

# WHY URA IS SEEKING TO MERGE IDENTIFICATION NUMBERS

By John Ricks Kayizzi

The taxman's revenue collection is set to be boosted, as a major reform proposal seeks to merge key identification systems into a single, unified number, a move experts say could transform service delivery, enhance compliance and spur business growth.

The Government is considering introducing a new system that will consolidate the tax identification number (TIN), business registration number (BRN) and national identification number (NIN) into one.

The initiative, spearheaded by the Uganda Revenue Authority (URA), in collaboration with the National Identification and Registration Authority (NIRA) and the Uganda Registration Services Bureau (URSB), is aimed at improving efficiency while curbing fraud.

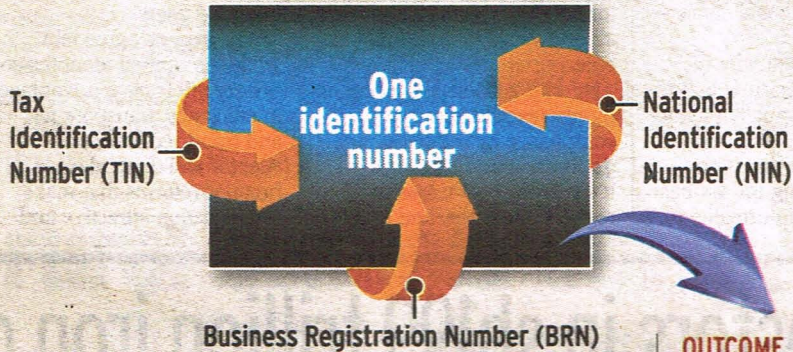
Currently, individuals seeking to start businesses must navigate a lengthy process involving multiple institutions. One must first secure a NIN from NIRA, then obtain a BRN from URSB, and finally apply for a TIN from URA.

This fragmented system has long been criticised for being time-consuming, costly and prone to duplication of effort.

Robert Kalumba, URA's assistant commissioner for public and corporate affairs, said the proposed integration represents a significant shift towards a more streamlined and user-friendly system.

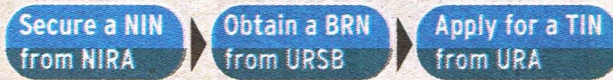
"It represents a major shift towards efficiency, transparency and convenience for citizens and businesses

## Merging key identification numbers



- Spearheaded by the Uganda Revenue Authority, National Identification and Registration Authority and Uganda Registration Services Bureau

### A LENGTHY PROCESS TO START A BUSINESS IN UGANDA



The process is time-consuming, costly, and prone to duplication of effort

### OUTCOME

- Will improve efficiency while curbing fraud
- Fight against fraud and tax evasion
- It will become harder for individuals to operate under multiple identities
- Enhanced traceability is expected to improve compliance and increase government revenues
- Will strengthen data sharing across govt institutions, enabling better planning and service delivery
- Policymakers will have clearer insights into economic activity, employment trends and sector performance

alike," he said in a recent statement.

Kalumba added that one of the most immediate benefits of the unified identification system will be convenience.

"Citizens and business owners will no longer need to juggle multiple identification numbers or repeatedly submit the same information to different agencies. A single number will suffice for registering businesses, filing taxes and verifying identity across all government platforms," he noted.

Beyond convenience, the reform is expected to play

### BETWEEN THE LINES

► Kalumba said by simplifying the process into a single step, the Government hopes to encourage more entrepreneurs to formalise their operations.

a critical role in boosting enterprise growth, particularly among small and medium-sized enterprises.

"Many businesses in Uganda remain informal due to the complexity of

registration procedures," Kalumba said, adding that by simplifying the process into a single step, the Government hopes to encourage more entrepreneurs formalise their operations, thereby gaining access to credit, support programmes and broader market opportunities.

The integration is also seen as a powerful tool in the fight against fraud and tax evasion.

"By linking personal identity with tax and business records, it becomes significantly harder for individuals to operate under multiple identities. This enhanced traceability

is expected to improve compliance and increase government revenues."

Kalumba added that the unified system will strengthen data sharing across government institutions, enabling better planning and service delivery.

"With integrated and reliable data, policymakers will have clearer insights into economic activity, employment trends and sector performance, allowing for more targeted and effective interventions," he said.

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GRAPHIC BY BRIAN SSEKAMATTE

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### TAXPAYERS' GAINS

For taxpayers, the reform promises fewer administrative hurdles.

Automatic tax registration tied to a single identification number will reduce cases of non-compliance arising from oversight or bureaucratic delays.

It will also simplify processes such as acquiring business licences, filing returns and conducting financial transactions that require identity verification.

Kalumba has urged Uganda's to embrace the proposed changes once implemented, noting that the reform, though seemingly simple, has far-reaching implications.

"Adopting a single identification number could significantly transform how government services are delivered in Uganda while strengthening accountability and supporting national development," he said.

### EXPERTS WEIGH IN

Analysts say one of the biggest advantages of the proposed system is efficiency, which will come about through eliminating the need for multiple registrations across

# AGENCIES MOVE TO MERGE REGISTRATION NUMBERS

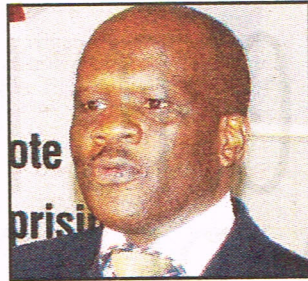
agencies, which will reduce bureaucracy, cut costs, and save time for entrepreneurs.

Dr Madina Guloba, a senior research fellow at the Economic Policy Research Centre, said the integration could improve tax administration, particularly in tracking economic activity and reducing fraud.

"This issue of tax identification, business registration and NIN being combined is a very good idea for tax programmes," Guloba said, adding that linking identity systems may "to an extent be effective in combating fraud."

She explained that a unified system would enhance data sharing across institutions, enabling the Government to better identify taxpayers and limit cases of individuals operating under multiple identities.

This, she said, could improve

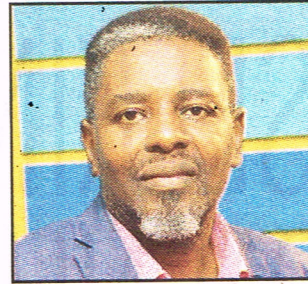


Ocici, Enterprise Uganda

accountability and reduce leakages in revenue collection.

However, Guloba cautioned that while the reform improves efficiency, it may not automatically translate into higher revenues unless deeper structural challenges are addressed.

"The whole point why the revenue base is narrow is because those formally paying tax are very few," she said, urging the Government to focus on widening the tax base and addressing informality in



Kalumba from the URA

sectors such as land, labour, and small enterprises.

Charles Ocici, the director-general of Enterprise Uganda, said the reform holds promise in simplifying business operations and encouraging formalisation, especially among small and medium enterprises.

He said a single identification number would ease compliance by reducing duplication and making it easier for businesses to register, file taxes, and access

government services.

Despite the benefits, Ocici warned that the reform must be implemented carefully to avoid overburdening already struggling businesses.

"It's a good idea, but it's going to bite if not handled well," he said, pointing to Uganda's existing tax pressures. "We are already tax burdened, from paying hefty import duties, income tax and Pay as You Earn, among others."

He cautioned that without balancing enforcement with incentives, some businesses may retreat further into informality, undermining the intended gains.

Both experts agree that while the unified identification system offers clear advantages in efficiency, transparency, and fraud reduction, its success will depend on broader reforms that make formalisation attractive and

sustainable for Ugandan businesses.

Dr James Kanyigye, the managing director of KK Fruit Exporters, said URA should support entrepreneurs to consolidate their investments to expand service provision.

"The taxman should fully support business creators, improve service delivery in hospitals, schools and other public amenities," he said, adding that only when this is done will the tax base be expanded.

He further said local government services, including extension services in agriculture, which forms the backbone of the economy, should be widened.

"The cottage industry should be supported to enable them to increase production of essential commodities. This will enable industrialisation to take off in a big way."

Kalumba argues that if successfully rolled out, the unified identification system could mark a turning point in Uganda's drive toward a more efficient, transparent, and digitally enabled economy.

By eliminating the need for multiple registrations across government agencies, the reform will reduce bureaucracy, cut costs, and save time for entrepreneurs.