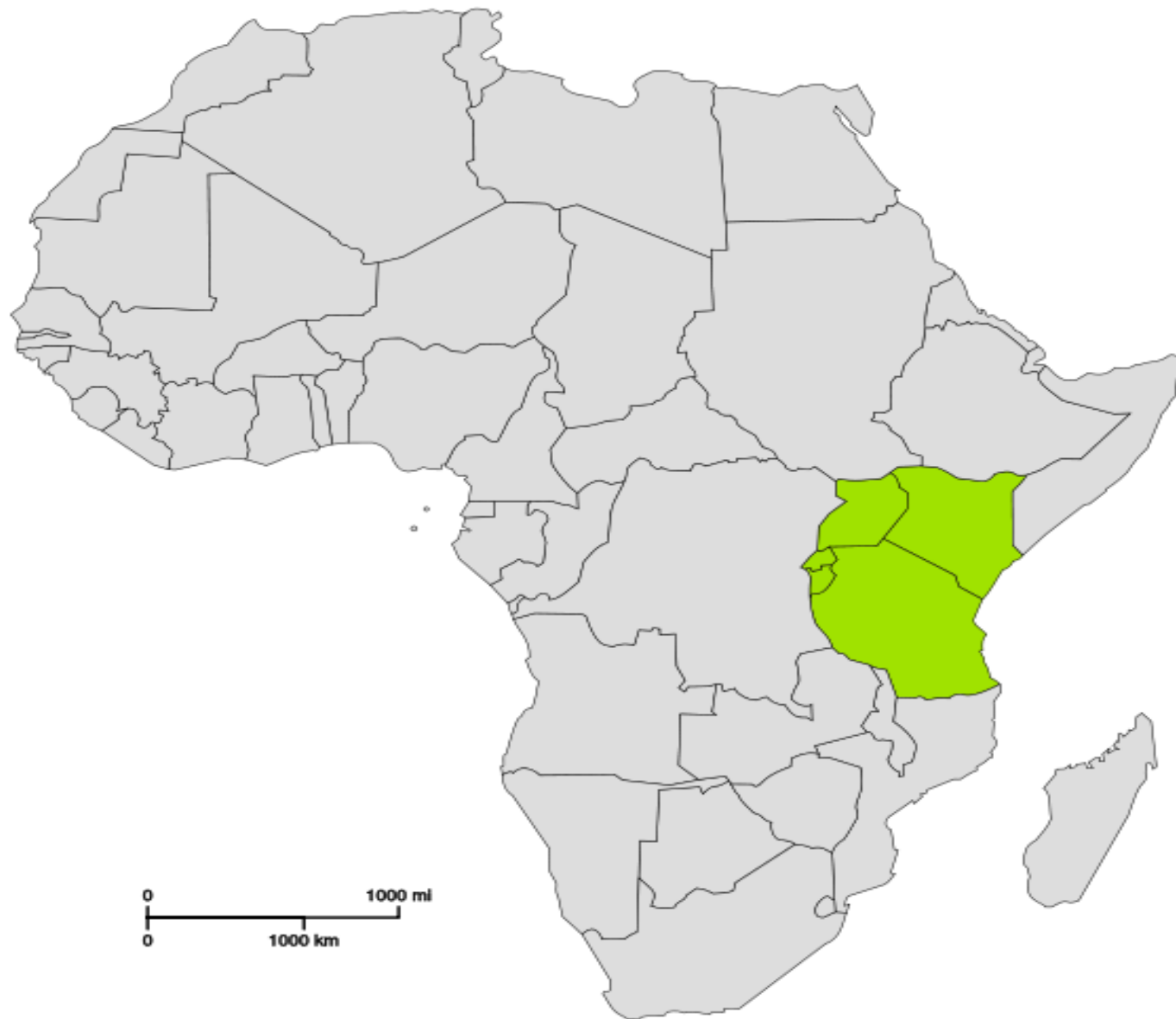


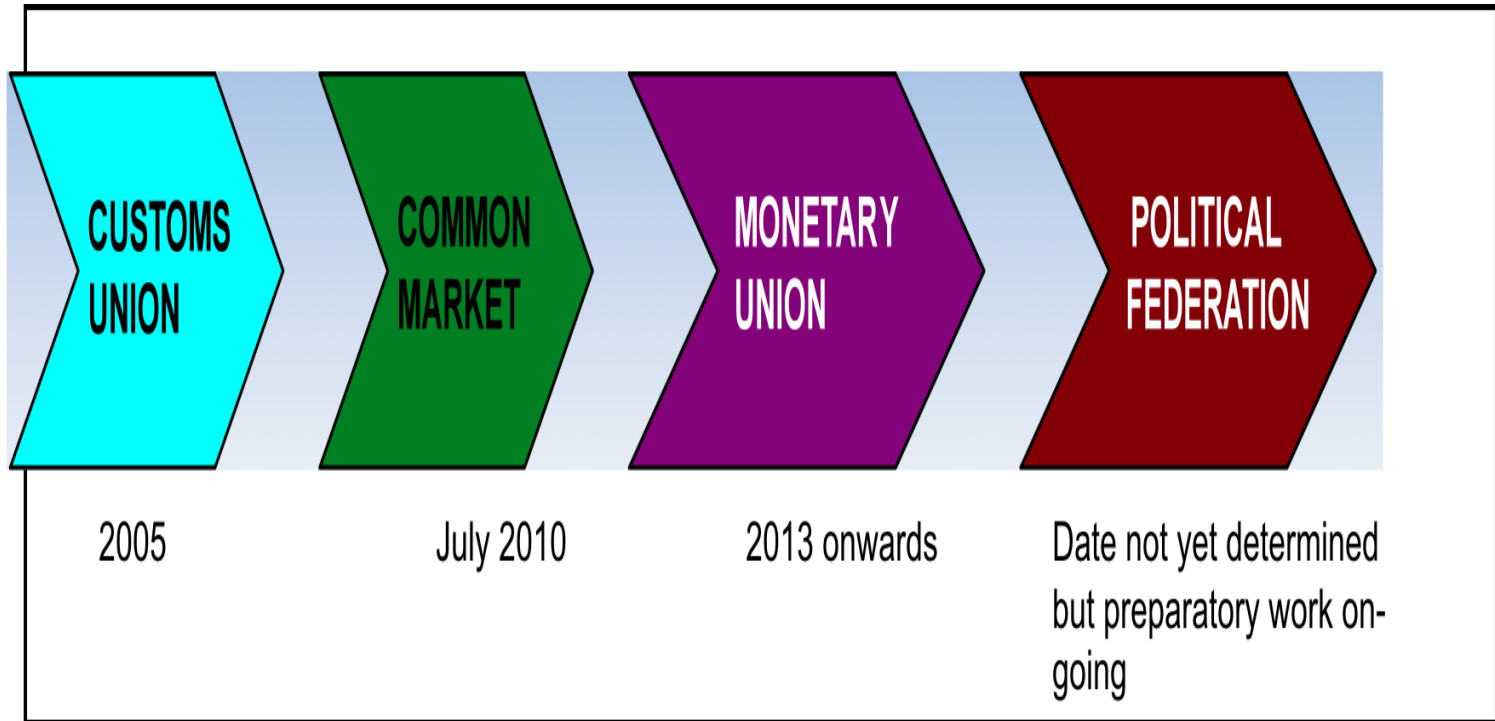
# The EAC Single Customs Territory



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# Over View of EAC Customs Union



- CU commenced in 2005
- Implementation of the CU has been progressive
- Asymmetric approach in tariff elimination in the 1<sup>st</sup> 5 years
- Directorate of Customs at EAC Secretariat coordinates policy and monitors implementation.
- Customs Administration responsible for day to day operations.

# Policy and Legal Framework



- **Common Policy framework premised on the CU Protocol**
- **Common Customs Instruments**
  - EAC Common External Tariff,
  - EAC Customs Management Law,
  - EAC Common Customs Procedures- aligned to International standards
- **Single Customs Territory is the Consolidation level of the CU**
- **Purpose:**
  - Free circulation of goods with minimum internal customs border controls
  - Enhance trade facilitation by eliminating trade barriers and reduce cost of doing business
  - Promote intra trade and investment

# Implementation of the EAC SCT



- Commenced in January 2014 after adoption of the SCT Framework
- Based on the Destination Model – clearance processes done at destination Partner State
- Goods are cleared upon arrival at the 1<sup>st</sup> point of entry and Released from the first point of entry
- Covers all customs regimes of direct home-use, warehousing, transit, export, intra-EAC trade and temporary imports
- Customs Staff of Destination Countries are deployed at ports of 1<sup>st</sup> Entry.
- Technical Working Groups and Liaison offices in all Customs administrations
- SCT Process manual has been developed

# Success factors



- Minimal internal border control
- Use of a single bond across the region
- Use of OSBPs – Regional law
- Interconnectivity of customs systems- Interface
- Reduction of non tariff barriers
- Change management
- Inter agency coordination- Single window
- Political goodwill and support
- Corridor based approach



# Impact and Results



- Evolvement of a more integrated customs through joint customs programs:
  - ✦ Regional AEO program
  - ✦ Regional TRS
  - ✦ Regional ECTS initiatives
  - ✦ Regional Compliance and enforcement initiatives
  - ✦ Interconnectivity of customs systems
- Incidences of diversion of goods reduced
- Turn round time on movement of cargo has reduced by about 40%

# Results



- Multiple documentation has reduced from an average of 5 to 7 times to once or twice along the corridors
- Reduction in transport costs to about 20% due to the increased turn around on movement of goods particularly petroleum products
- Enhance exchange of information on real time basis between customs.
- Improved mechanism of resolving challenges affecting trade in EAC

# Results



- Reduction of barriers such as Weighbridges and roadblocks
- Intra Regional Customs Technology and knowledge transfer through technical working teams on different systems
- Stakeholder support and involvement
- Intra trade has increased from 2 billion in 2005 to 6 billion in 2014
- Improved predictability and planning in Business

# Challenges



- Different levels of automation of Systems by agencies involved in clearance of goods
- Requires robust and integrated customs IT platform
- Security threats causes reversals on risk management application
- Infrastructure constraints
- Resistance to Change
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THANK YOU