



The Registry

Newsletter



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FOREWORD

Registrar General

The highlight of the quarter was the commencement of the contract for the development of online filing services for companies annual returns and marriage returns. This signifies the deliberate progression towards the implementation of the 'All on line, all digital' strategy that will lead to improvement in the 'ease of doing business' environment' for our clients.



Uganda joined the 38 Member Countries of the World Intellectual Property organization (WIPO) in ratifying the Marrakesh Treaty on April 23, 2018. This is an international copyright treaty which will facilitate access of published works for persons who are blind, visually impaired or print disabled. According to the World Health Organization, in October 2017 it was estimated that 253 million people worldwide have a form of vision impairment including those who are blind (World Health Organization). Under the Marrakesh Treaty, participating countries are required to create "copyright exceptions that allow the making and distribution of accessible format copies (of published materials) such as Braille or audiobooks, including by importation and exportation" to benefit persons with print disabilities. The treaty covers persons who are blind, have "a visual impairment or a perceptual or reading disability," or "are otherwise unable through physical disability to hold or manipulate (turn pages in) a book" (WIPO, Marrakesh Treaty, Article III). The National Council for Disability have applauded URSB for coordinating the processes that led to the ratification of the Treaty by Uganda.

The celebration of the World Intellectual Property Day took place on 26 April 2018 and the theme was '**Celebrating the women's role in innovation and creativity**'. The conference brought together

women experts in the areas of agriculture, industry, health, environment, and the music and arts industry. The women that were recognized for their remarkable roles in inspiring, training and uplifting women in innovation and creativity were Dr.Gudula Basaza, Ms. Halima Namakula, Ms Anita Beryl, Ms. Joanita Kawaalya, Ms. Mariam Ndagire, Ms. Grace Nakibaala, Ms Evaline Barongo, Ms.Hilda Twongeire and Ms. Glaydah Namukasa. The Minister of Science and Technology, Hon Elioda Tumwesigye, who represented the Rt. Hon Speaker of Parliament Rebecca Kadaga as the Guest of Honour graced the occasion alongside the host, the Minister for Justice and Constitutional Affairs Maj.Gen.(Rtd) Kahinda Otafiire.

URSB was innovative in the regional sensitization activities during the quarter. The activities included the identification and training of newly registered companies that had commenced business. The skills imparted included: how to develop business plans, managing finances, marketing the business etc. A large number of participants turned up for the two day pilot trainings that were held in Mbarara, Masaka, Gulu and Mbale. As a result of the successful training we hope that this will be rolled out to other Districts in the financial year 2018/19.

In the area of Civil registration, the results of the engagements with marriage duty bearers in faith

based organizations in regards to licensing places of worship and filing of marriage returns are now visible. There are increased enquires from the faith based organizations and an improved level of compliance in both licensing and registrations. The family is the basic unit in society and the compliance by the faith based organizations helps to strengthen the family unit.

In the financial year 2018/19 we look forward to the enactment of the Security in Movable Property Bill which will enable people to access affordable credit from financial/ credit institutions using their movable property. The passing of the Bill will provide access to affordable credit to SMEs which will lead to growth in businesses and a corresponding increase in the creation of jobs and wealth .

This is the last newsletter for the financial year 2017/18. I would like to take this opportunity to thank the Team that I lead for exceeding the targets that were set for the year. I thank the Board Directors for their steering of the organization to this success. I thank the Minister of Justice and Constitutional Affairs for his continuous support; and I thank all our development partners and Stakeholder for their various contributions to our success.

For God and My Country

Bemanya Twebaze

Creating and Building Respect for Company Documents Through Investigation and Prosecution of Crimes Occasioned Against URSB.

By ASP Harriet Nabuduwa, Legal Officer- Enforcement Unit.

“It beats my understanding why clients keep going to people who forge documents that we can legitimately and quickly avail.” This was a reaction of Mr Katutsi Vincent, Director Business Registration over a case of forgery of a board resolution that had significantly altered the details on a company file.

I could understand Mr. Katutsi’s response in view of the efforts that URSB and other stake holders have advanced to ease business registration processes.



According to the URSB 2016/17 Annual Report, a number of initiatives to enhance and facilitate effectiveness and efficiency of services have been undertaken like; the implementation of Business Registration System (BRS), Electronic Document Management System (EDMS), E-licensing portal, and a number of other ICT initiatives.

With support from the Competitiveness and Enterprise Development Project (CEDP), URSB has also operationalized the Business Facilitation Centre (One Stop Shop) The facility houses a number of MDAs; Uganda Revenue Authority (URA) for taxation, KCCA and Ministry of Local Government for trading licenses, NSSF for social security registration, and National Identification and Registration Authority (NIRA) for issuance of National Identity Cards and Ministry of Lands for land searches. URSB

with its partners URA, KCCA and MoLG have also established 34 other centers under the TREP program spread throughout the Country to bring services closer to the people.

Ismail Musa Ladu & Christine Kasemire capture this transition in a newspaper article titled ‘Business registration now a hustle-free service’ in the Daily Monitor of Thursday, October 12th, 2017 they cite Mr. Katutsi saying ‘The business registration process in the past got to a point where it was not only tedious but also frustrating, we had a whole floor full of files which were old and dusty. Several were tattered due to poor storage.’

He added; “This was in addition to complaints of damaged and misplaced documents, which left many entrepreneurs and investors frustrated. The registration chaos was beginning to tarnish the image of URSB, and importantly, impact

on the ease of doing business in the country.”

The Article also provides several testimonies of people who have benefited from new reforms at URSB. The period of registration has now reduced from 3 months to 4 hours as reported by URSB’S Public Relations Officer Provia Nangobi in the same article.

A close scrutiny of the cases involving forgeries reveal that directors, shareholders, subscribers and legal managers of companies are not directly involved in registration of company documents but rather prefer a quick way out of availing the necessary monies involved and the documents to an available messenger on the company premises to deliver the said documents and file them with the Registrar of Documents.

In this era where forgeries are so rampant and the ease of forging

stamps is tagged to a known place in the city, it is time for company directors, subscribers, shareholders and legal managers to take filing of company documents personally and seriously.

Cognizant of the symbiotic relationship between the said persons and the company, most of the messengers have nothing much to lose if the company documents are forged.

If a messenger must be sent, the directors or legal managers of the company must ensure that the



government fees are correctly and duly paid with URA using the URA portal that can be accessed on the URA website so that the receipts issued are authentic but with the ease of doing business reforms in place, I don't see why a director or legal manager of a company cannot afford a few hours to see that the company has legitimately obtained documents it is processing in order to transact lawfully.

Persons filing company documents must also ensure that they deal with the authorized persons while at URSB. Criminal cases involving forgeries also reveal that directors, subscribers, shareholders, legal managers or the messengers sent just work with any one as long as the person is around URSB. Whereas URSB has dealt with the issue of idlers within its premises, it is a public office and services are offered to the general public, the person filing the company documents has a responsibility to ensure that the documents are filed with the right person.

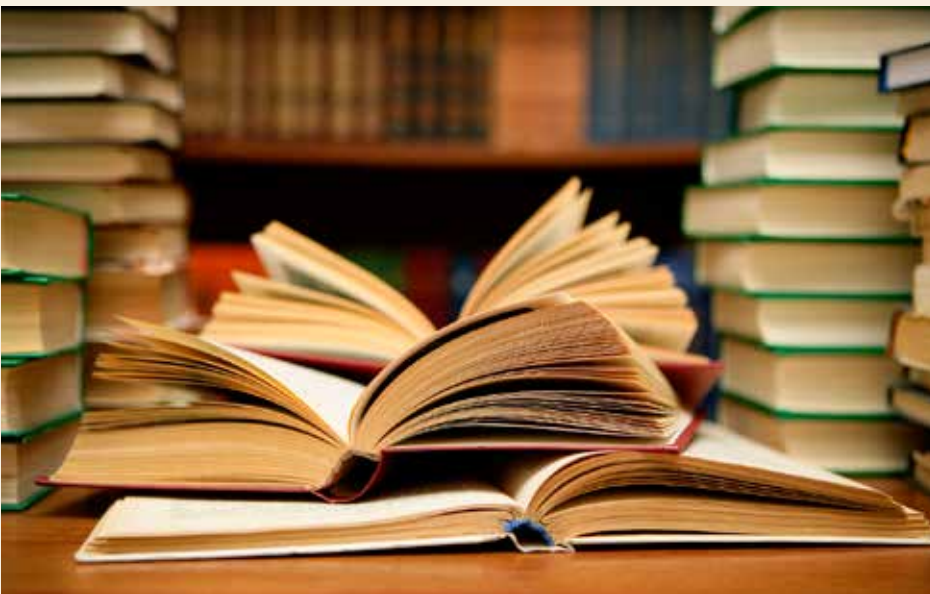
Pursuant to the expanded mandate of the URSB Enforcement Unit, the Unit has already embarked on investigations of crimes occasioned against URSB including arresting, investigating and prosecuting persons found forging URSB documents, signatures of Registrars and the like.

Such persons have been charged with offences including making a false document Contrary to Section 345 of the Penal Code Act. Forgery of and other offences in relation to stamps Contrary to Section 350 of the Penal code. Uttering forged documents contrary to section 351 of the Penal Code Act. Making documents without Authority Contrary to Section 355 of the Penal Code Act.

The General Punishment for forgery and the above related offences is provided for in the law and it ranges between three to Seven years in Prison upon conviction.

Intellectual Property to be used as Collateral To Access Finance

By Mercy K. Kainobwiso, Director Intellectual Property



Traditionally, most borrowers in Uganda are used to pledging their fixed tangible assets to secure bank loans but very soon borrowers will be able to use their movable assets

including Intellectual Property when the Secured Interest in Movable Property Bill, 2018 is passed into law.

The main purpose of this law will be

to provide for the use of movable property as collateral for credit, to provide for the creation and perfection of security interests; to provide for the rules for determining priority of claims among competing claimants; to provide for the registration of security interests in movable property by notices; to provide for a Register of Security Interests in movable property; to provide for the enforcement of security interests, search of the register and for related matters.

What is amazing about this proposed law is the introduction of the use of Intellectual Property as collateral. This is timely because today there is an increasing interest in businesses and individuals protecting their Intellectual Property assets like brand names, logos, designs, innovations, patents, utility

models, copyright among others.

Whereas this is exciting and is envisaged to change the borrowing landscape, many lenders are likely to be reluctant to use Intellectual Property assets as security for lending their money because of the uncertainty that might surround the same. However, lenders are advised to take advantage of this legal regime and embrace the use of IP as collateral. This is because almost every company/business has an intangible/Intellectual Property asset eg a brand name. This is envisaged in the various products like beverages, cosmetics, devices, computer applications, telecommunication, and banks, among others.

Many business entities require financiers to get to another level, to grow and be competitive and yet they have a lot of intangible assets (Intellectual Property) which they can use to secure financing. Validly registered intellectual property assets attract commercial value though this value is normally not ascertainable as well as profitability.

It is important to note that intellectual property is one of the most untapped resources and yet all services and products under the earth are run as a result of human ingenuity, creativity and innovation. It is also factual that Intellectual property contributes a lot to national development yet lenders are likely to find it difficult to give credit using intellectual property since it is a new area in Africa but also not popular.

Accordingly, there are ways in which IP can be used to secure a loan for example the lender and borrower signing an agreement for securing a registered brand name/trademarks one can use, such agreement will allow the lender to take over the registered brand until the loan is paid but will not interfere with the business of the borrower.

This can also be done using the value of the IP at the time of borrowing. Some companies have

all types of intellectual property for example a company having a patent for a product, a trademark for a product and an industrial design for that product.

This will also require the intellectual property databases at URSB to have metadata on which intellectual property has been used as collateral.

There will be need for clear documented system of borrowing in order to avoid uncertainty and challenges of valuation of IP. Valuation of intellectual property is done by experienced people and when valuating intellectual property, the experts consider the cost of the products, processes and services, the market and the income.

Intellectual Property can be bought, sold, licensed and hence a valuable asset which can be used for securing finance. This will in itself enhance creativity and innovation.

The collateral registry will enable the use of movable assets such as vehicles, machinery, livestock, inventory, and accounts receivables and Intellectual property assets such as trademarks, literary works, artistic and scientific works, as collateral for loans. It is envisaged that this will increase the financing options for the small-scale business sector and individuals that lack traditional collateral such as land and buildings to access credit.

Financial institutions like banks, microfinance institutions and leasing companies are encouraged to provide lending secured by movable properties which would greatly increase financial inclusion for small and medium-sized companies in Uganda.

The use of movable assets is expected to increase the ability of entrepreneurs to access finance and grow their businesses, which in turn allows them to create more job opportunities in the economy.

Collateral registries as public registries and available databases will allow financial institutions to register their security interests in

movable assets used by borrowers for loans, and contain information on movable collateral belonging to potential borrowers. These registries will enhance transparency in the credit system, and strengthen the financial infrastructure.

The collateral registry will provide an alternative avenue for small and medium enterprises that do not have fixed assets to access loans easily and open a multitude of opportunities especially for women who form the bulk of small scale traders. The public especially intellectual property owners, administrators, practitioners, agents should take advantage of the development.

For proper enforcement, there is need for registration of the intellectual property assets by companies or individuals with the National Intellectual Property Office (URSB), Lenders are expected to do due diligence by searching ownership, credibility, authenticity and validity of the intellectual property assets with URSB before they accepting them as security for finance. The National IP office (URSB) will restrict the assignment /transfer of any interest in an intellectual property asset that has been used as security until the lenders have cleared, which will also call for automation of the processes.

In order for the system of collateralisation of Intellectual Property assets to work, there is need for registration with URSB, proper documented systems, recordation, automation, communication, stakeholder engagement, sensitization of commercial entities, capacity building in intellectual property valuation systems and coordination. There should also be a clear valuation system and clarity on dispute resolution where disputes between the lender and borrowers arise.

What the Passing of the Security Interest in Movable Property Bill Means to all Ugandans

By Miriam Nabatanzi
Manager Compliance & Enforcement



Hon Minister of Justice and Constitutional Affairs, Gen Kahinda Otafiire with a group of MPs who attended the retreat in Kampala.

On March 23, 2018, the Minister of Justice and Constitutional Affairs, Hon. Maj. Gen (Rtd) Kahinda Otafiire tabled the Security Interest in Movable Property Bill No. 1 of 2018 before Parliament, for its first reading. The Deputy Speaker of Parliament, Rt. Hon. Jacob Oulanyah, referred the Bill, as a matter of procedure, to the Committee on Legal and Parliamentary Affairs for scrutiny.

The primary objective of this Bill is to facilitate access to long term and low-cost credit for a sizeable number of Micro Small and Medium Enterprises, women and youth in Uganda that do not own land and buildings which they can stake as collateral in financial institutions.

On May 17 to 18, 2018, Uganda Registration Services Bureau (URSB), the legal custodian of the movable collateral (chattels securities) register in Uganda, hosted the Committee on Legal and Parliamentary Affairs at a two-day retreat at Lake Victoria Serena Kigo. This retreat which was organized with support from Financial Sector Deepening Uganda, saw a positive interaction

with the Members of Parliament, on all the provisions of the Bill. The Committee provided invaluable input on the Bill, which significantly contributed to the success of the retreat.

Every secured lender, be it a commercial bank, microfinance institution, money lender or SACCO needs assurance that they will get repaid by the borrower on time and in full.

The Online Security Interest in Movable Property Registry which the Bill seeks to establish, will make this possible. Regulated lenders will be able to evaluate the risk of lending at the time the decision to lend is made, by searching for any claims (encumbrances) on a movable asset that a potential borrower presents to them as collateral.

Access to all the services of the Registry will be guaranteed 24 hours a day and seven days a week, throughout the year. This is one of the ways of reducing default rates of borrowers and decreasing the interest rates in Uganda, which is partly caused by non-disclosure

of pertinent information by borrowers.

Secured lenders will also benefit from speedy and less costly enforcement mechanisms without recourse to courts, in order for them to preserve the value of their collateral. This instills confidence in lenders that in the event of default in loan repayments by the borrower, they can avoid long, costly and onerous court proceedings to enforce their rights.

The design and development of the Online Registry System is underway, thanks to the continued support URSB receives from Government of Uganda and the Justice Law and Order Sector.

When the law is passed by Parliament and the Online Registry put in place, all Ugandans will be able to expeditiously secure affordable credit from regulated financial institutions by pledging their movable property such as livestock, crops, motor vehicles, furniture, electronics, inventory and intellectual property rights as collateral for loans.

Licensing of Places of Worship to Conduct Marriages

BY ATWINE MARIAM

Project Support Officer- Legal



A few days ago, Felisha found out that her 7-year-old marriage was invalid. She had come to URSB to certify her marriage documents. She asked a lot of questions relating to the same, wondering why the State registry of Marriages could not recognize her marriage.

Felisha and David had lived together for 3 years before they decided to ‘formalize’ their relationship in a glamorous church wedding at a church near their home in 2010.

With her husband sick and in need of treatment abroad, Felisha needed a certified marriage certificate to ease her visa process, so that she could go with and attend to her husband in India.

A marriage search however brought forth negative results; her marriage had not been registered. A further search on the place of worship that celebrated the marriage also revealed that the church was not licensed to celebrate marriages.

This only meant one thing; that Felisha’s marriage was null and void and that the government of

Uganda would not associate itself with this marriage and therefore no certification would be given to her.

She was in total shock, she was disappointed, she felt frustrated.

The Marriage Act makes it mandatory for churches to obtain a license from the Minister of Justice and Constitutional Affairs (MOJCA) in order to be able to celebrate marriages. There are many places of worship in Uganda today but very few are licensed. By April 2018, the database of licensed churches in Uganda at URSB was at 2,555.

To avoid being in Felisha’s shoes, URSB has always encouraged every marriage hopeful to check with their local church or area pastor if their church is licensed. This can be done by conducting a search at URSB or asking the church officials.

Requirements for licensing a place of worship to celebrate Marriages.

- An original application letter addressed to the MOJCA through the Registrar General from the church clearly indicating religious

denomination, district, county, sub-county, parish and village of the church. Where the church is an affiliate of an already registered church, a recommendation letter from mother church.

- A certified copy of the certificate of registration from either NGO board or Registrar of companies or under the Trustees Incorporation Act
- A certified copy of the church’s land title or registered tenancy Agreement (if in a language other than English, this must be translated by the Makerere University Institute of Languages before submission)
- Copies of the approved building plans of the church if available
- Academic qualifications and valid identification of the proposed marriage celebrants
- Selected photographs of the church’s premises (interior and Exterior either black & white or colored)
- Inspection report from the Registrar of Marriages
- Proof of payment of UGX 200,000

There are a Number of Flexibilities in Celebration of **Marriage**

By Kizza Zeuse, Project Support Officer-LEGAL



Did you know that you can have your dream wedding at your dream destination for example the beach, a large hotel, a boat cruise on Lake Victoria, in any beautiful gardens anywhere in Uganda you had always fantasized about?

It is said that a wedding day is a onetime event that couples and their families would love to enjoy to their best, hence making the venue of the ceremony an important piece of your preparations.

The place may not be church or the usual office of the Registrar at URSB or at the Chief Administrative Officers in your district.

Any intending couple can always apply for a special license from the Minister of Justice and Constitutional Affairs through the Office of the Registrar General to

gazette a specific venue of your choice that would make every guest as comfortable as possible and have your colorful ceremony.

This special license can also be a solution to couples who have differing religious denominations and are torn between going to a church or a mosque. The venue in that case is neutral and does not indicate any religious sect.

Another kind of special license is one to waive off the mandatory 21 days of public notice (marriage banns) that precede your wedding ceremony. There are cases where one has an urgent reason to have a wedding conducted before 21 days.

The cases received mostly are on expiry visas, health grounds where one party intends to go with the other for medical reasons among others.

The Marriage Act requires marriages to be celebrated in the Registrar's office or licensed and gazetted places of worship by the minister after 21 days' notice has been published.

This notice can however be waived and a different venue gazetted for the solemnization of a marriage.

These special licenses are however not a luxury that one should enjoy whenever they feel like. One must have sound reason to move the Minister of Justice and Constitutional Affairs to grant one.

Procedure;

- Client makes written request to the Hon. Minister for Justice through the Registrar of Marriages
- Attaches registered affidavits and documents in support of his/her claim
- A notice form completed and signed by one of the parties
- Proof of residence of each of the parties
- A copy of the valid passport, Refugee ID or a national ID (for Ugandans)
- One passport photo for each of the parties
- Proof of payment of the prescribed fees
- Proof of marital status from the country of origin, where one of the parties to the marriage is non-Ugandan.
- Client will pick up his license at URSB offices

Fees payable

Marriage fees

UGX 260,000 where one of the applicants is a Ugandan or a Refugee

USD 210 where none of the applicants is a Uganda or a refugee

License fees

UGX300, 000 shillings where one of the applicants is Ugandan

USD 200 where none of the applicants is Ugandan

URSB in PICTURES



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1. URSB staff together with officials from Ministry of Justice and Constitutional Affairs after drafting regulations for GIs

2. The Registrar General and staff in a group photo with members of the French Embassy after official discussions on Geographical Indications

3. URSB stall at the Services Excellence exhibition during the Budget week event

4. A client visits the URSB stall at Constitutional Square during the Capital Markets Authority Customer Engagement Week

5. A group picture taken at the Bidders Conference with the Honorable Minister of Finance, Planning and Economic Development

6. Ms. Attiya Malik (2nd Left) & Ms. Nancy Omelko (Centre) from the United States Patents and Trademark Office and Mr. Charles Pundo (1st left) from ARIPO after a two days training on IP applications for URSB Staff.

World Intellectual Property Day Event April 2018



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7. Afrigo Band's Joanitta Kawalya receives an award from URSB Board chairman for her contribution to the music industry. Looking on is the Registrar General and Board Member Fred Opolot

8. Some of the senior female Police officers in attendance

9. Senior artistes Joanitta Kawalya, Halima Namakula and Mariam Ndagire in attendance

10. Deputy Registrar General, Jane Okot P'Bitek shares a light moment with staff before the event

11. Some of the senior female UPDF officers in attendance

12. Hajjat Aisha Nakasujja of Aloesha Organics was recognized for her contribution to creativity and innovation in Uganda

It is now possible to register and own a company **ALONE**

By Robert Mugabe, Manager Business Registration

The enactment of the Companies Act 2012, brought on board new business concepts among them, the Single Member Company (SMC).



This reform provides for a single member or individual to wholly own a company. This development enables individuals willing to 'go it alone' to form corporate entities and enjoy associated benefits.

Previously, the law provided that for a private company to be formalized, a minimum requirement of two members was necessary, but with the introduction of the concept of a single member company, the law now accommodates a single person/individual to form a company thus putting the minimum requirement at one.

Upon registration of a company as single member company, it is issued a certificate of registration in its name with the initials "SMC LTD" or the words "Single Member Company Limited" at the end of its name.

Registering an SMC however follows the same procedures like registering a private company, save that the single member shall nominate two individuals, one of whom shall become nominee director in case of death of the single member and the other shall become alternate nominee director



to work as nominee director in case of non-availability of the nominee director.

All these safe guards are to ensure continuity of existence of the Company upon the death of the single owner. Upon death of the single member, the Company may be wound up or converted into a private Company not being a single member company at which point the nominee director is empowered to transfer the shares in the name of the legal heirs of the single member within 30 days.

The Company law also provides for other instances in which a single member company can be converted into a private company with more than one owner. Such

include allotment of shares to other individuals other than the single member, in which case the company only becomes a private company not being a single member upon those shares being allotted.

The law requires that a nominee director or alternate nominee director shall be an individual; not being the secretary of the company or the single member of the company. The nominee director's role is to manage the affairs of the company in case of death of the single member until the transfer of shares to the personal representative of the single member. The nominee Director's other roles include; notifying the registrar of the death of the single member, providing particulars of the personal representative, transferring the shares to the personal representative of the single member; and calling the general meeting of the member to elect directors. An alternate nominee director on the other hand is that individual nominated by a single member to act as nominee director in case of non-availability of the nominee director.

Understanding the Nature of URSB Business – Stakeholder Engagements

Provia Nangobi
Senior Public Relations Officer



Our business at Uganda Registration Services Bureau is registration; of businesses, Intellectual Property, Marriages and handling Insolvency.

While it may sound an easy task, not everybody may understand the need to formalize their business, register a logo or a patent, register their customary marriage or regularize their relationship into a marriage.

This therefore calls for continuous communication and engagement of the general public, about the services of URSB.

This Financial Year 2017/18, our strategy was to ensure that our services are well understood by the public. We engaged different stakeholders through traditional media explaining in detail through well designed and well-structured messaging.

URSB also enhanced on-line/digital presence to meet the changing needs of the population. We were active on both twitter and Facebook which enabled us provide information in real time especially responses to inquiries raised.

This nature of engagements provided instant feedback that helped us to improve service

delivery across board.

We believe that a delighted client will be our ambassador and tell 100 others how we delighted them while an unhappy client will tell 1000 people and continue to narrate the story every time someone mentions your name in their presence.

Even with our regional presence in Gulu, Mbale, Mbarara and Arua, there still remains a gap of accessing our services countrywide. This gap is bridged by our outreach programs.

With our mobile van and IEC materials, we have carried out countrywide mobile registration clinics, with about 5 days in each venue, directly engaging with the current and future recipients of our services.

We sought out areas with big numbers of people like markets and banks on highways where usually there is an inflow on people on a regular basis. These sensitization drives create a lot of awareness and clarity on a number of our services especially to those who haven't been offered an opportunity before and to those who may have been misinformed about our services.

During the sensitization events,

we offered on-spot business registration for those who had always wanted to access the services but failed. Business names, companies, legal documents all could be processed and registered in hours.

The areas visited were the districts of Mukono, Jinja, Iganga, Tororo, Busia, Hoima, Bushenyi, Masaka, Kabale, Fort portal, Masindi among others. This method of operation enabled reach out to some of the hard to reach areas and we will continue to having this nature of engagements to sensitize the public about URSB.

In all the above engagements, local radios were utilized to further the message, mobilize and educate the listeners about our role and the impact of registration for a business, Intellectual Property and marriages to individuals, and to the whole country.

The feedback has resulted into reforms for example a business or company is now registered in 4 hours from the previous 8 days and information materials have been disseminated for future reference.

Understanding Geographical Indications & their Relevance to an Economy

By Mercy K. Kainobwiso & Twinomujuni Kafunjo

A Geographical indication (GI) identifies goods as originating in a particular country, region or locality where a given quality, reputation or other characteristic of the goods is essentially attributable to its geographic origin. A geographical indication is a certification that generates competitive advantage and adds value to the product and the region in which it originates. Uganda Registration Services Bureau (URSB) is the National Intellectual Property office responsible for registration of GIs, among other IP rights.

GIs have a long history and are protected in the Paris Convention on Protection of Industrial Property 1883, and the Madrid Agreement for Repression of False or Deceptive Indications of Source of Goods 1891. Although the level and method of GI protection has long been a simmering issue between the European Union and the United States at the international level, African countries have recently paid attention to GIs as potential tools to protect their traditional knowledge of agricultural production, for example, Coffee in Ethiopia and Cocoa in Ghana. This means that GIs are a relatively new concept in Africa and especially in Uganda.

In line with international obligations under Article 22.2 of the TRIPS Agreement, Uganda enacted the Geographical Indications Act 2013. Uganda is now in the process of finalizing Regulations for implementation of the Geographical Indications Act. As a major producer of agricultural products, this presents a significant potential for protection of GIs.

GIs have the power to transform the



way the product is marketed, increase returns for farmers, and develop better awareness for Ugandan products hence contributing directly to Vision 2040. Some regional products are known to have particular characteristics and are sought out by buyers. These are potential candidates for GI registration include agricultural or craft products, like Kasese passion fruit, Ankole cows, Kabale Irish Potatoes, Mukono Vanilla, Sesame (Sim Sim), West Nile Cotton, Bark Cloth of Buganda, Bugisu coffee,

Katuulo pineapples, Jali (Bussi Island) pineapples, Kawanda passion fruit, Mpambire drums, and Pakwach stools, among others.

The importance of registering GIs is more relevant when entering the international market. This requires effort, attention to quality, and good analysis of markets as well as analysis of product characteristics. Protection of GIs is an effective marketing tool for attracting consumers to products from specific regions, it also provides opportunities for rural development by sustaining economic activities and settlement areas, leads to increased standards of living, income and employment generation, product competitiveness in the international market, consumer loyalty, increased negotiating power and strengthening of production chain. GIs help to ensure sustainability of cultural heritage, promotion of sustainable agricultural practices, protection and remuneration of traditional knowledge and genetic resources, the local identity is preserved and environmental conditions generating the product's uniqueness are

effectively managed. GIs help to protect producers against unfair competition and counterfeiting, and the protected GI products guarantee higher prices in the market because of the trust by consumers on the unique characteristics and origin of the product.

International buyers need to trust product qualities which must be backed up by analysis and data. Export success cannot be built on unsubstantiated claims of the “sweetest”, “strongest taste”, “unique properties” etc. The product must have analysis of the Brix level (sweetness measure), or the concentration of the key flavourant (like Vanillin in vanilla, or Capsaicin in peppers), moisture content, and so on. International buyers need this data and must be able to trust it.

Uganda is fast tracking the conclusion and fast-tracking of the implementing GI regulations that contain the administrative structure for the GI registration system. The potential strategy will include building a brand based on the geographical regions; organizing producers into groups to manage their product; controlling the use of inputs such as seed quality and actively use the extension services and feedback to producers about what they need to deliver (cannot provide 5 types of bean in one bag; or impurities; or traces of prohibited pesticides; etc.); building trust as failure to deliver consistent quality expected by buyers will lead to the international trader being unable to meet consumer demands in the foreign markets; and developing “farmer ownership models” to extend farmers’ interests to cover the middlemen and/or the

bulking-up activity (packing, washing, grading, etc.).

As a country, there will be need to have clear criteria including scientific analysis to back up claims and ensure the agreed standards/ specification are kept, for example a Class A mango correctly handled will get a much higher return sold in Sweden than a processed product like mango juice. This will also require that production is in bulk so that Uganda meets the market demand of the said products. There will be need for engagement with mainly farmer groups, regional leadership, coordination between key stakeholders among others.

Ugandans are called upon to embrace the Geographical Indications legal regime in Uganda.

Corporate Governance:

The Obligations of Directors in the Period Approaching and During Insolvency.

By Carolyn Nazziwa
Senior Registration Officer



Corporate governance is the system by which businesses are directed and controlled. The system regulates the relationship between a company’s management, its board, its shareholders and other stakeholders which may include financiers, customers, management, employees, government, and the community.

Good corporate governance principles strengthen the integrity and efficiency of any company by ensuring accountability, fairness, and transparency in the company’s relationships. Poor corporate governance has been cited as one of the reasons why a company may run into financial trouble and dissolution.

The Companies Act, 2012 (S.14) imposes an obligation on a public company to adopt and

incorporate in its articles the provisions of the code of corporate governance. The same provision is however made optional to private companies which may or may not incorporate such in the articles.

In the Corporate governance structure, directors are usually tasked with the day to day management of the company and upon taking office become fiduciaries with powers to act on behalf of the company. In



discharging their duties, they are held to a higher standard of conduct including; acting in a manner that promotes the success of the business of the company; exercising a degree of skill and care as a reasonable person would do looking after their own business; and act in good faith in the interests of the company as a whole including treating all shareholders equally, avoiding conflicts of interest, declaring any conflicts of interest; and not making personal profits at the company's expense.

In addition, Section 199 Companies Act, requires directors to keep proper accounting records; prepare and file accounts; send returns to registrar; file tax returns and pay tax; and not to allow a company to trade while insolvent, lest he/she be disqualified from acting as a director for a period of three years.

When a company is solvent, directors are focused towards the discharge of fiduciary duties by exercising their business judgment in the best interests of the company for the benefit of its shareholders. However, where a company is insolvent or is threatened with insolvency,

there is a shift. The duty to act in good faith and to show the utmost care, skill and diligence will become owed by the directors to the creditors and their interests can prevail over those of the shareholders. During this period, certain transactions entered into by the company may give rise to personal liability on the part of the directors or others involved in the management of the company. It is therefore vital that directors take early appropriate action that works in the best interest of the company, either to avert the situation, or initiate insolvency proceedings.

Obligations of the Directors in the period approaching insolvency

When a solvent company is navigating in the zone of insolvency before the commencement of insolvency proceedings, a more robust management is critical as directors will be required to make difficult financial decisions. The focus of the directors in addition to the duties aforementioned may be;

- a) to act reasonably taking appropriate action to monitor the financial situation so as to minimize losses to creditors and to the company and to

avoid actions that may worsen the fragile situation. This includes a duty not to trade recklessly and being mindful of voidable transactions like preferences, insider dealings and undervalue transactions.

- b) If its a voluntary winding up of a solvent company, the directors of a company are expected to make a statutory declaration to the effect that the company will be able to pay its debts in full within twelve months from the date of commencement of the winding up. Where it is subsequently proved that the company is unable to pay its debts, the Court may hold any director who made the declaration of solvency personally liable for all or any of the company's debts.
- c) The directors are also obliged to commence timely insolvency proceedings to protect the company and its stakeholders; e.g. Under Section 139 of the Insolvency Act, 2011 the directors have a duty of appointing a provisional administrator when there is reason to believe that the company is or will be unable to pay its debts. During provisional administration, the company is given breathing space within which to reorganise its affairs for the benefit of the creditors.

Obligations of the Directors during Insolvency

Upon commencement of insolvency proceedings, an independent insolvency representative/practitioner is appointed, and directors are displaced from ongoing involvement in the company's affairs.

The duties of the directors under

the Insolvency Act, 2011 include; disclosing fully and truthfully to the liquidator all the property of the company and details of the disposal of any property by the company including property disposed of in the ordinary course of business; and delivering to the liquidator or in accordance with the liquidator's directions, all property of the company in or under his or her custody or control.

Role of the official Receiver

The Official Receiver as the regulator of insolvency practice in Uganda has supervisory, regulatory and enforcement function over all insolvent estates. In respect to promoting corporate governance and preserving the estate of the insolvent, the statutory function includes inter alia:

- a) Investigating the directors, shareholders, contributories and all present and past officers of an insolvent company or of a company which is being wound up or liquidated, for the purpose of establishing any fraud or impropriety.
- b) Investigating the promotion, formation, failure and conduct of business of an insolvent company.
- c) Prosecution of any person for

offences committed under the Act or discovered to have a case to answer as a result of the investigations carried out.

This year, the Insolvency Investigation and Prosecution Regulations. No. 4 of 2018 were passed to govern the investigation and prosecution of any person for offenses committed under the Insolvency Act, 2011. The persons may include; directors, shareholders, and contributories, all present and past officers of an insolvent company and insolvency practitioners. In cases of breach of any duties of the directors, any person may file a complaint with the Official Receiver within a period of three years from the date on which the facts giving rise to the complaint or allegation arose whereupon the Official Receiver will conduct an investigation and advise the parties accordingly. Prosecution may in some cases ensue.

Remedies Available

When directors are in breach of their duties, there are remedies that may be available to the aggrieved parties;

- 1) Liquidators may claim remedies for breaches of general law duties e.g. the duty to exercise reasonable care and skill in running the affairs

of the company. This may include setting aside voidable transactions under sections 15-18 of the Insolvency Act, 2011.

- 2) Lifting the corporate veil. Under Section 20 of the Companies Act, 2012, Court may lift the corporate veil of the company to hold directors personally liable for fraudulent acts.
- 3) Under Section 201-Companies Act, 2012, where any fraud is imputed on any officer of the company or of any breach of his or her duty to the company, during winding up, the court may make an order that person shall not without the leave of the court, be a director of or in any way whether directly or indirectly, be concerned or take part in the management of the company for a period not exceeding five years as may be specified in the order.
- 4) Directors may also face criminal sanctions if they breach their duties.

In conclusion, it is critical that directors in discharge of their duties, be diligent and mindful of the personal liabilities that can arise in cases of insolvency.



The Companies Act, 2012 (S.14) imposes an obligation on a public company to adopt and incorporate in its articles the provisions of the code of corporate governance. The same provision is however made optional to private companies which may or may not incorporate such in the articles.

Free Zones Authority Partners With Ernst & Young

By Doreen Kembabazi
Public Relations Executive



Uganda Free Zone Authority signed a Memorandum of Understanding (MoU) with an acclaimed multinational audit firm, Ernst & Young (EY) geared towards enhancing trade and investment in Uganda's Free Zones.

The MoU is meant to guide the Authority's relationship with Ernst & Young in as far as conducting various research and studies, capacity building, analysis of economic and trade policies, publishing documents and any other policies incidental to or related to National Economic and Free Zones issues are concerned.

"Most of our work deals with sensitive tax matters. We, therefore, need to have very skilled personnel and the partnership with EY will help to sharpen and create experts at Free Zones related matters," said Richard Jabo, the Executive Director of UFZA.

Muhammed Ssempijja, the Ernst & Young tax partner, said the agreement will give the two institutions a platform to share ideas and insights that can help develop the economy.

The partnership will entail sharing information and jointly participating in capacity building seminars to update and skill each other on new tax developments and investment climate nationally, regionally and internationally.

Mr Jabo further emphasised that under the agreement, Ernst & Young will advise the clients they interact with from day to day, to consider investing in the country's Free Zone.

This will also aid UFZA to achieve its targets as set in the Strategic Plan 2015/16 – 2019/20 to attract 1 billion U.S. dollar worth of investments from the private sector, build two Public Free Zones, increase the county's exports and create job opportunities for Ugandans.

The Authority has so far licenced fourteen (14) Developers and three (3) Operators of private Free Zones across the country. The sectors that operate in the Free Zones are mainly in the Floriculture,

Agro processing (fish, tobacco and tea processing, essential oil extraction), Mineral Processing (gold and phosphates), and Logistics Services (breaking bulk, repackaging, and storage and reconfiguring).

UFZA was set up to establish, develop, manage, market, maintain, supervise and control Free Zones in Uganda under the Free Zones Act of 2014. Free Zones are customs-controlled areas where goods introduced into the designated area are generally regarded so far as import duties are concerned as being outside the Customs Territory. The Free Zones are schemes set up by Government to boost export-oriented investment.

The partnership will entail sharing information and jointly participating in capacity building seminars to update and skill each other on new tax developments and investment climate nationally, regionally and internationally.

The Value of a **Vision** to an Organization

By The Vision Champion Team at URSB

*It is important for one to understand the meaning of a “**Vision**” and the benefits it brings to any organization. In simple terms, a vision could be described as a mental picture of the result one wants to achieve.*

It is a picture so clear and strong it will help make that result real. A vision has got to be simple and bring out a picture of the real results of real efforts. It comes from the future and informs and energizes the present.

Organizations have a vision statement and this answers questions about who they are, what they value, and what they are working towards.

Why is it so important for an organization to have a vision?

- A vision inspires action and so the organization will come up with ideas and dedicate all its efforts and resources toward the vision. A vision creates the energy and will to make change happen. It inspires individuals to commit, persist and to give their best to the organization.
- With a vision, an organization is able to create plans, set goals and objectives, make decisions, and coordinate and evaluate the work on any project.
- A vision helps keep the organization and its workforce focused and together, especially during difficult times.

For a vision to be realized, it must be spread through an organization as it pushes both the leaders and employees toward the same goals together rather than separately. A vision must be used to inspire the organization to reach something that it wants.

We must appreciate that it is important for an organization to create the right vision which is informed by the product or services being offered to the customers/ clients. When an organization creates a successful vision, all stakeholders begin to feel passionate about it. The only way for an organization to be successful in realizing its vision is for the workforce to visualize it, set goals and have a plan of action to reach that vision. Over time, the organization will begin to see more parts of its vision coming true until one day, this vision will be a reality.

At Uganda Registration Services Bureau (URSB), we envision being a “**Centre of Excellence for Reliable Registration Services**” and all stakeholders are working towards realization of this vision.

URSB is a key player in commercial and civil registrations that facilitate private sector development, promotion of socio-economic development and provision of vital statistics for national planning.

The services of URSB include Business Registration; Civil Registration; Intellectual Property Registration and Official Receiver and Liquidation services. URSB has made tremendous progress while emphasizing effective service delivery, as well as improved use of technology to support registry operations. There has also been remarkable improvement through process re-engineering all geared towards living up to its vision.

It is important to remember that to get to the vision there must be a mission and at URSB our mission is “**To provide accessible, reliable & innovative registration services for a formalized economy**”.

It goes without saying that a vision and mission can only ultimately be realized with a strong team working together with each member having a clear understanding of the very important role they play and they must act accordingly.

In conclusion, we shall quote the words of Joel A. Barker who said;

“Vision without action is merely a dream. Action without vision just passes the time. Vision with action can change the world.”

URSB at a glance

Vision:

“ Centre Of Excellence For Reliable Registration Services”

Mission:

“To Provide Accessible, Reliable & Innovative Registration Services for a Formalised Economy”.

Our core Values:

Professionalism | Integrity | Teamwork | Excellence | Transparency | Accountability

We are responsible for the following:

- Registration of Businesses and companies, partnerships, documents, debentures and chattels transfers among others.
- Official Receiver in matters of Insolvency
- Registration of Intellectual Property which are; Patents, Utility models, Industrial designs, Trademarks, Service marks Copyright and Neighboring Rights among others.
- Registration of all Marriages, licensing places of worship, solemnizing civil marriages and issuing single status letters.
- Collection of Non Tax Revenue (NTR)



DO YOU KNOW?

Do you know what you gain when you register and formalize your business?

Access to Financial accommodation | Access to wider markets for example the East African Community | Competitiveness participation in bidding | Brand name and self-marketing | Loyal Clientele | Liability | Intellectual Property rights-Patents, TNS, copyrights | Contribution to National Development

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