Legal 500
Country Comparative Guides 2026

Uganda
Mergers & Acquisitions

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This country-specific Q&A provides an overview of mergers & acquisitions laws and regulations applicable in Uganda.

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Uganda: Mergers & Acquisitions

1. What are the key rules/laws relevant to M&A and who are the key regulatory authorities?

Mergers and acquisitions in Uganda are governed by a combination of company law, competition law, securities regulation and sector specific legislation. The core legal framework includes the Companies Act Cap. 106, the Competition Act Cap. 66, the Takeover and Mergers Regulations S. I. No. 55 of 2012 and the 2025 Listing Rules of the Uganda Securities Exchange.

The Companies Act establishes the legal framework for corporate transactions, including share transfers, amalgamations and directors' governance obligations. Competition matters are addressed under the Competition Act and the Competition Regulations 2025, which introduced a suspensory merger control regime, merger notification thresholds and a formal review process administered by the Ministry of Trade, Industry and Cooperatives Uganda.

In the capital markets sector, the Capital Markets Authority (CMA) regulates transactions involving companies listed on the Uganda Securities Exchange (USE), and supervises licensed intermediaries such as brokers, dealers and fund managers. The Uganda Securities Exchange operates as Uganda's principal securities market for the listing and trading of securities and functions as a demutualised self-regulating exchange under the oversight of the Capital Markets Authority. Alongside the USE, ALTX East Africa Limited provides a complementary trading platform licensed by the Capital Markets Authority, facilitating participation by retail and institutional investors. Companies seeking admission to either market must comply with the relevant listing requirements under the ALTX Securities Rules v2.0.

Regional competition oversight may also apply. Transactions with a regional dimension may require notification to the COMESA Competition Commission, while transactions affecting competition across the East African Community may fall within the jurisdiction of the East African Competition Authority.

Depending on the sector involved, additional regulators may participate in the approval process, including the Bank of Uganda for financial institutions, the Insurance Regulatory Authority of Uganda for insurance matters, the Uganda Communications Commission for telecommunications and the Petroleum Authority of Uganda for oil and gas transactions.

2. What is the current state of the market?

Uganda's M&A landscape continues to be shaped by a combination of legal, economic, political and regulatory factors. The past 12 months have seen steady deal activity across sectors including technology, financial services, insurance, healthcare, manufacturing and oil and gas.

The communications and media sector has been particularly active. A notable development is the mandatory takeover offer announced by CANAL+ for shares in MultiChoice Group, which includes the regional operations of GOtv Uganda. The proposed acquisition remains subject to regulatory approval from the Uganda Communications Commission and reflects increasing consolidation in the African pay television and digital content market. Activity has also been recorded in the banking sector. Absa Bank Uganda completed the acquisition of the wealth and retail banking portfolio of Standard Chartered Bank in Uganda, illustrating a broader trend of portfolio restructuring and strategic repositioning by international banks operating in the country.

Regulatory and policy developments in 2025 have also influenced transaction structuring, valuation and due diligence across several sectors. The National Climate Change (Climate Change Mechanisms) Regulations 2025 established Uganda's carbon market framework and formally recognised carbon credits as a regulated asset class. As a result, transactions involving forestry, agriculture and renewable energy projects increasingly incorporate environmental compliance and carbon market considerations.

Energy sector policy has also influenced investment patterns. The launch of the National Biofuels Blending Programme in July 2025 introduced a mandatory ethanol blending requirement of five percent and licensed four blending facilities at key border points. This policy has strengthened the investment case for ethanol production, agricultural supply chains and fuel distribution businesses.

At the same time, the Electricity Regulatory Authority

Uganda temporarily suspended the issuance of new solar and wind licences from 24 October 2025 pending completion of a national grid stability study. This has shifted investor attention toward hybrid and base load energy projects such as geothermal and hydropower. Biomass and geothermal development continues under the revised REFIT framework, with geothermal potential estimated at approximately 1,500 MW, while fiscal incentives for clean cooking technologies are supporting investment in sustainable energy solutions.

Regulatory developments in the financial sector have also influenced transaction planning. In October 2025 the Bank of Uganda issued guidelines governing domestic financial holding company structures, introducing clearer requirements on capital adequacy, governance and group-wide supervision. These rules require acquirers to consider regulatory capital, shared services and cross-border supervisory obligations in group transactions. In addition, the National Payment Systems Oversight Policy Framework issued in August 2025 strengthened risk-based supervision of banks, payment service providers and fintech companies.

Capital markets reforms have also shaped transaction dynamics. The Capital Markets Authority Uganda introduced the Corporate Governance Regulations 2025, establishing mandatory governance standards for listed companies and market intermediaries. Meanwhile, the Uganda Securities Exchange has advanced sustainability reporting initiatives aligned with international ESG standards and introduced amendments to its Listing Rules, Fees, Charges and Penalties Rules and Trading Rules in February 2025, strengthening transparency and regulatory oversight in the market.

Competition enforcement has also become more structured following the gazettement of the Competition Regulations 2025, which introduced merger notification thresholds, filing fees and a statutory review timeline of 120 days, together with an expanded definition of control. At the regional level, the COMESA Competition Commission has implemented the COMESA Competition and Consumer Protection Regulations 2025, establishing a suspensory merger control regime and clarifying notification thresholds, including for digital markets and greenfield joint ventures.

Tax reforms have also affected deal structuring. Amendments introduced in 2025 removed stamp duty on most agreements and enhanced incentives for private equity and venture capital funds regulated by the Capital Markets Authority Uganda, improving transaction efficiency. At the same time, stricter tax identification requirements, new rules governing gaming payment gateways and ongoing beneficial ownership disclosure obligations have reinforced compliance and transparency as central considerations in M&A transactions.

3. Which market sectors have been particularly active recently?

Several sectors have experienced notable M&A activity in Uganda recently. These include banking and financial services, communications, insurance and agribusiness. In the banking sector, consolidation has been driven by the need to strengthen capital adequacy, improve operational efficiencies and adapt to evolving regulatory requirements. One example is ABSA Bank's acquisition of Standard Chartered Bank's wealth and retail banking portfolio.

The communications sector has also witnessed significant deal activity, including the announced takeover offer by CANAL+ for MultiChoice Group, which includes GOtv Uganda and remains subject to regulatory approvals. In the insurance sector, recent restructuring and consolidation have also resulted in notable transactions. For example, Sanlam Allianz Africa (Proprietary) Limited acquired NICO Holdings Plc's shareholding in Sanlam Allianz General Insurance (Uganda) Limited as part of a broader regional restructuring.

4. What do you believe will be the three most significant factors influencing M&A activity over the next 2 years?

Several factors are likely to influence M&A activity in Uganda. First, regulatory and policy developments will continue to shape transaction structuring and compliance obligations. Recent reforms, including the Competition Regulations 2025 and 2025 Corporate Governance requirements introduced by the CMA, are expected to increase regulatory oversight while providing greater clarity on merger control procedures.

Sustainability and energy transition policies are likely to influence investment decisions. For instance, Uganda's Climate Change Mechanisms Regulations 2025 have formalised the country's carbon market framework and positioned carbon credits as a regulated asset class, creating new opportunities for investment in forestry, agriculture and energy projects.

Third, sector-specific regulatory amendments related to tax reforms, for instance the Stamp Duty (Amendment) Act, 2025 that removes stamp duty payable on any

agreement or memorandum of an agreement except a sale-based financing agreement between the vendor or borrower and a person licensed to carry on Islamic financial business. The Income Tax Amendment Act, 2024 also introduced a tax exemption for income derived by private equity and venture capital funds regulated by the CMA.

5. What are the key means of effecting the acquisition of a publicly traded company?

In Uganda, a publicly traded company may be acquired through several mechanisms, including purchases of shares on the securities exchange, private placements, or a takeover offer.

The Takeover and Mergers Regulations 2012 establish the framework governing takeover transactions involving listed companies. These regulations set out the thresholds that trigger a mandatory takeover offer, including circumstances where a person acquires effective control or exceeds specified voting rights thresholds in the target company. Where a takeover is triggered, the acquirer must comply with procedural requirements such as issuing a notice of intention, submitting a takeover offer document to the CMA for approval and making the necessary disclosures to the market and to shareholders.

On the other hand, "private placement" is defined as the sale of securities to pre-selected investors and institutions rather than on the open market, and is an alternative to an initial public offering for a private company seeking to raise capital.

6. What information relating to a target company is publicly available and to what extent is a target company obliged to disclose diligence related information to a potential acquirer?

In private companies, there are generally no statutory rules specifying the information that must be made available to a potential acquirer. As a result, disclosure is typically governed by contractual arrangements between the parties and occurs through the due diligence process.

In contrast, listed companies are subject to extensive disclosure requirements. Under the Takeover and Mergers Regulations, an acquirer must disclose in the offer document all information that shareholders of the target company would reasonably require in order to assess the proposed transaction. This includes the identity of the ultimate bidder, the interests of directors and shareholders in the bidder, the commercial rationale for the acquisition and the bidder's intentions regarding the future operations of the target.

The Takeover and Mergers Regulations also impose penalties where information disclosed in connection with a takeover is false or misleading. If an acquirer subsequently discovers that material information was omitted or inaccurately disclosed, it must notify the Capital Markets Authority and issue a corrective public notice.

7. To what level of detail is due diligence customarily undertaken?

Due diligence in Ugandan M&A transactions is typically comprehensive and will cover legal, financial, commercial and tax matters. The precise scope of the review varies depending on the structure of the transaction and the risk profile of the target company.

Legal due diligence usually involves reviewing corporate records, material contracts, regulatory licences, AML compliance, the propriety of the transaction structure, employment matters, insurance, and any pending or threatened litigation. Lawyers will also advise on regulatory approvals that may be required for the transaction and assess the enforceability of transaction documents under Ugandan law.

In regulated sectors such as banking, telecommunications and energy, due diligence may also involve regulatory compliance reviews, environmental and social governance assessments, and verification of sector-specific licensing requirements.

8. What are the key decision-making bodies within a target company and what approval rights do shareholders have?

The principal decision-making bodies within a Ugandan company are the board of directors and the shareholders acting through general meetings.

The board of directors is responsible for the management and strategic direction of the company and will typically negotiate and approve the terms of a proposed acquisition or sale, subject to any shareholder approval requirements under the Companies Act or the company's Memorandum and Articles of Association.

Shareholders exercise their authority through resolutions passed at general meetings. Depending on the structure

of the transaction, shareholder approval may be required for matters such as the transfer of significant assets, amendments to the company's constitutional documents or the approval of amalgamation proposals. Additionally, the target's articles of association may include some entrenchment provisions that the buyer would need to be aware of.

In the context of a takeover, shareholders hold the ultimate decision-making power in several key respects: they vote on whether to accept or reject the takeover offer, they must approve any board actions taken during the offer period, and in the case of a reverse takeover, the offeror's shareholders must approve the transaction before it can proceed. Shareholders are also protected in de-listing scenarios, where a security cannot be removed from the stock exchange unless either 75% of security holders are represented in a special resolution or at least 10% raise no objection.

In the context of amalgamations, the Companies Act requires directors to assess the amalgamation proposal and certify that the transaction is in the best interests of shareholders and that the company will remain solvent after the transaction.

9. What are the duties of the directors and controlling shareholders of a target company?

Under Ugandan law, directors owe both statutory and common law duties to the company. These duties apply throughout the transaction process, including during mergers and acquisitions.

Key duties include acting in good faith in the best interests of the company, exercising reasonable care and skill, avoiding conflicts of interest, and refraining from making personal profits at the expense of the company. Directors are also required to disclose any personal interests in proposed transactions involving the company.

In the context of an amalgamation, directors must formally resolve that the transaction is in the best interests of the shareholders and that the company will remain solvent following completion of the transaction.

Although directors' duties are primarily owed to the company, they may also be interpreted more broadly to take into account the interests of other stakeholders such as employees, creditors and suppliers within the company's business ecosystem.

10. Do employees/other stakeholders have any specific approval, consultation or other rights?

Employment matters in Uganda are primarily governed by the Employment Act and related labour legislation. While employees do not generally have approval rights over M&A transactions, certain statutory protections apply in the context of business transfers.

Where a business is transferred from one employer to another, the contracts of employment of the affected employees typically transfer to the acquirer on the same terms and conditions. This ensures continuity of employment and preserves the rights and obligations of both the employer and the employees.

In public takeover transactions, the bidder must also disclose its intentions regarding the continued employment of the target's employees in the takeover documentation provided to shareholders.

11. To what degree is conditionality an accepted market feature on acquisitions?

Conditionality is a common feature of M&A transactions in Uganda. Transaction agreements typically include conditions precedent that must be satisfied before completion of the acquisition.

Common conditions include obtaining corporate approvals from the parties, securing financing arrangements and receiving regulatory approvals from relevant authorities such as the Capital Markets Authority or sector regulators where applicable.

In public takeover transactions, the acquirer must clearly specify the conditions under which the shares will be acquired in the takeover documentation submitted to regulators and circulated to shareholders

12. What steps can an acquirer of a target company take to secure deal exclusivity?

In Ugandan practice, exclusivity arrangements are a common mechanism used by acquirers to secure negotiating leverage during the transaction process. A prospective purchaser will often request that the target company agree not to negotiate with competing bidders for a specified period while due diligence and transaction negotiations are ongoing.

The duration of the exclusivity period is usually negotiated between the parties, and target companies

often seek to limit the timeframe to avoid unnecessarily restricting alternative transaction opportunities.

13. What other deal protection and costs coverage mechanisms are most frequently used by acquirers?

Deal protection mechanisms may include confidentiality agreements, exclusivity arrangements and contractual provisions allocating transaction costs between the parties.

The Takeover and Mergers Regulations do not prohibit parties from adopting measures to safeguard the transaction. However, any such arrangements must be disclosed in the relevant takeover documentation and notices submitted to regulators.

14. Which forms of consideration are most commonly used?

In Ugandan M&A transactions, the most common form of consideration is cash, although transactions may also involve a combination of cash and shares depending on the structure of the deal. In amalgamation transactions, the consideration is shares in a newly incorporated entity.

In the context of a public takeover where the consideration is cash in whole or in part, the takeover document must specify the method and timing of payment. The acquirer is also required to deposit ten percent of the total consideration in an escrow account as security for performance of its obligations.

15. At what ownership levels by an acquirer is public disclosure required (whether acquiring a target company as a whole or a minority stake)?

In Uganda, disclosure obligations in mergers and acquisitions are primarily triggered when an acquirer obtains control of the target company. For private companies, control is assessed functionally and arises where an acquirer obtains the ability to exercise decisive influence over the target affairs, whether through majority voting rights, the power to appoint or remove a majority of the board, or other governance mechanisms.

For public companies, effective control is established at a lower threshold. An acquirer, together with associates or persons acting in concert, must disclose when they acquire shares carrying at least twenty-five percent of the voting rights in a listed company, reflecting a level of effective control or significant influence.

Further still, under the Takeover and Mergers Regulations, S.I. No. 55 of 2012 ("the Takeover and Mergers Regulations"), the application of the takeover procedure is triggered where a person who makes an offer to acquire voting rights of a listed company:

(i) holds more than 15% but less than 50% of the voting rights of a listed company and acquires in any one year more than 5% of the voting rights of such a company;

(ii) holds 50% or more of the voting rights of a listed company and acquires additional voting rights in the listed company;

(iii) acquires a company that holds effective control in the listed company or together with the voting rights already held by an associated person or related company, resulting in acquiring effective control; or

(iv) acquires any shareholding of 20% or more in a subsidiary of a listed company that has contributed 50% or more of the average annual turnover in the latest three financial years of the listed company preceding the acquisition.

While acquisitions below these thresholds will not ordinarily trigger mandatory disclosure, notification may still be required where the rights acquired confer de facto control or significant influence, for example through board representation, veto rights or other arrangements that materially affect decision-making. In such cases, regulators may treat the transaction as functionally equivalent to an acquisition of control, thereby necessitating public disclosure.

16. At what stage of negotiation is public disclosure required or customary?

In Uganda, there is generally no obligation to make public disclosure during the negotiation phase in respect of private company transactions. Parties are therefore free to negotiate on a confidential basis without public announcement, subject to any contractual confidentiality arrangements.

By contrast, in the case of listed companies, the Takeover and Mergers Regulations 2012 impose early disclosure obligations once a firm intention to acquire effective control has been formed. An acquirer who intends or proposes to acquire effective control of a listed company is required to make a public announcement by way of a press notice and to serve a notice of intention on the target.

This obligation is triggered promptly, typically within twenty-four (24) hours of the acquirer's decision to proceed with the acquisition or the approval of the transaction by its board of directors. As a result, while preliminary discussions may remain confidential, disclosure is required at a relatively early stage once the transaction moves beyond exploratory negotiations and a definitive intention to transact has been established.

17. Is there any maximum time period for negotiations or due diligence?

There is no statutory maximum time period prescribed for negotiations or due diligence in mergers and acquisitions. Parties are therefore free to determine the duration of these processes based on the complexity of the transaction, the nature of the target company, and the scope of information required.

This flexibility allows acquirers and target companies to tailor the timetable to their specific circumstances, taking into consideration the extensive regulatory considerations, cross border elements, or sector specific compliance requirements, if any.

18. Is there any maximum time period between announcement of a transaction and completion of a transaction?

In M&A transactions involving private companies in Uganda, there is no prescribed statutory timetable. The duration of the transaction is therefore largely a matter of agreement between the parties and will depend on factors such as the transaction structure, the complexity of due diligence, and the negotiation of key commercial terms.

By contrast, acquisitions involving listed companies are subject to a defined regulatory timetable under the Takeover and Mergers Regulations 2012, which the acquirer must build into its transaction planning. Key steps and timelines include:

the acquirer must announce its proposed offer within twenty-four (24) hours of its board resolving to acquire effective control of the target;

within ten (10) days of issuing the notice of intention, the acquirer must serve the target with an acquirer's statement setting out the terms of the proposed takeover;

upon receipt of the acquirer's statement, the target must notify the relevant stock exchange and the Capital Markets Authority (CMA) and publish a press announcement within twenty-four (24) hours;

within fourteen (14) days of serving the acquirer's statement, the acquirer must submit the takeover offer document to the CMA for approval;

- the CMA is required to review and make a decision on the offer document within thirty (30) days;
- following CMA approval, the acquirer must serve the approved takeover document on the target within five (5) days
- the target must then circulate the takeover document, together with the independent adviser's circular, to its shareholders within fourteen (14) days of receipt;
- the offer must remain open for acceptance for at least thirty (30) days from the date of service of the takeover document; and
- the offer closes on the final day of the offer period.

Following acceptance of the takeover offer, the acquirer is required to notify the relevant government authority responsible for competition matters, which will review the transaction typically within one hundred and twenty (120) days to determine whether it is likely to have an adverse effect on competition in the market.

19. Are there any circumstances where a minimum price may be set for the shares in a target company?

Yes. Under Uganda's Takeover and Mergers Regulations, a minimum offer price for each fully paid-up share is supposed to be included in the public announcement of an offer.

20. Is it possible for target companies to provide financial assistance?

Under the Companies Act, Cap 106, a company is generally prohibited from providing financial assistance, directly or indirectly, for the purpose of the acquisition of its own shares or those of its holding company. This is based on the capital maintenance rule, which is designed to protect creditors and preserve the integrity of the company's assets.

In an M&A context, a target will typically be restricted from guaranteeing acquisition debt or granting security over its assets to support the purchaser's financing. The

prohibition is, however, subject to limited exceptions, including transactions undertaken in the ordinary course of business (particularly by financial institutions), the facilitation of employee share schemes, and certain intra-group arrangements, provided these do not prejudice creditors or undermine the company's financial position.

21. Which governing law is customarily used on acquisitions?

Generally, under Ugandan law, parties are free to choose the governing law of their transaction in line with the doctrine of freedom of contract. In practice, Ugandan law will typically govern domestic acquisitions, particularly where the target is a private company and the assets and operations are located in Uganda. However, in cross-border transactions, it is common for parties to select foreign governing laws, most notably English law, given its predictability and well-developed body of commercial jurisprudence; in some cases, parties have also opted for the laws of jurisdictions such as Delaware, or, less frequently, Chinese or German law, depending on the profile of the investors and financing arrangements.

Ugandan courts will generally uphold a contractual choice of foreign governing law and jurisdiction, provided the choice is made in good faith and is not contrary to public policy. In determining whether to give effect to a foreign jurisdiction clause, courts have developed principles broadly aligned with common law authorities, including whether the clause is exclusive or non-exclusive, whether there are strong reasons not to enforce it, and whether enforcement would result in injustice, inconvenience, or denial of a fair trial. Courts will also consider factors such as the place of performance of the contract, the location of the parties and subject matter, and the interests of justice.

As a result, while parties are at liberty to "oust" the jurisdiction of Ugandan courts by agreement, such clauses are not absolute and may be set aside where there are compelling reasons to do so exist.

22. What public-facing documentation must a buyer produce in connection with the acquisition of a listed company?

1. A Copy of notice of intention of the Takeover Scheme served on CMA, USE, and the Buyer;

2. A Copy of the Press Notice;

3. A copy of the Take Over document; and

4. A shareholder circular, typically accompanied by a report from an independent advisor;

23. What formalities are required in order to document a transfer of shares, including any local transfer taxes or duties?

A transfer of shares must be formally approved through a resolution of the Company's Board of Directors. Once passed, the resolution is lodged on the Company Online Business Registration System (OBRS), where the transfer is filed and the relevant Transfer of Share Stock Form(s) generated.

Before the transfer can be finalized, a share valuation is required. The transaction also attracts stamp duty at the rate of 1.5% of the assessed value of the transfer.

24. Are hostile acquisitions a common feature?

Hostile acquisitions are not a common feature of Uganda's mergers and acquisitions landscape as the market is dominated by negotiated, friendly transactions, with regulatory oversight and shareholder protections making hostile bids rare.

25. What protections do directors of a target company have against a hostile approach?

The use of defence by directors is not regulated under Ugandan law. However, directors may adopt commonly used defensive strategies from other jurisdictions, provided they act within the limits of their fiduciary duties and in the best interests of the company. Any defensive action taken must be justifiable and aligned with their statutory duty to promote the success of the company.

26. Are there circumstances where a buyer may have to make a mandatory or compulsory offer for a target company?

Yes. Where a takeover results in the offeror acquiring 90% of the offeree's voting rights, the offeror shall offer the remaining shareholders a consideration that is equal to the prevailing market price of the voting rights or the price offered to the other holders, whichever is higher. This ensures that minority shareholders are not left stranded and have a fair exit opportunity.

27. If an acquirer does not obtain full control of a

target company, what rights do minority shareholders enjoy?

In Uganda, minority shareholders benefit from a range of protections even where an acquirer does not obtain full control of a target company. Most notably, where a takeover results in the acquirer holding at least 90% of the voting rights, the statutory squeeze-out regime is triggered, requiring the acquirer to extend an offer to the remaining shareholders on equivalent terms, thus ensuring an exit at a fair value.

More broadly, the principle of equal treatment under the Takeover and Mergers Regulations 2012 entitles minority shareholders to receive the same consideration as majority shareholders in takeover offers, purposely to prevent discriminatory pricing.

The regulatory framework is reinforced by oversight from the CMA and the USE, which supervise takeover processes to safeguard investor interests, particularly in listed companies. In addition, minority shareholders retain core corporate governance rights, including voting rights, access to information and, in certain cases, negotiated protections such as board representation or veto rights.

28. Is a mechanism available to compulsorily acquire minority stakes?

Yes. Under Ugandan law, a mechanism exists to compulsorily acquire minority shareholdings, typically referred to as a “squeeze-out”. Under the Companies Act and the Takeover and Mergers Regulations 2012, where an acquirer obtains or contracts to acquire at least 90% of the shares (or voting rights) in a company pursuant to a takeover offer, the acquirer may require the remaining minority shareholders to sell their shares on the same terms as those offered to the majority.

This mechanism is designed to enable the acquirer to achieve full ownership and avoid the complications of maintaining a small minority interest. At the same time, minority shareholders are protected by the requirement that the acquisition be carried out on fair and equivalent terms, and they typically retain a right to challenge the compulsory acquisition before the courts if they consider the offer to be unfair.

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