



**ONYANGO & COMPANY**  
ADVOCATES, TAX & LEGAL CONSULTANTS



**LEGAL ALERT**

# **THE PROTECTION OF SOVEREIGNTY BILL 2026:**

**WHAT NGOS IN UGANDA NEED TO KNOW?**

## Introduction.

The country, and in particular the NGO and Humanitarian sector in Uganda, has been following with interest the Government's intention to introduce the Protection of Sovereignty Bill, 2026 (hereinafter "the Bill"), also referred to as the National Sovereignty Bill. This Bill is aimed at strengthening Uganda's control over foreign influence by tightening oversight of foreign funding to organisations operating in Uganda.

This development follows last year's amendment of the Second Schedule of the Anti-Money Laundering Act, which excluded NGOs, churches and charitable organisations from the list of accountable persons, thereby relieving them of the obligation to report to the Financial Intelligence Authority (FIA). The current Bill, however, signals a reversal of that trend, seeking to impose more, not less, scrutiny on the relationships between local organisations and their foreign principals.

If passed by Parliament and assented to by the President, this Bill will have significant and wide-ranging effects on the NGO and Humanitarian sector in Uganda. In this alert, we highlight the key provisions of the Bill that NGOs must take note of, assess the potential impact on operations, and propose a way forward.

## Overview of the Bill

The Bill is structured in five (5) parts and a schedule, comprising thirty (30) clauses in total. Its stated purpose is to:

- Protect the sovereignty of the people of Uganda;
- Designate the department responsible for peace and security as the entity for registration and regulation of agents of foreigners;
- Provide for registration of agents of foreigners;
- Regulate the funding and other assistance to agents of foreigners; and
- Deal with related matters.

The Bill applies to any person who acts as an “agent of a foreigner”, a term defined broadly to encompass virtually any organisations or individual whose activities are directed, financed, controlled or supervised by a foreigner or foreign entity, whether directly or indirectly.



## Key Defined Terms NGOs Must Understand

---

The Bill provides the definitions of various terms; however, these should be of interest:

- A. Agent of a Foreigner:** The Bill defines this to mean a person who acts as an agent, representative, employee or servant, or any person who acts in any capacity at the order, request or direction of a foreigner or of a person, any of whose activities are directly or indirectly supervised, directed, controlled, financed or subsidized by a foreigner. Most NGOs in Uganda operate with a degree of foreign funding or oversight, meaning the definition is sufficiently broad to capture most of them.
- B. Foreigner:** The Bill defines this to include: a non-Ugandan citizen; a Ugandan citizen residing outside Uganda; a foreign government, consulate, embassy or diplomatic mission; a corporation, company, NGO or other legal entity registered or incorporated outside Uganda; an international or multinational organisation; or any person, institution or body that the Minister may by statutory instrument declare to be a foreigner.
- C. Disruptive Activities:** The Bill defines these to include acts that threaten the security of Uganda, threaten violence against any person, threaten bodily harm, destruction of property, the employment or sponsoring of persons to promote the interests of foreigners, engagement in riots or unlawful demonstrations, and disrupting lawful activities, business operations, peace or human rights of any person. This definition is broad and its interpretation maybe used to include human rights advocacy, any activities related to ensure government accountability, among others, activities that form the core mandate of many NGOs.

## Key Provisions That Will Directly Affect NGOs

---

### 1. Registration Requirement

Under Clause 14, the Bill introduces a mandatory registration regime for all persons acting as “agents of foreigners”. No person will be allowed act as an agent of a foreigner unless registered with the Department responsible for peace and security and issued with a certificate of registration by the Minister of Internal Affairs. Acting without registration will be a criminal offence, attracting a fine of up to fifty thousand currency points (equivalent to UGX 1 billion) or imprisonment of up to ten (10) years, or both.

Registration certificates shall be valid for two (2) years and shall have to be renewed at least three months before their expiry. The Minister shall have powers to suspend or revoke a certificate on various grounds, including where the holder is deemed to pose a security threat, engages in disruptive activities, or is no longer a fit and proper person.

The broad definition of “agents of foreigners” means any NGO receiving funds from, or acting in the interest of, a foreign donor shall be required to register as an agent of a foreigner. This includes international NGOs with local offices, local NGOs receiving foreign grants, and organisations implementing projects on behalf of foreign governments or multilaterals. Failure to register will be a criminal offence.

## **2. Restriction on Foreign Funding**

This is one of the most consequential provisions of the Bill. Under Clause 22, no person or agent of a foreigner may directly or indirectly obtain, solicit or receive any financial support, donation, loan or other assistance from a foreigner, whether in cash or in kind, exceeding twenty thousand currency points (equivalent to UGX 400 million) within a period of twelve (12) months, ***without the written approval of the Minister.***

The violation of this provision will expose an organisations to a fine not exceeding two hundred thousand currency points (equivalent to UGX 4 billion) and an individual to a fine not exceeding one hundred thousand currency points or imprisonment of up to twenty years, or both. Additionally, any money or assistance received in contravention of this clause shall be forfeited to the State.

## **3. Prohibition of Certain Activities**

Part II of the Bill intends to prohibit a wide range of activities under the guise of protecting sovereignty. These include:

- Promoting the interests of a foreigner against the interests of Uganda (Clause 5);
- Exercising Government functions specified in the Sixth Schedule to the Constitution without Cabinet approval (Clause 6);
- Developing or influencing Government policy without Cabinet approval (Clause 7);
- Implementing, hindering, frustrating or disrupting the implementation of any Government policy (Clause 8);
- Promoting any foreign policy that contravenes the principles set out in the Bill (Clause 9 and 10);
- Interfering with electoral processes or influencing the will and consent of Ugandans on governance matters (Clause 11);
- Interfering with the operations of Government (Clause 12); and
- Publishing or participating in any act that damages the economic system or viability of the country, constituting economic sabotage (Clause 13).

Any actions in violation of these prohibitions shall be criminal offences punishable with hefty fines for legal entities and for individuals, fines or imprisonment or both.

The breadth of these prohibitions is of significant concern to the NGO sector as many legitimate activities of NGOs including advocacy, civic education, election monitoring, policy engagement, and economic reporting, could potentially fall within their scope.

#### **4. Declaration of Funding Sources and Submission of Returns**

Under Clause 21, agents of foreigners and any other person receiving funding from a foreigner shall be required to submit a declaration of the source of funds to the Minister and such declarations will be available for public inspection upon payment of a prescribed fee. Any false or misleading declaration shall be a criminal offence attracting a fine of up to seventy-two thousand currency points (equivalent to UGX 1.44 billion) or imprisonment of up to five (5) years on conviction.

Under Clause 25, supervised institutions (i.e. those licensed to facilitate cross-border money transfers) shall be prohibited from paying any funds to an agent of a foreigner without proof of registration and declaration of source of funds. They shall also be required to submit monthly reports to the Minister on all fund transfers to agents of foreigners.

Under Clause 26, agents of foreigners shall be required to submit periodic returns to the Minister detailing the amount of funds received and the purposes for which they were used. Failure to submit returns will be an offence punishable by up to twenty (20) years imprisonment or a fine of up to one hundred thousand currency points (equivalent to UGX 2 billion) for individuals, or a fine of up to two hundred thousand currency points for legal entities.

#### **5. Inspection Powers**

Under Clause 28, inspectors appointed by the Minister shall have broad powers to inspect the premises of any agent of a foreigner at any reasonable time and to request any information relevant to the purposes of the Act. Obstruction of inspectors, presentation of false documents, or refusal to comply with an inspector's orders shall be a criminal offence attracting a fine of up to two thousand currency points (equivalent to UGX 40 Million) or seven (7) years imprisonment, or both, on conviction.

### **Potential Impact on the NGO Sector**

#### **Operational Impact**

The Bill's expansive definition of "agent of a foreigner" means that the vast majority of NGOs operating in Uganda whether local or international will be required to register. The registration and reporting processes involve extensive disclosure of organisational details, personnel, funding sources, agreements, and activities. This will impose a substantial administrative burden on organisations, a burden the previous amendment of the Anti-Money Laundering Act had just taken away.

Furthermore, the requirement for Ministerial approval for foreign funding above UGX 400 million in any twelve-month period introduces a significant bureaucratic hurdle that could delay or prevent the receipt of project funding, disrupting programme cycles and threatening organisational viability.

## **Chilling Effect on Advocacy and Civil Society**

The Bill's expansive definition of "agent of a foreigner" means that the vast majority of NGOs operating in Uganda whether local or international will be required to register. The registration and reporting processes involve extensive disclosure of organisational details, personnel, funding sources, agreements, and activities. This will impose a substantial administrative burden on organisations, a burden the previous amendment of the Anti-Money Laundering Act had just taken away.

Furthermore, the requirement for Ministerial approval for foreign funding above UGX 400 million in any twelve-month period introduces a significant bureaucratic hurdle that could delay or prevent the receipt of project funding, disrupting programme cycles and threatening organisational viability.

## **Uncertainty and Ministerial Discretion**

The Bill appears to confer very wide discretionary powers on the Minister of Internal Affairs, including the power to declare any person or entity a "foreigner", to prescribe additional grounds for suspension or revocation of registration, and to add activities to the list of regulated conduct by statutory instrument. This degree of ministerial discretion, with limited oversight or appeal mechanisms, creates significant legal uncertainty for organisations operating in Uganda.

## **Way Forward and Recommendation**

---

In response to this Bill, NGOs and civil society organisations may take the following steps:

### **1. Monitor the Legislative Process**

The Bill is still in draft form and hasn't been introduced to Parliament for debate. Organisations should closely monitor its progress through the legislative process, including any Committee reviews or public hearings and engage legal counsel to track development.

### **2. Engage in Public Consultations**

Parliamentary practice in Uganda requires that Bills of this nature be subjected to public consultations with stakeholders. NGOs should participate actively and collectively in these processes, submitting memoranda and making representations to the relevant Parliamentary Committee to highlight provisions that are overly broad, vague, or inconsistent with Uganda's constitutional and international human rights obligations.

### **3. Review Funding Structures and Agreements**

Organisations should prepare to conduct reviews of their funding relationships with foreign donors, the quantum of funding received in any twelve-month period, and the terms of their donor agreements to assess their exposure under the proposed regime and to begin planning compliance strategies.

### **4. Prepare for Registration**

While the Bill has not yet been enacted, organisations should begin maintaining proper record keeping regarding the information and documentation that will be required for registration including organisational documents, personnel lists, funding declarations, and agreements with foreign principals. This places organisations at a better advantage upon enactment to avoid panic compliances.

### **5. Seek Legal Advice**

Given the complexity and severity of the Bill's provisions, it is advisable that organisations seek specific legal advice tailored to their particular circumstances, including registration requirements, sources and quantum of funding, nature of activities, and relationships with foreign principals. This positions organisations better in the event of enactment and helps avoid misinformation and avoidable compliance difficulties.

## **Conclusion**

---

Various reports suggest a decline in the number of registered NGOs over the last few years, attributed to withdrawal of funding by donors including funding from the US government and increased government regulations aimed at tightening control over the sector, among other factors. The Protection of Sovereignty Bill, 2026 is a further attempt in this direction; its broad scope, severe penalties, and wide ministerial discretion without proper appeal mechanisms pose material operational, legal and reputational risks for organisations that receive foreign funding or act in any capacity that could be characterised as being in the interest of a foreigner.

While it may be argued that the purpose of protecting national sovereignty is constitutionally grounded, the manner in which the Bill seeks to give effect to this purpose raises serious concerns about its compatibility with the freedoms of association, expression and assembly guaranteed under the Constitution of Uganda and under international human rights law.

## Disclaimer

This alert is provided for general information purposes only and does not constitute legal advice. For specialized advice in relation to your individual circumstances, please contact us.

For any inquiries about this alert or further updates, please contact the following:



**Miriam Babirye Kaggwa**  
**Partner**

+256(0)772606141  
m.kaggwa@onyangoadvocates.com



**Onyango Owor**  
**Partner**

+256(0)787367458  
onyango@onyangoadvocates.com



**Namugera Joel Peter**  
**Associate**

+256(0)773078248  
joel@onyangoadvocates.com



**Oketcho Wilfred**  
**Associate**

+256(0)754009053  
wilfred.o@onyangoadvocates.com

## About Onyango & Co. Advocates

Onyango & Company Advocates is a leading law firm in Uganda, renowned for providing specialized legal and advisory services to NGOs, charities, and social enterprises. With a deep understanding of the non-profit sector, the firm supports a wide range of international and local organizations, including NGOs and Community-Based Organizations, in navigating Uganda's regulatory and operational landscape. Its expertise spans NGO incorporation and registration, regulatory compliance, permit renewals, employment and immigration matters, as well as tax advisory and compliance. Backed by strong regional and global partnerships, Onyango & Company Advocates delivers practical, client-focused solutions, making it a trusted partner for organizations seeking reliable and comprehensive legal support in Uganda.



**ONYANGO & COMPANY**  
ADVOCATES, TAX & LEGAL CONSULTANTS

### **Kampala Offices:**

Plot 182, House B, Bunga - Ggaba Road,  
Kampala, Uganda

### **Kabale Offices:**

Plot 142/144, Kigezi Twimuke House,  
Kabale Municipality, Uganda

### **Call or Email Us**

+256(0)701 666 244

+256(0)760 255 215

[info@onyangoadvocates.com](mailto:info@onyangoadvocates.com)

