Introduction to Income tax in Uganda

Description of income tax

Description of income tax may not come forth clearly or definitely because of the varying dimensions of its application in different jurisdictions. One can have clear meaning of income tax in a Ugandan perspective by an understanding of its basic characteristics below.

i) Income tax is a direct tax; being a direct tax, it requires the person on whom the tax burden falls also to hold the responsibility to remit it to the tax authorities. This creates an open responsibility to a majority of citizens who are liable to ensure that they are compliant with the tax. Unlike indirect taxes, income tax being a direct tax, its administration, collection and payment involve a number of Ugandans i.e. those in employment, business, and ownership of property where they are earning income.

ii) The tax is charged on incomes; the basis of charging this tax is a person's income unlike other taxes that are either charged on one's expenditures/consumption or wealth/property. The key income sources in scope are; engaging in employment, doing business or ownership of property.

iii) Administered by central government: In Uganda, income tax administration is a preserve of the central governance level. On a day to day basis, it's administered by Uganda Revenue Authority (URA) under the over sight of Ministry of finance, planning and economic development on behalf of central government. Income tax is majorly categorised as a domestic tax and this accounts for its categorisation under taxes managed under the domestic taxes department in URA.

The above basic characteristics of income tax in Uganda imply that the basic description of income tax should indicate that; it's a direct tax charged on a person's incomes by the central government.

Introduction and evolution of income tax in Uganda

In Uganda, administration of poll tax dominated the early colonial tax era, way from 1900. It changed form over the years, in order to fit the evolving tax environment. In 1940, income tax was introduced in Uganda by a protectorate ordinance. However, it was not until 1945 that an income tax proper, finally took effect in Uganda. This was payable by Europeans and Asians but was later extended to Africans. In 1952, the ordinances were replaced by the East African Income Tax Management Act. Over time, the East African Income Tax Management

Act of 1952 was repealed and replaced by the East African Income Tax Management Act of 1958.

The administration of income tax was done by departments of the East African Community (EAC) until its collapse. Under the EAC dispensation, there were regional taxing statutes and uniform administration but the national governments retained the right to define tax rates. After the break-up of the EAC, the tax departments were transferred to the ministry of finance with the transfer of the income tax department in 1974. The transfer of the department went hand in hand with the introduction of the income tax decree of 1974 that was specific to Uganda's Income tax administration. This decree guided income tax administration in Uganda throughout the period until 1997 when it was repealed and replace with the Income Tax Act Caps 340 of 1997.

The evolution of income tax in Uganda can be based on the above summarised landmark changes that have occurred. It is important to note that these changes account for the changing income tax administration practices over time.

Basis of authority to administer income tax

Income tax being one of the taxes administered in Uganda, it's not an exception to article 152 (1) of the constitution which states that, "no tax shall be imposed except under the authority of an act of parliament." Therefore income tax administration is guided by laws of Uganda in the categorises here below.

i) **Primary laws:** the principle law that guides income tax administration in Uganda is the Income Tax Act Cap 340 of 1997 as amended to date. Any income tax administrator and taxpayer is bound to follow the provisions of this act when managing any income tax matter. It should be observed that, though it was introduced in 1997, several amendments repealing, replacing or adding, have been made to date and should be observed. There other acts of reference that are relevant to income tax administration which may include;

   - Tax procedures code act 2014
   - Building societies act, Cap. 108
   - Constitution of the Republic of Uganda
   - Diplomatic privileges act. Cap. 201
   - Income tax decree, decree 1/1974
   - Investment code, statute 1/1991
   - Local government act, Cap 243

- Magistrate courts act, Cap 16
- Mining act, Cap 148
- Petroleum (Exploration & Production) act, Cap. 130
- Petroleum (Exploration, Development & Production) act, 2013
- Petroleum (Refining, Conversion, Transmission & Midstream) act 2013
- Uganda revenue authority act, cap. 196

ii) **Subsidiary Legislations**: There are several subsidiary legislations that compliment the principle acts in the form of regulations and practice notices.

Regulations; These are statutory instruments made by the minister of finance intended to carry into effect the purposes of the income tax act. This is provided for under Sec 164(1) of the income tax act. Such a regulation may contain provisions of a saving or transitional nature consequent on the making of the act. It may also prescribe penalties for the contravention of the regulation. Examples of existing income tax regulations include the following:

- Withholding tax regulations, 2000
- Approved industrial buildings regulations 2003
- Tax incentives for exporters of finished goods regulations 2009
- Transfer pricing regulations 2011
- Designation of payers notice 2013

Practice notes; this refers to a notice published in the gazette by the commissioner general (head of URA) setting out the commissioner's understanding of the application of a provision in a tax law i.e. Sec 44 of the tax procedures act. Practice notes are gradually issued as need arises and can be revoked in whole or in part when they are no-longer relevant. When such a note is issued, it is binding on the commissioner to apply the explained provision according to the note. A taxpayer may go by such a practice note's interpretation, or he/she remains at liberty to apply the provision as per his/her interpretation as long as it doesn't go against the law.

There are several income tax practice notes that have been issued and as well revoked. Such examples include the following

- Practice notes-2001 issued in November 2001 by Annebritt Aslund
- Practice notes-2002 issued by Annebritt Aslund
- Practice notes-2006 issued in July 2006 by Allen Kagina

- Practice notes-2007 issued in June 2007 by Allen Kagina
- Practice notes-2008 issued in May 2008 by Allen Kagina
- Practice notes-2008 issued in September 2008 by Allen Kagina
- Practice notes-2012 issued in July 2012 by Allen Kagina

Private rulings; this refers to the commissioner's decision to a taxpayer upon application, setting out the position of the commissioner regarding the application of a provision in a tax law to a transaction entered into or proposed to be entered into by the taxpayer i.e. sec 45 tax procedures code act. These are customised to given taxpayers on lodging in their application. Several income tax private rulings have been issued but we note that they are addressed to specific taxpayers who apply for them.

Exercise;

a) *Identify situations under which the commissioner may reject a taxpayer's application for a private ruling*

b) *When is a private ruling considered issued by the commissioner?*

c) *What are the key matters that are included in a private ruling?*

iii) **Case law:** There several income tax decided cases which are based on as precedents for applying given tax provisions. Such precedents become binding on the lower courts, the tax administration and taxpayers. Examples of decided cases include;

- Tullow Uganda Ltd, Tullow Operational Pty Ltd .V. URA
- Warid Telecom (U) Ltd .V. URA.
- Etc.

iv) **International agreements;** income tax administration practices are also informed and guided by international agreements or treaties which Uganda has assented to with other countries. An international agreement may refer to;

a) An agreement between Uganda and a foreign government providing for the relief of international double taxation and the prevention of fiscal evasion. Or

b) A bilateral or multilateral agreement with a foreign government or foreign governments or foreign organisations providing for administrative assistance in tax matters

Examples of such agreements are the double taxation agreements Uganda has assented to with countries like United Kingdom, China, Netherlands etc.

It should be observed that an international agreement entered into has effect as if it is contained in the income tax act. In situations where the terms of an international agreement are inconsistent with the provisions of the income tax act, the terms of the international agreement prevail over the provisions of the act. However, this prevalence over the income tax act may not work where the agreement is in contradiction with the tax avoidance rules provided for in the act.

Scope of income tax in Uganda

One is liable to income tax and its accruing tax administration obligations on qualifying to be a taxpayer for income tax purposes. According to Sec 2 (sss) of the income tax act, a taxpayer refers to a person who derives an amount subject to tax under the income tax act and further includes; a person who incurs an assessed loss for a year of income and one for any provision relating to a return, any person required by the act to furnish a return. The description of a taxpayer draws the scope of those liable to income tax. It highlights three aspects that draw persons to the income tax net:

i) Those deriving an amount subject to tax are taxpayers admit able to be charged income tax.
ii) One who incurs an assess loss in a given year of income is still considered a taxpayer in order to keep the taxpayer obligated to fulfil other tax obligations like filing returns even when they are not making any tax payment.
iii) An obligation to file a return of income renders one a taxpayer even when such a person may be exempt from the charge of tax.

In a situation where one fulfils any of the above conditions, such a person is rendered an income taxpayer and is subject to income tax liability or obligation.

The description of a taxpayer observes that a taxpayer is a person. However, one has to note that in the case of income tax administration, a person is not only limited to a living human being (an individual) but rather considered to also include a company, partnership, trust, retirement fund, government, political subdivision of government and listed institutions (Sec 2 (yy). These forms of persons are those that have the meaning below.

- An individual is the living human being.
- A company refers to body of persons corporate or unincorporated whether created or recognised under the law in force in Uganda or elsewhere, and a unit trust but does not include any other trust or a partnership. Sec 2 (n)

- A partnership is an association of persons carrying business for joint profit. Sec 2 (ww)
- A trust is any arrangement affecting property in relation to which there is a trustee. Sec 2 (vvv)
- A retirement fund is a pension or provident fund established as a permanent fund maintained solely for either or both of the following purposes:
  - Provision of benefits for members of the fund in the event of retirement
  - Provision of benefits for dependants of members in the event of the death of the member. Sec 2 (lll)
- Government refers to the Government of the Republic of Uganda
- Political subdivisions of government are those bodies constituted under government with authority to execute government work.
- Listed institutions refer to organisations that are enlisted under the 1st schedule of the income tax act. The enlisting under the 1st schedule is a conclusive listing which only considers those organisations mentioned.

The scope of income tax is further drawn by the kind of income one earns. To be considered a taxpayer one has to be earning an income. Such income is categorised into three classes that are based on their sources i.e. employment, business & ownership of property. A taxpayer's income should be employment income, business income or property income.

Basic characteristics associated with taxpayers, that are key considerations when charging income tax

When administering income tax on any taxpayer, it is important to preliminarily ascertain the basic tax characteristics of that person. These include the nature of person, residence status of the person and the type of income earned. There are differing treatments or tax administration practices that arise in different situations based on those characteristics. Knowing a taxpayer's factual characteristics based on those aspects can guide on the right treatment of any taxpayer. In an income tax perspective these aspects have the meaning as explained below;

i) **Nature of person:** In an income tax situation, reference to a "person" not only implies a natural human being (an individual) but also includes a company, partnership, trust, retirement fund, government, political subdivision of government and a listed institution. A taxpayer is bound to be categorised in at least any of the given forms of persons as described in the earlier section.

ii) Residence status: Persons identified above (i.e. individual, partnership, trust, company and retirement fund) are further categorized into residents and non-residents persons. A decision on a person's residence status is based on the residence status criteria laid out in sections 9-14 of the act. This is summarily explained as below;

- ***Resident Individual:*** one is considered a resident individual for a year of income if that individual;
  - ***i.*** has a permanent home in Uganda;
  - ***ii.*** is present in Uganda;
    - ***a.*** for a period of, or periods amounting in aggregate to, 183 days or more in any twelve-month period that commences or ends during the year of income.
    - ***b.*** During the year of income and in each of the two preceding years of income for periods averaging more than 122 days in each such year of income.
  - ***iii.*** Is an employee or official of the Government of Uganda posted abroad during the year of income

  However, an individual who is a resident individual as stated above, for the current year of income", but who was not a resident individual for the preceding year of income is treated as a resident individual in the current year of income only for the period commencing on the day on which the individual was first present in Uganda. Furthermore, an individual who is a resident individual for the current year of income but who is not a resident individual for the following year of income is treated as a resident individual in the current year of income only for the period ending on the last day on which the individual was present in Uganda.

- ***Resident Company*:** a company is a resident company for a year of income if it;
  - ***i.*** is incorporated or formed under the laws of Uganda;
  - ***ii.*** has its management and control exercised in Uganda at any time during the year of income; or
  - ***iii.*** Undertakes the majority of its operations in Uganda during the year of income.
- ***Resident Trust*:** A trust is a resident trust for a year of income if;
  - ***i.*** The trust was established in Uganda;
  - ***ii.*** At anytime during the year of income, a trustee of the trust was a resident person; or

iii. The trust has its management and control exercised in Uganda at any time during the year of income.

- ***Resident Partnership*:** A partnership is a resident partnership for a year of income if, at any time during that year, a partner in the partnership was a resident person.
- ***Resident Retirement Fund*:** A retirement fund is a resident retirement fund for a year of income if it;
  - ***i.*** is organized under the laws of Uganda;
  - ***ii.*** is operated for the principal purpose of providing retirement benefits to resident individuals; or
  - ***iii.*** has its management and control exercised in Uganda at any time during the year of income.

A person is a non-resident for a year of income if the person is not a resident person for that year. An individual is a non-resident person for that part of the year of income in which the individual is not a resident individual.

The residential status of taxpayers plays a key role in determining the scope of taxable income for a year of income in Uganda and there by the tax payable. The relevance of this categorization is to determine whether a taxpayer is to be taxed on his/her worldwide income or only on income derived from Uganda. A resident person in this case is charged tax on his/her worldwide income while a non-resident is charged tax on only incomes sourced from Uganda.

Determining the source of income

The practice that seeks to charge tax on the world wide incomes and on just incomes sourced in Uganda of resident taxpayers

Refer to Sec 79 (ITA)

iii) Type of income

Incomes for income tax purposes are categorised into three types which are related to activity that causes there earning. These include business, employment and ownership of property. There composition is further expounded in the further course of study. Any of the taxpayer’s income should at least be categorised in any of the three forms.

Tax accounting principles

In charging tax, accounting information forms the basis of determining the taxpayer’s liability. However, it should be observed that some accounting treatments are adjusted to fit into the tax requirements. Some of these tax specific accounting treatments are explained here below.

Charging income tax

Gross income; refers to a person's total amount of business income, employment income and property income other than income exempt from tax derived during a year of income. Gross income for a resident person includes the entire person's worldwide income while for a non-resident it only includes income sourced from Uganda. The practical implication of this description is to require a taxpayer to aggregate all incomes earned in the year and tax them together other than discretely. This will stop the taxpayer from separating their incomes and enjoy more than one threshold where it is applicable.

Chargeable income; refers to the gross income of the person for the year less total deductions allowed under the act for the year. Allowed deductions are those expenditures incurred in deriving the taxpayer's gross income in given year of income. It's on the taxpayer's chargeable income that the tax rates are applied to determine one's tax liability.

Periodicity for tax reporting purposes

The concept of periodicity is equally important when accounting for tax purposes. It creates standard a time which is based on to ascertain when tax reports or returns and payments are due from the taxpayers. The standard timings are normally at an interval of one year which is referred to as the year of income for income tax purposes. Year of income in tax sense refers to a twelve months period ending on 30th June (the fiscal year in Uganda). It is important to note that; year of income can also refer to a substitute year or transitional year of income without the prerequisite of being a twelve months period. Therefore, year of income can be categorized into three forms which include;

a) Normal year of income:

This is a twelve months period ending on 30th June (Sec 39 (9)). Every taxpayer is bound to fulfil his tax obligations following the normal year of income interval system. The taxpayer may not follow this system only when there is a compelling need which has been approved by the commissioner.

b) Substitute year of income:

This refers to a twelve months period other than that ending on 30th June (Sec 39 (1)). For a taxpayer to use a substitute year of income, the taxpayer is required to apply in writing to the commissioner showing the compelling need to use the substitute year of income.

As well, a taxpayer granted permission to use the substitute year of income may apply in writing to change further the taxpayer's year of income to the normal year of income or to another substitute year of income (Sec 39 (2)). Approval of the taxpayer's application is left to the discretion of the commissioner in consideration of the reasons given for the compelling need. In addition to the powers to approve the application for the change of year, the commissioner has the authority to withdraw the permission to use a substitute year of income that will have been granted. This is done by writing a notice of withdrawal to the taxpayer.

Commencement of the year of income when the change has been approved

- Where a taxpayer's application to change to a substitute year of income is approved by notice of the commissioner, the change takes effect on the date specified in the notice.
- In a situation where a taxpayer's application to change back to the normal year or to another substitute year and in case of withdrawal of permission by the commissioner, the change takes effect at the end of the substitute year of income of the taxpayer in which the notice was served.

c) Transitional year of income:

This is the period between the last full year of income prior to the change of year and the date on which the changed year of income commences. It is treated as a separate year of income i.e. special returns and other tax matters are filed for it. The transitional year occurs in situations of changing the year systems i.e. from a normal year to substitute year and vice versa or in case of withdrawal of earlier permission to change that have been granted.

Exercise;

What reasons may cause a taxpayer to change the reporting year of income?

Method of Accounting

Methods of accounting used by the taxpayer should conform to the generally accepted accounting principles. The taxpayer is required to account for tax purposes on a cash or accrual basis unless the commissioner prescribes otherwise in a particular case.

In situations where the taxpayer may wish to change his method of accounting, he/she is required to apply in writing, to the Commissioner. The application made is subject to approval by a notice in writing from the commissioner.

Basing on the method of accounting, different taxpayers have been categorized to include;

i) **Cash-Basis Taxpayer:** this refers to a taxpayer who accounts for tax purposes on a cash basis. To such a taxpayer, income is derived when it is received or made available and incurs expenditure when it is paid.

ii) **Accrual-Basis Taxpayer:** this refers to a taxpayer who accounts for tax purposes on an accrual basis. To such a taxpayer, income is derived when it is receivable by the taxpayer and incurs expenditure when it is payable by the taxpayer.

Pre-payments

Where a deduction is allowed for expenditure incurred on a service or other benefit which extends beyond thirteen months, the deduction is allowed proportionately over the years of income to which the service or other benefit relates.

Long-Term Contracts

A “long-term contract” means a contract for manufacture, installation, or construction, or, in relation to each, the performance of related services, which is not completed within the year of income in which work under the contract commenced, other than a contract estimated to be completed within six months of the date on which work under the contract commenced.

In the case of an accrual-basis taxpayer, income and deductions relating to a long-term contract are taken into account on the basis of the percentage of the contract completed during the year of income. The percentage of completion is determined by comparing the total costs allocated to the contract and incurred before the end of the year of income with the estimated total contract costs as determined at the time of commencement of the contract.

In the year of income in which the long-term contract is completed, it is determined that the contract has made a final year loss, the Commissioner may allow the loss to be carried back to the preceding years of income and applied against an amount in *gross* income over the period of the contract

Trading Stock

Trading stock includes anything produced, manufactured, purchased, or otherwise acquired for manufacture, sale, or exchange, as well as consumable stores.

A taxpayer is allowed a deduction for the cost of trading stock disposed off during a year of income. The cost of trading stock disposed of during a year of income is determined by adding to the opening value of trading stock for the year, the cost of trading stock acquired during the year, and subtracting the closing value of trading stock for the year.

Opening stock value is; closing value of trading stock at the end of the previous year of income or; where the taxpayer commenced business during the year of income, the *market* value, *at the time of commencement of the business,* of trading stock acquired prior to the commencement of the business. Closing value of trading stock is the lower of cost or market value of trading stock on hand at the end of the year of income.

A cash-basis taxpayer may calculate the cost of trading stock using either the prime-cost method or absorption-cost method while an accruals-basis taxpayer shall calculate the cost of trading stock using the absorption-cost method.

Where particular items of trading stock are not readily identifiable, a tax payer may account for that trading stock on the FIFO method or the average cost method but, once chosen, changing is with permission

Foreign Currency Debt Gains and Losses

Foreign currency debt" means a business debt denominated in foreign currency. A foreign currency debt gain is derived or a foreign currency debt loss is incurred by a taxpayer in the year of income in which the debt is satisfied.

Foreign currency debt gains are included in gross income and foreign debt losses are deductible only under this Section. A foreign currency debt gain derived by a taxpayer during the year of income is included in the business income of the taxpayer for that year.

A deduction is not allowed to a taxpayer for a foreign currency debt loss incurred by the taxpayer unless the taxpayer has notified the Commissioner in writing of the existence of the debt which gave rise to the loss. The notification should have been done the due date for furnishing of the taxpayer's return of income for the year of income in which the debt arose or by such later date as the Commissioner may allow. However, financial institutions are not required to have given a prior notice as above.

Income tax exemptions

Income being the basis of charging income tax, any taxpayer is subject to the charge of tax on incomes earned. This is the general tax rule for charging income tax wherever income is earned. However, in consideration of several reasons for charging tax and in observance of given taxation principles, exceptions to the general rule have been created. They have been created through declaring given incomes, “***exempt incomes***”. This has created a waiver on such incomes not to be charged tax.

Tax accounting implication for exempt income

In situations where income has been rendered exempt, the following tax accounting principles should be observed.

- Exempt incomes should not be grossed up with other incomes chargeable to tax in a given year of income
- The expenses incurred in deriving such incomes are not tax deductible on other taxable incomes when determining the taxpayer’s chargeable income for a given year of income.
- No tax credit should be given relating to taxes that will have been charged on exempt incomes.

It should be noted that, an exempt income status of a taxpayer does not waive off other tax administration obligations of the taxpayer e.g. filing returns, tax collection agency roles, and obligations to other tax heads. Further to this, an institutional income exemption may not apply to its employees.

Exempt incomes

Exempt incomes are elaborately enlisted under sec 21 of the Income tax act and in other isolated cases within other sections of the act.

In reference to sec 21, the following are exempt incomes;

1. Income of a listed institution

   Listed institutions are those conclusively listed under the 1st schedule of the income tax act cap 340 and they include;

   - African Development Bank
   - African Development Fund
   - Aga Khan Foundation
   - Austrian Development Agency
   - Belgian Technical Cooperation
   - Danish International development Agency
   - Department for international development
   - Deusche Gesellschaft fur international zusammenarbeit (GIZ)
   - East African Development Bank

- Eastern and Southern African Trade and Development Bank
- European Development Fund
- European Investment Bank
- European Union
- Food and Agriculture Organization
- French development agency
- Global fund for AIDS, Malaria and Tuberculosis
- Icelandic International Development agency
- International Bank for Reconstruction and Development
- International Civil Aviation Organization
- International Development Association
- International Finance Corporation
- International Labour Organization
- International Monetary Fund
- International Telecommunications Union
- Japan International Cooperation agency
- Korea International cooperation agency
- Kreditanstalt fur wiederaufbau (KFW)
- Norwegian agency for development cooperation
- Swedish international development agency
- United Nations related Agencies and specialized Agencies

2. Income of any organization or person entitled to privileges under the Diplomatic Privileges Act [Act No.2 of 1965] to the extent provided in the regulations and orders made under that Act;
3. Official employment income derived by a person in the public service of the government of a foreign country provided
4. Allowances payable outside Uganda to a person working in a Ugandan foreign mission
5. Income of any local authority;
6. Income of an exempt organization other than;
    - Property income, except rent received by an exempt organization in respect of immovable property and the rent is used by the lessor exclusively for the activities of the organization specified below under the definition of an exempt organization.

- Business income that is not related to the function constituting the basis for the organization’s existence;

We observe that for the above purpose and here after, an exempt organization refers to any company, institution, or irrevocable trust;which is seen to be;

- An amateur sporting association;
- A religious, charitable, or educational institution of a public character; or
- A trade union, employees’ association, an association of employers registered under any law of Uganda, or an association established for the purpose of promoting farming, mining, tourism, manufacturing, or commerce and industry in Uganda

  In order for such organizations to be fully recognized as exempt organizations, they must have fulfilled the conditions that;

  - they will have been issued with a written ruling by the Commissioner currently in force stating that it is an exempt organization; and
  - that none of the income or assets of these organizations grants, or may grant, a private benefit on any person;

  The national medical stores

7. An education grant which the Commissioner is satisfied has been made bona fide to enable or assist the recipient to study at a recognized educational or research institution.
8. An amount derived by way of alimony or allowance under any judicial order or written agreement of separation.
9. Value of any property acquired by gift, bequest, devise, or inheritance that is not included in business, employment, or property income;
10. Capital gains that are not included in business income;
11. Employment income derived by an individual to the extent provided for in a technical assistance agreement
12. Foreign-source income derived by a short-term resident of Uganda
13. A pension;
14. A lump sum payment made by a resident retirement fund to a member of the fund or a dependant of a member of the fund.
15. Proceeds of a life insurance policy paid by a person carrying on a life insurance business

16. The official employment income of a person employed in the armed forces of Uganda, the Uganda Police Force, the External Security Organization, the Internal security Organisation or the Uganda Prisons Service, other than a person employed in a civil capacity.
17. Income of the Government of the Republic of Uganda and the Government of any other country.
18. Income of the Bank of Uganda.
19. Income of a collective investment scheme to the extent of which the income is distributed to participants in the collective investment scheme;
20. Emoluments payable to employees of the East African Development Bank with effect from 1st July 1997.
21. Income of an Investor Compensation Fund established under Section 81 of the Capital Markets Act.
22. The income of a person derived from the operation of aircraft in domestic and international traffic or the leasing of aircraft.
23. Income of a person derived from the exportation of finished consumer and capital goods
24. Income of a person derived from agriculture where the person applies in writing to the Commissioner to be issued with a certificate of exemption at the beginning of his or her investment
25. An award received by a sports person as a reward for winning or participating in a sports competition.