

Uganda Revenue Authority must desist from acquisition of personal data in custody of National Water and Sewerage Corporation without a Data Protection Impact Assessment

Unwanted Witness is strongly concerned by Uganda Revenue Authority's (URA) attempt to acquire customer data from the National Water and Sewerage Corporation (NWSC) without conducting a Data Protection Impact Assessment (DPIA). This action, aimed at improving tax compliance and identifying unregistered taxpayers, constitutes a grave violation of the right to privacy enshrined in *Article 27 of the Constitution of Uganda, 1995*, and breaches Uganda's data protection laws and principles.

The proposed data integration raises critical legal concerns:

- *Regulation 12 of the Data Protection and Privacy Regulations, 2021*, requires URA to conduct a DPIA before processing personal data. This includes a systematic description of the processing purpose, an assessment of risks, and disclosure of processing operations. No evidence indicates compliance with this statutory obligation, reflecting poor governance and undermining accountability.
- *Section 29(2) of the Data Protection and Privacy Act and Regulation 15 of the Data Protection and Privacy Regulations 2021*, requires data controllers and processors to register with the Personal Data Protection Office (PDPO). NWSC has failed to meet this requirement, violating data protection principles and eroding public trust.
- *Article 27 of the 1995 Constitution of Uganda* enshrines the right to privacy, shielding individuals from unwarranted data intrusion. The broad scope of the requested data collection exceeds what is necessary to achieve URA's objectives and is neither reasonable nor proportionate in a democratic society.
- The blanket request for personal data lacks specificity and fails to demonstrate probable cause for targeting individuals suspected of tax non-compliance. Such sweeping measures are unwarranted and incompatible with the principles of justice.



On 18th December 2024, the Daily Monitor reported that URA, through a letter dated 5th November 2024, requested NWSC to share datasets containing names, phone numbers, meter numbers, National Identification Numbers (NINs), email addresses, and connection locations. The stated purpose was to identify and register persons not in compliance with *Section 3(1) of the Tax Procedure Act*, which mandates taxpayer registration with URA. NWSC confirmed receipt of this request and has reportedly begun processing the data.

Unwanted Witness urges the Personal Data Protection Office (PDPO) to immediately intervene to safeguard the rights of NWSC customers. We call on the PDPO to:

1. Issue a directive to URA and NWSC to cease all data-sharing activities until a DPIA is conducted in compliance with Regulation 12 of the Data Protection and Privacy Regulations, 2021.
2. Investigate the adequacy of URA's and NWSC's policies and safeguards for protecting personal data during collection, processing, and sharing.
3. Convene a multi-stakeholder dialogue to align tax compliance objectives with data protection principles, ensuring a balanced approach that respects both public interest and individual rights.

Unwanted Witness further, calls on URA and NWSC to adhere to Uganda's data protection and privacy framework, ensuring a balanced approach that upholds individuals' constitutional rights to privacy while pursuing tax compliance objectives:

1. URA and NWSC are urged to strictly adhere to the principles of data minimization as enshrined in the *Data Protection and Privacy Act, 2019 (Sections 14)*. This principle mandates that personal data collected must be adequate, relevant, and limited to what is necessary for the specified purpose.
 - a) URA should refine its data request to only include data directly relevant and indispensable to tax compliance, such as business registration numbers, employment details, or declared sources of income. Examples of datasets for such purposes may include the following:
 - Names and Tax Identification Numbers (TINs) of registered taxpayers.
 - Income or turnover declarations, where available.



- Any other financial data specifically related to income tax assessments.
 - b) General customer data, such as meter numbers, email addresses, or geographic locations, must not be requested unless it is directly tied to a verifiable tax obligation.
 - c) URA must demonstrate that the data requested from NWSC is strictly necessary for achieving tax compliance objectives, as well as ensure that the processing activities comply with the principles of proportionality and necessity.
2. Pursuant to *Section 29(2) of the Data Protection and Privacy Act and Regulation 15 of the Data Protection and Privacy Regulations 2021*, NWSC must immediately register as a data controller with the Personal Data Protection Office (PDPO) to ensure transparency and legal accountability in its data processing activities. This step is critical to fostering trust among its customers and demonstrating compliance with Uganda's data protection laws.
 3. NWSC should expeditiously draft, adopt, and publish a privacy policy in compliance with *Sections 3, 7 and 13 of the Data Protection and Privacy Act 2019*. The privacy policy should:
 - Clearly define the purposes for which customer data is collected, processed, stored, and shared.
 - Specify the legal basis for all data-sharing activities, including the safeguards in place to protect personal data against unauthorized access or misuse.
 - Outline customer rights, including the right to access, rectify, and object to the processing of their personal data.
 4. Until compliance with all legal requirements, including the DPIA and registration obligations, has been confirmed, NWSC must cease any ongoing or planned sharing of customer data with URA. Any unauthorized disclosure of personal data would constitute a violation of the Data Protection and Privacy Act and expose both entities to legal liabilities.

The actions of URA and NWSC in this matter set a dangerous precedent for privacy violations and disregard for the rule of law. Privacy is a fundamental human right, not a privilege. Tax compliance efforts must respect constitutional rights and the sanctity of personal data. Unwanted Witness remains steadfast



**UNWANTED
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"Amplifying Voices, Changing Lives"

in advocating for a society where privacy rights are upheld and protected for all.

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**Signed,
Unwanted Witness**