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Ministry of Finance, Planning &
Economic Development,
P.O. Box, 8147
Kampala, Uganda

CERTIFICATE OF FINANCIAL IMPLICATION

(Made under Section 74 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that the Bill entitled the Traffic and Road Safety (Amendment) Bill, 2026, has been examined as required under Section 74 of the Public Finance Management Act, Cap. 171. I wish to report as follows: -

1. That the Bill has the following objective:

The specific objective of the Bill is to amend the Traffic and Road Safety Act, Cap. 347 to prohibit the importation of motor vehicles that are more than twelve years old from the year of manufacture; and to revise the environment levy applicable on imported motor vehicles.

2. That it is expected to achieve the following outputs:

The Bill will achieve the following outputs;

i. There will be a significant reduction in the number of old and mechanically unfit vehicles on Ugandan roads, leading to fewer accidents, improved road safety, and better protection for all road users.

ii. By restricting older, high-polluting vehicles and promoting newer, more efficient models, the measure will reduce vehicle emissions, improve air quality, protect public health, and advance Uganda's national and international climate change and sustainability commitments.

iii. The revised environmental levy will modernize Uganda's vehicle fleet with technologically advanced, fuel-efficient vehicles, reduce long-term maintenance costs for citizens, and boost household welfare and productivity.

3. Impact on the economy

There will be better environmental returns through reduced vehicle emissions, improved air quality, and lower health costs from pollution-related illnesses. Over time, this will encourage a modern, fuel-efficient fleet, cut long-term maintenance and fuel expenses for households and businesses, reduce the economic burden of road accidents, and support greater productivity and sustainability. The impact of the proposed changes in the Traffic and Road Safety (Amendment) Bill, 2026, on business, consumption, and welfare will be positive.

4. That the expenditure plan by major components for the next two years.

Since these are amendments to the existing tax provisions, there is no expenditure plan specifically different from the overall allocation of Shs 877.30 billion for FY 2025/26 and Shs. 917.40 billion for FY 2026/27 to Uganda Revenue Authority.

5. That the funding and budgetary implications are the following:

Funding is going to be through the overall Government budgetary allocations to the Uganda Revenue Authority.

6. Expected savings and/or revenue to Government:

The Bill is expected to lead to a revenue loss of Shs. 19 billion in FY 2026/27.

Submitted under my hand this **30th March, 2026**.

Matia Kasaija (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT.

Received by ....

Date..

OFFICE OF THE CLERK TO PARLIAMENT
01 APR 2026
RECEIVED
P. O. BOX 7178, KAMPALA