

MAKERERE UNIVERSITY
MAKERERE UNIVERSITY BUSINESS SCHOOL
FACULTY OF COMMERCE
DEPARTMENT OF BUSINESS LAW
COURSE OUTLINE

Programme:	BACHELOR OF COMMERCE, BANKING & INSURANCE OPTION
Year of Study:	THREE
Course Name:	BANKING & INSURANCE LAW
Course Code:	LAM3201
Credit Units:	4
Contact Hours:	60
Academic Year	2024 - 2025
Semester:	TWO (2)

Course Description:

This course is designed to acquaint the learners with knowledge relating to the legal environment within which banks and insurance players operate. This includes the regulatory authorities/bodies and the laws under which these institutions are regulated and the consequences of conducting unlicensed businesses. The participants shall be exposed to the legal requirements for conducting these business as well as the principles upon which they should lawfully operate.

Course Objectives:

At the end of the course, the students should be able to enumerate the relevant laws and institutions that regulate banks and insurance players; differentiate banks from Micro-finance Deposit-taking Institutions, Co-operative Societies, Microfinance institutions, forex bureaus, money lenders and money remittance businesses; Explain the procedures and requirements for operation of the above businesses in Uganda; Describe the nature of the bank/insurance contract, the rights and obligations of the parties and the ways of terminating the these relationships; Enumerate the contents of a valid and enforceable loan contract; Guard against fraudulent/illegal banking and insurance transactions and money laundering activities and enumerate the various remedies available to the Government and the aggrieved person in the face of those transactions; and the learner should be able to run any financial institutions business along contemporary legal principles and procedures.

Expected Learning outcomes:

At the end of the course the student should be able to;

- Demonstrate knowledge of the relevant laws regulating banking and insurance businesses in Uganda
- Show comprehension and understanding of the roles, obligations and authorized scope of operations of banking and insurance businesses
- Demonstrate knowledge of the regulatory and supervisory roles of the regulatory bodies of banks and insurance players
- Know the rules governing the various financial products and instruments, like cheques, accounts, insurance policies e.t.c. and their applications.
- Start and manage a bank and insurance company in a legally acceptable manner; and
- To be able to conclude valid banking and insurance transactions also be in position to avert fraudulent and invalid financial transactions.

Teaching Methods

This course will mainly be conducted using case studies. Other methods to be used include;

- Discussions and presentations

- Lectures, both online and face to face
- Tutorials
- Workshops

Mode of Assessment

Course work will carry	30%
Final written examination	70%
Total	100%

Detailed Course Content

No.	Topic	Details	Duration	Week No.
1.	REGULATION OF BANKING & INSURANCE BUSINESS IN UGANDA	<ul style="list-style-type: none"> • Definition of bank and Insurance • Classes/categories of Licenses available • Legal and institutional framework for carrying out banking and insurance business 	12 hrs	1,2 & 3
2.	SPECIAL AREAS OF INTEREST	<ul style="list-style-type: none"> • Foreign Exchange & remittance business • Money lending business • Anti-Money Laundering • Credit Reference Bureaus • The Deposit Protection Fund • Payment Systems and their regulation • Agent Banking • Electronic banking & financial crimes 	12 hrs	4, 5 & 6
3.	THE BANKER-CUSTOMER RELATIONSHIP	<ul style="list-style-type: none"> • Definition of bank, banker, banking business and customer • Nature of the bank - customer relationship • Other capacities of a banker • A draft and a cheque • Customer's duties • Banker's duties • Duties of the collecting banker • Duties of a paying banker • Liability of the banker in tort • Special accounts • Interest • Determination of the banker - customer relationship 	12 hrs	7, 8 & 9
4.	LOAN CONTRACTS	<ul style="list-style-type: none"> • Definition of a mortgage • Registration of a mortgage • Creation of a mortgage • Implied covenants in a mortgage • Rights of the Mortgagor & the mortgagee • Rights of the Mortgagee/ Remedies upon default of the mortgagor • Relief against the rights of the mortgagee 	8 hrs	10 & 11

		<ul style="list-style-type: none"> • Other Securities 		
5.	INSURANCE	<ul style="list-style-type: none"> • Historical background to Insurance in Uganda • Conclusion of the insurance Contract • Distinction between insurance and wagering • Categories of Insurance • Types of insurance • Difference between life and other types of insurance • Basic concepts / principles of Insurance 	8 hrs	12 & 13

READING LIST

Key Text (s)

- Paget's Law of Banking, 12th Edition Paget's Law of Banking, 12th Edition

Statutes

1. Constitution of the Republic of Uganda, 1995
2. Bank of Uganda Act, Cap. 54
3. Financial Institutions Act, Cap. 57
4. Contracts Act, Cap. 284
5. Anti-Money Laundering Act, & Regulations
6. Electronic Transactions Act, Cap. 99
7. Electronic Signatures Act, Cap. 98
8. Computer Misuse Act, Cap. 96
9. National Payments Systems Act, Cap 59
10. Foreign Exchange Act, Cap
11. Foreign Exchange (Forex Bureaus and Money Remittance) Regulations, 2006
12. Data Protection and Privacy Act, Cap 97 and the 2023 Regulations made thereunder
13. Companies Act Cap 106
14. Mortgage Act, Cap 239
15. Land Act, Cap 236
16. Insurance Act, Cap 191

E N D