)0711-135135
Tel: 0414-240605
Email: sayonaforex@gmail.com

PROGRESS OF OTHERS. LIES OUR OWN

**African Express
FOREX BUREAU LTD.**

P. O. Box 4778 Kampala
Mukwano Arcade Parking
Room No. A/G 83B

Optimum value for money
Mob: 0773 143745
0702 200989

**SIYAR FOREX BUREAU AND
MONEY TRANSFER LTD**

Plot 74 Bombo Road
Nalubega Complex
Shop G03

Mob: 0785 592099
0791 551051
Tel / Fax: 0414 251737
siyarforex@yahoo.com

**DIVINE CASH
FOREX BUREAU LTD**
We buy and sell all convertible currencies

48 Kampala Road, Rm No. KR D 25
P. O. Box 909 Kampala
Tel: 0414 346 425, 0772 509 985
0700 394 474, 0701 509 985

The only true and faithful forex bureau

FRIENDS FOREX BUREAU
For Competitive rates and will match any competition

Taitanic Plaza
Shop No. TD 19
Johnson Street

Mobile: 0701 896138
0782 387498
0702 611369
Email: matooke.karibu@gmail.com

EMBEERA Y'EBY'ENFUNA: BBANKA YA UGANDA ENKULU EMYUMYUDDDE ENKOLA



Mordecai Mulondo, bikyusiddwa Nalongo Rose Bukirwa

Tewayitawo lunaku nga towulidde muntu abuuza munne nti sseente ziriwa!

Abalala obawulira babuuzza nti ani akwese sseente oba nti sseente zadda wa!

Ate abalala aboogera babeera eyo mu mpya zaabwe, naye nga ekibuuzo kye kimu!

Messech Lumansi musuubuzi wa

ngoye nkadde ezaakazibwako emivumba.

Ku nnaku ezitali zimu mu wiiki, atera okugenda mu katale k'Owino oba kayite St Balikuddembe, lwe baba basaze endiboota naasubulayo engoye. Zino nno, azooza naazigolola naziteeka mu dduuka lye erya Marvin Boutique lye yaggulawo ku Titanic Plaza ng'otunudde mu Mabiriizi Complex ku Kampala Road. Edduuka liri wakati mu kibuga.

Messech omulimu guno agukoledde emyaka egisoba mu kkumi ddamba era ngagumusobozesezza okulabirira famire ye n'abaana be abana baalina nga tajula. Lumansi agamba nti asobodde okusomesa obulungi abaana be era omwana omukulu agenda kuyingira yunivasite omwaka guno. Wabula agamba nti ebiro bino ensimbi ekeeyedde (okukendeera) ddala era nga tezikyawera nga bwe zibadde.

Messech y'omu ku bannayuganda ab'ebuuza lwaki sseente tezikyawera era lwaaki tezikyaaalabika.

Wabula eky'okuddamu kiri nti sseente ez'okukola emirimu zaakendeera muggwanga, nekiba nti n'abantu ab'okuzisaasanya, okuzisuubuzza, okuuzikozesa emirimu zaabakendeerako nga n'olwekyo sseente zennyini mu ggwanga ez'okukozesa emirimu ng'obusuubuzi ntono.

Kino kibaawo naddala sseente bwe zikendeera mu basuubuzi, anti babeera tebasobola kukozeza sseente nnyigi kugula bintu bya kutunda.

Okuyimirizawo kampuni yonna kyetaagisa sseente. Okugeza omuntu asobola okutunda ebintu nkumu era naafuna amagoba mangi, wabula bwaba tasobola kubanja sseente zaatunze kumuweebwa mu budde taja kusobola kwongera kusuubula era kino bwe kigenderera, emmaali eggwaamu sinakindi okulemererwa naggalawo. Olwo bizinesi eba egudde.

Oluvannyuma lwa gavumenti okulemererwa okumatiza abagabi b'obuyambi okwongera sseente mu mbalirira y'eggwanga,



Receive and Send Money Promptly Online with us

RELIABLE, TRUSTWORTHY, EFFICIENT AND COST EFFECTIVE MONEY TRANSFER

OUR BRANCHES

<p>KING FAHAD PLAZA Kampala Road Tel: 0414 251 236</p>	<p>Email: kpl.manager@dahabshiil.com kpl.director@dahabshiil.com</p>
<p>OVINO BRANCH Kisenyi Tel: 0414 271 901 0414 271 900</p>	<p>BOMBO ROAD BRANCH Plot 74 Bombo Road Nalubega Complex Tel: 0414 340 556/7</p>
<p>ARUA BRANCH Transport Road Tel: 0471 642 082 0772 345 151</p>	<p>GULU BRANCH Awich Road Tel: 0713 919 188 0471 660 092</p>

DAHABSHIIL MONEY TRANSFER SERVICES (U) LTD AND FOREX BUREAU



www.metropolitanuganda.com

Metropolitan Forex Bureau Ltd

For the Best Forex rates and Personalised Services

HEAD OFFICE

Metropole House, 8-10 Entebbe Road,
P.O. Box 8166 Kampala, Uganda
Tel: 041-4-232620/ 4-342443/ 4-232773
Fax: 041-4-258969
Email: metrouganda@yahoo.com

Available here.



CHAM TOWERS BRANCH

Metropolitan Forex Bureau Ltd
Cham Towers (former UCB)
Tel: 041-4-342443

OASIS MALL BRANCH

Yusuf Lule Road
Tel: 041-4-252600
Fax: 041-4-252601

METROPLEX MALL BRANCH

Naalya
Tel: 041-4-240088

SHOPRITE BRANCH

Clock Tower
Tel: 041-4-259489

GRAND IMPERIAL HOTEL BRANCH

Nile Avenue
Tel: 041-4-237842

We buy and sell all
major foreign
currencies and
travellers cheques.

GARDEN CITY BRANCH

Garden City Shopping Mall
P.O. Box 8166, Kampala, Uganda
Tel: 041-4-252006, 031-2-262111
Fax: 041-4-252007

Express Payments
International Money
Transfers

ate n'ekitongole ky'omusolo ne kiremererwa okukunganya ssende ezimala okuva mu misolo, gavumenti kati yatandika kwewola kuva mu zi commercial bbanka, ng'ate bajjibwako amagoba agasukka mu bitundu 20 ku buli 100.

Kino kye kimu ku bikendezezza ssende mu ggwanga ate era n'okulinyisa amagoba ku ssende enewole.

Banka kati zeeyunira nnyo okuwola gavumenti mu kifo kyabasuubuzi be balowooza nti bayinza n'okulemererwa okusasula olw'ensonga emu oba endala.

Uganda lye limu ku mawanga mu nsi yonna agasinga obutawangaza bizinesi zitandikibwawo ne bban-ka ne ziba nga zitya okuwola ba ssekinoomu abata-ndikawo emirimu nga egyo egy'obusuubuzi.

Olwa ssende entono mu ggwanga, kireetedde ne gavumenti okulemererwa okusasula emisaala gyabakozi kumpi gya myezi esatu miramba era ne minisitule ezitali zimu, n'ebitongole ne biba nga tebalina ssende zikola mirimu gyabyo.

Obuli bw'enguzi n'obulyake ebiyitiridde, nayo nsonga nkulu nnyo mu kubula kwa ssende.

Kinajjukirwa nti bbanka enkulu ey'eggwanga yakola na maanyi okulaba nga okunabuuka kwa ssende kukendeera, mu myaka ebiri egiyise, anti shillingi ng'etuuse ku bitundu 30 ku buli 100.

Wabula enkola ezaakozesebwa okukendeenza okunabuuka okwo nazo zakendeenza ssende ezikozesebwa mu ggwanga.

John Mbaziira, ngono mukugu mu by'enfuna akisimbako essira nti enkola ezaakozesebwa bbanka enkulu ey'eggwanga okukendeenza okunabuuka kwa ssende, kwe kuvaako enjega eyo.

Agamba nti ssende ezaleetawo okunabuuka tezaali mu mateeka ng'ezisinga baazibba mu biseera bya kulonda kwa 2011 nga n'olwekyo okuzijjamu mu mateeka kinyiga nnyo abalina ssende eziri mu mateeka.

Okunoonyereza okwakolebwa bbanka y'ensi yonna kwalaga nti

mu Uganda ssende obuwumbi 600 ze zibibwa abakungu ba gavumenti buli mwaka, wabula ng'abakugu balowooza nti naawo zisingawo.

Kati nno amaka g'obwa pulezidenti, ministule y'eby'enguudo, ey'eby'okwerinda eby'obulamu nendala, zonna tezaafuna ssende ze baali betaaga omwaka gw'eby'ensimbi oguwedde lwa mbeera yabyanfuna.

Banka enkulu yalemererwa okujja ssende ku balyake, ngabasinga baali tebaziteeka na mu bbanka za kuno wabula okuzeezizika, okuzizimbamu amayumba sso n'okuzigulamu ettaka nolw'ekyo ne ziba nga tezitambula!

Eno erowoozebwa okuba nga yeemu ku nsonga lwaki bbeyi yamayumba n'ettaka by'eyongera buli lunaku ate nabantu abazimbye amayumba betwaaliyese babinyonkondo, bagagawala lutali luno.

Ye Gloria Tumwine, nga mukugu wa byanfuna mu bbanka ya East African Development Bank, agamba nti ebbula ly'ensimbi liva ku bamusiga nsimbi abeeyiwa mu ggwanga buli olukya ngate amagoba ge bakola bagaweereza mu mawanga gabwe gye baava. Kino kikendeenza ku ssende ezidda mu ggwanga okukola emirimu emirala.

Ate omuyivu omulala Pulofeesa Augustus Nuwagaba, agamba nti ssende okubula kiva ku magoba amangi agajjibwa ku ssende enewole mu bbanka ensuubuzi. Kino kitegeeza nti abasuubuzi abeewolayo ssende balina okuseera bye balina okujjaye ssende za bbanka. Kino kikendeenza abaguzi.

N'olwekyo, nabeewola ssende nabo bongera okukendeera,

ssente eziyingira mu mirimu ne zibeera ntono era n'okusaasanya ne kukendeera.

Pulofeesa Nuwagaba ayongerako nti kati abantu batya okwewola ssente n'olwekyo ebikolebwa n'ebiteekebwamu ssente ne bibeera bitono, emirimu ne gikendeera n'ebbula ly'emirimu ne lyeyongera. Y'ensonga lwaki nabatalina mirimu beeyongera ebiro bino buli kadde.

Omwogezi wa KACITA nga kino kye kibiina ekigatta abasuubuzi mu Kampala Issa Ssekitto, ye ebbula ly'ensimbi aliteeka ku bulyake obusenkenyezza eggwanga.

Ne Ssekitto akiteeka ku ssente enkumu ezabbibwa mu biseera by'okulonda, nga ezimu baaziteekanga ku akawunta zaabwe mu mawanga amalala ate nga endala zikukuliddwa mu mayumba gaabwe.

"Tebasobola kuziteeka mu bbanka za kuno kubanga zisobola okulondoolwa kaliisoliiso wa gavumenti nababuuzi akana nakataano wa gye baaziggya," Ssekitto bwanyonyola.

Anyongerako nti, "kino nti nakyo kyavaako ssente okweyongera ennyo mu ggwanga ne zikubisaamu ebintu nda 30 ku buli 100 mu kifo ky'ebitundu 3 eza bulijjo."

Ssente ate bwe ziyitirira teziba na mugaso nga yensonga lwaki bbanka enkulu yasalawo okukendeeza ku ssente ezikozesebwa mu ggwanga.

N'ekyabamusiga nsimbi okwekengerera embeera y'eggwanga mu by'obufuzi oba eby'enfuna oba ekirala kyonna ne basalawo

okujjama ssente zabwe ne baziteeka mu mawanga amalala nakyo kivaako ssente okukendeera mu ggwanga.

Kampuni nnyingi ate ezamaanyi ezitateeka magoba ge zikola mu ggwanga . Singa gavumenti eteekawo enkola nga tewali mugwiira atandikawo kampuni nga teliiko munnayuganda, kyaliyambye nnyo ssente ezimu okusigala mu ggwanga.

Ssekitto nabalala be twogeddeko nabo era balowooza nti ate embalirira y'eggwanga bweba enatera okusomwa, nakyo kikosa nnyo ssente ezibeera mu ggwanga.

Abantu abasinga batera okunyigiriza ssente ze bakozesa nga balinda ekinaava mu mbalirira y'eggwanga. Anti babeera batunuulira ebyamaguzi ebiyinzira okwongezebwako emisolo oba okujjibwako.

Ssekitto yewuunya lwaki gavumenti tenavaayo na nkola gyeyinza kugoberera kutereza mbeera ya byanfuna, okusobola okwongera ku mirimu egikolebwa gyongere ku ssente eziri mu ggwanga.

Kino tekyalambiki-bwa mu mbalirira ya mwaka gwabyansimbi eyaakasomwa.

Agamba nti kimanyiddwa nti abantu 80 ku buli 100 beesigamye ku byabulimi naye bino biweereddwa ssente ebitundu bisatu n'obutundu buna bwokka ku mbalirira y'eggwanga yonna.

Ezo tezisobola kujja bannansi balimi mu bwavu yadde okwongera mu mutindo n'obungi bwebyo bye balima. Bano bonna bwe baba nga tebalina ssente zakukozesa mu bulamu bwabwe obwa bulijjo, Ssekitto agamba nti ne ssente z'ennyini zibeera mu mikono gyabanene bokka n'olwekyo ntono ddala ezsaasanyizibwa anti abasinga obungi tebalina.

Ssekitto era naye akkaanya nabagamba nti abagabi b'obuyambi okujja ssente mu ggwanga olw'enguzi n'obulyake ebiyitiridde mu bakozi ba gavumenti kyakosa nnyo ssente, ezikozesebwa ne zikendeera.

Kale bwotegereza embeera y'eby'enfuna mu ggwanga, okujjako nga waliwo ekikoleddwa okugitereza, abantu nga ba Messech Lumansi abasuubula endiboota, ensi yalyongera okubaddugalira! Bikomye.



HYDERLY FOREX BUREAU

Hyderly Cash

WESTERN UNION MONEY TRANSFER

We offer the best Cash rates for:
US Dollars - British Pound - Euro - Kenya Shillings
- Tanzania Shillings

We are located in the heart of the trading areas for your convenience

Exchange your foreign currency for Uganda Shillings, buy your goods or finish your shopping from the same area and you are ready to return home on the next bus.

Hyderly Transfer

We are officially authorised by Bank of Uganda for:

- Transfers of money abroad e.g. to pay suppliers in different countries.
- Western Union money transfer services.

2 OUTLETS

William Street, Boost House (Opp. Capital House), 0414-255780/1
Wilson Road (Opp. Eye Care Centre)

CURRENCY IN FOCUS - SA RAND



Watermark of Nelson Mandela
Five raised lines

Security thread

Colour Shifting



On the back of the banknote, the animal motifs and the unique numbering are in raised print.

PARLIAMENT FINALLY PASSES THE ANTI-MONEY LAUNDERING BILL 2009

Walugembe Moses Tusubira

The Ugandan parliament finally passed an Anti-Money Laundering Bill, joining other East African countries in the crackdown on drug trafficking, terrorism financing and corruption.

The Anti-Money laundering bill was first presented before the seventh parliament in 2004 but government quickly withdrew it from the House to fix apparent loopholes.

In 2009, the Bill reemerged as the Anti-Money laundering bill 2009 and was tabled again.

But it was yet again shelved and was never reintroduced before the term of the eighth parliament expired.

However, in March this year, the Bill was tabled for a third time. As of now it only awaits a presidential assent before it can be applied.

The plan behind the bill is to combat money laundering in the country through criminalizing the act and controlling the financing of terrorism.

A major principle of the bill is to establish an Anti-money Laundering Committee which shall be the government policy advisory committee on matters relating to money laundering.

While a section of Members of Parliament wanted the Bill passed into law and backdated, others said the law would facilitate political witch-hunt.

“We feel it will tighten on smuggling and money being hidden in people’s rooms then injected into the economy,” said Richard Todwong, Minister without Portfolio.

Opposition legislator and Budadiri East M.P Isaiah Sa saga said, “It’s good now that it requires each and every Ugandan living in or crossing Uganda to declare the amounts of money they have at least to the tune of 20m ill ion shillings, so that we know where the money is coming from.”

Proponents of the Bill said a retrospective law would pave the way for enforcement agencies to bring to book all suspects who committed the crime in the past.

“We want this law to have a retrospective effect going as far back as 2001. We also want a threshold on how much can be withdrawn from a financial institution, after all we have made a retrospective law before,” said Arua County MP Odonga Otto during the second reading of the Bill.

There were suspicions that some senior government officials and their allies deliberately delayed the enactment of the law, afraid that it would be used against them.

Criminalizing money laundering

In the law, it is prohibited for any person to intentionally convert transfer, transport or

transmit property, knowing or suspecting that such property to be proceeds of crime, for purpose of concealing or disguising the illicit origin of the property.

It also crime to conceal, disguise or impede the establishment of the true nature, source, location, disposition, movement or ownership of or rights with respect to property, knowing or suspecting that such property are proceeds of crime.

The law also prohibits acquiring, possessing, using or administering property knowing at the time of receipt, that property is the proceeds of crime.

It will also arrest someone who assists another to benefit from proceeds of crime for instance a financial institution as well as using known proceeds of crime to facilitate the commission of a crime.

In fact, the law has provided for money laundering as a separate crime distinct from and in addition to other crimes under the laws of the land. For instance, the crime of money laundering shall by this law be charged without a person having been convicted of the crime of generating proceeds of money laundering.

What Happens now?

If the bill is assented to, investigating agencies will be

allowed to dig into the sources of government officials' wealth. Investigators will also probe transactions on government officials' banks accounts, to find out how corruption proceeds are wired into and out of the country.

The bill criminalizes money laundering and provides for the establishment of a Financial Intelligence Authority that would have unlimited access to any suspicious accounts for purposes of carrying out investigations into the source, destination and recipients of the money.

Obligations of banks/client confidentiality will not be an impediment to the investigations.

In addition, the Bill makes it mandatory for financial institutions to keep records of their clients' transactions for at least 10 years after the conclusion of such deals.

"If it were not for good diplomacy we were supposed to have been blacklisted by the end of last month (June), but I am now glad the law has been passed," said Matia Kasajja, State minister for finance.

Within the East African region, Uganda now joins Kenya, Rwanda and Tanzania who already have stringent anti-money laundering laws, with well-established state agencies to eradicate the vice.

What is Money Laundering?

Money laundering is modestly the process of concealing sources of money.

While money which is evidently the proceeds of a crime is referred to as "dirty" money, it

may have been "laundered" but made to appear legitimate thus referred to as "clean" money, and used by the holder.

At its simplest, money laundering is the act of making money that comes from Source A look like it comes from Source B.

In practice, criminals are trying to disguise the origins of money obtained through illegal activities so it looks like it was obtained from legal sources. Otherwise, they can't use the money because it would connect them to the criminal activity, and law-enforcement officials would seize it.

This implies that the methods by which money may be laundered are varied and can range in sophistication.

And this explains why different countries may not treat unlawful tax evasion, for instance, and payments in breach of international sanctions, as money laundering.

Some jurisdictions define money laundering as the process of obfuscating sources of money either intentionally or merely using financial systems or services that do not identify or track the real identities of sources or destinations.

But in Uganda's case, the new anti-Money laundering law has been defined as the process of turning illegitimately obtained property into seemingly legitimate property and this includes concealing or disguising the nature, source, location, disposition or movement of the proceeds of crime and any activity which constitutes a crime.

This means from now on, it has been made difficult and detestable for one to use alleged illegal

money to establish investments or carryout dealings with in the Ugandan economy.

In 1996, the International Monetary Fund estimated that two to five percent of the worldwide global economy involved laundered money.

The Financial Action Task Force on Money Laundering (FATF), an intergovernmental body set up to combat money laundering, stated that "overall it is absolutely impossible to produce a reliable estimate of the amount of money laundered and therefore the FATF does not publish any figures in this regard". Academic commentators have likewise been unable to estimate the volume of money with any degree of assurance.

Various estimates as to the scale of global money laundering are sometimes repeated sufficiently often that they sometimes become regarded as factual, but the inherent underlying difficulties in measuring that which is actively concealed have never been adequately overcome.

Regardless of the difficulty in measurement, the amount of money laundered each year is in billions of US dollars and poses a significant policy concern for governments.

As a result, governments including Uganda and international bodies have undertaken efforts to deter prevent and apprehend money launderers.

Issues relating to money laundering have existed as long as there have been large scale criminal enterprises.



Thank you Uganda for voting us your
Best Forex Bureau of the Year*

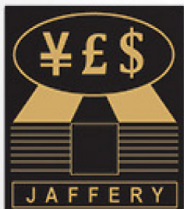
Midland Forex Bureau Limited
Plot 29/b, Acacia Avenue, Kololo, Kampala-Uganda
Tel: 0414-233977/78, 0414-349061/62, 0703960008
Fax: 0414349063
Dealer Hotline : +256782988666



**Voted Best Forex Bureau of the Year at the URI Awards 2013*

Round the Globe!

A Foreign Currency Exchange



Jaffery Forex Bureau Ltd.

Forex and Money Transfer Service

Branch Office: The Prism, Plot No. 71/73, Kampala Road, PO Box 3707, Kampala, Uganda. Tel: 0414-259276

Head Office: Capital House, Plot No. 68, Ben Kiwanuka Street, Kampala, Uganda.

Tel: 0414-347090-1, Fax: 0414-347089, Email: jaffery@imul.com, www.jafferyforexbureau.com





THE BEST FOREX RATES & TRADES FROM OVER

144

Forex bureaus
across Uganda at
your fingertips

S T A R T T R A D I N G N O W