

**THE REPUBLIC OF UGANDA**  
**IN THE MATTER OF THE COMPETITION ACT, CAP. 66**  
**IN THE MATTER OF THE COMPETITION REGULATIONS, 2025**  
**AND**  
**IN THE MATTER OF THE UGANDA COMMUNICATIONS ACT, CAP. 106**  
**IN THE MATTER OF THE UGANDA COMMUNICATIONS (COMPETITION)**  
**REGULATIONS, 2019**  
**AND**  
**IN THE MATTER OF THE ABUSE OF DOMINANCE AND ANTI-**  
**COMPETITIVE CONDUCT IN THE FILM THEATRICAL EXHIBITION**  
**MARKET BY CENTURY CINEMAX LIMITED**  
**AND**  
**IN THE MATTER OF AN ILLEGAL EXCLUSIVE SUPPLY AND DISTRIBUTION**  
**ARRANGEMENT AND CONSTRUCTIVE REFUSAL TO DEAL AGREEMENT**  
**BETWEEN CENTURY CINEMAX LIMITED AND MS. MARIAM NDAGIRE**

**COMPETITION COMPLAINT**

*[Brought under Sections 10,9(1),9(4) & 11(5)(c) of the Competition Act Cap. 66 and Regulation 14 of the Competition Regulations, 2025] [Sections 45,52,53&55 of the Uganda Communications Act, Cap. 106 and Regulation 14 of the Uganda Communications (Competition) Regulations, 2019]*

**DETAILS OF THE COMPLAINANT:**

<b>Complainant:</b>	Adlegal International
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The following are subject to the conduct of this complaint:

Parties	Description
Century Cinemax Limited	Commercial Cinema Operator
Ms. Mariam Ndagire	Ugandan Filmmaker & Musician



AdLegal – Cinemax Competition Claim

## 1. BACKGROUND:

### 1.1. FACTUAL BACKGROUND:

- a) Century Cinemax Limited occupying a dominant and strategically significant position as the leading commercial cinema operator in Kampala, Uganda is the primary formal cinema platform available to independent film producers seeking theatrical release, with its operations concentrated in key commercial locations in Kampala, including Acacia Mall and Arena Mall.
- b) In the early months of 2026, you, Century Cinemax Limited, implemented an access framework under which independent Ugandan film producers seeking theatrical exhibition at your cinemas were denied direct access to your revenue-sharing model and instead informed that they could only secure screening slots through payment of a fixed venue hire fee ranging between UGX 2,000,000 for Acacia Mall Branch and UGX 2,500,000 for Arena Mall branch per screening day, depending on the branch location.
- c) In the same period, you introduced and/or operationalised an alternative access pathway under an arrangement involving Ms. Mariam Ndagire, a Ugandan filmmaker and distributor, who was designated as the sole aggregator through whom all Ugandan films must be channelled before being considered for exhibition at your cinemas under any negotiated arrangement.
- d) Under this structure, independent film producers were required to route their films through Ms. Ndagire as a precondition for access to your screen exhibition services.
- e) Producers who attempted to engage you directly were redirected to Ms. Ndagire or otherwise informed that all Ugandan films must first be processed through her intermediary channel because you currently hold an agreement with her where your clients can negotiate a 70/30% share between her and them.
- f) Through this intermediary arrangement, producers are often informed that the standard venue hire fees applicable at your cinemas can be subject to negotiation, variation, or adjustment with Ms. Ndagire who retains the discretion to accept, decline, or modify proposed commercial terms.
- g) In a standard competitive market structure, a dominant cinema operator **would not ordinarily maintain a direct pricing structure while simultaneously delegating selective discounting or access negotiation authority to a third party.**
- h) The practical effect of the arrangement is that independent Ugandan film producers are foreclosed from direct participation in your revenue-sharing exhibition model and are instead channelled into either **(i) a fixed-fee hire model** or **(ii) an intermediary-controlled negotiation system**, both of which materially limit their bargaining power and ability to contract on equal commercial terms.

- i) As a result, you are effectively leveraging your dominant position in the cinema exhibition market to structure access conditions in a manner that restricts direct market participation by independent producers, thereby distorting competition within the film production and distribution ecosystem operating within the film theatrical exhibition market which you dominate.
- j) The arrangement has the cumulative effect of restricting market access, increasing transaction costs, and excluding or disadvantaging independent producers who are unable to access your facilities except through a mandated intermediary structure.
- k) Your arrangement with Ms. Mariam Ndagire operates as a *vertical anti-competitive* structure with exclusionary effects, and in particular constitutes:
  - i. an **exclusive supply arrangement**, in that access to your exhibition services is conditional upon routing all Ugandan films through a single designated intermediary rather than through direct contracting with you;
  - ii. an **exclusive distribution arrangement**, in that Ms. Ndagire is effectively designated as the sole aggregator and gatekeeper through whom all Ugandan films must pass prior to exhibition consideration<sup>1</sup>; and
  - iii. a **refusal to deal**, in that independent producers engaging with Cinemax are denied direct access to revenue-sharing exhibition arrangements notwithstanding their willingness and ability to contract on commercially reasonable terms directly.
- l) The cumulative effect of the above conduct is the **elimination of direct contractual relations** between producers and exhibitors, the creation of a **compulsory intermediary bottleneck**, **forecloses new entrants**, and the **substantial restriction of competition** in the affected market, contrary to Sections 9(1) and 9(4)(b), (c), and (d) of the Competition Act and Regulation 24 of the Uganda Competition Regulations, 2019 as well as Sections 52-55 of the Uganda Communications Act and Regulation 7(2) of the Uganda Communications (Competition) Regulations, 2019.
- m) Accordingly, this Complaint is submitted to formally place you on notice of the foregoing conduct and to seek appropriate corrective and enforcement action aimed at restoring competition-compliant access to cinema exhibition services in Uganda.

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<sup>1</sup> European Court Decision in Hoffman – La Roche & Co. AG vs.E.C. Commission, 1979, ECR 461 – 1979, 3 CMLR 211, 1979

## 1.2. ACTUAL VIOLATION INCIDENTS:

Credible, first-hand information has been received from the **NATIONAL PRODUCERS GUILD OF UGANDA (PGU)**, the professional body representing film and television producers in Uganda, through a whistleblower disclosure made by its **President, Mathew Nabwiso** on several incidents of your illegal conduct as highlighted below:

### 1.2.1. Incident One: Yammamba Productions

- a) In May 2026, Yammamba Productions, a Ugandan film production and exhibition entity and a member of the Producers Guild Uganda (PGU), approached you with the intention of screening its feature film titled "**Slum Bomber**".
- b) During email correspondences held on **29 May 2026**, a member of your staff identified as **Acram** informed Yammamba Productions that, going forward, the appropriate channel for scheduling and exhibiting Ugandan films at your cinemas was through **Ms. Mariam Ndagire**, who had been designated as the aggregator responsible for arranging screenings of Ugandan films.
- c) Yammamba Productions was thereby denied the opportunity to negotiate directly with you for theatrical exhibition services and was instead required to seek access through the designated intermediary notwithstanding its willingness and ability to contract directly with you.
- d) As a direct consequence of your refusal to engage with the producer on a direct commercial basis, Yammamba Productions was compelled to seek an alternative exhibition venue. This decision was not driven by commercial preference or market efficiency but by the absence of any practical alternative after being denied access to your exhibition platform.
- e) The competitive harm occasioned by your conduct is substantial. By foreclosing Yammamba Productions from direct access to the leading commercial cinema platform in Uganda, you deprived it of the opportunity to compete on equal terms with other exhibitors and producers in the theatrical exhibition market. The producer lost access to the larger audience base, superior market visibility, established consumer traffic, and associated commercial opportunities that your cinemas uniquely provide.

### 1.2.2. Incident Two: Dabbo D

- a) On **2 June 2026**, Dabbo D, a Ugandan film producer and exhibitor and a member of the Producers Guild Uganda (PGU), approached you seeking to arrange the theatrical exhibition of its film titled "**Memory of Princess Mumbi**", which was scheduled for release on **21 August 2026**.
- b) During those engagements, your Managing Director, **Satish Guma**, informed Dabbo D that before any Ugandan film could be screened at Century Cinemax, it had to first be licensed through **Ms. Mariam Ndagire**, who was described as having an **exclusive distribution arrangement** with Century Cinemax for all Ugandan films.
- c) This requirement effectively prevented Dabbo D from negotiating directly with you for exhibition services and made access to your cinema infrastructure conditional upon contracting through a single designated intermediary.
- d) The requirement was not an isolated occurrence. In previous years, Dabbo D had similarly approached you seeking to exhibit Ugandan films and had consistently been informed that revenue-sharing arrangements were unavailable to independent producers and that the only available option was to hire **your cinema facilities at fixed venue hire charges**.
- e) The arrangement further suppresses competition in the downstream film distribution market by conferring exclusive distribution advantages upon a single intermediary while simultaneously excluding competing distributors and producers from negotiating directly with the dominant exhibitor. Such conduct **artificially raises barriers to entry, limits market access, and substantially lessens competition within Uganda's audiovisual industry**.

## 2. COMPETITION ANALYSIS

### 2.1. Assessment of Dominance

By virtue of some of the requirements under **Section 11 of the Competition Act, Cap. 66 and Regulation 17 & 18 of the Uganda Competition Regulations, 2025** as well as **Regulation 7(6) of the Uganda Communications (Competition) Regulations, 2019**, you hold a dominant position (which you are abusing) as summarized below;

### **A. Relevant Product Market**

The relevant product market is the market for the provision of commercial theatrical exhibition services for feature films, particularly the exhibition of Ugandan-produced films through modern cinema infrastructure on either a revenue-sharing or commercial screening basis.

This market is **distinct from** television broadcasting, video-on-demand platforms, community screenings, and informal exhibition channels because cinema exhibition offers unique commercial advantages including box-office revenue generation, audience aggregation, publicity, prestige, premiere opportunities, and downstream monetisation opportunities through subsequent licensing and distribution arrangements.

### **B. Relevant Geographic Market**

The relevant geographic market is Uganda and, more specifically, the Kampala Metropolitan Area where the majority of modern commercial cinema infrastructure is concentrated and where most theatrical film releases occur.

The conditions of competition within Kampala are sufficiently homogeneous and distinguishable from the rest of the country due to the concentration of cinema infrastructure, audience demand, and commercial activity.

### **What makes you a Dominant Player currently?**

Century Cinemax occupies a dominant position in the relevant market by virtue of its market presence, infrastructure advantages, consumer reach, strategic locations, and the dependence of independent film producers on its facilities for commercially viable theatrical exhibition.

In determining dominance, regard must be had not only to market share but also to the ability of an undertaking to behave independently of its competitors, customers, and consumers and to materially influence market conditions **AS WE INFORM YOU BELOW;**

#### **I. Market Structure:**

On this particular issue, reference is made to **Regulation 18 of the Uganda Competition Regulations, 2025** and **Regulation 7(6) of the Uganda Communications (Competition) Regulations, 2019.**

Please be informed that, although a limited number of alternative exhibitors exist in Uganda, these alternatives do not exert sufficient competitive constraint upon Century Cinemax.

Some of the principal competitors are:

- a. **Numax Cinemas, located at Victoria Mall, Entebbe;**
- b. **EMT Cinemas, located at Ham Towers, Makerere; and**
- c. **The Uganda National Cultural Center (UNCC) Auditorium**

However, each of these competitors operates only a single exhibition facility and possesses significantly less cinema infrastructure, audience reach, technological capability, commercial attractiveness, and screening capacity than Century Cinemax.

#### Herfindahl-Hirschman Index (HHI) - Market Share assessment

We therefore apply the HHI formula to illustrate your significant market share which proves your dominance which you are at the same time using to distort the distribution, production and exhibition market in violation of **Section 9(1)&(2) of the Competition Act, Cap. 66, and Section 53(1) of the Uganda Communications Act as well as Regulation 6(2) of the Uganda Communications (Competition) Regulations, 2019.**

$$HHI = S_1^2 + S_2^2 + S_3^2 + \dots + S_n^2 \qquad HHI = \sum_{i=1}^n s_i^2$$

Therefore, based on the available commercial cinema infrastructure in Uganda, the market can reasonably be approximated as follows:

<b>Cinema Operator</b>	<b>Estimated Market Share (%)</b>
Century Cinemax	65
Numax Cinemas	15
EMT Cinemas	10
Uganda National Cultural Center (UNCC) Auditorium	10

Applying the HHI formula:

$$\begin{aligned} HHI &= 65^2 + 15^2 + 10^2 + 10^2 \\ &= 4,225 + 225 + 100 + 100 \\ &= 4,650 \end{aligned}$$

**Conclusion:** An HHI score of **4,650** indicates a **highly concentrated market**, significantly exceeding the 2,500 threshold generally associated with highly concentrated markets.

This concentration level demonstrates that Century Cinemax enjoys a substantial degree of market power within the Ugandan theatrical film exhibition market. The market structure is characterised by the presence of one overwhelmingly dominant operator and a small number of significantly smaller competitors that lack comparable infrastructure, audience reach, screening capacity, brand recognition, and commercial influence.

Consequently, Century Cinemax possesses the ability to operate to a considerable extent independently of its competitors, film producers, distributors, and consumers, and is **therefore capable of materially influencing market conditions, access to audiences, pricing arrangements, screening opportunities, and the commercial success of theatrical film releases in Uganda.**

The HHI assessment therefore strongly supports the conclusion that Century Cinemax occupies a dominant position in the relevant market for commercial theatrical exhibition services in Uganda, particularly within the Kampala Metropolitan Area.

*Accordingly, producers seeking meaningful commercial theatrical release cannot reasonably regard Numax Cinemas, EMT Cinemas, or the National Theatre as effective substitutes for Century Cinemax.*

## **II. Control Over Essential Commercial Infrastructure**

The evidence further demonstrates that you control the most commercially significant cinema exhibition infrastructure available to independent Ugandan film producers.

For many independent producers, access to Century Cinemax is not merely desirable but commercially indispensable.

A theatrical release through Century Cinemax provides:

- a. access to substantially larger audiences;
- b. greater ticket sale potential;
- c. increased publicity and media visibility;
- d. enhanced investor confidence;
- e. stronger opportunities for future distribution and licensing arrangements; and
- f. greater prospects of recovering production investment.

### III. Ability to Act Independently of Competitive Constraints

The conduct complained of further demonstrates that Century Cinemax possesses the ability to act independently of normal competitive constraints.

In particular, you have been able to:

- a. deny direct access to its revenue-sharing model;
- b. impose fixed venue hire fees upon independent producers;
- c. require producers to engage through a designated intermediary before accessing exhibition opportunities;
- d. maintain such arrangements over time despite objections from market participants; and
- e. restrict direct commercial negotiations between itself and independent producers.

The ability to **impose such conditions without losing a substantial portion of business to competitors is itself strong evidence of market power.**

### 3. CORE ALLEGATIONS (THEORIES OF HARM):

The Complainant brings this complaint challenging anti-competitive conduct in the market for commercial theatrical exhibition services for Ugandan-produced films, arising from arrangements imposed by Century Cinemax that distort competition and restrict market access as highlighted below;

- a) **THAT** Century Cinemax occupies a dominant position in the market for commercial theatrical exhibition services and controls the principal commercially viable route for Ugandan films to reach cinema audiences, and by requiring producers to access its platform through a designated intermediary rather than directly, it **forecloses independent producers** who do not transact through the intermediary, thereby restricting access, limiting market participation, and reducing competition and opportunities in the theatrical exhibition market. This is in violation of **Section 9(1)&(2) of the Competition Act, Cap. 66, and Section 53(1) of the Uganda Communications Act** as well as **Regulation 6(2) of the Uganda Communications (Competition) Regulations, 2019.**
  
- b) **THAT** the arrangement between Century Cinemax and Ms. Mariam Ndagire operates as **an exclusive supply arrangement** by requiring producers to route films through a single intermediary, thereby eliminating direct dealings with

the exhibitor, concentrating control over film supply in one channel, and restricting producers' freedom to choose how their films reach the exhibition market while reducing competitive rivalry among suppliers. This is in violation of **Section 9(1) & 9(4)(b) of the Competition Act, Cap. 66, Regulation 24 of the Competition Regulations, 2025 and Regulation 7(2)(c) & (3) of the Uganda Communications (Competition) Regulations, 2019.**

- c) **THAT** the requirement that Ugandan films be licensed through Ms. Mariam Ndagire before accessing exhibition opportunities **grants exclusive distribution privileges to a single intermediary**, thereby excluding competing distributors, distorting competition in the downstream distribution market, and reducing competitive pressure, innovation, and choice within the film distribution ecosystem. This is in violation of **Section 9(1) & 9(4)(c) of the Competition Act, Cap. 66, Regulation 24 of the Competition Regulations, 2025 and Regulation 7(2)(b) & (3) of the Uganda Communications (Competition) Regulations, 2019.**
- d) **THAT** the conduct amounts to a constructive **refusal to deal**, as Century Cinemax, while not completely denying access, refuses to engage directly with independent producers on commercially viable terms and instead conditions access on use of a designated intermediary, thereby denying producers direct negotiation opportunities and effectively restricting direct market access without objective commercial justification. This is in violation of **Section 9(1) & 9(4)(d) of the Competition Act, Cap. 66, Regulation 21 of the Competition Regulations, 2025 and Regulation 7(2)(d)&(3) of the Uganda Communications (Competition) Regulations, 2019.**
- e) **THAT** by imposing an intermediary layer between producers and exhibition services, producers are compelled to incur additional negotiation, transaction, and distribution costs that would not arise under a system of direct contracting. These increased costs disproportionately affect smaller and independent producers, reducing their ability to compete effectively and discouraging investment in new film projects. The arrangement therefore operates as a mechanism for raising rivals' costs and weakening competitive pressure within the market.
- f) **THAT** the intermediary arrangement creates **additional barriers of entry** for producers and distributors seeking to enter or expand within the market. Access to the principal cinema exhibition platform is no longer determined solely by commercial merit but is contingent upon approval through a designated intermediary. Such restrictions discourage market participation, limit opportunities for emerging producers and distributors, and reduce the ability of new entrants to establish themselves within the industry. The result is a less dynamic and less competitive market structure. This is in violation of

**Section 9(6)(a) & 11(2)(h) of the Competition Act, Cap. 66, Regulation 17 of the Competition Regulations, 2025 and Regulation 7(3)(o) of the Uganda Communications (Competition) Regulations, 2019.**

- g) **THAT** Century Cinemax, by conditioning access to its exhibition services on use of a designated intermediary, leverages its dominance in the cinema exhibition market into the adjacent film distribution and aggregation market, thereby influencing competitive conditions beyond its own market, conferring advantages on a preferred intermediary, and distorting competition by excluding rival distributors and concentrating market opportunities in a single channel. This is in violation of **Section 9(1)&(2) of the Competition Act, Cap. 66, and Section 53(1) of the Uganda Communications Act** as well as **Regulation 6(2) of the Uganda Communications (Competition) Regulations, 2019.**
- h) **THAT** the ultimate consequence of the arrangement is harm to consumers and the broader creative economy. Where producers face restrictions in accessing exhibition opportunities, fewer films are likely to reach cinema audiences. Reduced competition among producers and distributors diminishes innovation, limits diversity of content, and reduces consumer choice. The arrangement therefore harms not only affected producers but also audiences who benefit from a competitive and diverse film industry.

**4. RELIEFS SOUGHT:**

The Complainant makes the following demands and requests:

- a) **THAT** Century Cinemax immediately ceases and desists from requiring film producers to access its cinema exhibition services through Ms. Mariam Ndagire or any designated intermediary as a precondition for exhibition.
- b) **THAT** Century Cinemax revokes and terminates the agreement with Ms. Mariam Ndagire on the basis that it is anti-competitive, unlawful, and contrary to competition laws of Uganda.
- c) **THAT** Century Cinemax removes any exclusive or preferential arrangements that confer control over access to its cinema screens upon any single intermediary.
- d) **THAT** Century Cinemax responds to this complaint and the demands herein within **five (5) days** of service of the same, providing a clear position on the allegations raised and the corrective measures, if any, it intends to undertake.

**WHEREOF**, take notice that failure, neglect, or refusal to provide a written response within the stipulated period will leave the Complainant with no alternative but to

institute appropriate legal and regulatory proceedings without further reference to you, including but not limited to:

- 1) Lodging a formal complaint before the **Ministry of Trade, Industry and Cooperatives** for investigation, administrative action, and enforcement under applicable competition law principles;
- 2) Referring the matter to the **Uganda Communications Commission** for investigation, administrative action, and enforcement under applicable competition law principles;
- 3) Commencing proceedings before the **courts of law of Uganda** for appropriate declaratory, injunctive, and remedial reliefs.

**TAKE FURTHER** notice that such proceedings may expose Century Cinemax to **administrative sanctions, corrective directives, financial penalties, and any other enforcement measures permitted under Ugandan competition law**, including orders for cessation of the conduct, invalidation of restrictive agreements, and liability for costs and damages where applicable.

**Dated at Kampala, Uganda this 22<sup>nd</sup> day of June 2026**



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**AdLegal International**