



EAST AFRICAN COMMUNITY(EAC) SINGLE CUSTOMS TERRITORY(SCT)

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Background



- ❑ SCT is a stage towards the full attainment of the EAC Customs Union, achievable through removal of trade restrictions including minimization of internal border controls.
- ❑ SCT is about achieving free circulation of goods in the Customs Territory in order to reduce the cost of doing business.
- ❑ In June 2013, the EAC Heads of State held a Summit in Entebbe, Uganda to discuss Infrastructural development in the region.

Background continued....



❑ The issues of SCT came up and they directed the Revenue Authorities to immediately operationalize this.

❑ The Commissioners General met and formed Technical Working Groups(TWG);

- Business flow and legal
- ICT
- Compliance and Enforcement
- Inter agency
- Capacity Building and Change Management

Features



- ❑ Goods are cleared at the first point of entry.
- ❑ Customs declarations are made once(1) at the destination country.
- ❑ Taxes are paid at the point of destination when goods are still at the first point of entry.
- ❑ Interconnected customs systems which connect to an EAC Centralized Platform(CP).

Features continued..



- ❑ Goods move under a single bond from the port to destination-Regional Customs Transit Guarantee (RCTG).
- ❑ Goods are monitored by Regional Electronic Cargo Tracking System(RECTS).
- ❑ Minimized internal controls/checks.

EAC region map



EAC corridors



EAC corridors



- ❑ 3 corridors exist-Northern, Central & Dar Es Salaam.
- ❑ The Northern Corridor links Uganda, Rwanda and Burundi with Kenya's maritime port of Mombasa.
- ❑ It also serves the eastern part of the Democratic Republic of Congo, South Sudan and Tanzania.
- ❑ Thus, Northern Corridor connects the five countries of the EAC and beyond, playing an important role in the movement and trade of goods.

Benefits of SCT



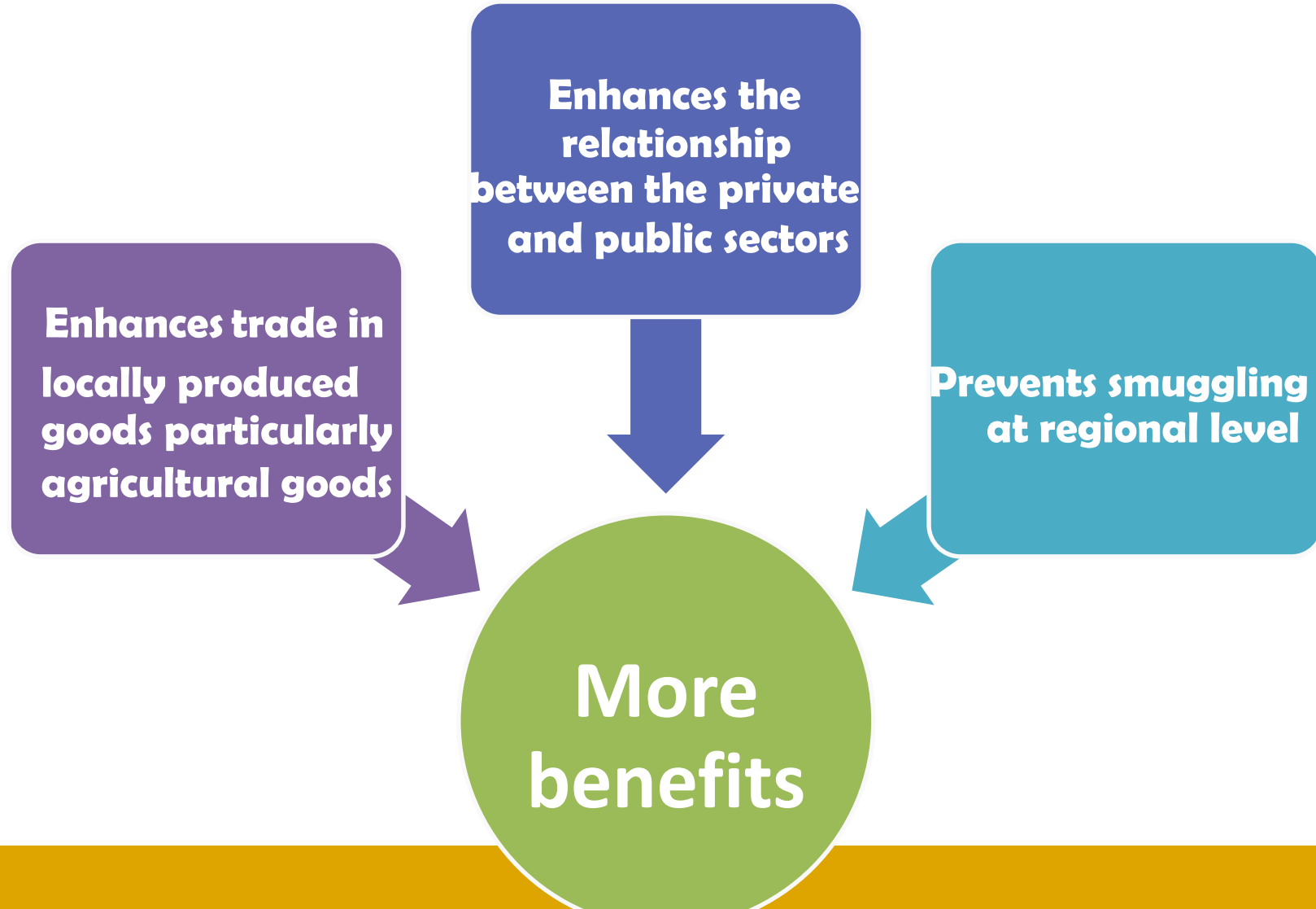
**Reduces
administrative
costs and
regulatory
requirements**

**Reduces the Cost
of doing business
by eliminating
duplication of
processes**

**Reduces the risks
associated with
non compliance
on the transit of
goods**

**Benefits
of SCT**

Benefits of SCT



Benefits of SCT



**SCT is the
springboard for free
movement of other
factors of
production**

**SCT attracts foreign,
domestic and cross-
border investment**

Finally

Exports under SCT-Key Aspects



- ❑ Cargo moving from a member state of EAC to another country which is not a member of EAC.
- ❑ Only one exports declaration – in the partner state of export, no transit declarations.
- ❑ Goods are accompanied by a C2(cargo manifest) along the corridor.
- ❑ One bond used through out.

Exports under SCT-Key Aspects



- ❑ Data to facilitate entry into port received in advance
- ❑ Prerequisite documents:

| Document | Prepared by |
|--------------------------|-----------------------------|
| Export Entry | Exporting EAC partner State |
| Exit Note / T1 | Exporting EAC partner State |
| RCTG Bond | Exporting EAC partner State |
| RECTS Seal | Exporting EAC partner State |
| Border Exit Confirmation | Exporting EAC partner State |

Exports under SCT-Key Aspects



KRA Process:

| Document | Prepared by |
|----------------------|--|
| Arrival Confirmation | KRA Border Officer |
| C2 Generation | KRA Border Officer |
| Final Border Exit | KRA Exports Officer (Mombasa Port, land border or airport) |

Exports under SCT- Common Mistakes



- ☐ Wrong border on Customs Declaration
- ☐ Entering wrong Customs Declaration reference for port pre-advise/booking
- ☐ Not entering container number or wrong container numbers for port pre-advise/booking
- ☐ Information not corrected in case of accidents
- ☐ Wrong country of exit

SCT success story



- ❑ Single weighing for Transfer cargo.
- ❑ Removal of road blocks.
- ❑ Reduced turn-around time (from 18-22 to 4-6 days for Mombasa/Kampala and from 22 to 6-8 days for Mombasa/Kigali).
- ❑ Single Customs declaration for goods destined to EAC region for both maritime and Intra region transfers/system integration.

SCT success story



- ❑ Mutual recognition of the Revenue Authorities officials working together in the Partner States.
- ❑ Mutual recognition of the Clearing Agents in the Region and granting of access rights for use of the Customs systems across the region.
- ❑ All the Partner states have created SCT liaison offices for efficient coordination of SCT activities.

Challenges



- ❑ Incomplete System interfaces & system downtime.
- ❑ Financial constraints.
- ❑ Change Management for all stakeholders.
- ❑ Incomplete compliance with all the SCT stakeholder requirements i.e. registration with Ports Authorities, Shipping Lines & Revenue Authorities

Current Implementation status



- ❑ Kenya implemented clearance of all products under SCT (maritime & intra-region transfers) in December 2017.
- ❑ Full roll out of SCT exports module has been implemented.
- ❑ SCT air transfers is awaiting implementation.
- ❑ SCT railway process has been approved awaiting implementation.
- ❑ Electronic COO (Certificate of Origin) is awaiting implementation.

The End



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