

Why Parliament's rejection of stamp duty clause matters for land security

Parliament's decision to remove the controversial Clause 4 from the Stamp Duty (Amendment) Bill 2026 has been widely welcomed as a major step towards protecting land security and social stability in Uganda.

The clause proposed a 3% stamp duty on land transfers, a move many experts feared would worsen already serious land-related challenges.

The debate gained momentum after concerns were raised publicly by the Buganda Land Board (BLB) following the Bill's first reading.

As BLB, we argued that increasing the cost of land transactions would discourage formal registration and push more Ugandans into informal land dealings. Parliament eventually agreed and removed the clause before passing the Bill.

This decision is important because land disputes in Uganda are already widespread and increasingly violent. Newspaper reports frequently highlight conflicts involving inheritance, boundary disagreements, fraud, assaults, and even murder.

According to the 2025 Uganda Police report, land-related violence

has risen sharply. The Judiciary also recorded more than 64,000 land cases in 2025 alone, showing the scale of the problem.

Increasing the stamp duty on land transactions would have deepened this crisis. Only about 30% of Uganda's land is formally registered, leaving the majority in an uncertain legal status.

Most land transactions, particularly on mailo land, already occur under fragile arrangements. If registration becomes more expensive, many people would likely avoid formal processes altogether and rely on informal agreements instead.

Such informal transactions create serious risks. Without proper registration, disputes over ownership and boundaries become more common. Unregistered land also cannot easily be used as collateral for loans, limiting access to credit for farmers, entrepreneurs, and small business owners. This undermines economic growth and reduces opportunities for ordinary Ugandans.

The housing sector would also have been affected. Uganda currently faces a housing deficit estimated at



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2.4 million units. Many developers and builders operate informally and depend on affordable land transactions. Higher stamp duties would increase construction costs, which would eventually be passed on to tenants and home buyers.

Low-income families would bear the greatest burden.

The proposed clause also contradicted recent government efforts to encourage formalisation in the land and financial sectors. In July last year, Uganda introduced reforms that removed stamp duties on mortgages and agreements in order to make land registration and borrowing easier. Those measures contributed to growth in the mortgage and real estate sectors, which now account for nearly 19% of the country's total credit stock.

Reintroducing heavy land transfer taxes risked reversing those gains.

At the same time, the Government is implementing major land reform programmes, including systematic land adjudication, conversion of customary land to freehold, and issuance of occupancy certificates. These initiatives are intended to improve tenure security, especially for rural communities and vulnerable groups. Increasing registration costs would undermine these efforts.

As BLB, we emphasised that the people most affected would be poor households, women and children.

For many tenants on mailo land, obtaining leasehold rights is essential for protecting their livelihoods and securing legal recognition. Higher transaction costs would make those protections harder to access.

Supporters of the tax pointed to countries such as Kenya, where stamp duty rates are even higher. However, Uganda's circumstances are different. Our priority should be expanding land registration and strengthening the formal economy rather than maximising short-term tax revenue.

Ultimately, Parliament's decision recognised that long-term economic growth depends on secure and accessible land ownership.

By rejecting Clause 4, lawmakers protected ongoing efforts to formalise land ownership, reduce disputes, and support economic development. The challenge now is ensuring that the clause is not revived in future reforms, because land security remains central to Uganda's stability and prosperity.

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