



FROM CLASSROOM TO CPA:
A JOURNEY OF RESILIENCE,
DETERMINATION, AND
TRANSFORMATION



HARNESSING THE POWER OF THE
CPA QUALIFICATION: CPA MARION
ATUHURA'S JOURNEY TO THE HELM
OF CEO SUMMIT UGANDA

CPA CONNECT

WE CREATE IMPACT

The Student's Magazine for The Institute of Certified Public Accountants of Uganda (ICPAU)

ISSUE 15 - DECEMBER 2025

UGANDA'S BOLD LEAP INTO SUSTAINABILITY REPORTING: A REGULATORY IMPERATIVE

TAX POLICY AND LEGISLATIVE UPDATES FOR FINANCIAL YEAR 2025 – 2026 AND HOW THEY AFFECT BUSINESSES AND INDIVIDUALS



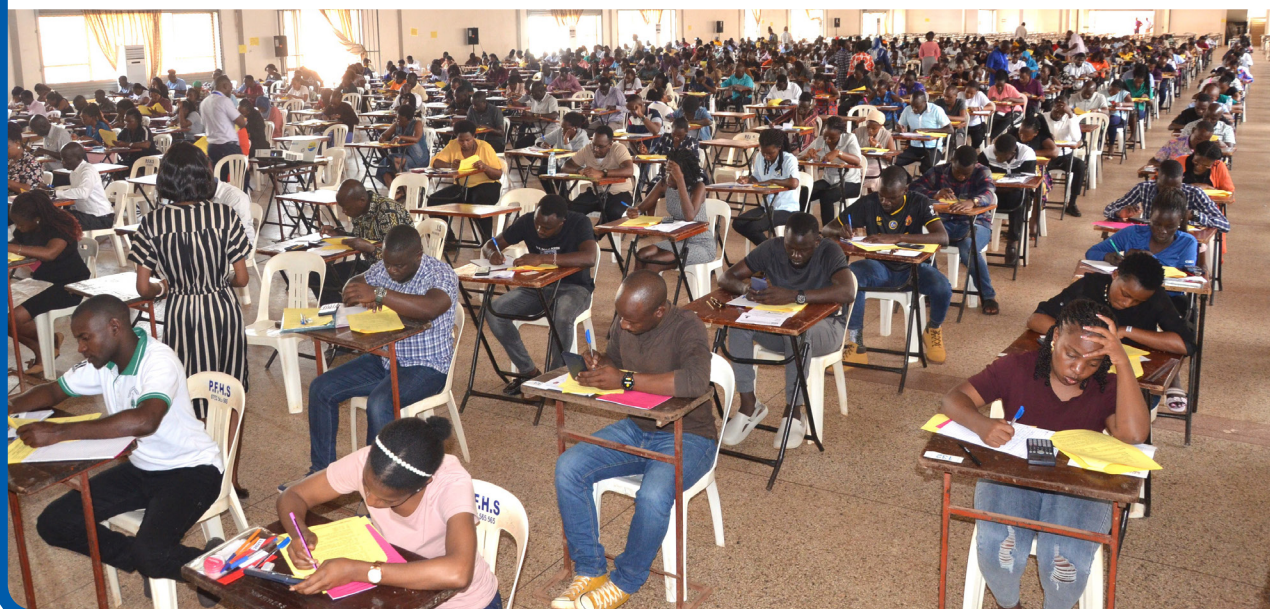
PRACTICAL EXPERIENCE
TRAINING: REFLECTING
ON INTERPERSONAL AND
ORGANISATIONAL SKILLS



CPA
Uganda

2026 EXAMINATIONS CALENDAR

| | Diet | Course | Normal Registration | Late Registration | Examinations Dates | Centres |
|----|----------|------------|---------------------------|-------------------|----------------------|---------|
| 1. | May | CPA CTA | 5 January - 31 March 2026 | 1 - 15 April 2026 | 18 - 22 May 2026 | All |
| 2. | August | CPA | 16 June - 31 July 2026 | N/A | 24 – 28 August 2026 | Kampala |
| 3. | December | CPA CTA | 15 - 30 September 2026 | 1-15 October 2026 | 7 – 11 December 2026 | All |



A woman in a black graduation gown with a yellow stole is shown from the side, holding up a black mortarboard cap with a red tassel. The background is a dark blue gradient with white stars and a yellow diagonal stripe.

16th ICPAU GRADUATION

*Save
THE
Date*

6 March 2026

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CPA
Uganda

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MESSAGE FROM THE SECRETARY/CEO



Dear Student,

We are delighted to present to you the second edition of the CPA Connect Magazine for this year. Over time, this publication has become an essential companion for students, providing practical strategies, insights, and guidance to support you on your journey to accomplishing your goals.

I extend heartfelt congratulations to all students who have made significant progress in their studies. Your resilience and dedication have brought you thus far, and we celebrate you. Every journey has its highs and lows, and what matters most is the resolve to rise again. Use the lessons learned to prepare better and try again.

As the year draws to a close, I would like to report to you the significant achievements that we registered, milestones that contribute to building a stronger and more responsive profession.

In July, we witnessed a change in our governance when we ushered in a new Council with CPA Timothy Ediomu as President and CPA Alfred Kabuchu as the Vice President. This was a culmination of an electoral process that was conducted in June 2025 among full members of the Institute. The new Council will steward the Institute through the next two years under the 2024 - 2028 strategic plan. Details on the Council members can be accessed via the [Institute's website](#).

Additionally, from 21 - 25 July we conducted the final edition of the masterclass for holders of Foreign Accountancy Qualification (FAQ). The goal was to provide a simplified route for holders of FAQ who completed their FAQ studies by 2013 to enrol for ICPAU membership. 61 participants successfully completed the masterclass, and they are processing their membership enrolment.

In September, the Institute launched the roadmap for implementing the IFRS Sustainability Disclosure Standards, a key step in preparing the accountancy profession for the global shift towards sustainability reporting. The standards are envisaged to address longstanding reporting challenges through providing a comprehensive global baseline of disclosure standards to facilitate consistent and comparable disclosures on risks and opportunities related to sustainability and climate, referred to as IFRS S1 and IFRS S2, respectively. The roadmap can be accessed via the [Institute's website](#), and early adoption is highly recommended.

Similarly, in October, the International Non-Profit Accounting Standard (INPAS) was launched, marking a significant milestone in the non-profit-organisation reporting landscape. The INPAS is expected to enhance consistency, comparability, and credibility

in nonprofit financial reporting, as nonprofits will report using one standard, eliminating the need to navigate dozens of different funder requirements. ICPAU was the country champion in adopting this standard. The INPAS is available, and it can be accessed via the IFR4NPO website.

Research remains a vital factor in developing impactful programmes to advance the Institute's vision and mission. To encourage evidence-based decision-making, research-driven reforms, and innovation within the accountancy and public finance management sectors, the Institute held the 1st ICPAU Research Conference on 14 November. During the conference, researchers disseminated the findings of their studies in the areas of sustainability and ESG reporting, Public Finance Management, taxation and economic policy, the future of the accounting profession, financial sustainability, and Artificial Intelligence. More research conferences will be held moving forward.

On the infrastructure front, the Institute registered progress in the ongoing construction of ICPAU offices on Plot 42, Bukoto Street. This progress reflects our commitment to obtaining modern office facilities befitting the image of the Institute, and facilitating effective delivery of services to students, members and other stakeholders. Construction is expected to be completed in early 2026.

We continued to strengthen our influence on the global scene through collaborations with regional Professional Accountancy Organisations. From 18 - 20 February, ICPAU hosted the Public Finance Management (PFM) conference for Africa, in partnership with the Pan African Federation of Accountants (PAFA) and the African Union (AU). Held under the theme, Enhancing Public Finance in Africa: Progress and Prospects, the conference convened key stakeholders in Africa's PFM space to evaluate progress in PFM reforms, share knowledge and chart a path for enhancing PFM in Africa.

Looking forward, we are excited about the upcoming East African Congress of Accountants (EACOA) 2026, which will be hosted by Ordre des Professionnels Comptables du Burundi (OPC Burundi) from 15 - 17 April. This prestigious regional gathering will bring together professionals from across East Africa to share insights, strengthen collaboration, and reflect on the future of the accountancy profession. Regional events are excellent for expanding networks and enriching experiences. I encourage many to attend, as we collectively work towards a formidable East Africa accountancy community.

These achievements reflect our collective commitment to elevating the quality of accountancy education and practice in Uganda. We remain grateful to tuition providers, examiners, and all stakeholders for their consistent support in nurturing the next generation of accountants.

As we reflect on the year ending, I invite you to take stock of your own growth and to set clear, purposeful goals for the coming year. Your studies are more than an academic pursuit; they are journeys of personal growth, character building, and professional transformation. Stay committed and believe in the professional you are becoming.

I wish you a productive year-end.

CPA DERICK NKAJJA
Secretary/CEO

MESSAGE FROM THE DIRECTOR EDUCATION



As we draw closer to the end of 2025, we reflect on a year marked by progress, innovation and renewed commitment to shaping the future of the accountancy profession in Uganda.

We have held three examinations diets this year; August was for the Certified Public Accountants (CPA) course only, while May and December were for CPA, Accounting Technicians Diploma and Certified Tax Advisor.

I commend all those who have progressed in their studies and those who have registered achievements as top candidates.

The Institute continues to support students along their studies through student engagement webinars, examination briefing sessions, and counselling. Students are encouraged to utilise these opportunities to get the required help for their progression.

To improve teaching quality, we also continue to engage tuition providers. For Instance, we held a training of trainer's workshop in July. This was a follow-up activity of the masterclass in pedagogy that we conducted in 2024. Moving forward, we will be holding these engagements annually.

Students pursuing the Accounting Technicians Diploma (ATD) are reminded that the December 2025 diet will be the final diet under the Institute of Certified Public Accountants of Uganda (ICPAU), with ATD assessment transitioning to the Uganda Vocational and Technical Assessment Board (UVTAB) from January 2026.

ATD students will have their statuses updated to accommodate the results of the December 2025 examinations diet. Engagements have been held with the students to prepare them for the transition. We are also working with UVTAB to ensure that the transition is smooth.

As we conclude the year, I congratulate all students who

completed their studies this year upon their achievements. The 16th ICPAU graduation ceremony will be held on 6 March 2026. In due course, we will update all finalists regarding the registration details for graduation.

I would also like to remind you that the 2026 examinations calendar has been released. Please use it to plan your studies and progression.

I encourage all students and aspiring professionals to set realistic and purposeful goals. Plan your study schedules early, seek mentorship, and take advantage of the flexibility within the CPA programme.

The Practical Experience Training (PET) programme provides a framework for CPA students to document their experience, ensuring that they have the practical experience requirements for full membership enrolment as they complete the course.

CPA students should consider beginning their PET as soon as possible to increase their eligibility for membership enrolment. I invite you to enjoy this edition of the CPA Connect Magazine. It is filled with insightful articles, technical updates, and inspiring stories that reflect how together, we create impact.

May you close the year with renewed focus, confidence, and the determination to keep learning because your journey is not only about passing exams, but also shaping the future of the profession.

Wishing you the best in your studies, a productive year end and a bright future.

CPA Charles Bahakwonka Byaruhanga
DIRECTOR EDUCATION

EXPERTS



CPA Patrick Jove Ogua is a Certified Public Accountant (CPA), a Certified Tax Advisor (CTA), and a Tax Agent licensed by Uganda Revenue Authority. Patrick holds a Masters in Business Administration (MBA) with a major in Finance, and Advanced Diploma in International Tax (ADIT). He is an International Tax Affiliate of The Chartered Institute of Taxation in United Kingdom (UK), and a member of the Uganda Tax Agents Association (UTAA). His experience in Accounting, Audit, Tax Advisory & Regulatory Services spans across multiple sectors including Media, Engineering, Real Estates, Property, Investments & Not-for-Profit Organizations. As the Managing Partner at Patrick & Associates Certified Public Accountants, CPA Patrick leverages his vast knowledge and expertise to lead the team at the firm, while delivering exceptional services and strategic guidance to clients.



CPA Budalah Nsubuga is a Senior Accountant at Vision Group and a Financial Modeling & Valuation Analyst. He serves on the Members Services and Financial Reporting Awards Committees of ICPAU. He is an ICPAU-accredited tuition provider. In 2022, CPA Nsubuga attained a Young Accountant of the Year award. He holds a Master's degree in Business Administration. CPA Nsubuga is a full member of ICPAU.



CPA Charles Lutimba is the Director of Standards and Regulation at ICPAU. He has held several positions at ICPAU, including Manager Standards and Technical Support, Senior Technical Officer, and Technical Officer. He was recently appointed to the Tax Agents Registration Committee (TARC). He holds a Master of Business Administration, CPA(U) qualification, Postgraduate Diploma in Tax and Revenue Administration (PoDITRA), Bachelor of Laws Degree (LLB) (MUK), a Post Graduate Diploma in Legal Practice (Distinction) from the Law Development Centre (LDC) and a Bachelor of Arts with Education Degree (MUK).



CPA Ambrose Kariyo Mugisha is the Head of Education and Training at the Institute of Certified Public Accountants of Uganda (ICPAU). He has 10 years of professional experience with ICPAU and focuses on developing accountants for professional excellence and sustainability. He was previously a Technical Officer at ICPAU. CPA Mugisha has extensive experience in executing compliance requirements with the IFAC's Statements of Membership Obligations (SMOs). He is a Certified Public Accountant of Uganda, a member of the Institute of Internal Auditors Uganda, and he was a member of the Uganda National Teachers Union. Prior to joining the Institute, CPA Mugisha was a Chemistry teacher for 10 years. He holds an MBA.



CPA John Bosco Mugabi is an Examinations Officer and member of ICPAU. He holds a Bachelor's Degree in Accounting and Finance from Uganda Martyrs University and a Grade Three Teacher's Certificate from Kyambogo University. He has worked as a Quality Assurance Officer at ICPAU, an Auditor with Grant Thornton and other audit firms, and has taught CPA papers at Sammy Professional Trainers. He also taught Mathematics and Sports at Naranbhai Road Primary School in Jinja City for over 15 years.



CPA Charity Akatukwasa Uwizera is a self-employed free-lance tax consultant and tax agent. She has previously worked as an officer at Uganda Revenue Authority Domestic Taxes Department and as a tax consultant at PricewaterhouseCoopers (PwC) from where she retired at the level of Manager in June 2016. CPA Akatukwasa is also a graduate teacher. She holds a Post Graduate Diploma in Tax and Revenue Administration (PODITRA).



CPA Gabriel Muwonge Musenero is an Assistant Manager, Tax at BDO East Africa Advisory Services. He is a full member of ICPAU with taxation practice spanning for a period of over 11 years. He holds a Certificate in Total Tax Person (TTP) course and Post Graduate Diploma in Tax Investigations (PODITI) course from URA, MBA majoring in Finance from Mountains of the Moon University and Bsc. Accounting and Finance from Kyambogo University. He is the Board Chairman of Banna Font Natural Mineral Water Factory and a member of the audit committee for MADDU Dairies Limited.



Ms Jackline Nabirye is a Communications Officer at the Institute of Certified Public Accountants of Uganda. With a strong background in communications, she holds a postgraduate degree in Public Administration and a Bachelor's degree in Mass Communication. She is passionate about enhancing communication strategies and effectively promoting the Institute's publications within the accounting profession, ensuring clarity and engagement.



CPA Robert Katuntu is a Partner at J. Samuel Richards & Associates. He has a robust background in banking, corporate finance, auditing, and management consulting. He has extensive experience in delivering strategic financial solutions and insights that drive business growth and improve operational efficiency. CPA Katuntu is a CFA charter holder, and is passionate about fostering innovation and excellence in Finance.



Ms Caroline Nassuuna is a Communications officer at ICPAU. She is a Public Relations Officer with a bachelor's degree in Journalism and Mass Communication from Uganda Martyrs University. She has experience in the field of communication having worked in the different spaces of journalism for over five years.



CPA Beatrice Wanyirigira is a seasoned accountant and entrepreneur with expertise in tax, service business management, financial reporting, and corporate finance. She serves as a Director at Alba Professional Business School Ltd and as Finance Manager at Brainwave Careers Uganda, where she has played a key role in strengthening financial transparency, compliance, and organizational efficiency. She holds a Bachelor's degree in Management Science from Kyambogo University and is a proud member of the Institute of Certified Public Accountants of Uganda (ICPAU). With more than six years of experience spanning academia and corporate practice.



Ms. Joan Abaasa is a Communications Officer with a Bachelor's Degree in Journalism and Mass Communication from Uganda Christian University. She has over four years of experience in communications, public relations, and marketing, with a proven ability to support institutional visibility and stakeholder engagement. She is currently pursuing the Chartered Institute of Marketing qualification at Datamine CIM Accredited Study Centre.



Abraham Malinga is a Communications Intern at the Institute of Certified Public Accountants of Uganda (ICPAU) where he supports impactful communication initiatives. He holds a degree in Mass Communication from Uganda Christian University (UCU) with over five years of experience in journalism and Communications. He also holds a Data Analysis Certificate from Aga Khan University. He is passionate about climate action.

EDITOR'S NOTE



Dear reader,

Christmas is here, and so is the year-end. Often, this season signals a time for retrospection. A time to take stock of our progress and register the wins. Some will check all their boxes, others will check some. Nonetheless, we revel in the progress that we have made. As we grow older, wiser, it becomes more apparent that action and consistency are the real determinants of success.

Therefore, if you have yet to accomplish your goals, do not despair. Progress makes all the difference. If you got up every morning and made a step towards achieving your goals, you are on a winning course. Stay focused, keep the action, remain consistent. Soon, you will reap bountifully.

As you prepare to close the year, the Institute's editorial team has prepared rich content to keep you updated and help you strategise for the year ahead.

Our panel of experts has written content on the IFRS Sustainability Disclosure Standards, tax policy updates, international tax, investing in pension funds, corporate financial strategy, and risk management, among others.

On the softer side, we tackle organisational and interpersonal skills from the Practical Experience Training

perspective. We also bring you captivating stories of CPAs who are making a mark in the industry. Be sure to read these and draw inspiration for your journey.

Our news stories will keep you abreast of what the Institute has been about during the year, including the changes in governance, the launch of the roadmap for implementing the IFRS Sustainability Disclosure Standards, and Accountancy Service Awards and Financial Reporting Awards updates, among others. Those aspiring for careers in accountancy practice will be happy to learn of the establishment of the Accountancy Practitioners Forum Ltd (APF), a body corporate, established to advocate for practitioners' interests.

I wish you a restful holiday season, and I hope that you find this edition helpful for your journey.

To share feedback on the edition or submit an article, please write to communications@icpau.co.ug

Merry Christmas and happy holidays.

Nancy Akullo
Head of Communications



By Joan Abaasa
Communications Officer
Institute of Certified Public Accountants of Uganda

AUGUST 2025 EXAMINATIONS RESULTS SHOW IMPROVEMENT



The Public Accountants Examinations Board (PAEB) of the Institute of Certified Public Accountants of Uganda (ICPAU) released the results of the August 2025 examinations diet, noting a slight improvement in candidate performance compared to the previous year. The announcement was made on Monday, 22 September 2025, during an event presided over by PAEB Chairperson, CPA Nancy Amuge Owino.

Of 6,087 scripts submitted, 2,213 passed, representing an average pass rate of 36.4%, up from 31.0% in August 2024.

Performance improved significantly at Level II (44.1%), up from 28.8% the previous year, and at Level IV (46.7%), up from 33.5%. Level I also recorded a modest improvement of 4.1%. However, Level III performance declined by 3.3%, with notable drops in Strategy, Governance and Leadership, Audit Practice and Assurance, and Advanced Taxation.

“While we celebrate progress in Levels I, II, and IV, we acknowledge the declines at Level III and commit to addressing these gaps through student engagements and targeted interventions,” Owino said. She announced that examiners’ reports would be discussed with students during engagement sessions scheduled for October 2025.

The results also highlighted demographic trends. Of the 4,249 candidates, 2,436 (57.3%) were female and 1,813 (42.7%) males. Female candidates achieved a slightly higher pass rate at 37.3%, compared to 35.1% for their male counterparts.

In terms of age, the majority of passes were attained by candidates aged 25–34 years, who accounted for 68.6% of the total passes, underscoring the importance of commencing the CPA course early.

PAEB recognised outstanding candidates across all levels. Among them were Esher Treasure Kirabo (Financial Accounting), Umarah Nakyambadde (Economics & Entrepreneurship), Adrine Asingwire (Financial Reporting), and Joel Ayiko (Advanced Financial Reporting). In the flagship Integration of Knowledge paper, Allan Senfuma emerged as the top overall candidate.

Female candidates excelled, securing 14 out of 21 subject awards (66.7%). In addition, 97 students completed the CPA course, up from 80 in August 2024, bringing the cumulative number of

CPA(U) graduates to 5,580.

Owino congratulated the successful candidates and emphasised that the improved performance reflects the Board’s continuous efforts to support student learning and professional development.

“On behalf of PAEB, I take this opportunity to commend all the candidates who passed, the top performers in each subject, and those who successfully completed the CPA course. We are steadily progressing towards strengthening the accountancy profession through rigorous examinations and quality assurance,” she said.

Beyond the results, CPA Owino highlighted key initiatives undertaken by PAEB to improve learning outcomes. These included a Training of Trainers workshop (17–18 July 2025) to strengthen teaching quality among tuition providers, a Foreign Accountancy Qualification (FAQ) Masterclass (21–25 July 2025) in which all 61 participants successfully completed, and student engagement sessions in July 2025 alongside pre-exam briefings in August 2025. More activities are scheduled ahead of the December 2025 examinations. She further reminded students pursuing the Accounting Technicians Diploma (ATD) that the December 2025 diet will be the final one conducted under ICPAU. Effective January 2026, ATD examinations will transition to the Uganda Vocational and Technical Assessment Board (UVTAB).

ICPAU Secretary/CEO, CPA Derick Nkajja, encouraged students to take full advantage of the CPA journey, noting that the structure of the examinations provides sufficient flexibility for progression.

“Our examinations are designed to give candidates up to ten years to complete, allowing them the flexibility to balance professional growth with other pursuits.

What we would like to see, however, is that students start the CPA course early in their careers. The younger they are when they begin, the more time they have to apply their knowledge to support businesses and contribute to the economy,” Nkajja said.

4,249 candidates sat for their examinations in August 2025 compared to 4,401 in August 2024, representing a slight reduction of 152 (3.5%). ♦



By Jackline Nabirye
Communications Officer
Institute of Certified Public Accountants of Uganda

ICPAU LAUNCHES ROADMAP FOR IMPLEMENTING SUSTAINABILITY REPORTING STANDARDS



CPA Timothy David Ediomu - ICPAU President with Hon. CPA Faith Nakut at the launch of the road map for the implementation of the IFRS Sustainability Standards in Uganda during the 30th ICPAU Annual Seminar.

The Institute of Certified Public Accountants of Uganda (ICPAU) taken a decisive step for Uganda's sustainability reporting journey with the launch of the roadmap for implementing the IFRS Sustainability Disclosure Standards. The milestone positions Uganda among the early adopters of the global sustainability reporting framework.

The announcement was made on 3 September 2025 during the 30th ICPAU Annual Seminar, held at the Imperial Resort Beach Hotel, Entebbe, under the theme, *"Positioning Professionals for Sustainable Impact."*

Speaking at the event, CPA Timothy David Ediomu, the president of ICPAU emphasised the urgency for climate action and the need for a single global sustainability reporting framework.

"Extreme weather changes that we have witnessed are no longer anomalies but are now common. These are signs of climate change that will increasingly impact our economic activities and livelihoods," he said.

The International Sustainability Standards Board (ISSB), established by the IFRS Foundation issued a comprehensive global baseline of disclosure standards to



Practitioners and members of the Uganda Integrated Reporting Committee at the launch of the IFRS Sustainability Disclosure Standards Roadmap at the 30th ICPAU Annual Seminar.

facilitate consistent and comparable disclosures on risks and opportunities related to sustainability and climate, referred to as IFRS S1 and IFRS S2, respectively.

Following the issuance of the IFRS Sustainability Disclosure Standards, on 4 September 2024, ICPAU announced the adoption of the standards, making them applicable in the Ugandan context.

The roadmap unveiled at the 30th ICPAU Annual seminar outlines a phased approach to implementation, providing for testing, transition, and permanent release. It also includes guidance on the placement of disclosures, the timing of reporting, the assurance of sustainability information, and the enabling mechanisms for capacity building and effective application. The framework is designed to strengthen resilience, inclusiveness, and long-term sustainability reporting in Uganda.

The roadmap is the product of extensive consultations led by the Uganda Integrated Reporting Committee, chaired by CPA Mustapha Mugisa, working alongside the ICPAU Professional Standards Committee. A public validation workshop was held on 13 August 2025, after which the roadmap was approved by the ICPAU Council.

The president acknowledged organisations which sent representatives to witness the launch of the roadmap, including: Office of the Auditor General, Office of the Accountant General, Bank of Uganda, Insurance Regulatory Authority, Uganda Retirement Benefits Regulatory Authority, Capital Markets Authority, Uganda Securities Exchange, and accounting firms. The Pan African Federation of Accountants was represented by Mr Owen Mavengere, the Director Technical

Excellence.

Ediomu extended gratitude to all individuals and organisations that contributed feedback to the roadmap, urging them to remain actively engaged. He appealed for cooperation from all stakeholders in ensuring the successful rollout of the roadmap, adding that collaboration with regulatory bodies is crucial in designing Uganda's sustainability agenda together.

"My request to all stakeholders in this sustainability reporting journey is to extend your cooperation in achieving the intention of the roadmap. For the regulatory bodies, collaborating with you presents a key milestone in designing the sustainability agenda together," he noted.

The launch ceremony was presided over by Hon. Faith Nakut Loru, Woman Member of Parliament for Napak District, who joined members of the Uganda Integrated Reporting Committee and the ICPAU Professional Standards Committee in unveiling the roadmap. The roadmap for implementing the IFRS Sustainability Disclosure Standards is accessible on the ICPAU website www.icpau.co.ug.



The ICPAU Annual Seminar, which provided the stage for this landmark launch, is the Institute's largest annual gathering and a flagship continuing professional development event. It brings together accountants and other professionals from across the economy to engage in discussions on issues pertinent to the profession, personal growth, and networking opportunities. The three-day residential seminar blends technical learning with soft skills development, team building, and recreation, creating a platform for both professional advancement and personal enrichment. ♦



By John Bosco Mugabi
Examinations Officer
Institute of Certified Public Accountants of Uganda

FROM CLASSROOM TO CPA:

A JOURNEY OF RESILIENCE, DETERMINATION, AND TRANSFORMATION



The Certified Public Accountants (CPA) qualification will open doors you never imagined, and the journey towards earning it will shape you into a stronger, more disciplined, and more confident version of yourself. It is more than a course, it is a transformation that challenges you, stretches your potential, and elevates your career in ways you may not yet see. Every CPA has a story that begins with a single decision: the decision to try. Here is mine, shared with the hope that it inspires you to discover what you, too, are capable of becoming.

My journey to becoming a Certified Public Accountant began in a place many would least

expect, a primary school classroom. Long before I stepped into the world of audits, financial statements, and professional practice, I was a Mathematics and Physical Education teacher at Naranbhai Road Primary School in Jinja City. Yet even as I taught, the dream of becoming an accountant quietly followed me through the years.

That dream was first planted when I was in primary five at Kagoma Primary School. I still remember the day the district internal auditors visited. Their presence made a lasting impression on me; their confidence, professionalism, and the way they carried themselves. I did not fully understand their work at that age, but I knew I wanted to be like

them one day. Growing up as the fourth of six children in Igombe village in Jinja District, this dream felt distant, but it never left my mind.

As I continued teaching, life provided me with another spark of inspiration. In 2009, one of my colleagues, Ms Rose Ideru, a CPA student at the time, used my classroom for her evening revision. Watching her commitment and discipline reignited my own aspirations. She encouraged me, guided me, and helped me believe that I could also pursue accounting. With her support and the determination, I had carried since childhood, I decided it was time to start my journey.

Using my modest salary as a government-paid teacher, I enrolled for the Accounting Technicians Certificate (ATC) in July 2010. Balancing school with the responsibilities of teaching, especially handling a primary seven candidate class, was far from easy. Many evenings were exhausting, and there were moments when giving up was tempting. But the desire to grow and prove to myself that I could achieve more, kept me going. By December 2012, I had completed the ATC, now known as the Accounting Technicians Diploma (ATD), and I felt ready to take on an even bigger challenge.

In February 2013, I registered for the Certified Public Accountants of Uganda (CPA-U) course. This part of my journey tested my resilience more than anything I had experienced before. Every step required sacrifice; late nights, financial discipline, and the courage to keep going even when the exams were tough. Six years later, in June 2019, I completed the CPA qualification, and in March 2020 I graduated. It remains one of the proudest moments of my life.

Just as I was stepping into the profession, the world was hit by the COVID-19 pandemic. Despite the uncertainty, I secured my first job as an auditor with Mukasa, Yiga & Company in December 2019. It was

an opportunity that allowed me to apply what I had learned and gain confidence in my abilities. Over the next years, I continued to grow, joining Bawuna and Badebye CPAs in 2022 and later Grant Thornton CPAs in 2023. Each role challenged me, shaped me, and pushed me further along the professional path I had worked so hard to reach.

In February 2024, a new chapter began when I joined the Institute of Certified Public Accountants of Uganda (ICPAU) as an Assistant Quality Assurance Officer. Six months later, I was promoted to Quality Assurance Officer; an affirmation that hard work, commitment, and the right guidance can take anyone far. Today, I am honoured to contribute to strengthening and creating impact on the accounting profession in Uganda.

I know what it means to study after long days of work, to struggle financially, to doubt yourself, and yet keep going simply because the dream matters. And that is why I share my journey openly. If I could grow from a village pupil inspired by visiting auditors, to a teacher balancing lessons and revision, to a CPA shaping quality and creating impact in the profession, then you too can rise beyond your starting point.

To every student pursuing the CPA course, and to anyone considering it, my message is simple: the path may not be easy, but it is worth it. Believe in your potential. Be patient with your progress. Stay committed even when the road gets tough.

Your background does not determine your destination. What matters is your willingness to begin, and your determination to keep moving. I hope my story encourages you to take your next step with courage. The profession needs you and your journey can be the next inspiring story for others. ♦

Looking back, my story is not just about becoming a CPA. It is about resilience, belief, and the power of starting even when the circumstances seem unfavourable.



By CPA Charity Uwizera Akatukwasa
Tax Consultant

TAX POLICY AND LEGISLATIVE UPDATES FOR FINANCIAL YEAR 2025 – 2026 AND HOW THEY AFFECT BUSINESSES AND INDIVIDUALS



Tax policy is a set of principles and rules established by the government to prescribe the structure and administration of taxation. The aim is to balance the government's need for revenue to fund its programmes with other goals such as the social welfare of its population, as well as the level of economic growth.

Therefore, tax policy focusses on the four main objectives

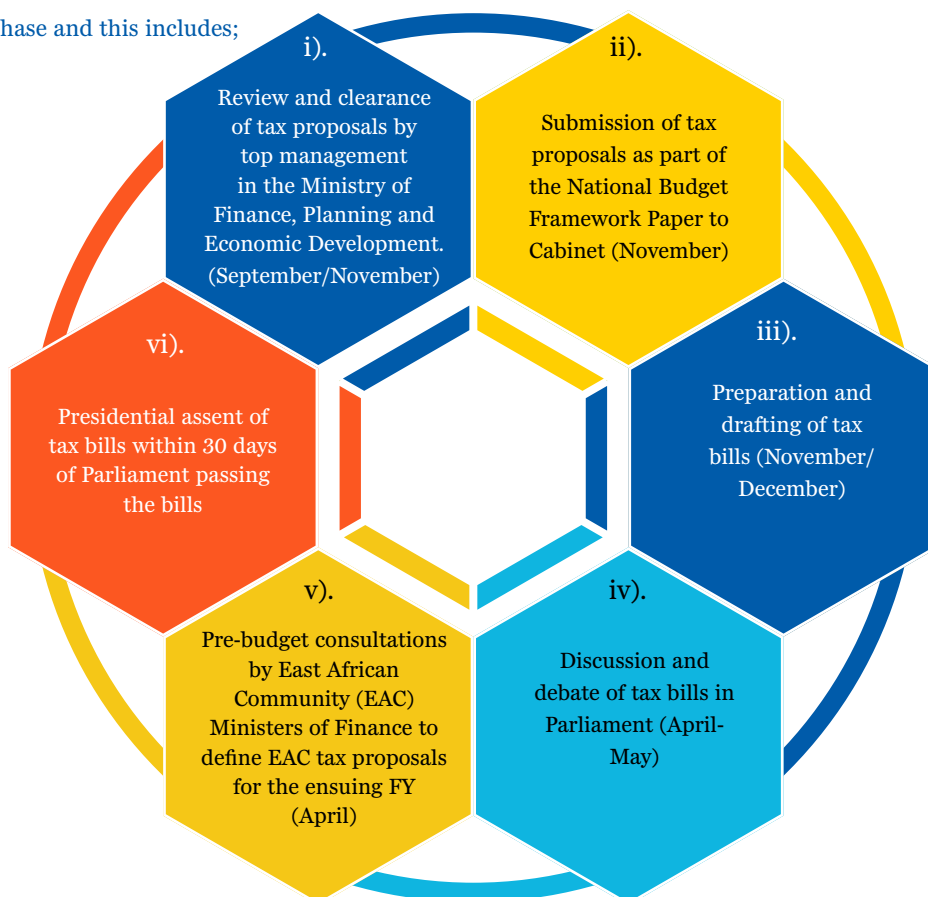
of raising revenue, promoting economic efficiency, influencing distribution and managing the economy.

The tax policy-making process in Uganda involves several stages and stakeholders, aiming to develop a comprehensive and effective tax system that supports the country's economic growth and social development. In a bid to foster stakeholder engagement and transparency in tax policy formulation and review, the Ministry of

Finance, Planning and Economic Development published Uganda's tax policy-making process, highlighting the key process deliverables, timelines, and roles of the various stakeholders, as follows:

1. **Strategic phase**; this involves the identification of tax policy objectives and is carried out between July to August.
2. **The planning phase**; there are several activities carried out usually between July and October which include, preparation of preliminary tax proposals (first budget call circular), call for tax proposals from private sector, industry associations, civil society organisations, academia and the general public, consultation and stakeholder engagement on tax proposals and preparation of issues papers as input into regional consultations on the budget.
3. **Development phase**; this is usually between September to October and includes generation of forecasts and projections of revenues as input into the provisional resource envelope, review and analysis of tax proposals to meet objectives such as generating additional tax revenue, broadening the tax base, improving coverage, increasing clarity and certainty, enhancing tax compliance, supporting government policy priorities, promoting savings and investment and encouraging desired behavioral change.

4. **Legislative and approval phase and this includes;**

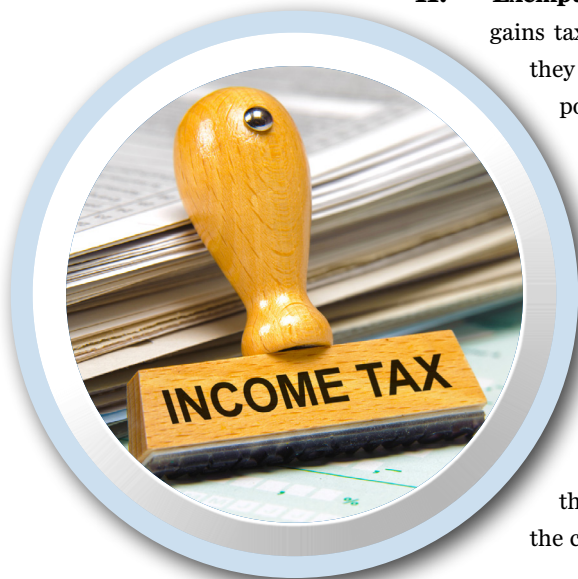


In line with the above-stated objectives, and having gone through the stated processes above, the Minister of Finance, Planning and Economic Development, in his budget speech for the FY 2025 to 2026 proposed tax measures which he mentioned will raise additional revenue of Shs 538.6 billion. In addition to raising revenue, he mentioned that the measures would support the growth of businesses and the economy.

The measures included technical amendments to the tax laws aimed at improving clarity and consistency, creating a fairer and more predictable tax environment for businesses and taxpayers, and removing ambiguities that create loopholes leading to revenue leakages. There were also amendments intended to enhance tax administration, encourage voluntary compliance, and empower the Uganda Revenue Authority (URA) to enforce tax laws effectively.

Amendments to the Tax Laws for FY 2025 -2026

Income Tax



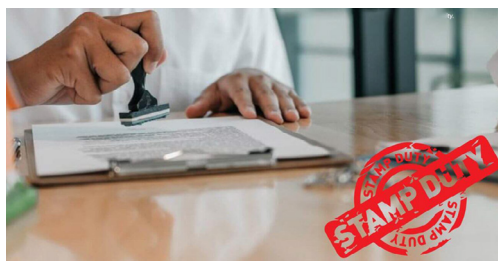
- I. Three-year tax exemption for new citizen businesses:** A three-year income tax holiday was provided for businesses established by Ugandan citizens after 1 July, 2025. To qualify, the business' investment capital must not exceed UGX 500 million, the owner cannot have previously received the exemption, and a business information return must be filed. This is intended to support start-ups that struggle with high initial investment costs. The incentive is to foster innovation, encourage formalisation of SMEs, enhance business survival, and promote employment.
- II. Exemption from capital gains tax on transactions:** Exemption from capital gains tax on transactions where an individual transfers an asset to a company they have established but also under their control. This is a deliberate policy intervention aimed at encouraging formalisation of businesses. Many Ugandans operate businesses under their personal names, often as sole proprietors or informal entities. When these individuals seek to transition into more formal and structured corporate entities for purposes of growth, access to finance, strengthening governance, or succession planning, they face a capital gains tax liability simply for transferring their assets into a company they fully own. The amendment is intended to remove this tax burden.
- III. Income tax exemption for Bujagali hydro-power project.** This exemption was extended for another year, up to 30 June 2026 and this is in accordance with contractual obligations the government has with the company and to keep the electricity tariffs low.
- IV. Digital services tax changes:** Digital services provided by non-residents to associated parties in Uganda are now exempt from the standard 5% digital services tax. Instead, these services are subject to a 15% withholding tax on the gross amount, a measure to prevent revenue loss.
- V. Expansion of tax-exempt institutions:** The list of exempt institutions now includes the International Atomic Energy Agency and other United Nations-related agencies.

Value Added Tax (VAT)



- I. New anti-fragmentation rule:** To prevent tax avoidance, the tax authorities can now aggregate multiple imported consignments to determine if an importer should be registered for VAT. In an effort to keep outside the VAT register, taxpayers would import in small consignments.
- II. Updated exemptions:** The VAT exemptions for the solar energy sector have been updated to cover solar lanterns and biomass pellets, replacing the previous exemption for composite lanterns.
- III. Zero-rated supply for aircraft:** The supply of aircraft is now a zero-rated supply for VAT purposes, aligning the tax treatment for outright purchases with that of leasing and promoting investment in the aviation industry.

Stamp Duty



The government removed stamp duty on mortgages and agreements. This was intended to lower the cost of debt for businesses and individuals and also remove the financial burden imposed on businesses and individuals when they enter into agreements. However, businesses are required to comply for the years when the stamp duty was in place.

Excise Duty



The excise duty on cigarettes was increased to discourage consumption but also generate additional revenue. At the same time, the government removed the excise duty rate of 30 per cent or shs 950 per litre, whichever is higher, on beer manufactured from barley that is grown and malted in Uganda, because it was redundant.

Customs and External Trade Duties

- I. Introduction of an import declaration fee on imported items.** The government imposed a small fee of 1 per cent of the customs value on taxable items under the common external tariff. This measure seeks to align Uganda's tax policy with those of other EAC partner states, where similar fees have been imposed. There are some exemptions.
- II. Imposition of export levy on selected products:** The government imposed an export levy of USD 10 per metric ton of wheat bran, cotton cake or maize bran to encourage local value addition, particularly in the production of animal feeds. Currently, these products are exported as raw materials in the region, where value is added and imported into Uganda as finished goods. Therefore, this measure will encourage value addition and create jobs for Ugandans.
- III. Taxes on import of textiles:** Effective 1 July, 2025, the import duty on imported textiles was fixed at USD 2 per kilogram or 35 per cent, whichever is the higher, down from USD 3 per kilogram or 35 per cent, whichever is higher. In addition, the import duty on garments has been reduced to USD 2.5 per kilogram or 35 per cent, whichever is higher, from USD 3.5 per kilogram or 35 per cent, whichever is higher. However, importers of textiles have been protesting the payment of duty based on measurement in kilograms.
- IV. Infrastructure levy on imports:** A new 1.5% infrastructure levy is imposed on the customs value of all goods imported into Uganda for home use, with some exceptions for plant, machinery, and goods listed under the EAC Customs Management Act.
- V. Hides and skins export levy:** The previous exemption on the export of certain raw and partly processed hides and skins has been repealed, making them subject to an export levy of \$0.80 per kilogram.

Tax Administration



- I. Waiver of interest and penalties: The tax amnesty programme has been extended, offering a waiver of interest and penalties on outstanding principal tax liabilities as of 30 June, 2024, if paid by 30 June, 2026.
- II. Changes in EFRIS penalties: Penalties for non-compliance with the Electronic Fiscal Receipting and Invoicing Solution (EFRIS), such as failing to issue an e-receipt or e-invoice, have been doubled to twice the tax due. The government implemented the EFRIS to improve tax compliance and reduce tax evasion. However, concerns have been raised regarding the high penalties of shs 6 million per invoice, regardless of the value of the transaction, which disproportionately burdened taxpayers. To address this issue, the penalty structure has been amended so that the penalty for non-compliance will instead be twice the tax owed by the taxpayer.
- III. Centralised gaming payment system: All payouts and wagers for gaming and betting activities must now go through a centralised payment gateway connected to the Uganda Revenue Authority (URA). Failure to comply will result in heavy penalties.
- IV. New payment method for Tax Appeals Tribunal (TAT) appeals: The URA introduced a new payment method for remitting the mandatory 30% of assessed tax for appeals before the Tax Appeals Tribunal (TAT). The payment is now ring-fenced and not immediately applied to other liabilities until the case is resolved.
- V. Non-compliance with exemptions: A taxpayer who fails to meet the requirements of a tax exemption will be personally liable for the tax due for the period of non-compliance.

Some Tips for Students Attempting Taxation Papers

Candidates should take an interest in any communications made by the URA to the public through the various means like the URA Portal, and brochures available in the various URA offices. It should be noted that, effective 1 July, 2024, the Uganda Law Reform Commission made amendments to the Laws of Uganda, including the tax laws.

These changes did not alter the content but involved reassigning new chapters to various laws, with sections, paragraphs, and schedules being renumbered. Candidates are advised to be aware of these changes, as outlined below, and to consider the effective date of application based on the accounting date specified in the question.

Candidates should, therefore, obtain copies of the laws that are being tested, that is, the domestic tax laws — Income Tax Act Cap 338, VAT Act Cap 344, Tax Procedures Code Act Cap 343, Stamp Duty Act Cap 339, Excise Act Cap 336 and the East African Community Customs Management Act and read them.

The examiners will usually test amendments after a grace period of 6 months. For example, the December 2025 examinations will not test the amendments to the law that were effective 1 July, 2025. The domestic tax laws in use for the period July 2024 – June 2025 will be the reference point.



CPA Patrick Jove Ogu
Managing Partner
Patrick & Associates Certified Public Accountants

NAVIGATING INTERNATIONAL TAXATION: BEPS, DIGITAL ECONOMY TAXES, AND TRANSFER PRICING FOR CPAS & CTAS



The world of international taxation is rapidly evolving, with a focus on Base Erosion and Profit Shifting (BEPS), digital economy taxation, and transfer pricing documentation requirements. As Certified Public Accountants (CPA) & Certified Tax Advisor (CTA) candidates, it is essential to stay ahead of the curve and understand the implications of these developments on businesses and economies globally.

Base Erosion and Profit Shifting BEPS refers to tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax Jurisdictions. The OECD/G20 BEPS initiative aims to equip governments with the domestic and international rules and instruments needed to address tax avoidance, ensuring that profits are taxed where economic activities and value creation Occur. The BEPS initiative has been endorsed by over 135 countries, including Uganda, which has implemented various measures to address BEPS concerns.

Key BEPS Measures

| Action | Description | Ugandan Context |
|----------|--|---|
| Action 1 | Address the tax challenges of the digital economy | Uganda introduced a digital services tax (DST), levying a 5% tax on digital services provided by non-residents as per the provisions of Sec. 86 of the Income Tax Act. |
| Action 2 | Neutralise the effects of hybrid mismatch arrangements | Residents are taxed on worldwide income and non-residents are taxed on all income sourced from Uganda as per the provisions of section (Sec.) 17 of the Income Tax Act. |

| Action | Description | Ugandan Context |
|--------------|--|---|
| Action 3 | Strengthen Controlled Foreign Corporation rules (CFC) | The provisions regarding the taxation of Ugandan resident companies & shareholders who hold controlling interest in foreign entities have been amended in recent years to strengthen CFC rules under Sec. 74 to 76 of the Income Tax Act. |
| Action 4 | Limit base erosion via interest deductions and other financial payments | Uganda has amended thin capitalisation rules to limit interest deductions between related parties as per the provisions of Sec. 25, (3). Refer to the Tax Appeals Tribunal (TAT) ruling in Ambitious Construction Company Ltd vs URA, decided on 12 June, 2025. |
| Action 5 | Counter harmful tax practices more effectively | Uganda has committed to implementing the OECD's harmful tax practices framework by enhancing its exchange of information with other tax authorities through the recent amendments under Sec. 88, (4) & (5) of the Income Tax Act. |
| Action 6 | Prevent treaty abuse | Uganda has introduced treaty shopping rules to prevent abuse of double taxation agreements. Amendments under Sec. 2 and 88 (7) of the Income Tax Act restrict tax treaty benefits to beneficial owners. |
| Action 7 | Prevent the artificial avoidance of PE status | Uganda has updated its permanent establishment (PE) rules to prevent artificial avoidance of PE status by introducing Sec. 78A & 78B in the 2024 Income Tax Amendments. |
| Actions 8-10 | Align transfer pricing outcomes with Arm's Length Principle (ALP) & value creation | Transactions between associates should be commensurate with ALP, otherwise URA can re-characterise incomes & deductions between associates as per the provisions of Sec. 116 & 117 of the Income Tax Act. See SMEC International Ltd vs URA decided on 15 November, 2024. |
| Action 11 | Measure and monitor BEPS | Uganda participates in the OECD's BEPS monitoring framework. |
| Action 12 | Require taxpayers to disclose their aggressive tax planning arrangements | Through the Voluntary Disclosure Program (VDP), taxpayers are requested to report previously undeclared taxes, errors, or omissions in their tax filings to regularise their tax affairs and avoid penalties and interest. |
| Action 13 | Re-examine transfer pricing documentation & Country by Country (CbC) reporting | Uganda has adopted the OECD's transfer pricing documentation requirements in line with the 2011 Statutory Instrument No. 30 issued by URA as a Practice Note. |
| Action 14 | Make dispute resolution mechanisms more effective | Alternative Dispute Resolution (ADR) regulations introduced in 2023 to enhance resolutions addressing disputes in tax matters. |
| Action 15 | Develop a multilateral instrument to modify bilateral tax treaties | Uganda has signed the OECD's multilateral instrument (MLI) to update its tax treaties signed with Zambia, South Africa, Mauritius, India, UK, Italy, Netherlands, Denmark, and Norway. |

Digital Economy Taxation

Uganda's digital economy taxation is a significant step towards addressing the tax challenges posed by the digital economy. The country introduced a 5% Digital Services Tax (DST) in July 2023, targeting non-resident digital service providers such as Meta, Google, and Apple. This tax applies to income earned from digital services provided to customers in Uganda, including online advertising, data services, and services facilitated through online marketplaces.

The Income Tax Act Sec. 86(3) provides a list of services categorised as digital services to which this tax applies. In July 2025, Sec. 86(5) & (6) of the Income Tax Act were amended to regulate the taxation of digital services transacted between non-residents and residents in Uganda.



Transfer Pricing Documentation Requirements

Transfer pricing documentation is critical in ensuring that transactions between related parties are conducted at arm's length. The OECD's BEPS Action 13 introduced new transfer pricing documentation requirements, including the Country-by-Country (CbC) reporting and the Master File/Local File documentation. URA requires multinational enterprises (MNEs) to submit CbC reports and maintain Master File/Local File documentation.


CPA and CTA candidates are encouraged to familiarise themselves with the details of Transfer Pricing Regulations & Documentation requirements as provided under the Income Tax Act. These are highly examinable areas in the CPA & CTA courses and also relevant in tax practice.

Implications for Uganda

As Uganda's economy becomes more integrated into the global system, understanding BEPS, digital taxation, and transfer pricing is essential for businesses and tax

professionals. URA continues to align local laws with international best practices to ensure fairness, transparency, and revenue protection.

Best Practices for Businesses

- 1. Conduct a BEPS risk assessment:** Identify potential BEPS risks and develop strategies to mitigate them.
- 2. Review transfer pricing policies:** Ensure transfer pricing policies are aligned with the arm's length principle and OECD guidelines.
- 3. Maintain robust documentation:** Maintain detailed transfer pricing documentation, including Master File/Local File and CbC reports.
- 4. Monitor digital economy tax developments:** Stay informed about digital economy tax developments and assess their impact on your business. 

HARNESSING THE POWER OF THE CPA QUALIFICATION: CPA MARION ATUHURA'S JOURNEY TO THE HELM OF CEO SUMMIT UGANDA

In this inspiring interview, **Caroline Nassuuna** speaks to **CPA Marion Atuhura**, Chief Executive Officer of **CEO Summit Uganda**, who shares insights into her educational and professional journey, leadership philosophy, and the vital role of accountants in national transformation.

A Certified Public Accountant with a strong background in finance, strategy, and organisational leadership, Marion shares how her CPA training has shaped her integrity-driven leadership approach.

I. Please Share an Overview of your Educational and Career Development

My professional journey is anchored in a passion for excellence, leadership, and impact. I hold a Bachelor of Commerce in Accounting from Makerere University and a Master of Business Administration (Finance) from Edinburgh Business School in the United Kingdom. I am a Certified Public Accountant and a proud member of the Institute of Certified Public Accountants of Uganda (ICPAU), where I currently serve on the Women in Accountancy Committee.

In addition, I hold professional certifications in Project Management from the Project Management Institute (PMI, USA) and Strategic Management from the London School of Business Administration. I am also a participant in the CEO Apprenticeship Program CEO Summit, a platform dedicated to nurturing transformative leadership.

Over the years, I have complemented my accounting background with executive education and leadership training, which have strengthened my strategic and management capabilities. My career spans more than a decade in finance, strategy, and organisational leadership, culminating in my current role as Chief Executive Officer of CEO Summit Uganda.



2. Congratulations on your appointment as Chief Executive Officer of CEO Summit Uganda! How does it feel to take on this role?

It is both an honour and a humbling responsibility. The CEO Summit is a unique platform that brings together Uganda's most influential business and institutional leaders. Leading such an ecosystem at this pivotal time is deeply fulfilling, as it offers an opportunity to contribute to national transformation through leadership excellence and strategic dialogue.

3. How has your CPA training and experience shaped your approach to leadership?

My CPA background instilled in me a deep appreciation for integrity, accountability, and analytical thinking qualities that are essential in leadership. The discipline of financial management taught me to make decisions based on evidence and value creation, while the professional ethics of the CPA community have grounded my leadership in transparency and service.

4. You have worked in strategic management and organisational leadership for over a decade. What lessons stand out for you?

The greatest lesson is that leadership is about people. Strategy, systems, and performance all thrive when people are inspired and empowered. I have learned that success in leadership requires empathy, clarity of purpose, and consistency. It is also important to cultivate adaptability because our world, and especially business, is constantly changing.

5. The CEO Summit brings together Uganda's top executives to shape the leadership agenda. What role do you see for accountants in such a space?

Accountants are strategic partners in driving transformation. Beyond their technical expertise, CPAs bring insight into risk management, governance, and sustainable financial practices, all vital in executive decision-making. At the CEO Summit, we see accountants as essential contributors to conversations on national competitiveness, innovation, and institutional excellence.

6. What opportunities do you see for collaboration between the CEO Summit and the Institute of Certified Public Accountants of Uganda?

There is an immense opportunity for synergy. Both institutions are committed to promoting ethical leadership, capacity building, and national development. Through joint initiatives, such as leadership dialogues, executive education programmes, and mentorship platforms, we can nurture the next generation of transformative leaders grounded in professional and ethical values.

7. As a CPA who has transitioned into strategic leadership, what advice would you give to accountants aspiring for similar paths?

Be curious and intentional about learning beyond your technical comfort zone. Accountancy provides a solid foundation, but leadership demands broader skills in communication, strategy, and innovation. Seek mentorship, embrace continuous development, and be open to opportunities that stretch your capabilities.

8. How do you balance professional excellence with personal growth?

Balance begins with clarity of purpose and disciplined time management. I intentionally invest in self-reflection, learning, and well-being. Outside work, I prioritise family, faith, and activities that renew my energy and perspective. A fulfilled leader leads better.

9. Any final reflections on the significance of being a member of ICPAU?

Being part of ICPAU is both a badge of honour and a lifelong commitment. It connects us to a community of professionals who uphold integrity, excellence, and national development. The Institute continues to inspire confidence in the accounting profession and in the broader leadership of our country, and I am proud to be part of that legacy. ♦



By CPA Robert Katuntu
Partner
J. Samuel Richards & Associates

UNLOCKING VALUE: A STRATEGIC GUIDE FOR UGANDAN PENSION FUNDS INVESTING IN ALTERNATIVE ASSETS



Uganda's retirement benefits sector is growing rapidly, with increasing membership, contributions, and assets under management (AuM). Yet, the sector remains heavily concentrated in traditional investments — primarily government securities, which, according to the Uganda Retirement Benefits Regulatory Authority (URBRA) investment snapshot, account for 82% of AuM as of September 2024. This overreliance exposes pension funds to inflation erosion, market volatility, and limited returns.

To meet long-term obligations and enhance member value, pension funds must diversify into alternative assets. These offer higher return potential, lower correlation to public markets, and opportunities to support national development.

What are Alternative Assets?

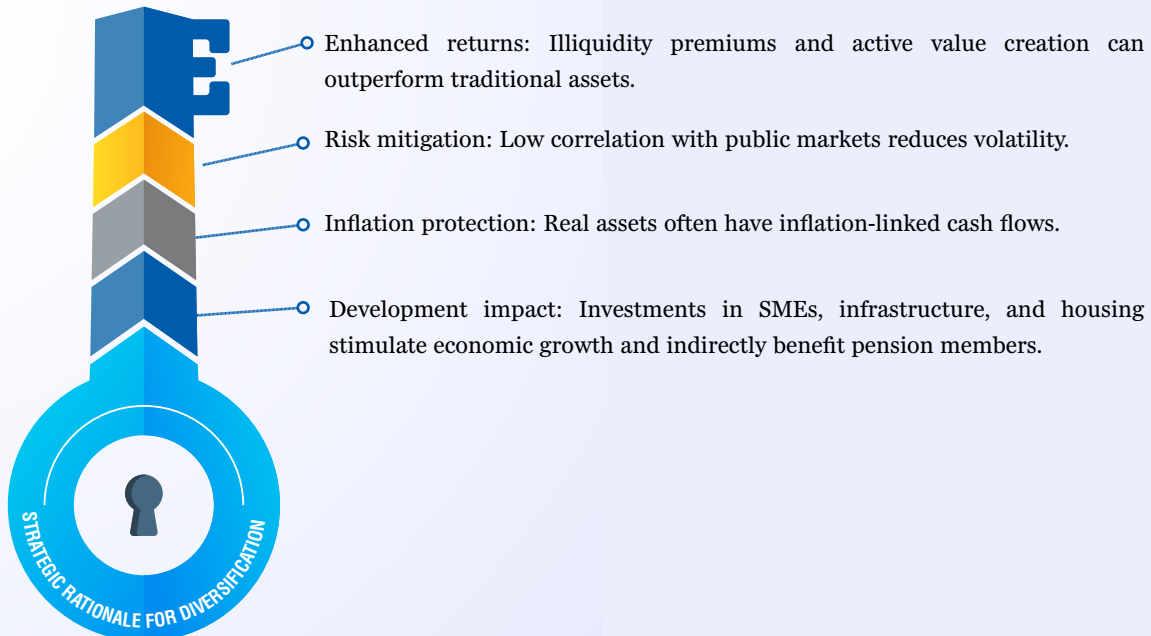
Alternative assets are non-traditional investments that include:

- **Private Equity (PE) & Venture Capital (VC):** Direct investments in private companies — PE targets mature SMEs, VC focuses on startups.
- **Real estate:** Income-generating commercial and residential properties.
- **Infrastructure:** Energy, transport, and telecom projects.
- **Private debt/direct lending:** Loans to businesses or projects, often filling gaps left by banks.

These assets typically require longer holding periods and active management but offer attractive returns and diversification benefits.

Strategic Rationale for Diversification

Alternative assets align with modern portfolio theory and offer:



A Phased Investment Approach

Entering the alternative asset space requires discipline and structure. A four-phase framework is recommended:

Phase 1: Internal Readiness

- Governance & expertise: Assess internal capacity. Recruit specialists or advisors if needed.
- Investment Policy Statement (IPS): Amend IPS to include alternatives, define allocation limits, risk metrics, and structures.
- Strategic Asset Allocation (SAA): Begin with a modest allocation (e.g., 5%) and scale up with experience.

Phase 2: Sourcing & Due Diligence

- Deal sourcing: Engage with investment banks, advisors, and industry networks.
- Due diligence: Conduct thorough financial, legal, technical, and market assessments. This phase is more intensive than traditional investments.

Phase 3: Structuring & Execution

- Investment structuring: Choose efficient legal and

financial structures (e.g., Special Purpose Vehicles (SPVs), limited partnerships). Consider tax and regulatory implications.

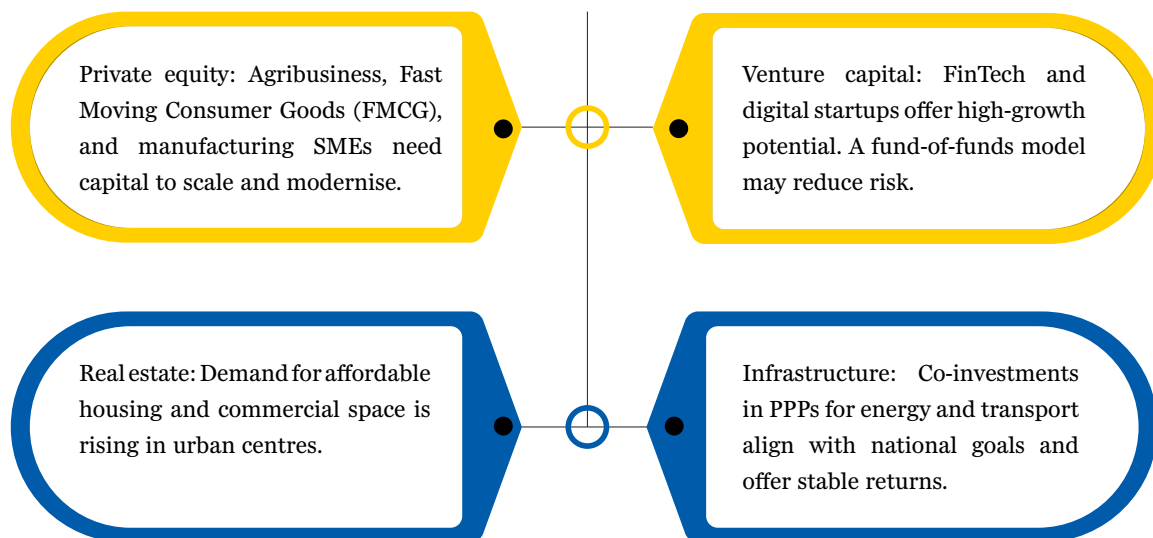
- Execution: Finalise documentation, disburse funds, and record investments.
- Active management: Monitor KPIs, participate in governance, and provide strategic oversight.

Phase 4: Exit & Performance Measurement

- Exit strategy: Plan exits at entry — via trade sales, Initial Public Offerings (IPOs), or asset disposals.
- Performance Benchmarking: Use Internal Rate of Return (IRR) and Multiple on Invested Capital (MOIC) to evaluate returns against expectations and traditional benchmarks.

Uganda's Opportunity Landscape

Ugandan pension funds can unlock value in several sectors:



Risks and Mitigation

Alternative assets carry unique risks:



A Call for Strategic Boldness

Ugandan pension funds must evolve from passive investors in public securities to active partners in national development. Alternative assets offer a pathway to higher returns, better risk management, and broader economic impact.

Success requires strong governance, internal capacity, and a culture of active ownership. By following a phased, prudent strategy, pension funds can unlock the full potential of alternative investments—securing member futures while fueling Uganda's transformation.

EXAMINERS' COMMENTS

CERTIFIED PUBLIC ACCOUNTANTS (CPA)



Paper 1: FINANCIAL ACCOUNTING

- Candidates are advised to fully understand double entry as a key accounting principles, master financial statement preparation and error correction, manage their time effectively, and cover the entire syllabus to successfully attempt all required examination questions for the Financial Accounting paper.

Paper 2: ECONOMICS AND ENTREPRENEURSHIP

- Candidates are advised to focus on business social responsibility to different stakeholders and key economic concepts, including abnormal supply curves, elastic demand, currency devaluation failures, and reasons for protectionism.

Paper 3: QUANTITATIVE TECHNIQUES

- Candidates are advised to carefully read instructions, apply correct methods and concepts, use provided tools appropriately, attempt only the required questions, present answers clearly, show all workings, and practise widely across all examinable areas.

Paper 4: MANAGEMENT & INFORMATION SYSTEMS

- Candidates are advised to stay updated on emerging digital technologies, practise thoroughly to master Microsoft Office applications, and revise extensively to understand and apply key concepts.

Paper 5: BUSINESS & COMPANY LAW

- Candidates are advised to follow all examinations instructions, focus on identifying, resolving and applying relevant legal principles in case studies, avoid irrelevant issues, and adequately prepare across the entire syllabus.

Paper 6: COST & MANAGEMENT ACCOUNTING

- Candidates are advised to thoroughly study the entire syllabus, practice using past questions, utilise the first 15 minutes of reading time to understand exam questions, seek expert guidance, strengthen practical skills in complex budgeting and costing areas, and ensure clear comprehension of concepts such as flexed budgets, throughput accounting, and Economic Order Quantity (EOQ).

Paper 7: FINANCIAL REPORTING

- Candidates are advised to master the double-entry principle, clearly understand question requirements, apply relevant accounting standards accurately, and competently prepare and present financial statements for various entities.

Paper 8: FINANCIAL MANAGEMENT

- Candidates are advised to use reading time effectively, prepare thoroughly, build a solid understanding of financial management concepts, stay updated on syllabus areas and current information, and provide precise rather than general answers.

Paper 9: AUDITING, ETHICS & ASSURANCE

- Candidates are advised to provide relevant, well-applied answers, use their time effectively, follow instructions carefully, stay updated on business and technological trends, give sufficient points, understand ethical regulatory bodies in Uganda, and strengthen their knowledge of auditing in computerised environments.

Paper 10: MANAGEMENT DECISION & CONTROL

- Candidates are advised to study examiners' reports, use the Institute of Certified Public Accountants of Uganda (ICPAU) study material, cover over 90% of the syllabus, and adopt a learner-centred approach to build understanding and confidence in answering questions.

Paper 11: TAXATION

- Candidates are advised to pay attention to the requirement of questions. Excelling requires that the advice is provided in addition to the computation. Simply computing the tax without providing the advice will earn only a fraction of the marks allocated. ICPAU texts contain useful practice questions with multiple examples to better prepare candidates.

Paper 12: ADVANCED FINANCIAL REPORTING

- Candidates are advised to thoroughly study and practice all relevant International Financial Reporting Standards (IFRS), understand the reporting requirements, and apply the standards effectively to scenarios by covering the entire syllabus.

Paper 13: PUBLIC FINANCIAL MANAGEMENT

- Candidates are advised to thoroughly understand key International Public Sector Accounting Standards (IPSAS), financial reporting guidelines and templates, public financial management reforms, and relevant national laws and codes of conduct affecting public service.

Paper 14: STRATEGY, GOVERNANCE & LEADERSHIP

- Candidates are advised to read widely, prepare thoroughly, focus on computational and application skills, tailor answers to case details, and carefully read questions to think critically and maximise their marks.

Paper 15: ADVANCED FINANCIAL MANAGEMENT

- Candidates are advised to thoroughly study all key financial management areas, use reading time effectively, show workings in computations, cover the full syllabus, stay updated on developments, follow exam instructions, and attempt both theoretical and computational questions carefully.

Paper 16: AUDIT PRACTICE & ASSURANCE

- Candidates are advised to continue preparing well for Paper 16 examinations to ensure that they perform well. ICPAU provides study material which candidates can utilise to sufficiently prepare for this examination by covering the whole syllabus. Additionally, candidates can access technical resources for Paper 16 from the ICPAU website including past papers and examiners' reports.

Paper 17: ADVANCED TAXATION

- Candidates are advised to strengthen their understanding of current tax laws, stay updated on annual amendments, focus on both calculations and advisory explanations, study Value Added Tax (VAT) and decided tax cases, and attend classes regularly to improve practical application and exam performance.

Paper 18: INTEGRATION OF KNOWLEDGE

- Candidates are reminded to apply the knowledge they have acquired over the years, rather than merely reproducing theory, by contextualising their discussions to the case study. Provide in-depth, holistic evaluations and avoid spending excessive time on lengthy introductory and background information.

This is an excerpt of examiners' comments from the August 2025 diet. Students are advised to log in to their ICPAU accounts for the comprehensive reports.

CERTIFIED TAX ADVISOR (CTA)



CTA 1 – BUSINESS ACCOUNTING 1

- Candidates are advised to focus on understanding journal entries, the conceptual framework, double-entry principles for non-current assets, depreciation methods, and specialised accounting areas such as royalty accounting.

CTA 2 – BUSINESS LAW

- Candidates should ensure improvement in the knowledge of legal principles and application of the principles in different practical scenarios. They should have the skill to identify relevant issues from given facts, and provide remedies for aggrieved parties. Candidates are tested from all syllabus areas, and they should prepare for all the areas.

CTA 3 – PRINCIPLES OF TAXATION

- Candidates are advised to thoroughly understand key tax laws, stay updated on amendments, study relevant case law, carefully interpret exam questions, and practise practical computations and application-based scenarios.

CTA 4 – MANAGERIAL ECONOMICS AND PUBLIC FINANCE

- Candidates are advised to carefully interpret keywords, verify calculations, use real-world examples, revise core policy concepts, and study key texts in Managerial Economics and Public Finance.

CTA 5 – BUSINESS ACCOUNTING 2

- Candidates are advised to cover all syllabus topics especially relevant accounting standards, hire purchase transactions error corrections, and consignments.

CTA 6 – INDIRECT TAXES

- Candidates are advised to improve exam preparation by studying new syllabus areas, presenting work clearly, referencing relevant tax laws, practising month-by-month VAT computations, and actively engaging in seminars, classes, and group discussions.

CTA 7 – CUSTOMS

- Candidates are encouraged to read all parts of the East African Community Customs Management Act (EACCMA) and its regulations to gather sufficient knowledge to answer questions. Candidates are also advised to pick an interest in how the Customs laws are implemented, especially in Uganda.

CTA 8 – INCOME TAX

- Candidates are advised to study case law, understand and accurately reference key tax Acts and amendments, and stay updated on recent developments in taxation, including digital economy and court rulings, to strengthen their exam preparation.

CTA 9 – TAX COMPLIANCE & ETHICS

- Candidates are advised to study and understand case law, accurately reference key tax Acts, stay updated on amendments, and keep abreast of recent developments in taxation, including digital economy initiatives and court rulings, to enhance exam performance.

CTA 10 – INTERNATIONAL TAXATION

- Candidates are advised to carefully interpret questions, relate all legal provisions and case law to the facts and principles examined, attempt all required questions and parts, use updated law sections, avoid irrelevant content, and apply critical analysis to demonstrate full understanding across the syllabus.

CTA 11 – TAX PRACTICE

- Candidates are advised to familiarise themselves with recommended tax law books, understand and apply all relevant Acts and case law, stay updated on revisions, and comprehensively cover the CTA syllabus in preparation for examinations.

This is an excerpt of examiners' feedback from the May 2025 diet. Students are advised to log in to their ICPAU student accounts to access the comprehensive reports.



By Jackline Nabirye
Communications Officer
Institute of Certified Public Accountants of Uganda



MTN UGANDA SCOOPS GOLD AWARD AT FINANCIAL REPORTING AWARDS



MTN Uganda Scoops Gold Award at Financial Reporting Awards

MTN Uganda Limited emerged as the overall winner, taking home the gold award at the 2025 Financial Reporting (FiRe) awards. The company beat 119 organisations to attain the coveted award which has traditionally rotated between the National Social Security Fund (NSSF) and Stanbic Uganda Holdings Limited.

Among other factors, the Financial Reporting Awards Committee observed that the MTN Uganda report provided a high level of integration, with a clear explanation of the entity's value creation and strategy.

The evaluators were further impressed by the commitment and steps taken by MTN Uganda towards the enhancement of sustainability reporting.

"The report demonstrated an enduring commitment to laying the groundwork for more robust and impactful

sustainability communication in future disclosures," said CPA Stephen Ineget, the chairperson of the FiRe Awards Committee.

In second position, scooping silver was the National Social Security Fund, while Stanbic Uganda Holdings Limited came third, winning bronze.

According to the FiRe Awards Committee, the National Social Security Fund report articulated the measures undertaken by the company to integrate sustainability into its core business strategy, while the Stanbic Uganda Holdings Limited report demonstrated a distinctive grasp of the material issues most critical to its stakeholders which reflects thoughtful issue prioritisation and reinforces the entity's strategic focus on sustainability as a driver of enduring performance.

Ineget highlighted the growing prominence of the FiRe awards, noting that they have become a key platform for promoting Environmental Social and Governance (ESG) adoption among Ugandan entities.

“The FiRe Awards have become an important vehicle for promoting sustainable corporate practices. However, meaningful participation requires resources, especially for small and medium entities. We therefore invite partners and sponsors to support this noble cause and help us continue evaluating and rewarding excellence,” Ineget said.

The Chief Guest, Professor Aaron Mushengyezi, the Vice Chancellor of Uganda Christian University emphasised the need for organisations to remain consistent in their vision and mission, embrace efficiency, and continuously review systems for relevance and effectiveness.

“We must build institutions that are resilient and adaptable to changing times. Invest in your people, improve internal systems, and ensure that bureaucracy serves efficiency rather than hindering it. Sustainability begins with self-reliance and strategic investment in human capital,” Professor Mushengyezi advised.

Delivering remarks on behalf of the Capital Markets Authority, Mr Denis Kizito, Director of Market Supervision – Compliance, underscored the importance of credible reporting in fostering investor confidence and sustainable market growth.

He further noted that quality reporting enables better investment decisions and lowers the cost of capital. This year’s theme emphasised the evolution of corporate reporting beyond financial figures to include Environmental, Social, and Governance (ESG) considerations.

“Sustainability integrates three interconnected pillars; the environmental, which emphasises responsible resource use; the social, which promotes inclusiveness and community development; and governance, which ensures accountability and ethics. At CMA, we continue to integrate ESG principles into our regulatory frameworks, in line with Uganda’s National Development Plan IV,” Kizito added.

In his remarks, Mr Paul Bwiso, Chief Executive Officer, Uganda Securities Exchange, hailed the FiRe Awards as a catalyst for responsible corporate leadership.

“Over the years, we have witnessed a profound shift, organisations are moving from just reporting numbers to reporting impact. A good business is not only about profit but also about its contribution to people and the planet,” Bwiso stated.

He cited global statistics showing that 96% of the world’s largest companies now publish sustainability reports, illustrating the growing importance of ESG accountability.

Bwiso announced that USE has developed Sustainability Guidance for Listed Companies to help issuers integrate ESG considerations into their operations, aligning Uganda’s capital market with international standards. He also noted ongoing collaboration with ICPAU to prepare for the adoption of IFRS Sustainability Disclosure Standards.

“Sustainability reporting is not just about compliance; it is a strategy for survival, growth, and trust,” Bwiso noted.

The FiRe Awards were introduced in 2011 to enhance the quality of financial and business reporting in Uganda by

“Financial reporting is the foundation upon which confidence in our capital markets is built. For listed entities, accurate and transparent reporting is not merely a regulatory requirement, it is a reflection of accountability and a key driver of investor trust,” he said.

encouraging the implementation of International Financial Reporting Standards, following the adoption of the for use in Uganda and the need to monitor compliance. Now in its 15th edition, the FiRe Awards continue to play a pivotal role in strengthening corporate reporting practices in Uganda.

Through this initiative, ICPAU and its partners reaffirm their commitment to promoting transparency, accountability, and sustainability as essential pillars for national socio-economic transformation.

To streamline the sustainability reporting landscape, ICPAU has adopted IFRS Sustainability Disclosure Standards to be applied in Uganda. The standards provide a comprehensive global baseline of disclosure standards to facilitate consistent and comparable disclosures on risks and opportunities related to sustainability and climate, referred to as IFRS S1 and IFRS S2, respectively, and they address longstanding reporting challenges, enabling users of financial reports to better understand performance and comply with global reporting requirements.

[An implementation roadmap](#) has been released which encourages early adoption beginning January 2026, with mandatory adoption set to commence in 2028. ICPAU

is engaging with various stakeholders and regulators to increase awareness and sensitise the public on application.

The FiRe Awards are organised by ICPAU, in partnership with the Capital Markets Authority, the Uganda Securities Exchange and Vision Group.

The event partners included the Office of the Auditor General, Centenary Bank, Uganda Insurance Association, Ronalds Partners and Law Development Centre.

The 2025 FiRe Awards ceremony was held at Hotel Africana, on 5 November 2025. The edition was organised under the theme, *Sustainability Practices and Reporting in Uncertain Global Times*.

Other top performers of the night included the following:

Special Awards:



- Corporate Governance Reporting Award – *National Social Security Fund*



- Presentation and Communication Award – *Bank of Baroda (U) Limited*



- Best Listed Entity Award – *Stanbic Uganda Holdings Limited*



- Sustainability Reporting Award – *MTN Uganda Limited*



- Most Improved Report Award – *Amref Health Africa in Uganda*

Financial Reporting Awards:

- Banking Services - *Domestic Systemically Important Banks: Stanbic Uganda Holdings Ltd*
- Banking Services - *General Banking: PostBank Uganda Limited*
- Microfinance Deposit-Taking Institutions: Winner – *FINCA Uganda Limited*
- Insurance Companies (Category A): Winner – *UAP Old Mutual Insurance (U) Limited*
- Parastatals/GBEs: Winner – *National Social Security Fund*
- Consumer & Industrial Products (Category A): Winner – *MTN Uganda Limited*
- Non-Profit Organisations: Winner – *Infectious Diseases Institute*
- Regulatory Bodies: Winner – *Bank of Uganda*
- SACCOs: Winner – *Steadfin Uganda SACCO*



By CPA Charles Lutimba,
Director Standards & Regulation
Institute of Certified Public Accountants of Uganda

UGANDA'S BOLD LEAP INTO SUSTAINABILITY REPORTING: A REGULATORY IMPERATIVE

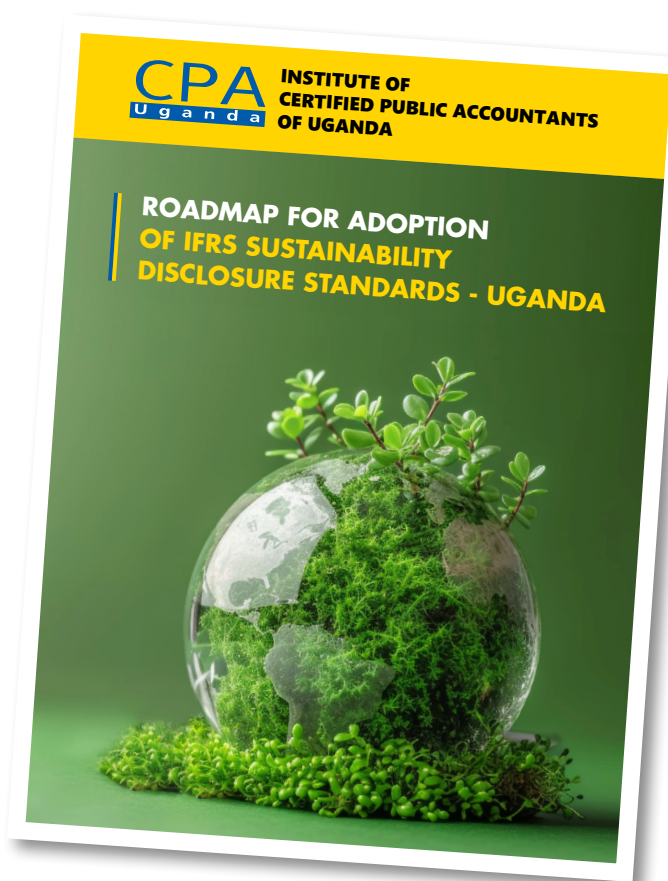


The global business landscape is undergoing a profound transformation; one where financial performance alone is no longer the sole measure of success. Investors, regulators, and the public now demand transparency in how entities manage environmental, social, and governance (ESG) risks and opportunities and sustainability in general.

In response, Uganda is taking decisive steps to align with international best practices by adopting the IFRS Sustainability Disclosure Standards (Sustainability Disclosure Standards). As the national regulator of the accountancy profession, the Institute of Certified Public Accountants of Uganda (ICPAU) is leading this critical transition, ensuring that sustainability reporting becomes an integral part of corporate accountability.

The journey towards integrating sustainability reporting into Uganda's corporate reporting ecosystem began in 2019 with the formation of the Uganda Integrated Reporting Committee (UIRC). Tasked with developing a roadmap for the adoption of IFRS Sustainability Disclosure Standards, the UIRC has worked meticulously to align Uganda's regulatory framework with global standards while addressing local economic realities.

A pivotal moment came on 3 September, 2024, during the 29th ICPAU Annual Seminar, when the Council of ICPAU made a pronouncement on Uganda's adoption of the IFRS Sustainability Disclosure Standards. This decision was not made in isolation. It reflects Uganda's broader commitment to sustainable development, climate resilience, and economic transparency.



A validation workshop on 13 August, 2025 was a crucial milestone, bringing together regulators, financial institutions, listed entities, and SMEs to endorse the adoption roadmap. The goal was to ensure that the implementation is practical, scalable, and beneficial for all stakeholders.

Why this Matters for Uganda

Sustainability reporting is more than a compliance exercise. It is a strategic tool that enhances Uganda's economic resilience and global competitiveness. Transparent sustainability disclosures build investor confidence, enabling Ugandan businesses to access local and foreign capital markets. They also align with national priorities, such as the National Climate Change Act, Green Growth Development Strategy, and sectoral Climate Risk Guidelines, reinforcing Uganda's commitment to a sustainable future.

The IFRS Sustainability Disclosure Standards provide a unified framework, reducing the fragmentation seen

in various sustainability reporting in the past. This harmonisation ensures that disclosures are consistent, comparable, and decision-useful key factors for attracting foreign investment and fostering long-term economic stability.

The roadmap will be a gradual but firm approach. Recognising the diverse capacities of Ugandan entities, the adoption of Sustainability Disclosure Standards will be embraced in a phased manner:

2026-2027 (Voluntary Adoption): Entities are encouraged to familiarise themselves with the standards, with 2026 serving as a rehearsal year.

From the accounting period beginning on or after 1 January 2028, it will become mandatory for all listed entities, financial institutions and micro-finance deposit-taking institutions, entities that carry on insurance business under an insurance contract whether as an insurer or re-insurer, and Government Business Entities which apply the IFRS Accounting Standards; while Retirement Benefit Schemes, Savings and Credit Cooperative Organisations (SACCOs) and large entities as defined under the ICPAU IFRS for SME Accounting Standards Implementation Guidelines and other entities defined as Public Interest Entities (PIEs) under the ICPAU Guidance, will mandatorily adopt the Sustainability Disclosure Standards from accounting period beginning on or after 1 January, 2029.

The SMEs will have a mandatory reporting from the accounting period beginning on or after 1 January 2030.

This structured rollout ensures that no entity is left behind, while maintaining high standards of accountability.

Assurance Requirements

A gradual approach will be taken, starting with limited assurance in 2029 and transitioning to reasonable assurance by 2031. Generally, assurance will be required after the first year of mandatory application and reporting in compliance with the Sustainability Disclosure Standards. Given the complexity and resource-intensive nature of sustainability assurance, the roadmap adopts a phased approach to assurance for sustainability information, ranging from limited assurance to reasonable assurance and from calling for assurance on some parts of the standards to requiring full assurance on all the requirements of the standards.




Preparing for the Future

The successful implementation of IFRS Sustainability Disclosure Standards hinges on collaboration and capacity building. ICPAU, in partnership with the Pan African Federation of Accountants (PAFA) will roll out specialised training programmes for accountants, auditors, and reporting entities. A key enabler will be the ESG Exchange, a digital platform offering courses, case studies, and certification programmes to equip professionals with the necessary skills.

Regulatory oversight will also play a critical role. ICPAU will provide guidelines, monitoring mechanisms, and support tools to ensure compliance while recognising the unique challenges faced by smaller entities.

The adoption of IFRS Sustainability Disclosure Standards is not just a regulatory milestone. It is a defining moment for Uganda's economic future. Businesses, professionals, and policymakers must embrace this shift with urgency and commitment.

Sustainability is no longer an optional add-on. It is the bedrock of resilient and forward-thinking enterprises. Uganda's proactive stance positions it as a regional leader in ESG and sustainability transparency, setting a precedent for others to follow.

The time to act is now. Let us work together to make sustainability reporting a cornerstone of Uganda's growth story. 



By Jackline Nabirye
Communications Officer
Institute of Certified Public Accountants of Uganda

ICPAU HOSTS INAUGURAL RESEARCH CONFERENCE, ANCHORS PROFESSION ON EVIDENCE-BASED PRACTICE



The Institute of Certified Public Accountants of Uganda (ICPAU) held its 1st Research Conference, marking a historic milestone in the evolution of the accountancy profession in Uganda. The event, held on 14 November 2025 at Skyz Hotel Naguru, brought together accounting professionals, academics, policymakers, regulators, researchers and students, all united by a shared commitment to advancing knowledge and strengthening systems of accountability through research.

This inaugural conference was organised under the theme “Strengthening Accountability, Sustainability, and Professionalism through Evidence-Based Research,” a theme that reflects ICPAU’s strategic shift towards embedding research and innovation into the core of professional practice. It is the first conference of its kind by ICPAU and will now be held annually.

In his keynote address, CPA Prof. Samuel Sejjaaka, presented an in-depth reflection on how research and evidence-based

practice strengthen accountability, sustainability and professionalism. Drawing from decades of academic and professional experience, he stressed that accountants cannot claim professional excellence without a strong grounding in research, intellectual inquiry and methodological rigour.

He emphasised that professionalism in accountancy extends beyond technical competence to include ethical behavior, commitment to public interest and a deep understanding of the systems accountants serve.

Representing the ICPAU President, Vice President CPA Alfred Kabuchu welcomed participants and reaffirmed that the conference directly aligns with the Institute's strategic pillars of promoting the CPA brand and influencing economic policy. He noted that in an era shaped by digital transformation and artificial intelligence, credible, evidence-based information is fundamental for decision-making across all sectors. CPA Kabuchu underscored that the insights from the research papers presented will inform ICPAU's technical guidance and regulatory frameworks to ensure members remain globally competitive.

Delivering remarks on behalf of the Secretary/CEO, the Director Standards and Regulations, CPA Charles Lutimba, noted that the conference represents a new chapter for the profession. He emphasised the importance of research in enabling accountants to base professional judgments on fact, data and tested evidence, rather than opinion or emotion. He highlighted that accountants play a critical role in supporting Uganda Vision 2040 and the National Development Plan IV, and that integrating research into professional practice strengthens national systems of accountability and fiscal management while giving Ugandan scholars visibility on the global stage. CPA Lutimba added that the outcomes of the conference will guide policy advocacy, improvements in accounting and auditing standards, and future CPD programmes.

The conference featured presentations on a wide range of emerging and high-impact subjects, including artificial intelligence in accounting, ESG reporting, internal audit

governance, energy transition, taxation and sustainability disclosures. Presenters included Zalikah Beatrice Nabaterega, CPA Sharon Nuwasiima, CPA Edson Serve Ashabahebwa, CPA Dorothy N. Kiyaga, David Baganda and CPA Simon Peter Mulati. Their research explored the evolving landscape of the profession and highlighted how innovation, technology and responsible practice can shape Uganda's economic future.

Participants engaged in discussions aimed at enhancing knowledge sharing, strengthening peer review, building research capacity and creating networks between academia and practitioners. The conference also provided a platform for emerging researchers to gain visibility and contribute

to national debates on public policy, financial reporting and corporate governance. ICPAU noted that the insights generated will inform regulatory reforms, technical standards, professional development courses and policy engagement with government agencies.

ICPAU leadership encouraged participants not to view the event as a one-day engagement but as the beginning of a long-term effort to embed research into every decision, audit, policy and boardroom conversation. The

success of the inaugural conference sets a strong foundation for future annual conferences and reaffirms ICPAU's commitment to promoting transparency, sustainability and professional excellence through research.

The conference coincided with the conclusion of the Accountancy Service Week celebrations, further reinforcing its relevance to shaping the future of the accountancy profession in Uganda and beyond.

Special appreciation goes to the Research Panel of the Education and Research Committee of Council, CPA Prof. Laura Orobia, CPA Dr. Albert Richards Otete, and CPA Prof. Samuel Ssejaaka, whose leadership and expertise were instrumental in the successful establishment of this inaugural Research Conference. ♦



Prof. Seijaaka challenged the profession to build context-based knowledge, confront inherent biases and contribute evidence-based solutions to Uganda's socio-economic challenges such as tax administration, fiscal policy, business ethics, poverty and the cost of doing business.



By CPA Musenero Gabriel Muwonge
Assistant Manager, Tax
BDO East Africa Advisory Services

CORPORATE FINANCIAL STRATEGY: MAXIMISING SHAREHOLDER VALUE IN VOLATILE ECONOMIC CONDITIONS



Like Michael Porter stated, “the essence of strategy is choosing what not to do” and Jim Rohn noted, “success is 20% skills and 80% strategy”, corporate financial strategy complements the company’s business strategy to achieve the company’s long-term value.

A corporate financial strategy is a long-term plan that guides how a company manages its financials, including investment decisions, financing, cash flow, risk and value creation. In a nutshell, corporate financial strategy focuses on managing resources and risk, and maximising returns.

The company’s value is the financial worth that is received by the shareholders (owners) as share price or dividend payments increase, created when the return on investment exceeds the cost of capital. It is also known as shareholder value (wealth), which indicates a company’s financial performance and its ability to provide returns to investors.

Economic volatility refers to the frequency and magnitude of fluctuations in economic indicators such as Gross Domestic Product (GDP), inflation and employment rates over a given period, caused by factors including market dynamics (consumer confidence), external shocks (geopolitical

events) and policy changes (shifts in monetary policy). It highlights the unpredictability of economic performance impacting businesses, consumers and policymakers. High economic volatility can lead to uncertainty in investment decisions (like job cuts, increase in interest rates) and it can affect the effectiveness of monetary and fiscal policies.

This article focuses on the overview of corporate financial strategy by exploring capital structure decisions, optimal financing mix, dividend policies, and strategies for maximising shareholder value in a volatile economic environment.

1. Corporate Financial Strategy

This is a business approach in which financial tools and instruments are used to assess and evaluate the success and outcomes of proposed business strategies and projects. It is useful in enhancing shareholder value, raising funds, attaining venture capital and promoting corporate growth.

Finance and strategy carry historical backgrounds of distinctiveness in the corporate sector, but both are complementary functions that have the potential to

create great opportunities for growth and value-added endeavours. The successful integration between finance and strategy dimensions is likely to be the distinguishing factor between corporate success and corporate failure in today's increasingly competitive global market. Corporate decision makers who use corporate financial strategy may create more wealth and growth for their companies and shareholders than those who rely on either finance or strategy.

The success of corporate financial strategy depends on how the strategy is maintained internally and aligned with the corporation's operations. Mallette (2005) identifies the following steps for developing a successful corporate financial strategy:

- (a) Building an adequate capital structure
- (b) Determining the correct market valuation
- (c) Establishing the optimum corporate financial strategy

Further, the success of corporate financial strategy is judged based on its contribution to the achievement of the corporation's overall objective. The corporations' overall objective is to develop a sustainable competitive advantage to achieve a more than acceptable, risk-adjusted rate of return for key stakeholders.

A key takeaway is that corporate financial strategy is a plan focused on raising funds and managing the employment of those funds, which can either accelerate the growth of the business or quietly stand in the way.

2. Capital Structure Decisions

Capital structure is part of the company's financial structure decision, which is concerned with both long-term and short-term sources of funds to fund its operations and growth. The financial structure is the mix of all sources of funds, whether long-term such as debt and equity or short-term such as bank overdraft, short-term loans.

Capital structure decision is concerned with the sources of funds from where long-term finance is raised and the proportion in which the total amount is raised using these sources of funds. It looks at how the selected project or assets will be financed.

The choice of capital structure is influenced by the company's risk tolerance, cost of capital and long-term financial objectives.

2.1 Components of Capital Structure

Capital structure is composed of various types of financing, each with its own characteristics, risks and rewards. It represents the proportionate relationship between debt and

equity in the total capitalisation of the company.

- (a) Debt capital is money borrowed from lenders, and it comprises the following:

- Senior debt – this is the borrowed money that must be repaid first if the company goes out of business. It is called senior because it takes priority over other unsecured or junior obligations. It has lower interest rates compared to other forms of financing because it has a lower risk profile. It includes bank loans and bonds, among others.
- Subordinated debt – this is also known as junior debt which is repaid after the senior debt has been satisfied. It has higher interest rates compared to senior debt because it carries a higher risk.

- (b) Equity capital is raised by issuing shares in the ownership of a business, and it includes paid-up share capital, share premium, reserves and retained earnings, which is the representation of the company's ownership. Equity carries the highest risk among capital providers because it is the last in line to be repaid in case of bankruptcy.

- (c) Hybrid financing capital combines characteristics of both debt and equity. It grants the lender the right to purchase the borrower's equity, making it a quasi-equity investment. It involves higher costs than other financing options but is less risky than equity financing. It includes the following:

- Mezzanine debt – this is typically unsecured and subordinated debt coupled with equity-like features. These equity features often include warrants or conversion rights, which can be exercised under certain conditions to convert the debt into equity.
- Convertible bonds – these are bonds that can be converted into a predetermined number of common stock shares at a specified price.
- Preference shares – this represents ownership in a company, but with a fixed dividend and capital repayment that places a higher claim on assets and earnings than common stock.

- (d) Optimal capital structure – this refers to the mix of debt and equity financing that maximises a company's value by minimising the cost of capital. It involves determining the right balance between debt and equity to achieve financial goals like reducing the cost of capital, maximising returns and cash flow, and ensuring financial flexibility. It helps the company to maintain its financial stability and achieve sustainable growth while keeping its shareholders and investors happy.

2.2 Relevance of Capital Structure

- (a) Cost of capital – capital structure helps in determining an optimal capital structure which leads to minimisation of the overall cost of capital, balancing the expenses associated with debt and equity financing.
- (b) Financial flexibility – capital structure provides financial flexibility by allowing companies to access different sources of funding based on their specific needs and market conditions.
- (c) Risk management – capital structure helps companies to manage financial risk by spreading it across various stakeholders and optimising the company's risk-return profile.
- (d) Tax benefits – utilisation of debt in the capital structure offers tax advantages through deductible interest payments by reducing the company's tax liability and enhancing profitability.
- (e) Shareholder value – capital structure contributes to enhancing shareholder value by optimising the balance between debt and equity financing to maximise returns.

2.3 Factors Affecting Capital Structure

- (a) Business risk – this is inherent to the company's operations, mostly influenced by factors like demand variability, price variability, and operational efficiency. Companies with higher business risk face greater uncertainty in their earnings, which makes it difficult to meet their debt obligations and in turn they would prefer equity to maintain flexibility and avoid potential bankruptcy.
- (b) Tax position – a company with high taxes or operating in a high tax jurisdiction may prefer debt financing to benefit from tax savings provided by interest payments, whereas a company with tax losses or operating in a low tax jurisdiction may prefer equity financing since there is no substantial benefit from tax savings on interest payments.
- (c) Financial flexibility – companies tend to maintain a conservative capital structure with lower debt levels to ensure financial flexibility, which allows them to respond to unexpected opportunities or challenges without being constrained by existing financial obligations. High debt levels reduce the company's financial flexibility, which diminishes its future borrowing capacity.
- (d) Management style – management's risk tolerance and strategic vision together with their past experiences and successes or failures with various financing methods play a crucial role in capital structure decisions by influencing their preferences. For instance, risk-averse managers may prefer equity to avoid the obligations and risks associated with debt, while those managers with a higher risk appetite might leverage debt to amplify returns on equity.

- (e) Growth rate – companies with rapid growth require substantial capital for expansion and equity (retained earnings or new stock issues) aligns well with long-term growth because it provides permanent capital that does not require repayment.
- (f) Market conditions – the state of financial markets can significantly influence a company's financing decisions for instance in a bullish stock market when stock prices are rising, companies may find it advantageous to issue equity at favourable prices. Similarly, debt financing becomes cheaper during periods of low interest rates which encourages companies to borrow.
- (g) Asset structure – the nature of a company's assets determines its borrowing capacity. For instance, tangible assets provide collateral, reducing the risk for lenders and allowing the company to secure debt at lower interest rates. Companies with predominantly intangible assets like patents or goodwill may find it difficult to raise debt and may rely more on equity financing.
- (h) Profitability – profitable companies generate consistent earnings, providing a cushion to service debt. Earnings stability plays a crucial role in capital structure decisions since a consistent stream of profits indicates financial health, boosting a company's ability to secure debt at favourable rates. Higher profitability reduces the risk of financial distress, making debt a viable option. However, firms with low or inconsistent profitability may avoid debt to prevent the burden of fixed-interest payments and potential insolvency.
- (i) Control considerations – issuing new equity can dilute the ownership stake of existing shareholders, potentially leading to loss of control. This is a significant concern for owner-managers and major shareholders who wish to retain control over the company. Debt financing, on the other hand, while increasing financial risk, does not dilute ownership, making it a preferable option for those prioritising control.
- (j) Industry norms and practices – there is a tendency for companies within an industry to adopt similar capital structures to maintain competitiveness and investor confidence. For example, capital-intensive industries with stable revenue like utilities may have higher debt ratios compared to industries with more variable cash flows like technology.

2.4 Relationship between Capital Structure and the Company's Value

There exist two schools of thought on the relationship between capital structure and the value of the company. The first one indicates that capital structure is relevant in determining the value of the company, and it is supported by capital structure theories of net income approach and traditional approach.

The second one indicates that capital structure is irrelevant in determining the value of the company, and it is supported by capital structure theories of net operating income and Modigliani-Miller hypothesis.

(a) Net Income Approach – this approach suggests that a company can enhance its value and lower its weighted average cost of capital (WACC) by increasing the proportion of debt in its capital structure. As a firm increases its debt financing, it can take advantage of the tax deductibility of interest expenses, which lowers its overall cost of capital, resulting in an increase in the company's value. It is based on the following assumptions:

- The total capital requirement of the company is given and remains constant.
- The cost of debt is lower than the cost of equity and both remain constant irrespective of the amount of debt capital used.
- There are no taxes and no transaction costs.
- The use of debt does not change investors' perception of risk.
- The company has perpetual life

The formula for the weighted average cost of capital (WACC) in this approach is:

$$WACC = \frac{E}{V} \times K_e + \frac{D}{V} \times K_d \times (1 - T_c)$$
, where; E – market value of equity, K_e – cost of equity, D – market value of debt, K_d – cost of debt, V – company value (equity plus debt) and T_c – corporate tax rate.

(b) Net Operating Income Approach – this approach argues that changes in capital structure do not affect the market value of a company, and the overall cost of capital remains constant regardless of the financing method used. The use of debt increases the financial risk for equity shareholders, leading to higher equity costs. However, the cost of debt remains relatively constant, as lenders' financial risk is not significantly affected because the low-cost advantage of the debt is exactly offset by the increase in the cost of equity. This implies that every capital structure is optimum and there is no unique optimum capital structure because the overall cost of capital remains constant and consequently the company value remains unchanged.

It is based on the following assumptions:

- The company's overall cost of capital is known and constant since it depends upon the business risk, which is assumed to be constant.

- The cost of debt is known and constant.
- There are no taxes
- The market capitalises the company's value as a whole and the split between debt and equity is not important.
- The company has perpetual life.

(c) Traditional Approach – this is also known as the intermediate approach which creates a compromise between the net income and the net operating income approaches. This approach suggests that the cost of capital can be reduced or the company's value can be increased with a judicious mix of debt and equity. The approach explains that the cost of capital declines with an increase in debt capital up to a reasonable level, and after that it increases with a further rise in debt capital. It thus states that there are three stages in which one can view the relationship between capital structure and a company's overall cost of capital.

- First stage – Increasing the Company's Value. In this stage, the cost of equity and the cost of debt are constant but the cost debt is less than the cost of equity. The use of debt capital up to a reasonable level causes the overall cost of capital to decline due to the low-cost advantage of debt, which results in a decrease in overall cost of capital and an increase in the company's value.
- Second stage – Optimum Company's Value. When the company reaches a certain level of debt capital utilisation, a further increase in debt will have no effect on the value of the firm and the cost of capital. This is because a further increase in debt capital increases the risk to equity holders that leads to a rise in the cost of equity. The increase in cost of equity offsets the low-cost advantage of debt capital which leaves the overall cost of capital constant, leading to the maximisation of the company's value.
- Third stage – Declining Company's Value. When the company uses the debt capital beyond an acceptable level, it will cause an increase in risk to both equity holders and debt holders, because both cost of debt and equity will start increasing at this stage, which will also cause an increase in the overall cost of capital leading to the decline in the company's value.

(d) Modigliani-Miller (MM) Hypothesis approach – this approach was developed by Franco Modigliani and Merton Miller in the 1950s. This approach argued that in the absence of taxes and transaction costs, the cost of capital and the company's value are not affected by the changes in capital structure. It considers capital structure decisions to be irrelevant, and the company's

value is independent of debt-equity mix.

This approach is best explained in terms of the two propositions i.e. Proposition I (without taxes) and Proposition II (with taxes), which address the role of debt and equity in the valuation of a firm.

MM Hypothesis without Taxes

Proposition I: Capital Structure Irrelevance (Without Taxes)

This proposition states that the value of a company is independent of its capital structure, which means that the mix of debt and equity does not affect the company's market value. In simple terms, a company's total value remains the same irrespective of whether it is financed entirely by equity, entirely by debt or by a mix of both.

This proposition is based on the following assumptions which relate to the behaviour of the investors, capital markets and the tax environment of the country:

- There is a perfect capital market, where in;
 - ✓ the investors are free to buy and sell securities,
 - ✓ the investors can borrow funds without restriction at the same terms as the companies do, which eliminates arbitrage opportunities,
 - ✓ the investors behave rationally,
 - ✓ the investors are well informed and
 - ✓ there are no transaction costs like bankruptcy costs
- Companies can be classified into homogeneous risk classes where the same risk class will have the same degree of financial risk.
- All investors have the same expectation of the company's net operating income (earnings before interest and tax – EBIT).
- The dividend payout ratio is 100%, which means there are no retained earnings.
- There are no corporate taxes. However, this assumption was later removed.

This proposition argues that in perfect capital markets, the company's value is determined by its underlying earnings and risk, not by how it is financed. It is believed that investors are indifferent between holding shares in a company with a certain level of debt and holding a combination of that company's equity and risk-free debt in their portfolios. Therefore, the company's value is solely based on its operating profits and the business risk it faces, regardless of whether it is financed by debt or equity.

For example, consider two companies, Company A which is leveraged (financed by both debt and equity) and Company B which is unleveraged (financed by equity only). According to this proposition, the market value of Company A and Company B will be the same if they have the same operating profits, regardless of their capital structure (Value of Company A = Value of Company B).

Proposition II: Cost of Equity and Cost of Debt (Without Taxes)

This proposition focuses on the relationship between the cost of equity and cost of debt. It states that as a company increases its debt capital, its cost of equity rises because shareholders demand a higher return for taking on the additional risk associated with more leverage.

The formula for the weighted average cost of capital (WACC) in this proposition is:

$$WACC = \frac{E}{V} \times K_e + \frac{D}{V} \times K_d$$
, where; E – market value of equity, K_e – cost of equity, D – market value of debt, K_d – cost of debt, and V – company value (equity plus debt).

MM Hypothesis with taxes

The introduction of taxes led to modification of the MM Hypothesis approach because in the real-world, the interest paid on debt is tax deductible, which creates a tax saving for using debt capital. The value of a leveraged company becomes higher than that of an unleveraged company due to tax savings on interest payments.

Proposition I: Capital Structure Irrelevance (With Taxes)

This proposition suggests that the value of a company increases as it takes on more debt, because the interest tax shield reduces the company's tax liability, which consequently increases the company's total value. The value of a leveraged company is now given by:

Value of Company A = Value of Company B + Corporate tax rate x Value of debt

Proposition II: Cost of Equity and Cost of Debt (With Taxes)

With taxes, this proposition changes even though as the debt increases, the company's cost of equity still rises

but the overall cost of capital (WACC) decreases because of the tax-deductible interest payments.

The formula for the weighted average cost of capital (WACC) in this approach is:

$$WACC = \frac{E}{V} \times K_e + \frac{D}{V} \times K_d \times (1 - T_c)$$
, where;
E – market value of equity, K_e – cost of equity, D – market value of debt, K_d – cost of debt, V – company value (equity plus debt) and T_c – corporate tax rate.

Criticisms of the MM Hypothesis Approach

The MM Hypothesis Approach is highly criticised due to its unrealistic assumptions as stated below.

- Perfect markets – real-world financial markets are not perfect because there are transaction costs, information asymmetry, and market inefficiencies that can influence capital structure decisions.
- Bankruptcy costs – this approach ignores the costs associated with financial distress and bankruptcy, which increase as companies take on more debt.
- Investor behaviour – this approach assumes that investors can borrow at the same rates as companies, which is not true in reality. Investors may have varying preferences for risk, which makes capital structure more relevant.
- Taxes and regulations – the real world has a more complex tax system, and government regulations may influence capital structure decisions.

3. Dividend Policy

A dividend is the share of profits that is distributed to shareholders in the company and the return that shareholders receive for their investment in the company.

This is the set of guidelines, strategies and decisions taken by a company to distribute profits to its shareholders as dividends. This policy guides on how much of the company's earnings will be paid out as dividends and the frequency of the dividend payments. The dividend policy is primarily focused on creating a balance between rewarding shareholders and retaining earnings for reinvestment.

The choice of the dividend policy depends on a company's financial stability, growth prospects and its shareholders' preferences. It is critical for companies to communicate their dividend policy to investors because it can influence their investment decisions and expectations regarding income and capital appreciation.

3.1 Relevance of the dividend policy

- To meet investors' preference for dividends.
- To improve the market price of shares.
- To improve the company's image in the market.
- To attract prospective investors.

3.2 Types of dividends

- Cash dividend – this is a distribution of cash to shareholders as a form of dividend payment. It is the most common type of dividend and is usually paid out of the company's earnings.
- Stock dividend – this is a distribution of additional shares of stock to existing shareholders. In this case, instead of cash, shareholders receive additional shares in proportion to their existing holdings.
- Property dividend – this is a distribution of assets like equipment to shareholders. It is typically used when a company wants to divest certain assets.
- Scrip dividend – this is a distribution of promissory notes or certificates that entitle shareholders to receive additional shares or cash at a later date. It is often used when a company wants to conserve cash.

3.3 Types of dividend policy

- Regular dividend policy – a company aims at maintaining a consistent and predictable pattern of dividend payments, which implies that shareholders can expect to receive dividends at regular intervals, quarterly or annually. It is more often adopted by companies with stable and steady cash flows. It provides a reliable income stream to shareholders, which attracts long-term investors, but it can limit the company's flexibility to reinvest profits.
- Stable dividend policy – this maintains a relatively consistent dividend payout over time; however, it allows for minor fluctuations in dividend amounts, typically due to variations in earnings. It provides a degree of stability while allowing the company to adjust dividends in response to changing financial conditions. A fixed percentage of profits is paid out as dividends regardless of the amount of profit earned. The investors consider companies employing this policy as risky ventures because dividend payments fluctuate with the level of profits.
- Irregular dividend policy – a company does not follow a set pattern for dividend payments but rather it pays dividends based on its earnings, cash flow and capital requirements. It is more

flexible and responsive to the company's financial situation. There is a likelihood of a higher dividend payout during prosperous periods and lower or no dividend payout during the challenging times. It is common among cyclical industries or companies with volatile earnings.

- (d) No (zero) dividend policy – a company retains all of its earnings and reinvests them back into the business. It is more often adopted by companies that are in a growth phase or have substantial investment opportunities. Reinvesting profits is likely to lead to higher capital appreciation, which would in turn benefit shareholders in the form of capital gains.

3.4 Determinants of dividend policy

- (a) Legal restrictions – regulatory and legal frameworks can impose constraints on dividend distributions, particularly when a company is not meeting certain financial or statutory requirements.
- (b) Magnitude and trend of earnings – the level and consistency of a company's earnings play a pivotal role in determining the ability to pay dividends. For example, stable and growing earnings support a more generous dividend policy.
- (c) Preference of shareholders – understanding the desire and needs of shareholders is essential because some investors prioritise dividend income while others prefer capital gains. The company may structure its dividend policy to meet these expectations.
- (d) Nature of industry – industries with stable cash flows (such as utilities) are more likely to have a consistent dividend policy than sectors with cyclical earnings.
- (e) Company age – youthful companies often reinvest profits to fuel growth whereas mature companies may be more inclined to paying dividends once they reach a certain level of stability.
- (f) Future financial requirements – a company's growth prospects and investment opportunities impact dividend decisions, for instance, if substantial reinvestment is needed, dividend payouts may be lower.
- (g) Government's economic policy – government policies (such as interest rate) and fiscal measures, can influence a company's financial position and consequently its dividend policy.
- (h) Taxation policy – tax laws can affect both the company and its shareholders, because the companies may adjust dividend policies to optimise tax efficiency for their investors.
- (i) Inflation – high inflation rates can erode the real value of dividends, causing companies to increase

dividend payouts to keep pace with inflation.

- (j) Control objectives – majority shareholders and management may have specific control objectives that influence dividend decisions, such as retaining earnings for expansion or mergers and acquisitions.
- (k) Requirements of institutional investors – institutional investors often have specific expectations regarding dividends, and companies may need to align their policies with these expectations to attract institutional capital.
- (l) Stability of dividends – companies with a history of stable dividends may be more inclined to continue this pattern to maintain investor confidence and trust.
- (m) Liquid resources – the availability of liquid assets impacts a company's ability to meet its dividend commitments, for instance, sufficient cash is more critical for regular dividend payments.

3.5 Theories of Dividend Policy

The impact of dividend decisions on shareholder wealth and company valuation is central to financial theory, with two primary schools of thought: the irrelevance concept and the relevance concept.

- (a) Irrelevance Concept of Dividend Policy – this includes two approaches including residual and Modigliani and Miller (MM), which propose that the dividend policy is not a critical factor in determining a company's market value or shareholder wealth.
 - Residual Approach – this theory notes that dividend decision has no effect on the wealth of the shareholders or the prices of the shares and hence it is irrelevant so far as the valuation of the company is concerned. Dividends are considered as passive residual outcome which implies they are what is left after all profitable investments have been funded. It assumes that the investors are torn between receiving dividends and having the company reinvest earnings because both lead to wealth generation.
 - Modigliani and Miller (MM) Approach – this theory argues that the company's value is determined by the earning power of the company's assets or its investment policy and the manner in which the earnings stream is split between dividends and retained earnings does not affect this value. It concludes that under conditions of a perfect capital market, rational investors and absence of tax discrimination between dividend income and capital appreciation may have no influence on the

market prices of the share. The gain from dividend payments is offset by a decrease in share prices due to the need for external financing, maintaining a balance in shareholder wealth.

It is based on the following assumptions:

- ✓ There are perfect capital markets and investors behave rationally
- ✓ Information is available to all at no cost
- ✓ No investor is large enough to affect the market price of shares
- ✓ There are no floatation and transaction costs
- ✓ There is no tax
- ✓ The company has a rigid investment policy and is not subject to change
- ✓ There is no uncertainty in respect of future investment and profit of the company, thus every investor is certain about future investments and profits, which implies that the discount rate is equal to the cost of capital.

The formula for the market price of a share in this approach is:

$P_0 = \frac{D_1 + P_1}{1 + K_e}$, where; P_0 - market price of a share, D_1 - future dividend, P_1 - future market price and K_e - cost of equity.

(b) Relevance Concept of Dividend Policy - this includes two approaches, including Walter's Approach and Gordon's Approach which argue that dividend decisions are significant indicators of a company's financial health and future prospects, thus influencing its valuation.

- Walter's Approach - this theory notes that there is a positive relationship between dividend policy of the company's value. It argues that the rate of return and cost of capital play a significant role in achieving the objective of shareholder wealth maximisation. The cost of raising funds is different for each company due to the risk associated with company, size, age, and nature of business undertaken by the company, which implies that the expected rate of return and cost of capital may vary in different situations. It states three conditions for deciding payout ratios as per the rate of return and cost of capital relationships, as explained below.

- ✓ Growing companies - If the company earns a higher rate of return on its investment than the cost of capital (the required rate of return), the company should retain the earnings as much as possible, which implies it is still a growing

company. In order to increase shareholder wealth, the payout ratio may be zero in this case.

- ✓ Declining companies - If the company's capacity to earn a return on its own investment is lower than the cost of capital (the required rate of return), which implies it is a mature company and it is in a declining stage and it should pay out dividends up to the maximum extent possible. The rate of dividend may be 100% to persuade investors to invest the same money in growing the company.
- ✓ Stable companies - If the company's rate of return on investment is equal to the cost of capital (the required rate of return), which implies that there is no optimum dividend payout and the value of the company would not change with the change in dividend rate.

This approach is based on the following assumptions:

- ✓ The company uses its own retained earnings to fund new investments, and the firm does not use an external source of funds.
- ✓ The company's internal rate of return and cost of capital are constant.
- ✓ The company has perpetual life.
- ✓ Earnings and dividends do not change while determining the value of the firm.

The formula for the market price of a share in this approach is:

$P = \frac{D + r \cdot \frac{(E-D)}{K_e}}{K_e}$, where; P - market price of a share, D - dividend per share, r - internal rate of return, E - earnings per share and K_e - cost of equity.

- Gordon's Approach - this theory argues that shareholders do have a preference for current dividends, in fact, there is a direct relationship between the dividend policy of a company and its market value. It proposes that investors are generally risk averters and attach less risk to current as opposed to future dividends or capital gains. The company's dividend policy is relevant because investors prefer some dividends now in order to reduce their certainty results into wealth creation.

This approach is based on the following assumptions:

- ✓ The company has only equity capital in its structure, and no external financing is available or used, retained earnings represent the only

- ✓ source of financing investment programmes.
- ✓ The cost of capital and rate of return do not change even in the case of internal sources of financing i.e. through retained earnings.
- ✓ The company has perpetual life.
- ✓ The retention ratio, once decided is constant; the growth rate is given as a product of retention ratio and rate of return.
- ✓ The company's cost of capital remains constant, and it is also greater than its growth rate.

The formula for the market price of a share in this approach is:

$P = \frac{D}{K_e - g}$, where; P - market price of a share, D - dividend per share, K_e - cost of equity and g is the growth rate.

4. Strategies for Maximising Shareholder Value

Shareholder value is the financial worth owners of a business receive for owning shares in the company. It is the value created for shareholders when the business increases profits. Simply, an increase in shareholder value is created when a company earns a return on invested capital that is greater than its cost of capital (WACC).

Shareholder value maximisation is a core objective for any company which involves optimising various aspects of a company's operations, capital structure and strategic decisions. Enhancing shareholder value is about balancing short-term profitability with long-term sustainability and growth. Below are the strategies that can help shareholders achieve their coveted goal of investment growth:

- (a) Efficient capital allocation - companies need to make informed decisions about how to raise funds and where to invest them. Striking a balance between debt and equity financing minimises the cost of capital, which maximises returns for shareholders. Similarly, excess cash can be reinvested in business expansion, paid as dividends or used to repurchase own shares.
- (b) Dividend policy - a well-defined dividend policy ensures consistent and transparent dividend payments based on the company's financial performance and cash flow. This helps to attract and retain investors who rely on dividends as a

source of income which enhances shareholder value.

- (c) Stock buybacks (share repurchases) - through share repurchases, companies can reduce the number of outstanding shares, which increases ownership stake and earnings per share for existing shareholders. This creates confidence in the company's future prospects, which attracts investors and boosts stock prices.
- (d) Efficient financial management - companies are encouraged to optimise working capital management, improve cost efficiency and maintain robust financial controls to enhance profitability, mitigate risks and generate sustainable value for shareholders.
- (e) Growth strategies - these may include expanding into new markets, introducing innovative products, and acquiring complementary businesses, which have the potential to drive revenue and profit, leading to increased shareholder value.
- (f) Corporate governance - a transparent and accountable board of directors, ethical decision making and alignment with shareholder interests are critical to maximisation of shareholder value because they boost investors' confidence.
- (g) Strategic partnerships and alliances - collaborations with other companies can be an effective strategy for maximising shareholder value, for instance, joint ventures can lead to cost savings, access to new markets or innovative solutions.
- (h) Focus on long-term sustainability - companies that prioritise long-term sustainability and ethical practices normally achieve sustained growth and increased shareholder value over time.

Capital structure decisions and dividend policies are emphasised as the essential elements of corporate financial strategy for shareholder wealth maximisation, especially in volatile economic times. Corporate decision makers can employ theories of MM Hypothesis, and dividend relevance and dividend irrelevance concepts to analyse the influence of capital structure and dividend policies on the company value, to manage unpredictable economic performance in the volatile economic conditions.

Strategic capital allocation, transparent governance, sustainable growth initiatives, and efficient financial practices are critical to creating long-term shareholder wealth and ensuring corporate resilience amidst economic uncertainties.



By CPA Ambrose Kariyo Mugisha
Head of Education & Training
Institute of Certified Public Accountants of Uganda

PRACTICAL EXPERIENCE TRAINING: REFLECTING ON INTERPERSONAL AND ORGANISATIONAL SKILLS

Aristotle once said, 'Man is a social being'. This literally means that man or woman, boy or girl are naturally inclined to live, interact, and cooperate with others, and the organisations we support are essential for our survival, development, and well-being.

Some people also say that, technical skills can enable get your dream job but non-technical skills support you to keep the job and do more and more. In this era of technology transformation, we, accountants must develop and demonstrate competences in non technical skills much more than before.

Fundamental interpersonal skills such as communication, negotiations, managing difficult situations, leadership, active listening, and emotional intelligence are needed by clients and employers more than our usual technical concepts of International Financial Reporting Standards (IFRS) Accounting Standards, International Standards on Auditing and the like.

In this article, we will focus more on building and demonstrating interpersonal and organisational skills.

Interpersonal and organisational skills are core competencies required by every aspiring and already qualified Certified Public Accountant (CPA). They are vital for effective collaboration, communication, and managing work efficiently in the organisational settings. There are significant players in the management of an organisation, and such skills serve as important mechanisms for enhancing the effectiveness, efficiency and quality of services.



What are those interpersonal and organisational skills?

a. Working Well with other Staff Members

This may seem basic but it is an important skill to reflect on. Questions such as, 'how do I relate with colleagues in executing various tasks and dealing with difficult people?

Deliberate attempts have to be made in fostering effective communication, respect for colleagues' strengths, demonstrating trust, and proactive collaboration.



b. Demonstrating Leadership

At whatever career path point, a CPA is expected to inspire innovation, adaptability and demonstrate a willingness to focus teams and organisations towards growth and new opportunities. We should be open minded, curious and thinking ahead.

As CPAs are exposed to a globe of numerous opportunities, you need strategic planning and critical thinking capabilities, good understanding of the global environment (remember the acronyms of models such as Political, Economic, Social, Technological, Environmental and Legal — PESTEL), people and cultural dynamics, and corporate finance practices.



c. Planning, Organising and Monitoring Activities

Planning is a process to develop a strategy to achieve desired goals, objectives, to solve problems, and to facilitate action. Planning is a process to develop a strategy to achieve desired goals, objectives, to solve problems, and to facilitate action. Planning can be defined as a process to develop a strategy, achieve desired goals, objectives, solve problems, and facilitate action. Planning, organising and monitoring initiatives should be demonstrated at personal, organisation and community levels. Therefore, a CPA should demonstrate activities involved in planning, organising and monitoring to support management in setting goals, arranging resources to meet them, and then tracking progress to ensure they are achieved.



d. Organising and Delegating Tasks

As a CPA in the making or qualified, the art of delegation should be 'deep in the DNA'. Delegation is a cornerstone of leadership, without which no

organisation can thrive.

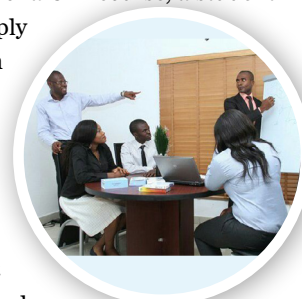
The world around us should be able to see that we simplify and break down objectives, assign tasks to team members based on their strengths, and provide clear guidance and support task completion and sustainability. One needs to competently demonstrate that there is focus on strategic planning, clear communication, and empowering teams.



e. Solving Problems, Proposing Solutions and Making Decisions

We are strategic business advisors. Therefore, to keep our hopes alive, we demonstrate expertise in data analysis and reporting, forecasting and budgeting, investment planning, wealth management, critical thinking, communication, and insights.

For example, by the end of a CPA course, a student should be able to apply intellectual skills in evaluating data and information, apply critical thinking to solve problems, make decisions and exercise good judgment in complex organisational situations.



Whether a CPA or student, we should endeavour to develop and maintain good interpersonal and organisational skills since they are crucial for professional and personal growth.

Interpersonal skills focus on how we effectively interact with others, while organisational skills concentrate on one's ability to utilise the work environment to achieve goals efficiently.

From a practical experience documentation perspective, we are expected to document the acquired levels of competence over a specified period of time before enrolment on the accountants' register. ♦



By CPA Budalah Nsubuga
Senior Accountant,
Vision Group

MASTERING FINANCIAL RESILIENCE: A CPA'S GUIDE TO RISK MANAGEMENT, STRATEGIC TOOLS, AND REGULATORY AGILITY



The business world is not just rocky anymore. It is flat-out unpredictable. Global politics, tech takeovers, and climate change are constantly impacting business plans. Because of this, Certified Public Accountants (CPAs) are not just looking back at old money information, they are building a future where businesses can bounce back from anything.

This article gives you a plan to get good at-risk management and keep businesses running smoothly, from the basics to the money tricks that help companies survive and grow today.

Part 1: Enterprise Risk Management (ERM) – Your Protective Shield

Good risk management means thinking ahead, not just reacting. Enterprise Risk Management (ERM) is like a shield covering all your risk-fighting moves. It is continuous and part of the company's routine.

How the Big Ideas Work

1. **The COSO ERM Plan:** Think of this as the company's brain and body working together. It links what the company wants to achieve with finding and handling risks everywhere. For a Ugandan firm, this means connecting the goal of selling in Europe with the risks of currency fluctuations, European Union (EU) rules, and problems with getting products.
2. **ISO 31000:2018:** This is a set of rules for handling risks: Establish Context -> Risk Assessment -> Risk Treatment -> Monitoring & Review. Its flexibility is perfect for adapting to new risks, such as emerging digital asset regulations or new sustainability reporting requirements.

What CPAs Do: You are the glue that holds it all together. You turn risks into numbers that everyone can understand. You make sure the company's rules are set up right and that you are keeping an eye on things with real information.

Part 2: Your Money Toolkit: Smart Ways to Protect Yourself

ERM is the plan, but you need tools to defend yourself. CPAs need to know the tricks to protect the company's money.

Perfecting Interest Rate Risk

For companies that owe or invest a lot, interest rate changes can hurt their cash flow. Here are some things to think about:

- Interest rate swaps: use to convert floating-rate debt to fixed-rate debt, or the other way around. A Ugandan construction firm with a changing interest rate can use a swap to make sure they lock in fixed interest payments, so that their project remains on track.
- Forward Rate Agreements (FRAs): A way to lock in an interest rate for the future. Good for when you want to borrow money later and want to protect against high future interest rates.
- Interest rate futures: Exchange-traded derivatives that allow for hedging against broad interest rate movements, offering liquidity and ease of exit.
- Caps, floors, and collars:
 - A cap (a series of call options on interest rates) sets a maximum cost, protecting against rises while allowing benefit from falls.
 - A floor (a series of put options) sets a minimum return on investments.
 - A collar (buying a cap and selling a floor) limits both the maximum cost and the minimum benefit, often at a zero net premium.

Currency Risk Management

With Uganda's interconnected economy, forex risk is paramount. The tools extend far beyond simple forwards.

- Money market hedge: A synthetic forward contract created by borrowing and lending in the domestic and foreign currencies. It is a powerful alternative when forward markets are illiquid or expensive, giving the Chief Financial Officer more flexibility.
- Leading and lagging: A strategic, operational technique. Leading involves accelerating payments

to a creditor in a currency that is expected to appreciate, while lagging involves delaying payments in a currency that is expected to depreciate. This requires sharp forecasting and efficient working capital management.

- Multilateral netting: For large multinationals or groups with multiple intra-entity transactions, this is a game-changer. Instead of each entity making multiple cross-border payments, a central netting centre consolidates all receivables and payables, and only the net amount is settled. This dramatically reduces transaction costs, foreign exchange exposure, and bank charges.

Strategic Investment Appraisal: The Real Options Approach

The greatest risk can sometimes be failing to take a strategic risk. Traditional investment appraisal (like Net Present Value — NPV) is often too static for a dynamic world. Real options apply the logic of financial options to capital budgeting, recognising the value of managerial flexibility.

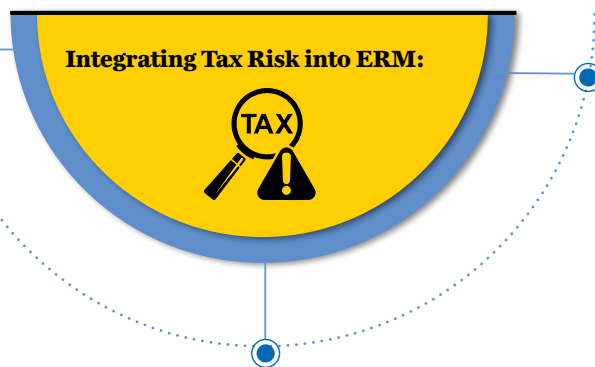
- The concept: An investment can be seen as an "option" to make further decisions in the future.
- Option to expand: If a new branch in one location is successful, you have the option to scale it up.
- Option to abandon: If a project becomes unprofitable, you have the option to sell the assets and exit.
- Option to delay: You can wait for more market information before committing full capital.

Valuation (Black-Scholes Model): the Black-Scholes model can be adapted to value these strategic choices. It quantifies the value of uncertainty itself, allowing one to justify investments that a conservative NPV analysis might reject. A tech startup's research and development project may have a negative NPV, but its real option value—the potential to pivot or capture a new market—could make it profoundly valuable.

Part 3: The Regulatory Compass: Evolving Tax Policy and Legislative Developments

An often overlooked but critical risk vector is the evolving regulatory and tax landscape. A change in the Income Tax Act or the introduction of a new digital services tax can render a brilliant hedging strategy obsolete or cripple a business model.

Proactive Monitoring: This is non-negotiable. Regularly monitor the Uganda Revenue Authority (URA) portals, technical releases by the Institute of Certified Public Accountants of Uganda (ICPAU), and parliamentary briefs. Understand the intent behind proposed laws to anticipate future changes.



Strategic Response: Use this analysis to lobby through professional bodies, restructure transactions for efficiency, and ensure accounting systems are agile enough to adapt to new compliance requirements.

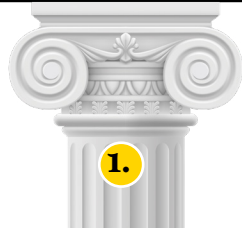
Impact Assessment & Scenario Planning: Quantify the impact. “What is the effect on our net cash flow if the corporate tax rate is amended? How does the removal of an investment allowance affect our real option valuation?” Integrate these questions into your financial stress tests.

Part 4: The Ultimate Synthesis: Building Unbreakable Financial Resilience

When all these elements are synthesised, the result is true financial resilience — the capacity to not only survive shocks, but use them as a competitive advantage.

The Pillars of Resilience

Liquidity fortress: Maintain strategic cash reserves and undrawn credit facilities. Model the cash flow impact of multiple simultaneous shocks: a currency devaluation, a spike in interest rates and a new tax.



Strategic agility: Use real options thinking to build a portfolio of strategic initiatives, not just one rigid five-year plan. This creates an organisation that can pivot quickly.



Integrated intelligence: The ERM function, treasury, tax department, and strategic planning unit must not operate in silos. They must be a single, cohesive intelligence unit, with the CPA as the crucial integrator, ensuring that every risk is understood in financial, strategic, and compliance terms.



The future of our profession is not in the debits and credits of the past, but in the strategic probabilities of the future. Your journey to becoming a CPA is your training to become a master of uncertainty. With ERM as your strategy, advanced financial instruments as your tools, and a deep understanding of the regulatory environment as your scope, you will do more in building enterprises that are robust, agile, and capable of thriving in the face of any storm.



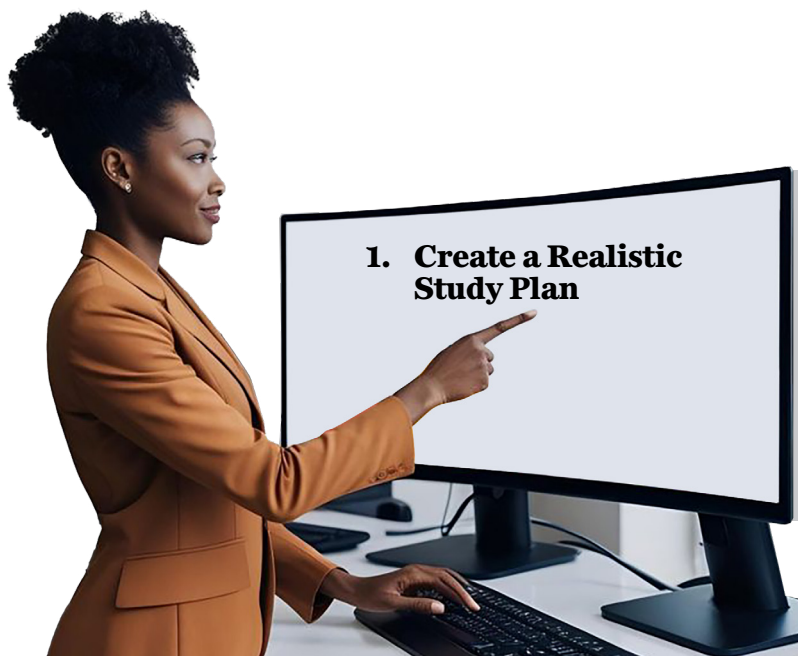
By CPA Beatrice Wanyirigira
Finance Manager
Brainwave Careers Uganda

STRATEGIES FOR PASSING CPA EXAMINATIONS

The Certified Public Accountants (CPA) exam is a gateway to a rewarding professional career, but it is also rigorous, demanding, and often overwhelming. Exam success is not just about intelligence; it is about strategy, discipline, and resilience. While the syllabus can be vast and demanding,

success lies in how you study as much as what you study.

Here are proven techniques to help you prepare effectively and boost your chances of passing your professional exams on the first attempt.

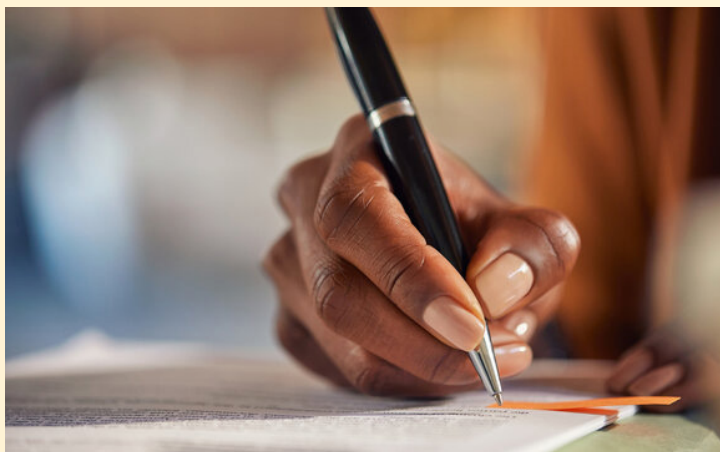


A solid study plan is the foundation of exam success. Start by mapping out all exam topics and breaking them into manageable weekly goals. Factor in your work, family, and personal commitments to avoid burnout. Most importantly, stick to your schedule. Consistency is far more powerful than marathon study sessions right before the exam. ***Success is the sum of small efforts, repeated day in and day out — Robert Collier***

2. Understand the Exam Structure

Many candidates fail not because they lack knowledge, but because they misunderstand the exam format. Review past papers and examiners' comments.

Understanding the structure allows you to tailor your study approach, whether that means focusing on computational practice for quantitative sections or essay-writing techniques for discursive ones.



3. Master Active Learning

Passive reading rarely leads to retention. Instead, engage actively with your tutor and the materials through:

- Summarising learning outcomes in your own words
- Teaching others what you have learned during active discussions
- Creating flashcards for key formulas, definitions, and standards
- Practising using past questions under timed conditions

Remember: practice breeds familiarity, and familiarity breeds confidence.



4. Focus on Weak Areas

It is tempting to revisit topics you are already comfortable with, but progress happens when you tackle your weaknesses. After each mock exam or practice session, analyse your mistakes carefully. Determine whether they stem from a lack of understanding, poor time management, or exam pressure, and adjust accordingly.

A targeted approach helps you close gaps early and ensures you are fully prepared across all areas of the syllabus.

5. Use Quality Study Resources

Choose reputable study materials — textbooks, question banks, and review courses. Online forums, podcasts and study groups can also provide valuable insights and motivation.

However, avoid overloading yourself with too many resources; depth of understanding is better than superficial coverage of everything.



6. Simulate Exam Conditions

One of the best ways to prepare is to practice like it is the real exam. Set aside time to complete full-length mock exams under timed, distraction-free conditions. This not only improves your speed and accuracy but also builds the mental stamina needed for long testing sessions.

7. Prioritise Well-being

Exam success is not just intellectual — it is physical and emotional. Adequate sleep, a balanced diet, and regular exercise improve memory and focus. Incorporate relaxation techniques such as deep breathing or meditation to manage exam stress. Remember, a healthy body supports a sharp mind.

8. Stay Motivated and Positive

Professional exams are marathons, not sprints. There will be days when motivation dips but persistence pays off. Celebrate small wins, track your progress, and remind yourself why you started the journey. Surround yourself with supportive peers who share your goals.

Final Thoughts

Passing professional exams is an achievable goal with the right mindset and strategy. By combining structured planning, active learning, and self-care, you can transform the daunting process into a rewarding journey of personal and professional growth.

As the saying goes, Success is where preparation and opportunity meet — Bobby Unser.

Prepare well and success will surely follow. ♦



By Jackline Nabirye
Communications Officer
Institute of Certified Public Accountants of Uganda

CPA BEN PATRICK KAGORO HONoured WITH ICPAU GOLD SERVICE AWARD



CPA Ben Patrick Kagoro, the Chairman of the Deposit Protection Fund and the 6th President of the Institute of Certified Public Accountants of Uganda (ICPAU) has been honoured with the ICPAU Gold Service Award at the 10th Accountancy Service Awards.

Among other achievements, Kagoro was recognised for mentoring CPAs, nurturing talent and creating opportunities for future accountants, professionalising the finance and audit functions of institutions, and playing a major role in establishing transformative policies that strengthened ICPAU's governance and administrative systems.

In his acceptance speech, he pledged a lifelong commitment to developing accountants and promoting the values of ICPAU.

He further encouraged accountants to strive for excellence and set honourable examples for their subordinates.

"Whatever we do, we strive to excel so that when we are out of it, they say oh, he did a good job and whoever follows will say, I cannot shame my predecessors," Kagoro advised.

For her all-round exemplary professional performance and inspirational endeavours, CPA Gloria Tuhaise Wakooba the Director of the Procurement and Disposal Department at Bank of Uganda received the CPA of the Year Award.

Wakooba attributed her accomplishments to her supportive husband who has been by her side throughout her educational and career journeys, cheering her on and supporting her with family roles, including the domestic

duties and carrying their children to Gloria's classes so that she could nurse them, essentially enabling her to balance her career and parenting roles.

The Woman Accountant of the Year Award was presented to CPA Irene Mwoyogwona, the Head of Finance at Pride Bank and President of the Rotary Club of Najjera.

Among several accomplishments, Mwoyogwona was honoured for her transformational leadership, notably championing the transformation of a microfinance institution into a bank.

Mwoyogwona thanked God for his grace. She also thanked Pride Bank for giving her the opportunity to serve with excellence, and she thanked her team members for their collaboration.

CPA Stephen Muchelule, the Assistant Manager, Business Risk Services at Grant Thornton Uganda, was presented with the Young Accountant of the Year Award for his technical proficiency, mentorship contribution, service to the Institute and promoting the Certified Public Accountants (CPA) course.

Muchelule acknowledged his mentor, CPA Ronald Mutumba who encouraged him to professionalise at a youthful age.

The Accounting Firm of the Year Award was presented to Abdul & Associates. The firm was recognised for a strong commitment to quality, including implementing the recommendations of the ICPAU Quality Assurance Review team and great improvements in its quality management systems through automation, participating in the ICPAU pro bono initiative and supporting the professional development of its staff.

The Quality Chemical Industries Limited (Qcil) Finance Team won the Finance Team of the Year Award.

The Members Services Committee noted that the Qcil finance team's commitment to transparency, continuous development, and ethical governance reflects a deep sense of responsibility and excellence.

Other Awardees were:

Ms. Ann Ssebunya, founder of Drugs Hapana Initiative — Unique Humanitarian Service Award, for her work in mental health and drug abuse prevention.

MAT ABACUS Business School — Institutional Partner of the Year, for their outstanding contribution in the field of professional accountancy education.

Deogratius Habimana, Editor at UBC TV — Media Personality of the Year Award, for his dedication, professionalism, and significant contribution to enhancing public awareness and appreciation of the accountancy profession in Uganda through journalism.

Hon. CPA Henry Musasizi, Minister of State for Finance, Planning and Economic Development (General Duties), who presided as Chief Guest, commended ICPAU for championing international standards such as the IFRS Sustainability Disclosure Standards and the International Non-Profit Accounting Standard. He urged accountants to embrace their role as custodians of accountability.

"To serve is noble, but to serve with excellence is honourable. Let us always strive to impact society with passion, diligence, and integrity," he said, pledging government's continued support to professionalise and strengthen the sector.

Reflecting on the Awards' growth, CPA Sandra Nakibuule Batte, Chair of the ICPAU Members Services Committee, said the transformation from a side event at the Annual Seminar to a dedicated gala underlines the profession's commitment to celebrating excellence. This year, ICPAU received 142 nominations across the categories.

ICPAU Secretary/CEO, CPA Derick Nkajja, said the awards provide a mechanism for recognising distinction in service and growing the profession.

"Through this recognition, we are able to create impact and strengthen our values of integrity and excellence," he noted.

The 10th ASA dinner reaffirmed ICPAU's mission to uphold professionalism and integrity while positioning accountants as drivers of sustainable growth in Uganda.

The 10th edition of the Accountancy Service Awards (ASA) was held on 3 October 2025, at the Sheraton Kampala Hotel, marking a decade of recognising excellence in the profession. For the first time, the ASA were organised as a standalone event, giving the occasion a premium feel befitting its role in celebrating the profession's highest achievers.

Under the theme **"Accountancy: Serving with Excellence"** the awards recognised nine winners drawn from individuals, firms, and institutions whose work reflects integrity, innovation, and a commitment to national development.

Organised by ICPAU, the ASA were introduced in 2015 as premium annual awards of excellence aimed at recognising persons or entities that have made outstanding contributions to the advancement of the accountancy profession in Uganda and beyond.

[Access awardees' citations here](#) 



By Abraham Malinga
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ACCOUNTANTS URGED TO FORGE STRONGER TIES FOR COMPLIANCE AND QUALITY



The Institute of Certified Public Accountants of Uganda (ICPAU) held the 2025 Practitioners Forum on Friday, September 12, under the theme “Relationships that Last: Developing Uganda Together.” The forum brought together accountancy practitioners, regulators, and the Uganda Revenue Authority (URA) to strengthen collaboration, promote tax compliance, and address audit quality challenges.

The Commissioner Domestic Taxes Denis Kugonza Kateeba, in his presentation, commended practitioners for their central role in supporting taxpayers through bookkeeping, advisory, and compliance services. He noted that practitioners encourage the use of digital tools such as EFRIS and DTS, and enhance voluntary compliance through accurate reporting. However, he pointed out persistent gaps, including failure by some to register as tax agents, quoting outdated laws, and, in certain cases, abetting tax evasion.

As a way forward, URA pledged regular trainings, greater automation of processes, and improved access to updated tax laws on its portal. The Commissioner reiterated the Authority’s commitment to working closely with ICPAU and practitioners to simplify compliance and strengthen trust between taxpayers and government.

A highlight of the forum was the announcement of the incorporation of the Accountancy Practitioners Forum Ltd (APF) in June 2025. CPA Ronald Mutumba, the Implementing Director, explained that the APF was established as a company limited by guarantee to serve as a collective platform for

practitioners. Its objectives include improving audit quality, promoting adherence to international standards, providing peer learning opportunities, and advocating for practitioners’ interests. The APF will also develop shared resources such as a quality management toolkit, audit software, and digital libraries to improve efficiency and accessibility across firms.

The forum further discussed the growing challenges of audit quality, with a presentation on “Solving the Audit Quality Crisis.” Speakers highlighted pressures facing firms today, including fee constraints, talent retention, and regulatory inspections. Five pillars of audit quality—leadership, independence, client acceptance, human resources, and engagement performance—were identified as areas of concern. Firms were encouraged to strengthen training, adopt structured risk assessments, and embrace independent engagement quality reviews to mitigate risks and enhance performance.

Speakers emphasized that investing in quality is not a cost but an enabler of profitability, reputation, and long-term sustainability. Stronger quality systems, they noted, will not only reduce regulatory risks but also help firms attract better clients and retain skilled staff.

The forum closed with a renewed call for closer collaboration between ICPAU, URA, and practitioners, underlining the shared commitment to integrity, continuous improvement, and positioning the profession to contribute meaningfully to Uganda’s economic development. ♦

ICPAU 10TH PRESIDENT CPA JOSEPHINE OSSIIYA APPOINTED CHAIR OF IFAC'S PAIB ADVISORY GROUP

The International Federation of Accountants (IFAC) on 16 October 2025 announced the appointment of ICPAU 10th president, CPA Josephine Okui Ossiya (Uganda) as Chair of the Professional Accountants in Business Advisory Group (PAIB AG).



CPA Ossiya was appointed alongside Helene Agélii (Sweden) as Chair of the Small and Medium Practices Advisory Group (SMP AG) and Sinéad Donovan (Ireland) as Chair of the International Panel on Accountancy Education (IPAE).

“We are delighted to welcome Sinéad, Josephine, and Helene—three outstanding members of the global accountancy community,” said Jean Bouquot, IFAC President. “Each has demonstrated exceptional leadership in advancing our profession and supporting the public interest, our members, and our collective mission. Their perspectives will be invaluable as we work together to shape the future of accountancy through learning, innovation, and a collective voice. I also extend my deep gratitude to the outgoing chairs for their dedicated service and impactful contributions.”

Mrs. Josephine Okui Ossiya brings a distinguished record of leadership in finance, capital markets, and governance across Africa. Currently serving as Chief Executive Officer of the Capital Markets Authority Uganda, she has held senior executive roles including Chief Finance Officer of Bujagali Energy Limited, Finance Director at Eskom Uganda, and CFO and Head of Finance at ATC Ghana. A committed leader in the accountancy profession, Mrs. Ossiya is the immediate Past President of Council of the Institute of Certified Public Accountants of Uganda, a Fellow of ACCA (UK), and a founding member of the Institute of Internal Auditors Uganda. She also contributes to public service through her board role at the Bank of Uganda, where she chairs key committees, and through her work in education and entrepreneurship.

Formed in 1977, the PAIB Advisory Group comprises volunteers with experience and expertise in the world of business and the public sector, nominated by the professional accountancy organisations that make up IFAC’s membership.

The Advisory Group considers key global trends in the context of the issues facing chief financial officers and finance functions, as well as boards and their audit committees, and provides IFAC with:

- Strategic input on business and accountancy issues that need to be addressed, and how to best do so;
- Direct input into IFAC and relevant standard-setting initiatives, projects, and activities, thereby ensuring inclusion of perspectives and issues most relevant to professional accountants in business; and
- Outreach and stakeholder engagement across the global profession.

This is an excerpt of the article titled, IFAC Announces New Chairs for Key Advisory Groups Driving the Global Accountancy Profession, adapted from the website of the International Federation of Accountants (IFAC) website <https://www.ifac.org/news-events/2025-10/ifac-announces-new-chairs-key-advisory-groups-driving-global-accountancy-profession>

INSIDE QUALITY CHEMICAL INDUSTRIES UGANDA: OPPORTUNITIES FOR ASPIRING ACCOUNTANTS



When was QCIL established in Uganda, and what does the company do?

Qcil was incorporated in 2005 as a joint venture between Ugandan entrepreneurs and Cipla Limited. It is headquartered at Luzira Industrial Park in Kampala. Qcil is a publicly listed pharmaceutical manufacturer and the largest producer of WHO-prequalified HIV/AIDS and malaria treatments in Sub-Saharan Africa. Its portfolio includes antiretrovirals (ARVs), antimalarials (ACTs), Hepatitis B medicines, and therapies for non-communicable diseases like diabetes and hypertension. Qcil exports to over 14 African countries and holds regulatory approvals in 31 markets.

How would you describe Qcil's work culture, particularly within the finance and accounting department? How do you motivate teams?

Qcil's culture emphasises excellence, integrity, and collaboration. In the finance department, the focus is on accuracy, compliance, and strategic financial planning. Motivation is driven by:

- Professional development programmes (formal training and mentorship).

- Exposure to strategic projects like factory expansion and Enterprise Resource Planning (ERP) implementation
- Recognition and performance-based incentives, encouraging innovation and continuous improvement

QCIL was honoured with the 2025 Finance Team of the Year Award during the Accountancy Service Awards. What key practices have contributed to this recognition?

- Compliance with International Financial Reporting Standards (IFRS) and Uganda's regulatory standards
- Integrated reporting that combines financial, sustainability, and governance disclosures.
- Adoption of SAP S/4HANA for real-time financial data and reporting accuracy.
- Strong audit and risk management frameworks overseen by the Audit and Risk Committee. These practices ensure transparency, stakeholder confidence, and alignment with global best practices

How does the organisation integrate technology and digital systems into its financial operations?

Qcil has digitised its financial operations through:

- SAP S/4HANA ERP for financial accounting, controlling, and reporting.
- Power BI and advanced Excel for data analytics and visualization.



- Automation of quality and compliance processes using tools like Trackwise. These systems enhance efficiency, enable real-time decision-making, and support external reporting obligations such as stock exchange filings.

Are there unique financial management and accounting challenges in the pharmaceutical industry? How do Qcil accountants navigate them?

Yes, challenges include:

- Foreign exchange volatility affecting procurement and revenue.
- Delayed payments from public health contracts.
- Compliance with stringent regulatory standards for pharmaceutical manufacturing.

Qcil navigates these through:

- Robust risk management frameworks.
- Scenario planning and supply chain diversification.
- Close monitoring of working capital and liquidity,

How does Qcil support career advancement for finance professionals within the organisation?

Qcil offers:

- Structured training programmes with the Institute of Certified Public Accountants of Uganda (ICPAU)

for students, and sponsorship for members for events like the ICPAU Annual Seminar and the CPA Economic Forum, among others. There are also mentorship opportunities.

- Opportunities to work on strategic projects like factory expansion and ERP implementation.
- Graduate trainee programmes for fresh graduates.
- Internal mobility and leadership development initiatives.

What career opportunities are available for CPA students and newly qualified accountants at Qcil?

CPA students join through graduate trainee programmes, which provide hands-on experience in budgeting, forecasting, and ERP systems.

What qualifications, skills and attributes does Qcil prioritise when recruiting accountants?

Qcil looks for:

- Bachelor's degree in accounting or finance.
- CPA certification or other professional accountancy qualification.
- 3–5 years of experience for mid-level roles.
- Technical skills: SAP ERP, IFRS compliance, Excel/Power BI analytics.
- Attributes: attention to detail, analytical mindset, collaboration, and effective communication. Project management experience is an added advantage

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- Compliance Manager
- Internal Auditor
- Financial Controller
- Head of Reporting
- Financial/Management Accountant

The Certified Public Accountants (CPA) course is a global professional accountancy qualification designed to produce competent Certified Public Accountants who are capable of applying the knowledge, skills and values in making impactful contributions to economies.

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

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