

Why Parliament dropping stamp duty clause is a victory for land security

When Parliament passed the Stamp Duty (Amendment) Bill 2026 on April 21, it did something many of us in the land administration sector had been hoping for: it listened.

The controversial Clause 4, which would have slapped a three percent stamp duty on land transfers, was dropped before the final vote. Now, as the Bill awaits presidential assent, it is worth examining why this decision matters so much for Uganda's future.

But what exactly was the issue? Read through any newspaper in Uganda, and you will find stories of land-related bloodshed. Disputes over boundaries, inheritance squabbles, and outright fraud have turned land into a flashpoint for violence; murders, assaults, and property destruction.

The 2025 Uganda Police report states that land-related violence has skyrocketed. Meanwhile, the Judiciary registered 64,090 land cases out of a total caseload of 450,124 in 2025 alone.

The proposed three percent stamp duty would have made this crisis worse. Here is why! Only 30 percent of Uganda's land is registered. The rest sits in a legal grey zone. Most transactions happen on Mailo land, where tenure is already precarious. When you increase the cost of formal registration, people do what they have always done, go informal. They skip the paperwork, avoid the fees, and shake hands in the shadows.

What follows is predictable. More unregistered land means more boundary disputes. More disputes mean more violence. And when land cannot be formally registered, it cannot serve as collateral for credit. Farmers, small business owners, and entrepreneurs lose access to the financing they need

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to grow.

Uganda faces a staggering shortage, with an estimated 2.4 million housing units in deficit. Our population is young and growing fast. The developers and builders stepping in to fill this gap, mostly from the informal sector, need affordable land to work with. Slap them with higher stamp duties, and they simply pass the cost to renters and buyers. The poorest among us pay the price.

Ironically, on July 1, 2025, the government introduced a new stamp duty regime that scrapped these levies on mortgages and agreements. The idea was smart: make it cheaper and easier to register land, access credit, and do business. It worked. The mortgage and real estate sectors captured nearly 19 percent of the country's total credit stock. Then came Clause 4, threatening to undo all that progress.

The government is also running ambitious programmes such as the Systematic Land Adjudication and Certification, the conversion of customary land to freehold, issuance of occupancy certificates. These initiatives aim to secure tenure for vulnerable rural

communities and reduce disputes. But none of these goals survives in a system where registering land becomes more expensive.

For tenants on Mailo land, a leasehold is not a luxury; it is a lifeline. It is the difference between having rights and having nothing. When transaction costs rise, it is the poor, women, and children who suffer most.

Some will point out that Kenya charges four percent in stamp duty, higher than Uganda's proposed three percent. But that comparison misses the point. Kenya has a different economy, a different percentage of registered land, and different development priorities. Uganda's challenge right now is not revenue maximisation; it is building a foundation of registered, titled land that can support growth for the next decade. The government is caught between two goals: raising revenue (estimated at Shs4.9 trillion from new taxes) and expanding land registration. These need not be enemies, but they are in the short term.

Here is what we should consider: if the government had waited 10 years—allowing more Ugandans to register their land, broadening the tax base, and strengthening the formal economy, maybe the harvest would be far richer. Quick gains from stamp duty today risk stunting the growth we need tomorrow.

Parliament made the right call by dropping Clause 4. Now, as the Bill awaits assent, the government must resist the temptation to resurrect it. Land security is not just a policy issue; it is the foundation upon which Uganda's prosperity rests.

Bashir Juma Kizito is the deputy CEO of Buganda Land Board. kizito.bashir@gmail.com

Editorial Allan Chekwech 29/35 8th Street, P.O. Box 12141
Kampala, Uganda

Phones 0312301100/101
Fax 041232369

Email editorial@ug.nationmedia.com
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