#AdLegal

Adlegal International
P.O Box 173818, Kampala
info@adlegalug.com
+256 758 723 991/+256 762 810949
www.adlegalug.com

SECURITY REGISTRY
RECEIVED
13 JUL 2026
Ministry of Trade Industry and Co-operatives

Ref: MT/AD 001
13 July 2026

Permanent Secretary
Ministry of Trade, Industry and Cooperatives
Parliament Avenue
KAMPALA

RE: COMPETITION COMPLAINT AGAINST CENTURY CINEMAX LIMITED, THE UGANDA COMMUNICATIONS COMMISSION (UCC), AND MS. MARIAM NDAGIRE FOR ANTI-COMPETITIVE CONDUCT IN THE FILM THEATRICAL EXHIBITION MARKET

We hereby lodge the above-mentioned Complaint pursuant to Sections 9(1), 9(4), 10 and 11(5)(c) of the Competition Act, Cap. 66, and Regulation 14 of the Competition Regulations, 2025, against Century Cinemax Limited, the Uganda Communications Commission (UCC), and Ms. Mariam Ndagire.

The Complaint concerns conduct and arrangements within the film theatrical exhibition market which amount to anti-competitive practices, including an unlawful exclusive supply and distribution arrangement and a constructive refusal to deal.

Prior to filing this Complaint, we formally engaged both Century Cinemax Limited and the UCC, requesting that they cease the impugned conduct and address the concerns raised. Despite these efforts, neither entity has substantively responded to our concerns nor taken steps to discontinue the challenged practices.

In light of the foregoing, we respectfully seek the intervention of the Ministry, in its capacity as the designated competition regulator, to investigate the conduct complained of and to take such enforcement and corrective measures as may be necessary.

We attach herewith a detailed Complaint setting out the facts, legal grounds, evidence, and reliefs sought for the Ministry's consideration and action.

Yours faithfully,

AdLegal International

SECURITY REGISTRY
RECEIVED
13 JUL 2026
Ministry of Trade, Industry and Co-operatives

THE REPUBLIC OF UGANDA

MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES

DEPARTMENT OF COMPETITION AND CONSUMER PROTECTION

COMPLAINT FORM

Regulation 39 (2)

[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]

IN THE MATTER OF A COMPETITION COMPLAINT AGAINST CENTURY CINEMAX LIMITED, THE UGANDA COMMUNICATIONS COMMISSION (UCC) AND MS. MARIAM NDAGIRE

AND

IN THE MATTER OF THE ABUSE OF DOMINANCE AND ANTI-COMPETITIVE CONDUCT IN THE FILM THEATRICAL EXHIBITION MARKET BY CENTURY CINEMAX, UCC AND MS. MARIAM NDAGIRE

AND

IN THE MATTER OF AN ILLEGAL EXCLUSIVE SUPPLY AND DISTRIBUTION ARRANGEMENT AND CONSTRUCTIVE REFUSAL TO DEAL AGREEMENT BETWEEN CENTURY CINEMAX, UCC AND MS. MARIAM NDAGIRE

1. COMPLAINANT

Name:	**ADLEGAL INTERNATIONAL**
Physical address:	Bible House, Bombo Road
Telephone Number:	0758723991
Email:	ed@adlegalug.com | info@adlegalug.com

2. UNDERTAKINGS WHOSE CONDUCT IS THE SUBJECT OF THIS COMPLAINT

NAME:	**SECTOR/MARKET OF OPERATION**
Century Cinemax Limited	Film Theatrical Exhibition
Uganda Communications Commission	Communications Regulator
Mariam Ndagire	Ugandan Musician & Film maker

3. **DESCRIPTION OF COMPLAINT**

FACTS SURROUNDING THE CONDUCT:

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) The Complainant (AdLegal), a competition law practice group received information from independent Ugandan film producers through the **National Producers Guild of Uganda (PGU)**, led by its **President, Mathew Nabwiso** an arrangement between Century Cinemax, Uganda Communications Commission and Ms. Mariam Ndagire described to be under the **"Audience Building Programme"** and this was executed pursuant to a <u>Memorandum of Understanding with the Uganda Communications Commission</u>

c) In the **early months of 2026**, Century Cinemax Limited, started implementing an access framework under which independent Ugandan film producers seeking theatrical exhibition at their cinema hall were denied direct access to their 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.

d) During the same period, Century Cinemax introduced and operationalised an alternative film acquisition and exhibition arrangement involving Ms. Mariam Ndagire and the UCC, **pursuant to which** Ms. Ndagire, a Ugandan filmmaker and distributor, **was designated as the exclusive aggregator and intermediary for Ugandan films** through whom local filmmakers were required to channel their films before such films could be considered for exhibition at Century Cinemax under any negotiated commercial terms. This effectively positioned Ms. Ndagire as the sole gateway for access to cinema exhibition opportunities for Ugandan films at Century Cinemax.

e) Under this structure, independent film producers **are required to route their films through Ms. Ndagire as a precondition for access to your screen exhibition services.**

f) Producers who attempt to engage Century Cinemax directly are 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.

g) Through this intermediary arrangement, producers are often informed that the standard venue hire fees applicable at Century Cinemax can be subject to negotiation, variation, or adjustment with Ms. Ndagire who retains the discretion to accept, decline, or modify proposed commercial terms.

h) 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.**

i) The practical effect of the arrangement is that independent Ugandan film producers are foreclosed from direct participation in the Century Cinemax 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.

j) As a result, the MOU (UCC, Century Cinemax & Ndagire) structures 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.

k) 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.

l) The arrangement also operates as a ***vertical anti-competitive*** structure with exclusionary effects, and in particular constitutes:

   i. an **exclusive supply arrangement**, in that access to exhibition services at Cinemax 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[1]; 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.

m) 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**.

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 the illegal conduct as highlighted below:

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

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.

1.1.1. 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.**

COMPETITION ANALYSIS

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** Century Cinemax holds a dominant position 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, <u>more specifically, the Kampala Metropolitan Area</u> 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 Century Cinemax 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 **<u>AS WE REPORT TO YOU BELOW;</u>**

I. <u>Market Structure:</u>

On this particular issue, reference is made to **Regulation 18 of the Uganda Competition Regulations, 2025**.

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.

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

Control Over Essential Commercial Infrastructure

As a dominant player, Century Cinemax controls 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.

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, they 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.**

ILLEGALITY OF UCC'S PARTICIPATION IN THE MOU:

The participation of UCC violates the Competition Act & Regulations, Court decisions on government facilitated monopolies as well as UCC's own previous industry decisions made by it in the past on the same issue.

i. **UCC is violating court precedents prohibiting government facilitated monopolies:**

The Commission's involvement in the Memorandum of Understanding (MoU) has effectively facilitated the creation of a de facto monopoly in favour of Mariam Ndagire by establishing an exclusive intermediary or gatekeeper over access to film exhibition services. As a public regulator, UCC ought not to participate in or facilitate arrangements that eliminate or substantially restrict competition within the sector it is mandated to regulate.

The Constitutional Court of Uganda has previously cautioned against government-facilitated monopolies. In the case of ***Spedag Interfreight Uganda Ltd & 3 Others v. Attorney General & The Great Lakes Ports Limited*** **(Constitutional Petition No. 85 of 2011),** the Court declared unconstitutional a government contract that conferred monopoly rights over clearing, forwarding and handling services through the Port of Mombasa.

At **page 14** of the lead judgment by Hon. Justice Fredrick Egonda-Ntende, JA , the Learned Judge stated that:

> *"I would therefore declare that the act of the respondents executing a contract which purported to vest monopoly rights over clearing, forwarding, and handling services of all imports and exports to and from Uganda through the Port of Mombasa in the 2nd Respondent is inconsistent with and in contravention of Article 40(2) and Article 43 of the Constitution and to that extent, null and void."*

This decision gives the constitutional principle that government or it's agencies must neither create nor facilitate monopolistic arrangements that unjustifiably restrict competition. UCC should therefore be mindful of this binding constitutional jurisprudence and refrain from engaging in or endorsing arrangements that have the effect of conferring exclusive market access or gatekeeping powers upon a single private entity.

ii. UCC is acting contrary to its previous industry decisions:

It is on record that the Commission has previously issued decisions condemning restrictive and anti-competitive practices of a nature similar to those it is now facilitating under the Cinemax–Mariam Ndagire arrangement. It is therefore deeply concerning that the Commission is now acting in a manner that is inconsistent with its own regulatory pronouncements and enforcement history.

Commission Decision: ***Ubuntu Towers Uganda Limited verses American Towers Corporation Limited and Airtel Uganda Limited (Delivered on 4th May 2022)***

In the above dispute, the Commission faulted American Towers Corporation Limited (ATC) and Airtel Uganda Limited for entering into a contract which had clauses bestowed upon ATC a Right of First Refusal (ROFA) which perpetrated exclusive dealing between Airtel and ATC insofar as Airtel was expressly restricted from appointing any other person to build new sites without first offering such sites to ATC. At **page 11** of the decision, the Commission stated that;

> *"The Commission further finds that the impugned clauses were unfair and contrary to the law insofar as they restricted the rights of other licensed tower operators from freely negotiating and/or engaging with Airtel for possible business in building new sites, except with ATC's blessing."*

How does the conduct the Commission condemned in it's decision above differ in substance from the Memorandum of Understanding the Commission entered into with Cinemax and Ms. Ndagire, which effectively precludes producers from directly engaging Cinemax and instead requires them to route all negotiations through Ms. Ndagire as the sole intermediary for exhibition rights? It is an illegal arrangement.

2. 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 facilitated by UCC through Mariam Ndagire 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 the MOU (UCC, Cinemax and Ndagire) requiring producers to access Cinemax's platform through a designated intermediary rather than directly, **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.**

b) **THAT** the arrangement between Century Cinemax, UCC 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 and Regulation 24 of the Competition Regulations, 2025**.

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 and Regulation 24 of the Competition Regulations, 2025**.

d) **THAT** this structured 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 and Regulation 21 of the Competition Regulations, 2025**.

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 and Regulation 17 of the Competition Regulations, 2025**.

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.

RELIEFS SOUGHT:

The Complainant makes the following demands and requests:

1. **THAT** the Ministry finds and declares that the arrangement between Century Cinemax, the Uganda Communications Commission (UCC), and Ms. Mariam Ndagire is unlawful and constitutes an anti-competitive agreement in contravention of the Competition Act and the Competition Regulations.
2. **THAT** the Ministry finds and declares that the involvement of the Uganda Communications Commission (UCC) in the impugned arrangement was unlawful to the extent that it facilitated, endorsed, or enabled conduct contrary to the Competition Act and the Competition Regulations. Such a finding would serve as a clear signal to all government agencies and public bodies that conduct which facilitates, encourages, or participates in anti-competitive arrangements will not be tolerated under Uganda's emerging competition law framework.

3. **THAT** the Ministry orders the undertakings to **IMMEDIATELY REVOKE**, suspend or terminate the Memorandum of Understanding.
4. **THAT** the Ministry orders Century Cinemax to remove any exclusive or preferential arrangements that confer control over access to its cinema screens upon any single intermediary.
5. **THAT** the Ministry, in the exercise of its statutory powers and discretion under the Competition Act and the Competition Regulations, imposes such administrative sanctions, corrective measures, financial penalties, compliance directives, and any other enforcement remedies as may be appropriate and permissible in law against the parties.

RELEVANT ADDITIONAL INFORMATION SUPPORTING THE COMPLAINT PER THE COMPETITION REGULATIONS:

6. Did the conduct end?

Still ongoing

7. If the conduct continues, is there any interim measure you consider urgent?

Yes!

We respectfully seek the Ministry's urgent interim intervention to direct the undertakings to immediately suspend the implementation and operation of the Memorandum of Understanding (MOU) pending the full investigation and determination of this complaint.

Such interim measures are necessary to prevent further anti-competitive effects, preserve market conditions, and avert irreparable harm to competition, consumers, and affected market participants while the Ministry conducts its inquiry.

8. Names of any other government bodies and organizations contacted about this issue:

Uganda Communications Commission.

Prior to lodging this complaint with the Ministry, we formally raised our concerns with the Uganda Communications Commission (UCC) regarding the conduct of Century Cinemax. During the course of our inquiries, we obtained information indicating that UCC itself may have been involved in or facilitated the impugned conduct. Consequently, we submitted a further complaint to the Executive Director of UCC seeking clarification and redress. However, despite the timelines provided in our correspondence, UCC failed to respond.

In the circumstances, UCC's apparent involvement in the matters complained of, coupled with its role as the sector regulator, gives rise to a clear conflict of interest and undermines any reasonable expectation of an impartial and effective resolution of the complaint through that channel. It is for this reason that we have sought the intervention of the Ministry as the designated competition authority to independently investigate the matter, address the anti-competitive concerns raised herein, and provide appropriate relief.

LIST OF WITNESSES:

NAME:	**CONTACT INFO:**
Mr. Mathew Nabwiso **President,** **National Producers Guild of Uganda (PGU)** *As President he can provide all the necessary information on this case for most of the affect industry players*	Telephone: +256 755 842522 Email: mathew@nabwisofilms.com
Ms. Maureen Nankya **Director,** **Yammamba Productions** *This is an affected party by the conduct by Cinemax*	Telephone: +256 704 505666

LIST OF SUPPORTING DOCUMENTS:

DOCUMENT	DESCRIPTION:
Complaint to Managing Director, Century Cinemax about the conduct. We served the complaint on 23 June 2026 and gave them time to respond and till date we have received no response.	Document is attached to this complaint and marked **"A"**
Complaint letter to Executive Director of Uganda Communications Commission. We served the letter on 1 July 2026 and gave them timelines within to respond and till date we have received no response. We wrote a detailed letter informing them how illegal their participation in the MOU is.	Document is attached to this complaint and marked **"B"**

9. WE UNDERSTAND:

(a) that it is an offence under the Act for a person to provide false information to the Ministry; and

(b) that the Act provides for a penalty of a fine, imprisonment, or both if I am found guilty of knowingly providing false information to the Ministry.

Signed by the complainant:

Signature: ______________________

Full Name: Adlegal International

Date : 13-July-2026

Complaint to Century Cinemax "A"

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]

UGANDA COMMUNICATIONS COMMISSION
P. O. BOX 7376, KAMPALA
REGISTRY
CLIENTS COPY
23 JUN 2026
SIGN.
RECEIVED

DETAILS OF THE COMPLAINANT:

Complainant:	**Adlegal International**
Contact:	**+256 758723991 / +256 762 810949**
Email Address:	**info@adlegalug.com / ed@adlegalug.com**

The following are subject to the conduct of this complaint:

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

SECURITY REGISTRY
RECEIVED
23 JUN 2026
Ministry of Trade Industry and Co-operatives

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 <u>were required to route their films through Ms. Ndagire as a precondition for access to your screen exhibition services</u>.

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[1]; 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.

[1] 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. <u>Incident One: Yammamba Productions</u>

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.

<u>Herfindahl–Hirschman Index (HHI) – Market Share assessment</u>

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.**

.

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

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

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

Applying the HHI formula:

$$HHI = 65^2 + 15^2 + 10^2 + 10^2$$
$$= 4,225 + 225 + 100 + 100$$
$$= 4,650$$

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. <u>Ability to Act Independently of Competitive Constraints</u>

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 22nd day of June 2026

……………………………………………………

AdLegal International

"B"

#AdLegal

Adlegal International
P.O Box 173818, Kampala
info@adlegalug.com
+256 758 723 991/+256 762 810949
www.adlegalug.com

1 July 2026

Our Ref: AL/UCC/01

The Executive Director
Uganda Communications Commission (UCC)
UCC House, Bugolobi
KAMPALA

Dear Sir,

RE: DEMAND FOR REVIEW OR IMMEDIATE REVOCATION OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE UGANDA COMMUNICATIONS COMMISSION, MS. MARIAM NDAGIRE AND CENTURY CINEMAX LIMITED

Reference is made to our Competition Complaint against Century Cinemax Limited which we also copied and served you on the 23rd of **June 2026** concerning abuse of dominance, anti-competitive agreements, exclusive dealing, exclusive distribution arrangements and constructive refusal to deal in the Ugandan theatrical film exhibition market.

Following the filing of our complaint, additional information and evidence emerged from independent Ugandan film producers through the **National Producers Guild of Uganda (PGU)**, led by its **President, Mathew Nabwiso.** The evidence indicates that the requirement for Ugandan film producers to channel their films through Ms. Mariam Ndagire was not merely a private arrangement between Century Cinemax and Ms. Ndagire, but formed part of an **"Audience Building Programme"** established pursuant to a <u>Memorandum of Understanding with the Uganda Communications Commission.</u>

If that information is accurate, it fundamentally changes the legal landscape of this matter we had initially instituted against Century Cinemax.

The Commission is the statutory regulator charged with promoting fair competition, preventing anti-competitive conduct and ensuring a level playing field within Uganda's communications sector. It is therefore **deeply disturbing** that the Commission itself may have participated in creating or endorsing an arrangement that appears to undermine the very competition framework it is mandated to enforce. This raises serious legal questions requiring immediate explanation.

1.0. THE LEGALITY OF THE ARRANGEMENT:

Having carefully examined the Uganda Communications Act, the Uganda Communications (Competition) Regulations, 2019, the Competition Act, Cap. 66 and the Competition Regulations, 2025, we have found no statutory provision empowering the Commission to create exclusive market structures, appoint private market gatekeepers, interfere with private commercial negotiations, or confer preferential commercial advantages upon one market participant at the expense of all others.

The only conceivable statutory basis upon which the Commission may seek to justify its participation in the alleged Memorandum of Understanding is **Section 54(a)** of the Uganda Communications Act, Cap. 106, which provides for limited exceptions to the prohibition against anti-competitive practices. However, any reliance on **Section 54(a)** is expressly qualified and restricted by **Section 54(b) of the Act.** The Commission's power is not absolute. Parliament deliberately imposed mandatory safeguards to ensure that any exemption granted does not become a vehicle for creating monopolies or undermining competition.

Section 54(b) expressly provides that the Commission may only permit such conduct where it **does not**—

> *(i) impose on the parties restrictions which are not indispensable to attaining the objective specified under paragraph (a); and*
> *(ii) give the parties the ability to substantially reduce competition in respect of the goods or services in question.*

The alleged Memorandum of Understanding fails both statutory requirements.

First, the restrictions imposed are plainly **not indispensable** to achieving any legitimate audience development objective. There is no rational basis for requiring every Ugandan film producer wishing to exhibit a film at Century Cinemax to transact exclusively through a single private individual. The compulsory routing of all Ugandan films through one individual is therefore neither necessary nor proportionate to any legitimate objective contemplated under **Section 54(a).**

Secondly, the arrangement clearly gives the parties the ability to substantially reduce competition within the meaning of **Section 54(b)(ii).** The evidence available demonstrates that Century Cinemax, the dominant commercial cinema operator in Uganda, declined to negotiate directly with independent producers and instead required them to engage exclusively through Ms. Mariam Ndagire. The effect of that arrangement is to confer exclusive gatekeeping powers upon one intermediary, foreclose direct market access, exclude competing distributors and aggregators, raise barriers to entry, increase transaction costs, diminish producers' bargaining power, and substantially lessen competition in both the theatrical exhibition and downstream film distribution markets..

Accordingly, even if the Commission were to contend that the Memorandum of Understanding was entered into pursuant to **Section 54(a),** the arrangement would nevertheless be unlawful because it does not satisfy the mandatory conditions imposed by **Section 54(b).**

2.0. VIOLATION OF THE COMMISSION'S OWN REGULATORY FRAMEWORK:

More troubling still is the fact that the Commission appears to have sanctioned an arrangement that, on its face, violates the very competition laws and regulatory principles that the Commission is legally obliged to enforce.

Among these include;

a) **Section 53(1) of the Uganda Communications Act** and **Regulation 6(2) of the Uganda Communications (Competition) Regulations, 2019** prohibit conduct that unfairly prevents, restricts or distorts competition.
By participating in or facilitating an arrangement that designates a single intermediary for access to Century Cinemax's exhibition platform, the Commission has itself engaged in conduct that unfairly restricts and distorts competition, contrary to the very statutory provisions it is mandated to enforce. The arrangement equally offends **Sections 9(1) and 9(2) of the Competition Act, Cap. 66,** which prohibit agreements and conduct that prevent, restrict or distort competition and constitute an abuse of market power.

b) **Regulation 7(2)(c) & (3) of the Uganda Communications (Competition) Regulations, 2019** prohibit exclusive supply arrangements.
The commission is instead facilitating conduct by Century Cinemax and Ms. Ndagire which violates the law on exclusive supply something which leaves the industry wonder how you can violate your own law. The same has the effect of violating **Section 9(1) & 9(4)(b) of the Competition Act, Cap. 66, Regulation 24 of the Competition Regulations, 2025.**

c) **Regulation 7(2)(b) & (3) of the Uganda Communications (Competition) Regulations, 2019** prohibit exclusive distribution arrangement. The Commission's involvement in the MoU instead makes UCC violate the same law it is mandated to enforce because it has the effect of giving 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.

d) **Regulation 7(2)(d) & (3) of the Uganda Communications (Competition) Regulations, 2019** restricts refusal-to-deal arrangements. The Commission's involvement in the MoU appears to place UCC in breach of the very law it is mandated to enforce by permitting Century Cinemax to refuse direct commercial engagement with independent producers and instead requiring them to negotiate through a designated intermediary, thereby denying producers direct market access without any objective commercial justification.

e) **Regulation 7(3)(o) of the Uganda Communications (Competition) Regulations, 2019** prohibits practices that create barriers to entry. The Commission's involvement in the MoU instead places UCC in breach of the very law it is mandated to enforce by facilitating the creation of such barriers. Access to the principal cinema exhibition platform is no longer determined by commercial merit but is contingent upon approval through a designated intermediary. This discourages market participation, limits opportunities for emerging producers and distributors, and constrains new entrants from establishing themselves within the industry. The overall effect is a less dynamic and less competitive market structure.

3.0. GOVERNMENT FACILITATED MONOPOLIES ARE ILLEGAL:

The Commission's involvement in the Memorandum of Understanding (MoU) has effectively facilitated the creation of a de facto monopoly in favour of Mariam Ndagire by establishing an exclusive intermediary or gatekeeper over access to film exhibition services. As a public regulator, UCC ought not to participate in or facilitate arrangements that eliminate or substantially restrict competition within the sector it is mandated to regulate.

The Constitutional Court of Uganda has previously cautioned against government-facilitated monopolies. In the case of *Spedag Interfreight Uganda Ltd & 3 Others v. Attorney General & The Great Lakes Ports Limited* **(Constitutional Petition No. 85 of 2011)**, the Court declared unconstitutional a government contract that conferred monopoly rights over clearing, forwarding and handling services through the Port of Mombasa.

At **page 14** of the lead judgment by Hon. Justice Fredrick Egonda-Ntende, JA , the Learned Judge stated that:

> *"I would therefore declare that the act of the respondents executing a contract which purported to vest monopoly rights over clearing, forwarding, and handling services of all imports and exports to and from Uganda through the Port of Mombasa in the 2nd Respondent is inconsistent with and in contravention of Article 40(2) and Article 43 of the Constitution and to that extent, null and void."*

This decision gives the constitutional principle that government or it's agencies must neither create nor facilitate monopolistic arrangements that unjustifiably restrict competition. UCC should therefore be mindful of this binding constitutional jurisprudence and refrain from engaging in or endorsing arrangements that have the effect of conferring exclusive market access or gatekeeping powers upon a single private entity.

4.0. UCC IS ACTING CONTRARY TO ITS PREVIOUS INDUSTRY ARBITRAL DECISIONS ON THE SAME CONDUCT:

It is on record that the Commission has previously issued decisions condemning restrictive and anti-competitive practices of a nature similar to those it is now facilitating under the Cinemax-Mariam Ndagire arrangement.

These decisions consistently warned against conduct that restricts competition, creates exclusive market access, or distorts competitive conditions.

It is therefore deeply concerning that the Commission is now acting in a manner that is inconsistent with its own regulatory pronouncements and enforcement history. This apparent contradiction undermines regulatory certainty, and erodes public confidence in the Commission's impartiality as the sector regulator.

Commission Decision:

Ubuntu Towers Uganda Limited verses American Towers Corporation Limited and Airtel Uganda Limited (Delivered on 4th May 2022)

In the above dispute, the Commission faulted American Towers Corporation Limited (ATC) and Airtel Uganda Limited for entering into a contract which had clauses bestowed upon ATC a Right of First Refusal (ROFA) which perpetrated exclusive dealing between Airtel and ATC insofar as Airtel was expressly restricted from appointing any other person to build new sites without first offering such sites to ATC.

At page 11 of the decision, the Commission stated that;

> *"The Commission further finds that the impugned clauses were unfair and contrary to the law insofar as they restricted the rights of other licensed tower operators from freely negotiating and/or engaging with Airtel for possible business in building new sites, except with ATC's blessing."*

How does the conduct you condemned in the above-referenced reasoning in your own decision differ in substance from the Memorandum of Understanding you entered into with Cinemax and Ms. Ndagire, which effectively precludes producers from directly engaging Cinemax and instead requires them to route all negotiations through Ms. Ndagire as the sole intermediary for exhibition rights? You conflict yourselves!

The information now available demonstrates that producers approaching Century Cinemax were informed that they could no longer negotiate directly with the cinema but were required to transact through Ms. Mariam Ndagire, who exercised discretion over negotiations and commercial terms. The effect of this arrangement has been to eliminate direct competition, foreclose market access, increase transaction costs, create barriers to entry and confer exclusive commercial advantages upon a single intermediary.

Secondly, on **page 10, paragraph 2** of the same decision, the Commission held and stated that;

> *"From the above provisions of the law, it is apparent that <u>where an operator, either individually or jointly with another, enter any contract which has the effect of preventing, restricting or distorting competition</u> in relation to any business activity in the communication sector is uncompetitive and prohibited."*

How does the conduct you condemned in the above-referenced reasoning in your own decision differ in substance from the conduct facilitated in the Memorandum of Understanding you entered into with Cinemax and Ms. Ndagire, which effectively

has the effect of restricting or distorting competition in the theatrical film exhibition and distribution market?

Thirdly, on page 13 of your 2022 decision, the Commission held and stated that;

> *"Picking from the above reasoning, it is the Commission finding that there was no legal justification for Airtel to give Eaton (now ATC), the right of first refusal with respect to orders for new sites for a whopping period of ten years. This provision, by its nature and object, had a direct effect of undermining fair competition in the tower market, insofar as it would expose other tower operators to the unfortunate commercial position of always being considered only after ATC had rejected a particular order."*

In light of the foregoing reasoning in your own past decision, and recent attempt to confer a right of first refusal upon Ms. Ndagire under the Memorandum of Understanding with Century Cinemax, it is regrettable to observe that this approach appears to be inconsistent with the Commission's own decision issued in 2022.

Lastly, the Commission in the *ATC-Airtel decision* cited a wealth of authorities including **Arriva The Sires Ltd v London Luton Airport Operations Ltd [2014] EWHC 64** and **T-Mobile Netherlands BV and Others v. Raad van Bestuur van de Nederlandse Mededingingsautoriteit Case-8/08** which are all against anti-competitive practices which the Commission itself is facilitating in the MoU it executed.

We therefore call upon the Commission to carefully reconsider its 2022 decision in *Ubuntu v. ATC–Airtel,* together with the authorities cited therein, and to assess the principles and outcomes therein against the conduct it is presently facilitating in relation to Century Cinemax and Ms. Mariam Ndagire, in order to determine whether the same legal and regulatory standards are being consistently applied.

It is inconceivable that the regulator entrusted with preventing anti-competitive conduct and who has issued decisions against the same would itself facilitate or endorse an arrangement that appears to amount to exclusive dealing, exclusive distribution, market foreclosure and constructive refusal to deal.

5.0. OVERALL EFFECT:

The Memorandum of Understanding raises serious concerns of abuse of statutory power, regulatory overreach, conflict of interest, regulatory capture, and failure to exercise statutory powers consistently with the objectives of Uganda Constitution and the recent competition framework under the Competition Act and Regulations.

The practical consequences are already evident. Independent Ugandan filmmakers are denied direct access to the country's principal commercial cinema platform, are compelled to negotiate through a single intermediary, incur unnecessary costs, lose bargaining power and are excluded from competing on equal terms. The arrangement suppresses innovation, discourages investment, limits consumer choice and undermines the development of Uganda's creative economy.

6.0. REQUESTS AND DEMANDS:

Accordingly, we demand that the Commission, within **five (5) days** of receipt of this letter to:

1. Explain how a regulator mandated to licence, supervise, control, and regulate communications services can properly enter into a commercial arrangement with an operator it regulates, where such arrangement appears to authorise or facilitate conduct that is prima facie inconsistent with its statutory mandate, constitutional principles, and applicable competition law.
2. Explain how the arrangement complies with the Uganda Communications Act, the Uganda Communications (Competition) Regulations, 2019, the Competition Act and the Competition Regulations, 2025 together with the previous UCC decisions on the same.

3. Explain why the Commission considered it lawful to facilitate an arrangement that appears to confer exclusive commercial privileges upon a single market participant.
4. **IMMEDIATELY REVOKE**, suspend or terminate the Memorandum of Understanding.
5. Direct Century Cinemax to cease relying upon the arrangement and restore equal, fair and direct access to all Ugandan film producers.

TAKE NOTICE that should the Commission fail to respond within **five (5) days**, we shall, without further notice, institute appropriate legal proceedings before the **Ministry of Trade, Industry and Cooperatives** and the competent **courts of law** seeking declarations that the Memorandum of Understanding is unlawful, ultra vires, null and void, together with all consequential reliefs, including judicial review orders, injunctive relief, declarations, costs and any other remedies available under the laws of Uganda.

Yours faithfully,

ADLEGAL

cc. Managing Director, Century Cinemax