

Clearance of goods

Clearance of goods shall be done at the destination country while the goods are at the first point of the entry.

Warehousing

Warehousing can be done anywhere within the territory (EAC) and goods can be transferred under a single bond system.

Transit

Transit regimes shall only apply to goods originating from foreign country and destined to a foreign country through the Partner States or a Partner State. A single regional bond system shall apply on transit goods.

Temporary Importation

- Goods imported for temporary use into a Partner State are not subjected to customs duty;
- Temporary imported goods when removed from one Partner State to another shall be subject to a regional bond.

Intra-regional transfer of goods

This refers to transfer of duty paid goods and goods originating from the Partner States. Where goods are imported and duties are paid in one Partner State, the goods shall not be subjected to customs duties when transferred to another Partner State.

Where goods are ex-warehoused between Partner States, goods shall be entered in the destination Partner State for home use.

Clearance of goods for Special Economic Zones (SEZ), Export Processing Zones (EPZ), Free Ports. Goods destined into SEZs or EPZs shall move under bond.

Temporary transfer

Duty paid goods which are transferred from one Partner State to another for temporary use shall move under bond guarantee.

Movement of locally produced goods

Goods produced in the region are not subjected to import duty when transferred to another Partner State if they meet the rules of origin. They are may be subjected to domestic taxes, where applicable, imposed on international trade upon arrival at the internal borders.

Movement of exempted goods

Exempted goods shall first be entered for warehousing and moved under a single bond system.

Export of goods from Partner States to markets outside the EAC region

Transfer of goods for export from a Partner State shall be covered by a single bond guarantee and monitored by the Electronic Cargo Tracking System (ECTS). Levies and charges on exports where applicable shall be made in the Partner State of export.

Port and Border Operations

Inland Partner States may have representation of their agencies operating at the main ports of entry.

Customs Clearing Agent

A customs clearing agent licensed by one Partner State shall be authorized to operate in another Partner State under mutual recognition by Partner States.



THE EAC SINGLE CUSTOMS TERRITORY

For further information contact

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Background

The Treaty for the establishment of the EAC was signed in November 1999 and entered into force in July 2000. According to Article 5(2) of the Treaty, the Partner States undertook to establish a Customs Union, a Common Market, a Monetary Union and ultimately a political federation in order to enhance their economic, social, cultural and political development and integration for their mutual benefit.

The Protocol establishing the EAC Customs Union was concluded in 2004 and implementation commenced in January 2005. The implementation of the Customs Union was envisaged to be progressive and so far a number of milestones have been achieved towards the attainment of the goal of a fully-fledged Customs Union.

In April 2012, the summit considered the report of the Council of Ministers on the attainment of a Single Customs Territory and agreed in principle to adopt the Destination Model of clearance of goods where assessment and collection of revenue is done at the first point of entry.

What is Single Customs Territory (SCT)?

A Single Customs Territory is described as a stage towards full attainment of the Customs Union which is achievable by the removal of restrictive regulations and/or minimization of internal border controls on goods moving between the Partner States with ultimate realization of free circulation of goods. The EAC SCT covers Partner States namely Burundi, Kenya, Rwanda, Tanzania and Uganda.

Objectives

- Reduce the cost of doing business
- Enhance application of cross border Information Communication Technology (ICT) and quality data collection at the regional level.
- Enhance capacity and improve coordination of the private and public sector.
- Enhance compliance to regional standards and instruments.

Benefits

- Reduced cost of doing business by eliminating duplication of processes.
- Reduced administrative costs and regulatory requirements.

- Realization of economies of scale and optimal use of resources in clearance of goods in EAC.
- Enhanced attraction of foreign, domestic and cross border investment.
- Enhanced relationship between the private and public sector.
- Creation of a mechanism for prevention of smuggling at a regional level.
- Reduced risks associated with non-compliance on the transit of goods.
- Creation of an efficient mechanism of revenue management.
- Enhanced application of information technology (IT) and data collection at the regional level
- Increased business turn-around times due to the elimination of duplicated processes along the corridors.
- Support of the EAC Common Market and creation of an Internal Single Market
- Elimination of Non Tariff Barriers (NTB) to enhance seamless flow of goods within the EAC region.

How the SCT operates

The SCT will be implemented premised on the three pillars namely:

- Free circulation of goods
- Revenue management systems, and
- Regional legal and institutional framework.

Free circulation

Goods originating from one Partner State to another within the Customs Union are not subjected to Customs Tariff as long as they meet the EAC Rules of Origin criteria. Goods imported from outside the Customs Union which have been entered and released for home consumption are free to circulate within the Community. Each category requires unique modalities depending on the customs regime under which they are declared.

Imports into the EAC region

A Common External Tariff applies to all goods imported into the EAC region. The goods may be for direct home use, warehousing or transit through a Partner State.

