UGANDA REGISTRATION SERVICES BUREAU

Uganda's experience with Secured Transactions Reform:

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The Reform Journey

Chattels Transfers Act of 1978

Relied on manual filing and had a narrow scope

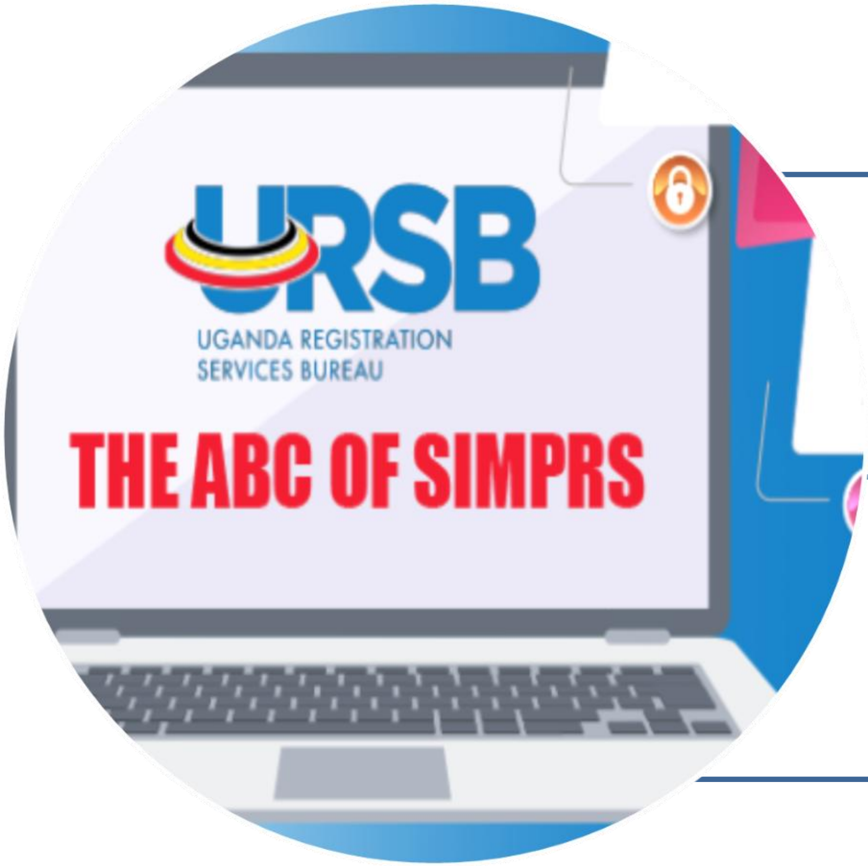
Chattels Securities Act of 2014

- ❖ Could not support an electronic collateral registry
- ❖ Physical instruments
- ❖ No provisions for online filing

Security Interest in Movable Property Act (SIMPA 2019) Cap 239

Aligned with international best practices, UNCITRAL Legislative Guide on Secured Transactions, the Registry Guide, and the Model Law

Achievements



Online Notice-based Register - enhanced transparency, efficiency, and access to credit, especially for MSMEs.

Interoperability with ASR for Motor Vehicles

Increase Registry usage and data consumption and utilization

Challenges

Significantly reduce the attractiveness of movable asset-based lending

LEGAL AND REGULATORY GAPS

The dual perfection framework for debentures under the Companies Act.

LIMITED PARTICIPATION BY KEY ACTORS

Like Commercial banks and the regulators.

WEAK ENFORCEMENT PROCEDURES

- court dependency
- rigid auction requirements
- limited private recovery options.

NON-SERIALISED COLLATERAL

Challenges with identification, traceability valuation and management.

UNDERDEVELOPED COLLATERAL ECOSYSTEM

Intellectual property rights, receivables and warehouse receipts

EMERGING ASSET CLASSES NOT YET COVERED

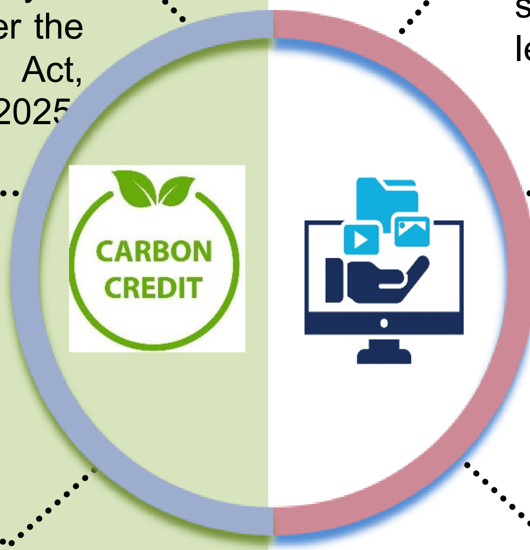
- The legal framework does not yet recognise new and evolving asset types
- Digital assets, verified carbon credits, and Central Bank Digital Currencies (CBDCs),

Status of Carbon Credit and Digital Assets in Uganda

Uganda is developing a carbon credit market supported by a regulatory framework under the National Climate Change Act, 2021 and its Regulations, 2025

The law will provide clear guidelines for the generation, verification, and trading of carbon credits.

The current secured transactions law recognizes intangible assets, it does not yet explicitly include carbon credits, digital assets, or data as collateral categories



There remain key challenges that must be addressed before such assets can be effectively leveraged as security.

These include valuation, enforceability in the event of default, and limited resale-market liquidity, all of which affect the feasibility of using carbon credits as collateral.

Similarly, digital assets and data, issues related to ownership and control, accurate valuation, legal enforceability, as well as privacy, cybersecurity, and regulatory compliance, need to be resolved to ensure their secure and reliable inclusion in Uganda’s movable property financing framework.

Efforts to promote secured transactions reform in Uganda

01

URSB is championing the establishment of a regional platform called the African Collateral Registry Forum (ACRF) for collateral registries in Africa. Objects:

- Promote collaboration and information-sharing on secured transactions across Africa,
- Identify challenges affecting efficient registry management.
- Review new developments in collateral registries.
- Provide a networking platform for professionals to share best practices. And
- Engage with international registry bodies on secured transactions issues.

02

Legal reforms that enable stronger enforcement mechanisms such as out-of-court recoveries, private sales, and specialized commercial tribunals would boost creditor confidence, speed up recoveries, and expand access to credit.

3. The Government of Uganda signed a cooperation agreement with the International Finance Corporation (IFC) to implement the Movable Asset-Based Lending (MABL) Project in Uganda. This initiative aims to address gaps within the movable asset–based lending ecosystem and promote the diversification of financial products offered by financial sector players.

The MABL project focuses on four key components:

1. **Strengthening regulation and supervision** – Improving laws, guidelines, and oversight for movable asset-based lending.
2. **Enhancing the MABL ecosystem** – Building capacity and improving coordination among institutions involved in movable asset lending.
3. **Improving valuation and disposal mechanisms** – Establishing better systems for valuing and disposing of movable collateral.
4. **Promoting knowledge and financial literacy** – Increasing awareness and understanding of movable asset-based lending among stakeholders.

Thank you.