NAFUNA & CO. CLIENT GUIDES · GOLD & MINERALS · NO. 07

“But the Gold Is Mine”

Carrying Gold Through Entebbe Airport: How Cash-and-Carry Deals Become a Legal and Fraud Trap

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Introduction

> *"But the gold is mine. I bought it and paid for it."*

The sentence is true about ownership and mistaken about export.

The buyer who says it has usually travelled to Uganda, paid a supplier, watched an assay and collected an invoice, a receipt and a certificate of weight and purity, and now plans to carry the gold home in hand luggage through Entebbe International Airport.

The sentence joins two separate legal questions. Ownership determines who is entitled to the gold. Export authority determines whether, how and by whom the gold may leave Uganda. A purchaser can hold the first and lack the second.

The documents that prove payment are different from the documents that permit export.

A purchaser who discovers that difference at the airport may face detention of the gold, investigation, criminal exposure and a dispute with the seller over who bears the loss. This Guide examines the legal requirements for taking gold out of Uganda, the representations commonly made in cash-and-carry deals, and the safeguards a purchaser should settle before paying.

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SECTION 1

Ownership and Export Authority Are Separate Legal Interests

A Sale and Purchase Agreement gives the purchaser contractual rights against the seller. Depending on the agreement and the seller's own title, ownership of the identified gold may also pass to the purchaser.

Export is governed by a different instrument. Section 150(1) of the Mining and Minerals Act, 2022 provides that "a person shall not export any minerals from Uganda without an export permit issued under this Act."

Each document in a cash-and-carry deal proves something specific:

DOCUMENT	WHAT IT ESTABLISHES
Invoice	What the seller claims to have sold
Payment receipt	That money passed to a particular person
Assay certificate	The characteristics of the material tested
Seller's Mineral Dealer's Licence	The seller's authority to deal in minerals
Export permit	Authority to export a specific consignment

Only the export permit speaks to the border.

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Title answers who owns the gold. The export permit answers whether, how and by whom it may cross Uganda's border.

SECTION 2

What the Law Requires for Export

Section 150 of the Mining and Minerals Act, 2022 is directed at the act of exporting, whoever undertakes it:

PROVISION	EFFECT
s. 150(1)	No person may export minerals from Uganda without an export permit issued under the Act
s. 150(3)	The Minister may grant a permit to any person, on conditions determined under the Act and regulations and specified in the permit
s. 150(4)	The permit does not exempt its holder from other export requirements, including proof of payment of prescribed fees and royalties, a certificate of origin, a certificate of analysis authenticated by the country of origin and, for minerals not from Uganda, the export documents of the country of origin
s. 150(5)	Exporting without a permit is an offence punishable by a fine of up to ten thousand currency points, imprisonment of up to five years, or both

The Ministry of Energy and Mineral Development's Public Notice of February 2026, *Gold Purchase Procedure in Uganda*, sets out the current requirements for a gold export permit:

- ? a valid Mineral Dealer's Licence, mining licence or refining licence
- ? Form 52 under the Mining and Minerals (Licensing) Regulations, 2023
- ? for gold not originating in Uganda, an export permit or related documents from the country of origin
- ? a certificate of origin, where applicable
- ? a certificate of analysis authenticated by the country of origin
- ? proof that the gold has been refined to a purity of 99.9%
- ? proof of payment, through the Uganda Revenue Authority, of the fee on refined gold of USD 200 per kilogram

An export permit is granted per consignment.

Two consequences follow for a cash-and-carry purchaser. First, although section 150(3) allows a permit to be granted to any person, the Ministry's procedure requires the applicant to hold one of the listed licences. A foreign purchaser who holds none should establish, before paying, who the applicant will be.

> ***Second, the gold must be refined. Unrefined material, gold dust or doré offered for carrying out of the country falls short of the 99.9% requirement on its face.***

SECTION 3

Can a Foreign Purchaser Carry Gold Personally?

The answer turns on three facts: whether the particular export is covered by a permit, who holds that permit, and what customs procedure applies to the consignment. The legality of the export comes first; the method of carriage follows from it.

Gold's portability changes nothing. A kilogram fits in hand luggage, and dividing a consignment into smaller packages leaves its regulatory character unchanged.

Passenger baggage rules and mineral-export rules serve different purposes. The Uganda Revenue Authority's baggage procedures govern goods accompanying travellers. The mineral-export framework governs a regulated commodity. A traveller carrying commercial gold may meet both sets of rules, and compliance with one leaves the other to be satisfied.

> ***The customs offence arises early. Under section 200(c)(ii) of the East African Community Customs Management Act, bringing restricted goods to a Customs airport to be put on board for export, contrary to the conditions regulating their export, is itself an offence. The exposure begins at the airport, before the aircraft departs.***

A purchaser who intends to carry gold should therefore establish, before paying and before travelling, who the permit holder will be, how the consignment will be declared to customs, and how the permit will be presented at the airport. Where the answer is unclear, the purchaser should confirm it with the competent authorities.

SECTION 4

The Seller's Licence Is Not the Purchaser's Export Permit

Sellers frequently present their Mineral Dealer's Licence as if it covered the buyer's departure. The licence authorises its holder to deal in minerals. An export permit authorises the export of a specific consignment. A licence issued to a Ugandan company gives an unrelated foreign individual no authority to export gold in that individual's own name.

Where the seller undertakes to obtain export documentation, the purchaser should establish that the permit names the actual exporter, covers the actual consignment and matches the actual departure arrangements.

See Client Guide No. 02, How to Verify a Ugandan Mineral Dealer's Licence.

SECTION 5

Provenance and Assay at the Border

At the airport, officials may ask the questions the purchaser skipped: where the gold came from, who lawfully held it before the seller, and whether the parcel presented is the parcel tested.

Section 140(2) of the Mining and Minerals Act, 2022 requires a licensed mineral dealer to buy only from a person who acquired the minerals lawfully. A receipt shows that money was paid and leaves the lawful history of the gold unproven. An assay certificate describes the material tested, and it connects to the consignment only through documented custody, sampling and packaging.

For an export, the provenance and assay inquiries need to be complete before the gold reaches the airport.

See Client Guides No. 01, Buying Gold in Uganda, and No. 03, Ten Documents to Request Before Travelling.

SECTION 6

The Cash-and-Carry Representation

The appeal of cash-and-carry is immediate physical control of the gold. The structure leaves several questions open:

Who obtains the export permit?	**Who submits the customs declaration?**
Who is the exporter of record?	**What documents travel with the gold?**
Who bears the risk if export is refused?	**Will the seller refund the price if lawful export proves impossible?**

> ***A purchaser who pays in full before these questions are answered has taken possession of the gold and, with it, most of the risk.***

SECTION 7

How Cash-and-Carry Deals Become Fraud Traps

The representations usually sound like this:

“You can carry it as personal luggage.”

“Small quantities need no paperwork.”

“The permit can be obtained at the airport.”

“Our contact at the airport will clear it.”

Each should be tested against the published requirements in Section 2.

The trap usually closes after payment. The purchaser has paid the full price, and new demands follow: export taxes, customs penalties, release fees, airport charges or facilitation payments, accompanied by warnings that the gold will be confiscated or the purchaser arrested unless payment is made.

Genuine charges and genuine enforcement exist. Each demand should be verified with the competent authority, by reference to the law that creates it, the amount, the person liable and the official payment channel. The published export fee is paid through the Uganda Revenue Authority. A cash payment to an intermediary at the airport is something else.

See Client Guide No. 04, Before You Pay.

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Do not verify a government charge through the person asking you to pay it.

SECTION 8

If the Gold Is Detained at Entebbe Airport

Detention may follow missing or inconsistent export documents, a difference between the declared and the presented material, or questions about ownership, origin, value, the exporter’s authority or suspected offences.

Customs action at the airport is governed by the East African Community Customs Management Act, 2004 (as amended), which applies in Uganda. Gold is a restricted export under it: section 70(2) prohibits the export of restricted goods except in accordance with the conditions regulating their export, and Part B of the Third Schedule includes all goods whose export is regulated by any law in force in the Partner States, which covers gold under section 150 of the Mining and Minerals Act.

STEP	PROVISION	WHAT IT INVOLVES
Offence	s. 200(c)(ii)	Exporting restricted goods contrary to the conditions regulating their export, or bringing them to a Customs airport to be put on board for export, is an offence: up to five years' imprisonment, a fine of 50% of the dutiable value, or both
Concealment	s. 202	Exporting goods concealed, packed to deceive an officer, or not matching the shipment documents is an offence: up to five years' imprisonment or a fine of 50% of the value
Liability to forfeiture	s. 210(b), (d), (g)	Restricted goods dealt with contrary to their export conditions, concealed goods, and goods covered by a knowingly false declaration are liable to forfeiture
Seizure and detention	s. 213	An officer, police officer or authorised public officer may seize and detain goods liable, or reasonably believed liable, to forfeiture, whether or not a prosecution is brought
Notice of seizure	s. 214(1)	Unless the goods were seized in the owner's presence, the seizing officer gives the owner written notice of the seizure and the reasons within one month
Claim	s. 214(3)–(4)	The owner may claim the goods by written notice to the Commissioner within one month of the seizure or notice; without a claim, the goods are deemed condemned
After a claim	s. 216	The Commissioner has two months to institute condemnation proceedings or require the claimant to sue. Restricted goods attempted to be exported in contravention of the Act are not released merely because the Commissioner fails to act within that period
Condemnation	s. 217	Condemned goods are forfeited. Condemnation is not affected by the fact that the owner was in no way concerned with the act that made the goods liable to forfeiture
Restoration	s. 218	The Council may direct that seized goods be released to the person from whom they were seized or to the owner, on conditions, whether or not they have been condemned

Three points follow for a buyer:

The clock runs from seizure.
The one-month claim period under section 214 runs from the seizure or the notice. A buyer who leaves Uganda and waits for the seller to resolve matters can lose the gold by default.

No automatic release.
Section 216 gives no automatic release of gold whose attempted export breached the Act.

Innocence is no answer.
Under section 217, gold can be forfeited even where the buyer did not know that the seller's export arrangements were defective.

A verbal statement that the gold has been "confiscated" establishes nothing. The purchaser or the purchaser's lawyer should obtain the written record, identify the authority and the power it exercised, and examine the procedure and remedies available, including any criminal exposure.

> ***A payment to an intermediary who offers to make the problem disappear leaves an official detention in place and may create fresh legal exposure.***

SECTION 9

Who Becomes Responsible for the Export

A purchaser who carries gold across the border takes part in the export, whatever the seller has promised.

Where the Sale and Purchase Agreement leaves export authorisation to the buyer, the buyer has accepted obligations and risks that may never have been priced or investigated. A seller's promise to reimburse penalties or losses gives no authority for an unlawful export.

SECTION 10

The Destination Country Is a Second Legal Inquiry

Lawful departure from Uganda is one half of the transaction. The destination country, and any transit country, may impose its own customs declarations, import authorisations, taxes, anti-money-laundering checks and source-of-funds or provenance requirements. Refined bullion, investment gold and jewellery may each be treated differently.

> *The transaction must be lawful at both ends. A Ugandan export permit does not satisfy the destination country's law, and the destination country's acceptance of the gold does not satisfy Uganda's.*

SECTION 11

Build Export Failure Into the Contract

Where gold is bought for export, the Sale and Purchase Agreement should state who obtains permits, prepares declarations, pays applicable charges and arranges transport; when payment falls due; and when ownership, possession and risk pass.

It should also provide for termination and repayment if export authorisation cannot lawfully be obtained. The purchase price should ordinarily be released against export milestones. A structure built on immediate payment and later clearance leaves the purchaser exposed if clearance fails.

SECTION 12

A Safer Transaction Structure

A purchaser buying gold for export from Uganda should ordinarily settle the lawful export procedure before paying the full price. A controlled transaction may involve:

1. **Independent verification of the seller and its licences**
2. **Examination of the gold's provenance and the seller's title**
3. **Identification of the exporter and the permit requirements**
4. **Verification of the assay and custody arrangements**
5. **A Sale and Purchase Agreement reflecting the actual export procedure**
6. **Confirmation of the regulatory documents and charges**
7. **A payment mechanism linked to verifiable milestones**
8. **Supervision of delivery, export clearance and completion**

The objective is one coherent process in which the movement of the gold, the transfer of ownership and the movement of money are each supported by corresponding documents.

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Follow the documents, the gold and the money.

CHECKLIST

Ten Questions Before Carrying Gold Through Entebbe Airport

01	Who lawfully owns the particular gold being offered?
02	What evidence establishes its origin and lawful acquisition?
03	Does the seller hold the licence the transaction requires?
04	Who will be the exporter, and who will apply for the export permit?
05	Does the permit cover this consignment and these departure arrangements?
06	Has the gold been refined to 99.9%, and is there proof?
07	What customs declaration and clearance procedure applies?
08	What charges are payable, to which authority, by whom, and through which official channel?
09	What happens if export is refused or the gold is detained?
10	What payment protection and legal remedies are available if the transaction cannot lawfully be completed?

These questions should be resolved before substantial funds are committed.

How Nafuna & Co. Can Assist

Independent legal advice is particularly important where a purchaser is asked to travel with cash, to pay before export documents are complete, to carry the gold personally, or to rely on assurances that airport clearance will be straightforward. Where gold has already been detained, advice should address the legal basis of the action, the documents available, any criminal exposure and the procedure for seeking relief, within the time limits in section 214.

Within the scope of a given engagement, Nafuna & Co. Advocates and Legal Consultants can assist with supplier and licence verification, provenance and ownership inquiries, review of export requirements, contractual protection, payment structuring, and coordination with appropriately authorised technical and regulatory service providers. The firm also advises purchasers facing disputed transactions, suspected fraud or regulatory enforcement action. The firm's services and engagement procedure are set out in _____ _____.

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Preliminary verification comes first. Travel follows.

RELATED NAFUNA & CO. CLIENT GUIDES

- **No. 01** Buying Gold in Uganda: A Legal Due-Diligence Guide for Foreign Buyers
- **No. 02** How to Verify a Ugandan Mineral Dealer's Licence
- **No. 03** Ten Documents to Request Before Travelling to Uganda to Buy Gold
- **No. 04** Before You Pay: Payment Safeguards in a Ugandan Gold Transaction
- **No. 05** The Seller Wants You to Pay Someone Else: Third-Party Accounts in Ugandan Gold Transactions
- **No. 06** Is This Gold Deal Legal? When a Gold Transaction Is Illegal Under Ugandan Law
- **No. 08** Common Gold Scams in Uganda: Warning Signs Foreign Buyers Should Know

IMPORTANT NOTICE

This Client Guide provides general information concerning the purchase, possession and export of gold from Uganda. It does not constitute legal advice regarding any particular purchaser, supplier, consignment, export procedure or enforcement action.

The applicable requirements depend upon the nature of the gold, its origin, the persons involved, the proposed export procedure and the law in force at the relevant time. Statutory references are to the Mining and Minerals Act, 2022 and the East African Community Customs Management Act, 2004 (as amended). Readers should confirm current requirements with the competent authorities before relying on them.

Submission of documents to Nafuna & Co. does not constitute independent verification or acceptance of a professional instruction.

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