

MAKERERE UNIVERSITY BUSINESS SCHOOL
PROGRAMME: BACHELOR OF TRAVEL AND TOURISM MANAGEMENT
COURSE: TOURISM AND TRAVEL LAW BTT3240
ACADEMIC YEAR 2023- 2024, SEMESTER TWO

REGULATION OF TOURISM BUSINESS IN UGANDA

It is one of the goals of every country to promote itself as an attractive tourist destination so as to increase its earnings from the tourism sector. This calls for investment in the tourism sector. Uganda is no exception. The Uganda Tourism Act no. 2 of 2008 has as its aim, consolidating and streamlining the law relating to tourism in Uganda.

The Act confirms the existing Uganda Tourism Board which has the following functions:

- a. To formulate, in cooperation and in consultation with the private sector and relevant entities, a marketing strategy for tourism in Uganda;
- b. To implement the marketing strategy and to promote Uganda as an attractive and sustainable tourist destination;
- c. To encourage and promote domestic tourism within Uganda;
- d. To encourage investment in the tourism a sector and wherever possible, to direct such investment to the less developed tourism areas;
- e. To promote and sponsor educational programmes and training in the tourism sector including schools, in consultation and cooperation with appropriate entities;
- f. To undertake and commission appropriate research in the field of tourism;
- g. In consultation with or as directed by the Minister, to delegate to local governments the responsibilities related to tourism commensurate with their functions set out in the Local Government Act;
- h. To manage the tourism development levy in accordance with the best commercial practice and the objects of the Board;
- i. To provide finance and any other subsistence to strengthen the private entities in the tourist sector where necessary and appropriate;
- j. To enforce and monitor standards in the tourism sector;
- k. To inspect, register, licence and classify tourist facilities and services; and
- l. To undertake any other functions prescribed by or under this Act, any other law or as directed by the Minister.

‘**Tourism**’ under the Act means the activity of persons travelling to and staying in places outside their usual environment for not more than one year mainly for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited.

The regulation of tourism and travel business in Uganda is done jointly by the UTB and the Ministry of Tourism under powers conferred upon them by the Act and the Regulations made there under. This regulation is done under the following heads:

A. Licensing

According to sections 13 and 14 of the Uganda Tourism Act, no person is allowed to operate any **tourist accommodation** or **other tourist facility** and to carry on the business of **travel agent, tour operator or tour guide** unless that person is duly licensed for such business by the UTB. Contravention of these provisions attracts a fine not exceeding a sum of Ugx 960,000/= or imprisonment not exceeding two years or both.

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A **‘tour guide’** is defined as a person who is registered and licensed to lead tour itineraries of persons. A **‘tour operator’** is defined as a person who is licensed to sell or offer for sale, tour packages either directly or through a third party’. A **‘travel agent’** is defined as a person who is licensed to conduct the business of a travel agency. **‘Tourist accommodation’** means an apartment, guest house, hotel, bungalow or lodge and any other type of tourist accommodation facility designated by the Minister and providing accommodation to tourists for payment’ (Section 2 of the Act).

There is no particular form of business that the Applicant should take. This means that tourist accommodation, travel agent, tour operator or tour guide may be a run under sole proprietorship, partnership or may be incorporated as a company.

The conditions to be satisfied by an applicant are also not specified under the Act. But by implication, the UTB is empowered to put up the licensing conditions by virtue of section 15(4)(c) under which it is provided that the UTB may require the applicant to meet specified conditions before granting or renewing the licence.

Under section 15 of the Act, Applicants are required to submit to the UTB, an application in the prescribed form. The Application Forms is contained in the 2nd Schedule to the Tourist Agents (Licensing) Regulations, S.I. No. 100-1 which regulations were saved under Section 36 of the Uganda Tourism Act.

The Applicant for a license must pay the prescribed fee upon presenting the application. On receipt of the application, the board must make a decision within 14 days whether to grant or renew the license, to reject the application or to grant it conditionally (Section 15 of the Act).

Once granted, the license remains valid for a period of twelve months from the date of issue. The license is renewable upon expiry and such renewal also remains valid for a period of twelve months from the date of last renewal.

An applicant whose application for granting or renewal of the license is denied may within thirty (30) days from the receipt of the communication of the decision to reject the application petition the Minister responsible for tourism who is empowered to reverse or confirm the decision of the UTB within thirty days from the date of receipt of the petition and accordingly inform the UTB and the petitioner (section 17 (1), (2) & (3) of the Act)

Cancellation (revocation) of license

The license granted under the Act may be cancelled or revoked if:

1. the holder is convicted of an offence involving fraud or dishonesty under the Act or any other law;
2. the holder becomes bankrupt or, if it is a corporate body, goes into liquidation or is wound up;
3. the holder fails to comply with a condition attached to the license;
4. it is proved to the satisfaction of the UTB that the license was obtained by fraud or misrepresentation or non-disclosure of a fact that is material to the application.

Before the cancellation of any licence, the UTB is obliged to give written notice to the licensee inviting the licensee to show cause within 14 days why the licence should not be cancelled (section

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16).

An aggrieved licensee may within fourteen (14) days from the receipt of the communication of the decision to cancel the license, petition the Minister responsible for tourism who is empowered to reverse or confirm the decision of the UTB within thirty days from the date of receipt of the petition and accordingly inform the UTB and the petitioner (section 17 (4), (5) & (6) of the Act)

B. Regulation, monitoring and coordination of tourism

The supervision, monitoring and coordination of tourism in Uganda is the joint responsibility of the Ministry of tourism and the UTB.

On the part of the UTB, the board is empowered to enforce and monitor standards in the tourism sector. This is done by

- licensing and registering the service providers
- Supervision and monitoring of tourist facilities and services.
- Setting minimum operational standards and ensuring their enforcement
- Making regulations and rules to governing the travel and tourism sector
- Setting and levying the fees and fines applicable to the operators in the business

In the exercise this power, the Board may authorize any member of the Board or any person authorized by the Board to enter any tourist accommodation or facility and inspect it at any reasonable time. What is reasonable time is a question of fact depending on the facts of each case.

On the Ministry's part, supervision, monitoring and coordination of tourism in Uganda is done through all the following-

1. By means of legal, institutional, financial and other initiatives to plan and develop a sustainable tourism sector with due regard to the economic, social, environmental and cultural consequence of such development.
2. By formulating, promoting and monitoring implementation of policies for sustainable growth of the tourism sector, in consultation with the private sector and line institutions of Government.
3. By ensuring compliance with best environmental practices by tourists, tour operators and owners of tourist facilities.
4. By promoting national and international investment in the tourist sector;
5. By liaising with international organizations and any other relevant entities involved in tourist development;
6. By initiating, developing and promoting domestic, regional and international cooperation in the field of tourism;
7. By supporting and guiding the Board in performing the tasks assigned to it under or by virtue of this Act; and
8. As appropriate and necessary, in conjunction with the Uganda Bureau of Statistics, by collecting, processing and distributing tourism statistics.