Chambers AND PARTNERS

CHAMBERS GLOBAL PRACTICE GUIDES

Energy & Infrastructure M&A 2025

Definitive global law guides offering comparative analysis from top-ranked lawyers

Uganda: Trends and Developments

Aisha Naiga Wamala, Jemimah Mushabe, Hosea Barlow and Sheena Ainerukundo
ABMAK Associates

Trends and Developments

Contributed by:
Aisha Naiga Wamala, Jemimah Mushabe,
Hosea Barlow and Sheena Ainerukundo
ABMAK Associates

ABMAK Associates is a distinguished corporate and commercial law firm in Uganda, with deep expertise in energy and power, infrastructure, project finance, tax, oil and gas, mining, regulatory compliance and M&A. AMBAK's team of highly qualified legal professionals has unrivalled experience in the energy and infrastructure sector, advising on renewable energy projects and transactions, including solar, hydropower, bagasse and wind power projects. Recent highlights include acting as counsel to Berkeley Energy Group during the acquisition of Bugoye Hydro Power Project; acting as counsel to Berkeley Energy Group during the acquisition of Kikagati Power Project; advising ARPE Limited on the legal and regulatory framework for the construction and operation of Achwa HPP1 and Achwa HPP2 hydropower projects; advising Senok Wind Uganda Limited on the development of the first wind power project in Uganda; and representing Zhurong Technologies Limited during the negotiation of a power sales agreement with the Uganda Electricity Transmission Company Limited.

Authors

Aisha Naiga Wamala is the managing partner at ABMAK Associates and heads the energy and infrastructure team. She specialises in corporate and commercial law, with a focus on energy, infrastructure and project finance, corporate finance and M&A. Aisha has over 20 years' experience in Uganda's power sector, regularly advising renewable energy projects on legal and regulatory compliance, the negotiation of key project agreements, and corporate and project finance matters. She is licensed to practise law in Uganda and Tanzania, and is a member of the Uganda Law Society, the East African Law Society and the International Bar Association.

Jemimah Mushabe is a senior associate at ABMAK Associates, specialising in energy, infrastructure, tax, project finance and corporate advisory. She is the lead associate advising on all renewable energy projects handled by the firm, including advising on legal and regulatory compliance, the negotiation of key project agreements, corporate and tax matters and project finance. Jemimah holds a Bachelor of Laws (Hons) from Makerere University, a Postgraduate Diploma in Legal Practice from the Law Development Centre and a Postgraduate Diploma in Tax and Revenue Administration from the East African School of Taxation. She is a member of the Uganda Law Society and the East African Law Society.

Hosea Barlow is a senior associate at ABMAK Associates, specialising in M&A, antitrust and commercial transactions. His experience spans corporate and commercial advisory, including M&A, real estate transactions, corporate governance and regulatory compliance. His training on finance, deal-making and business strategy complements his legal practice, enabling him to provide comprehensive value-driven advice to clients in the energy and infrastructure sector. Hosea holds an MBA from Edinburgh Business School, a Post Graduate Diploma in Legal Practice from the Law Development Centre and an LLB (Hons) from Makerere University. He is a member of the Uganda Law Society and the East African Law Society.

Sheena Ainerukundo is a senior associate at ABMAK Associates, specialising in energy, infrastructure, project finance and corporate advisory. She is an advocate of the High Court of Uganda and all subordinate courts thereto. Sheena is the lead associate handling all corporate-related matters and transactions, advising on M&A, corporate structuring, reorganisations, corporate governance and corporate due diligence. She is part of the energy and infrastructure team, advising on environmental compliance and project finance advisory, and has participated in advising project developers on the Ugandan law aspects of financing. Sheena is a member of the Uganda Law Society and the East African Law Society.

ABMAK Associates

ABMAK Chambers
Plot 37A Windsor Crescent
Kololo
P.O Box 40431
Nakawa
Uganda

Tel: +256 326 100 375
Email: abmak-abmak@abmak.org
Web: www.abmak.org

ABMAK ASSOCIATES
Advocates & Legal Consultants

Contributed by: Aisha Naiga Wamala, Jemimah Mushabe, Hosea Barlow and Sheena Ainerukundo, **ABMAK Associates**

Mergers and Acquisitions in Uganda's Energy and Infrastructure Sector: Regulatory Controls

Uganda's energy and infrastructure sector is a central part of the country's investment landscape, attracting investment from development finance institutions, venture capitalists, strategic investors and specialist infrastructure funds.

With the increased interest and investment in the energy space, Uganda has also introduced regulatory and policy reforms, specifically in the electricity sector, to address the changes and emerging issues resulting from the growth in the sector.

Trends and developments in the electricity sector

Direct purchase arrangements

One of the most notable changes in the electricity sector has been the introduction of direct purchase arrangements in the bulk supply of electricity. For many years, Uganda operated a single-buyer model whereby the Uganda Electricity Transmission Company Limited (UETCL) was licensed as the sole bulk supplier of all electricity. Under this model, UETCL purchased all electrical energy generated by generation licensees and sold the electricity in bulk to distribution companies, which in turn would sell to end users.

In 2022, the Electricity Act, Cap. 157 ("Electricity Act") was amended to allow for direct purchase arrangements. According to the amendment, any licensee (either generation, distribution or transmission) may sell electricity in bulk to either a licensee (distribution or transmission) or a specified category of consumers, in accordance with the Electricity Act and the relevant regulations.

The Electricity (Supply of Electricity in Bulk to Specified Consumers) Regulations, 2022 were passed in December 2022 to operationalise direct purchase arrangements. According to the Regulations, direct purchase arrangements are between an eligible seller and an eligible consumer. Eligible sellers include bulk suppliers or uncontracted generators – ie, a generation licensee that does not hold a power purchase agreement with UETCL. An eligible consumer is one with an average demand of at least 1.5 MW.

An eligible consumer connected to the main grid can only purchase up to 30% of its total electrical needs. An eligible consumer without a connection to the main grid can purchase up to 100% of its total electrical needs.

Private sector investment in transmission

Uganda has made concerted efforts to strengthen, improve and expand the national grid. According to Uganda's Energy Policy, 2023, Uganda's goal is to expand the grid to a total length of about 13,029.43 km, with 55 additional substations and 17,229 MVA additional transformation capacity by 2040.

Private sector investment is one of the initiatives that has been introduced to achieve this goal. In 2023, the Electricity (Independent Power Transmission) Regulations, 2023 were enacted to authorise the Electricity Regulatory Authority (ERA) to issue independent power transmission licences to private developers. According to the Regulations, a private developer can either undertake a government-initiated transmission facilities development project or propose and implement their own privately initiated transmission facilities development project.

A private developer for a government-initiated transmission project will be selected through a competitive process in accordance with the Public Procurement and Disposal of Public Assets Act, Cap. 205. On the other hand, a privately initiated project must be a project included in the Grid Development Plan and is subject to a confirmation of no objection from the system operator, which is currently UETCL.

The pilot project for private investment in Uganda's electricity transmission sector is currently under implementation.

Temporary measures regarding the licensing of solar and wind power projects

On 22 October 2025, ERA issued a notice temporarily suspending the permitting and licensing of new grid connected solar photovoltaic and wind power projects. The temporary suspension is intended to maintain grid stability. In its notice, ERA noted that the national grid has reached its technical capacity limit for integrating additional solar photovoltaic and wind power projects.

The ERA notice also introduces other temporary measures in respect of solar and wind power, aimed at safeguarding grid stability and the reliability of the electricity system. Notably, priority will be given to generation projects that incorporate hybrid systems and energy storage technologies where such projects demonstrably enhance grid stability and flexibility, and support future variable renewable energy integration.

Whereas the suspension has restricted new project development, it will strengthen interest in brownfield renewable assets and in portfolio consolidation among existing market participants.

M&A in the electricity sector

Regulatory control and approval is at the heart of any acquisition, merger or change in control involving a licensed electricity asset. ERA holds licensing power over electricity players in Uganda.

One of the key terms of electricity licences is that any significant changes to the licence holder must be approved in writing by ERA. Aside from ERA's approvals, environmental approvals and competition law approvals must also be obtained.

As investors look to acquire operating plants or restructure existing projects, compliance with the approval requirements is a central part of deal planning in Uganda's electricity sector.

Approvals of M&A transactions by ERA

The transfer of a licence issued under the Electricity Act requires the prior written approval of ERA. The Electricity Act expands the definition of a transfer of licence to include any acquisition of control of the licence holder. Therefore, even where the licence holder itself does not change, any restructuring or transaction that results in a change of control of the licence holder will require ERA's consent.

In considering the application for transfer, ERA will assess whether the purchaser satisfies the licensing requirements, is willing to undertake the licence obligations and has the legal, financial and technical capacity to implement the project.

ERA is required to communicate its decision within 30 days after receiving the application to transfer the licence. If dissatisfied with ERA's decision, the licensee has a right to lodge an appeal before the Electricity Disputes Tribunal.

Approval by the National Environment Management Authority

A developer of an electricity project is required to conduct an environmental and social impact assessment and, thereafter, to obtain a certificate of approval of Environmental and Social Impact Assessment ("ESIA Certificate") issued by the National Environment Management Authority (NEMA).

In instances where an electricity licence is being transferred from one company to another, resulting in the transfer of the ESIA Certificate, the developer is required to notify NEMA of the transfer of the ESIA Certificate. In instances where there is only a change of control in the developer's ownership or control, there is no explicit legal requirement to notify NEMA, as the holder of the ESIA Certificate remains the same.

Competition control

The sector-specific approvals outlined above address project-level oversight. However, investors should also be aware that M&A transactions are subject to review by the Ministry of Trade, Industry and Cooperatives ("Ministry of Trade"), to ensure compliance with competition law requirements.

Prior to 2024, competition in M&A transactions involving Ugandan assets was regulated at a regional level through the Common Market for Eastern and Southern Africa (COMESA) Competition Commission. Parties generally treated a single filing to the COMESA Competition Commission as being sufficient to cover all merger control risk for the entire region.

At the East African level, the East African Community Competition Act, 2006 (the "EAC Competition Act") was enacted in 2006, but it was not operationalised until 2025. The East African Community Competition (Mergers and Acquisitions) Regulations, 2025 (the

"EAC Competition Regulations") were enacted to provide the thresholds for the reporting of cross-border merger transactions within the East African region, among other purposes.

Until recently, Uganda did not have a fully operational domestic merger control regime. In 2024, the Competition Act, Cap. 66 ("Competition Act") was enacted to introduce a structured framework for the review of mergers, acquisitions and joint ventures, and for the prohibition of anti-competitive practices and anti-competitive agreements. The Competition Act grants the Ministry of Trade power to assess M&A transactions, in order to promote and regulate competition.

The Competition Act was operationalised in 2025, through the passing of the Competition Regulations, which were gazetted in September 2025. The Competition Regulations stipulate the procedural rules and notification thresholds for M&A in Uganda.

The Competition Act has created an additional notification requirement for M&A transactions in Uganda, as failure to notify the Ministry of Trade renders the transaction void.

More recently, the COMESA Competition and Consumer Protection Regulations, 2025 ("COMESA Regulations") were enacted on 4 December 2025 to grant the COMESA Competition and Consumer Commission (CCCC) exclusive jurisdiction over regional merger transactions that meet the prescribed thresholds.

In addition, the regulations prohibit member states from applying their national legislation to transactions governed by the COMESA Regulations. The COMESA Regulations also take precedence in instances where there is a conflict between provisions of the COMESA Regulations and national competition laws with respect to matters with a regional dimension.

The import of the above is that a transaction that meets the notification thresholds under both the Competition Act and the COMESA Regulations will be notifiable only to the COMESA, except in instances of referral requests by a member state.

Whereas the COMESA Regulations address the conflict between the COMESA Regulations and national competition laws, there is no clear guideline on how the conflict at regional level will be addressed – for example, in respect to transactions that are notifiable under both the COMESA and EAC Regional regimes.

Investors must therefore assess the competition requirements applicable to their transactions under the following regulatory regimes:

- the COMESA Competition Regulations;
- the EAC Competition Act;
- the East African Community Competition (Mergers and Acquisitions) Regulations, 2025 (the "EAC Competition Regulations"); and
- the Competition Act.

For energy and infrastructure M&A, this translates into more filings, timelines and a higher likelihood of divergent remedies from the respective authorities.

COMESA notification requirements

Investors should note that, with the operationalisation of the COMESA Competition Regulations, the COMESA is central for M&A transactions and cannot be treated as an afterthought where the parties meet the financial thresholds and the jurisdiction dimension.

The COMESA Competition Regulations require that parties to a notifiable M&A transaction shall notify and obtain the approval of the CCCC prior to the implementation of the transaction. Failure to do so is an offence that attracts a fine of up to 10% of either or both of the merging parties' annual turnover in the Common Market.

The COMESA Competition Regulations also create a wider scope of notifiable M&A transactions, including greenfield joint ventures and mergers in a digital market.

Previously, a merger transaction was notifiable to COMESA where the combined turnover or combined value of assets, whichever is higher, in the Common Market of all parties to merger equalled or exceeded USD50 million. Under the COMESA Competition Regulations, a transaction is notifiable where the combined turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds 60 million COMESA dollars. This increase is to enforce the one-stop shop element of the CCCC, in order to avoid multiple notifications by the parties to the M&A transaction.

As can be seen, competition has become a standard component of front-end deal strategy in Ugandan energy and infrastructure M&A, rather than a narrow compliance exercise.

For buyers and sellers alike, the following issues tend to recur in the notification process.

- Timelines: the COMESA Competition Regulations prescribe a 180-day review period, and grant the CCCC power to extend this review period. The COMESA Competition Regulations do not prescribe a limit to the extension of the timelines. These review timelines, which must align with the transaction timelines, sector-specific approvals and the long-stop date under the sale and purchase agreement, can be challenging in transactions with multiple regulatory workstreams.
- Information requirements: COMESA expects detailed market definitions and competitive assessments in markets that are often thin, regulated and data-poor, particularly in power, pipelines and midstream assets.
- Any commitments given to COMESA must be carefully calibrated to avoid inadvertent conflict with licence conditions, government support agreements or host government expectations regarding strategic assets.

EAC competition notification requirements

With the passing of the 2025 EAC Competition Regulations to operationalise the EAC Competition Act, the framework adds a further layer to the competition notification requirements for M&A transactions in East Africa. The framework introduces mandatory notification for cross-border M&A that meet the financial thresholds. The framework also prescribes a standard 60-day review period, and grants the EAC Competition Authority power to impose penalties of up to 10% of annual turnover for non-compliance.

In practice, parties must now assess whether the transaction requires notification at the national or regional level. At the regional level, parties must assess whether the transaction is notifiable at the COMESA level or EAC level, or both.

However, with the new COMESA Competition Regulations now in force, the EAC Competition Authority is expected to revoke its notice of commencement of receipt of notifications of mergers, issued on 7 August 2025, in order to harmonise the notification requirements under the amended COMESA Competition Regulations and the EAC Competition Regulations.

Impact on energy and infrastructure M&A

The Competition Act strengthened Uganda's competition regime, but also introduced additional procedural requirements. The combined effect of the COMESA, EAC and Uganda legal regimes is a multi-layered competition regime that has an immediate effect on M&A. The transaction schedules are lengthy and more complex, as parties must now factor in the timelines under the COMESA Competition Regulations, the EAC Competition Act and Uganda's Competition Act.

In any transaction, the parties must identify the requisite notification requirements and conduct a threshold analysis that tests the transaction against the three regimes. The parties must structure a notification strategy and structure, taking into consideration the review timelines and the likelihood and nature of potential remedies and recommendations by the respective authorities.

CHAMBERS GLOBAL PRACTICE GUIDES

Chambers Global Practice Guides bring you up-to-date, expert legal commentary on the main practice areas from around the globe. Focusing on the practical legal issues affecting businesses, the guides enable readers to compare legislation and procedure and read trend forecasts from legal experts from across key jurisdictions.

To find out more information about how we select contributors, email Rob.Thomson@chambers.com