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Single customs territory procedures and manual

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Single Customs Territory Procedures Manual

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Single Customs Territory Procedures Manual

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ACRONYMS

CFS – Container Freight Station
ECTS – Electronic Cargo Tracking System
EPZ – Export Processing Zones –
ICD – Inland Container Depot
KPA – Kenya Ports Authority
KRA – Kenya Revenue Authority
OBR – Office Burundais Des Recettes
OSBP – One Stop Border Post
SCT – Single Customs Territory
SEZ – Special Economic Zones
TPA – Tanzania Ports Authority
TRA – Tanzania Revenue Authority
URA – Uganda Revenue Authority

DEFINITIONS

1. Transfer - means the movement of goods from one Partner State directly or indirectly to another Partner State, but shall not include goods in transit, goods for transshipment or goods for warehousing in bonded warehouse
2. Pick-up Order – This is an electronic request by the Clearing Agents and CFS / ICD Operator to the Port Authority for the Release of cargo

1.0 INTRODUCTION

The Single Customs Territory (SCT) can be described as the stage for full attainment of the customs union which is attainable by the removal of duties and other restrictive regulations and/or minimization of internal border customs controls on goods moving between Partner States with an ultimate realization of free circulation of goods.

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.

1.1 BACKGROUND

The Protocol on the Establishment of 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 for a period of five years and so far a number of milestones have been achieved towards the attainment of the goal of a fully-fledged Customs Union. In this regard, in April 2012, the Summit in principle adopted the Destination Model of clearance of goods where assessment and collection of revenue is at the first point of entry and revenues are remitted to the destination Partner States.

1.2 SCOPE

This business process manual covers clearance of Maritime and Intra Regional cargo under the Single Customs Territory. The manual also covers Imports, Exports and Transits to and from EAC neighbouring Countries.

1.3 CARGO CLEARANCE PROCESSES UNDER SINGLE CUSTOMS TERRITORY

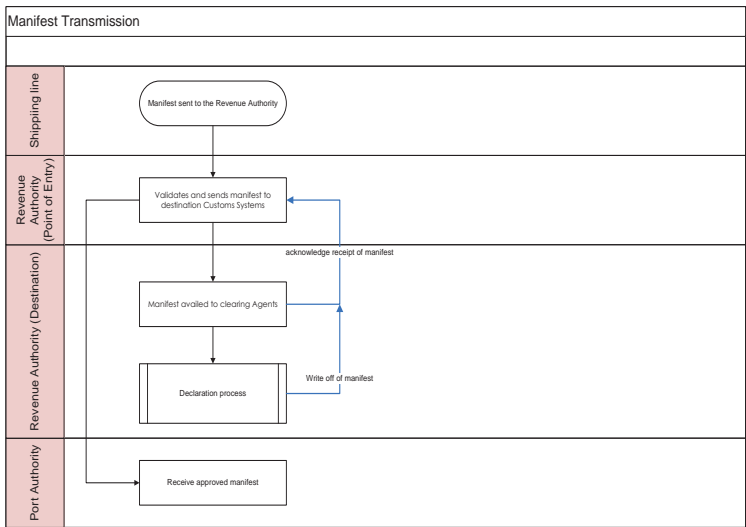
The EAC Single Customs Territory is premised on the following pillars: Free circulation of goods; Revenue management systems; Port management systems; and Regional legal and institutional framework.

The scope of free circulation of goods with regard to the EAC covers treatment of imported goods in the EAC, intra-EAC transfer of goods, export of goods from Partner States to markets outside the EAC, Port and Border Operations and trade facilitation.

2.0 IMPORTS INTO EAC (INTERNATIONAL TRADE)

2.1 PRE-ARRIVAL INFORMATION AND MANIFEST

- 2.1.1 A Shipping line/master shall send electronic manifest information to Revenue Authorities at the first point of entry 48 hours before Expected Time of Arrival (ETA) for long hauls and 6 hours to ETA for short hauls of the ship/vessel from a foreign port. Where applicable importer/clearing agent may lodge customs declaration prior to submission of cargo manifest;
- 2.1.2 Revenue Authorities at the first point of entry shall validate, approve and send the manifest information to Port authorities and destination Customs Systems. The Country of destination and Port Authorities shall acknowledge receipt of manifest information.
- 2.1.3 The deconsolidation of the master Bills of Lading on groupage cargo constituting cargo consigned to importers on more than one of the countries shall be done in CFS and ICDs. The information on House bills for groupage cargo, shall be transmitted after deconsolidation of the master bill of lading. (Refer to Sub Process on Deconsolidation)
- 2.1.4 Any short landed or short shipped cargo shall be reported by the Port authority and shipping lines to the Customs authorities at the point of entry, who will then advise the destination countries accordingly.
- 2.1.5 After expiry of 21 days of commencement of date of discharge of cargo from the vessel, reconciliations shall be undertaken by the Manifest management Units of all the countries involved and any cargo remaining unentered shall be transferred to the Customs warehouse in the first port of entry to be dealt with according to the law. The warehouse rent will be collected by the Customs of the first point of entry.



Flow chart 1: Figure manifest transmission

2.2 MANIFEST AMENDMENT

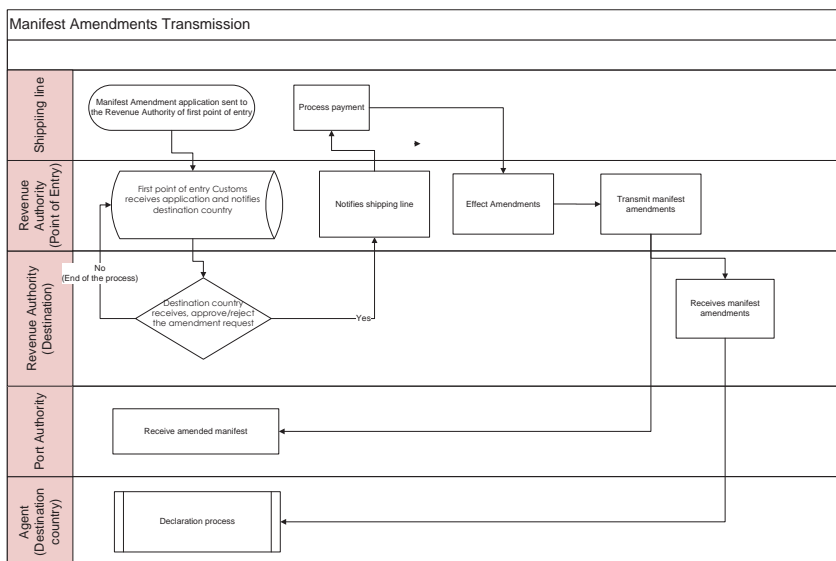
Where there is need to amend a Manifest, the shipping line/master shall generate a request to amend the manifest to the Revenue authority of first point of entry.

- 2.2.1 Upon receipt of the request, the Revenue authority management system at the first point of entry shall generate and forward a system notification with details of the amendment request to the destination Partner State revenue authority. The system shall then put a hold on the concerned Bill of lading at originating Country pending a response from the Destination Partner State.
- 2.2.2 The destination revenue authority shall recommend / reject the amendment request.
- 2.2.3 The destination revenue authority system shall generate an approval / rejection notification to the Revenue authority system at the first point of entry and trigger the removal of the system hold.
- 2.2.4 Revenue authority at the first point of entry shall effect the amendment recommendation in the system.
- 2.2.5 Upon approval at the first point of entry, a payment notification is sent to the shipping line to effect payment (if the application is rejected, then a notification shall be sent to the shipping line)
- 2.2.6 Upon payment validation in first point of entry system, a notification is sent to the destination revenue authority, shipping line and port authority systems.
- 2.2.7 Revenue authority system at the first point of entry shall transmit the amended manifest to the destination Revenue Authority system and effects the amendments.

2.3 SUBMISSION OF SUPPLEMENTARY BL

Where there is need to splitor add a new bill, the shipping line/master shall generate a request for a supplementary manifest to the Revenue authority of the first point of entry.

- 2.3.1 The first Point of entry Revenue Authority shall approve / reject the request to split / add a bill.
- 2.3.2 Upon approval at the first point of entry, a payment notification is sent to the shipping line to effect payment (if the application is rejected, then a notification shall be sent to the shipping line)
- 2.3.3 Upon payment validation in first point of entry system, a notification is sent to the destination revenue authority, shipping line and port authority systems.
- 2.3.4 Revenue authority system at the first point of entry shall transmit the supplementary manifest to the destination Revenue Authority system.

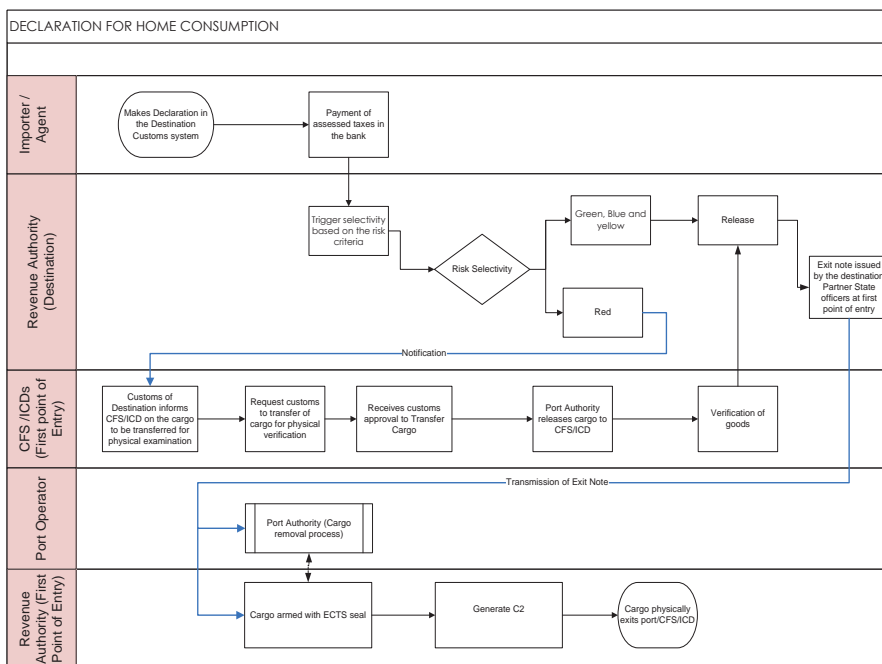


Flow chart 2: Manifest Amendment transmission

2.4 DECLARATIONS FOR HOME CONSUMPTION

- 2.4.1 The importer/ Agent shall make a declaration using the data from the Manifest at any Customs house in the destination country where the Customs system is accessible. Where applicable importer/clearing agent may lodge customs declaration prior to submission of cargo manifest.
- 2.4.2 The importer/agent shall lodge the declaration with other supporting documents to Customs and pay the assessed taxes to the destination country;
- 2.4.3 The destination Partner State Customs Authority shall trigger selectivity based on the risk criteria;
- 2.4.4 Green, Blue and yellow lane entries shall be released by officers of country of destination after all conditions have been fulfilled and a release message shall be sent to the Port authorities who shall commence the cargo removal process;
- 2.4.5 The Declarants/Clearing Agents will pursue Delivery Orders from the Shipping Lines, who will process the Delivery Order Releases online to the Port authorities. The Delivery Order together with the Customs Releases received by the Port authorities will be used to validate the Declarant's/Agent's applications for delivery of cargo. After validation and

- payment for related port services, the Port authorities will issue a Gate-in-Ticket for the transporter to move into the Ports to collect and exit relevant cargo;
- 2.4.6 Green, Blue and yellow lane entries shall be exited by the destination Partner State officers from the respective Customs Authority at the Port of Entry. A notification shall be sent to KRA or TRA who shall execute the cargo removal.
 - 2.4.7 The Customs Authorities Enforcement officers shall add an ECTS seal (where required) , arm and release the truck from the Ports;
 - 2.4.8 For consignments that are in red channel that require physical examination, the Customs authorities will transmit an inspection/selectivity message to the Ports for movement of the cargo to the CFS/ICD. The CFS/ICD operators will prepare a Pick Up Order for movement of the cargo to the CFS.
 - 2.4.9 After physical examination, the Electronic Verification Account shall be submitted to Customs authority of destination for further management;
 - 2.4.10 Where top-up (extra taxes) are required, the Customs Authorities of destination Country shall notify the Importer/Agent;
 - 2.4.11 The entries shall be released by Customs Authorities of destination Country after all conditions have been fulfilled;
 - 2.4.12 A copy of the Customs management system release order is printed to allow the truck to move into the CFS/ICD to pick the cargo;
 - 2.4.13 The destination Customs Authorities shall exit cargo in the system and send notification to KRA or TRA, Importer/ Clearing Agent and CFS Operator who shall commence the cargo removal process;
 - 2.4.14 The Customs Authorities Enforcement officers shall add an ECTS seal (where required) , arm and release the truck from CFS/ICD;
 - 2.4.15 The Customs Authorities officers at the CFS/ICD gate shall confirm exit of the cargo in the Customs management system, transfer document (EXIT NOTE and C2/Release order) is generated by both the destination Partner States Customs Authorities and the host country;
 - 2.4.16 The cargo is handed over to Customs Authority enforcement officers for monitoring through the Gazetted transit routes up to country of destination;
 - 2.4.17 Upon arrival at the inland Border, the Customs Authority of the host country shall confirm the seal is intact and exit the cargo online and the destination country receives the cargo online.



Flow chart 3: Home consumption

2.5 IMPORTS INTO EAC BY ROAD (AFRICAN REGIONAL TRADE)

The trade between the Community and other African countries is going to be conducted without using a cargo manifest as a primary source document or by using a local manifest in the country of consumption where necessary. The processes will be similar to the international trade.

Below is the detailed process of imports from the African Region;

- 2.5.1 The importer/ Agent shall make a declaration using the data from the invoice and other supporting documents such as the packing list, at any Port where the Customs system is accessible in the country of destination;
- 2.5.2 The importer/agent shall lodge the declaration with other supporting documents to Customs and pay the assessed duties and taxes to the destination country;
- 2.5.3 The destination Partner State Customs Authority shall trigger selectivity based on the risk criteria;

- 2.5.4 Green, Blue and yellow lane entries shall be released and Exited by officers of country of destination after all conditions have been fulfilled - this same information shall be transmitted to all Transfer Countries for tracking the cargo. The importer/agent shall then send the Release Order / Exit Note and other documents to the transporter for the collection and movement of goods;
- 2.5.5 Upon issuance of the Exit Note by the Destination Country, the first Transfer Country shall issue a C2 / Road manifest. The cargo shall be armed with ECTS (where necessary) and released to destination. The goods shall move along gazetted routes up to destination and each Transfer Country shall track the goods in the respective systems.
- 2.5.6 Red lane Entries shall not be released / Exited when cargo is at the first point of entry; instead a verification notification shall be sent to the Partner States of first entry and that of transfer as an indicator that the clearance process is not yet complete; the first Partner State of entry shall seal and arm the cargo and manually Release to destination.
- 2.5.7 Goods shall be presented to the border of the Partner State of Destination where verification is done and truck released.

2.6 IMPORTS DESTINED FOR WAREHOUSING IN DESTINATION PARTNER STATES

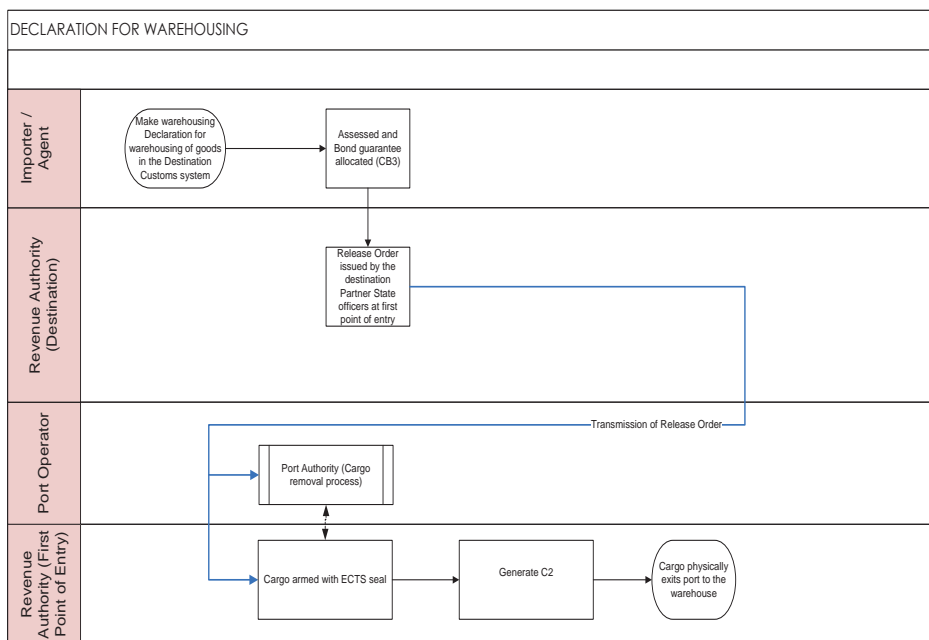
The following principles shall apply under the Single Customs Territory:

- i) A single regional bond system shall apply to enable movement of goods within the territory;
- ii) Goods shall be entered once for warehousing prior to or upon arrival at the first point of entry;
- iii) Goods may be warehoused in a Partner State other than the Partner State of destination with approval of destination country;
- iv) Goods may be removed from a bonded warehouse in one Partner State to a bonded warehouse in another Partner State under bond.

The following shall be the detailed process of clearing goods under warehousing, temporary import, exemptions and EPZ in destination Partner State;

- 2.6.1 The process of initiating the transaction shall be the same as defined under the clearance of goods for home consumption;
- 2.6.2 Upon assessment of the Warehousing Declaration, the destination Customs Authority shall release the Declaration.
- 2.6.3 The officer of the destination Customs Authorities at Dar-es-salaam or Mombasa shall generate a T1 and the goods shall be covered under a Regional Bond;
- 2.6.4 Upon Release of the Warehousing entry a notification shall be sent to the Customs Authorities in the country of first point of entry (KRA or TRA) and

- Kenya Port Authorities (KPA) or Tanzania Port Authorities (TPA) respectively who shall commence the cargo removal process;
- 2.6.5 Upon fulfilment of shipping line and Port requirements by the importer, the truck is allowed in the Port to pick the cargo;
 - 2.6.6 The respective Customs Authorities Enforcement Officers shall seal, arm and release the truck from the port;
 - 2.6.7 The Customs Authorities officers at the CFS/ICD gate shall confirm exit of the cargo in the respective Customs systems and generate transfer documents (EXIT NOTE and movement documents/Release Order).
 - 2.6.8 The cargo is handed over to the first point of entry Customs Authorities enforcement for monitoring through the Gazetted movement routes up to country of destination. This may be done at the time movement documents are generated;
 - 2.6.9 The monitoring of goods shall be done by both the destination and transfer Customs Authorities;
 - 2.6.10 Receipt of cargo shall be acknowledged at the inland borders (OSBP office) and notification sent to the first point of entry once the cargo arrives at the final destination;
 - 2.6.11 Note: KRA/TRA/URA officer confirms exit of cargo, while URA/RRA/OBR confirms arrival/entry of the cargo at the respective borders.
 - 2.6.12 KRA/TRA/URA shall disarm the ECTS/tamper proof seals after receiving a notification of arrival from RRA/URA.
 - 2.6.13 Upon arrival of the goods at the Bonded Warehouse, the T1 shall be validated, and the Movement bond covering the goods from Dar-es-salaam or Mombasa shall be retired upon commitment of the CB6 after arrival of the cargo at the bonded ware house.



Flow chart 4: Declaration for Warehousing

2.7 TEMPORARY IMPORTATION - MARITIME

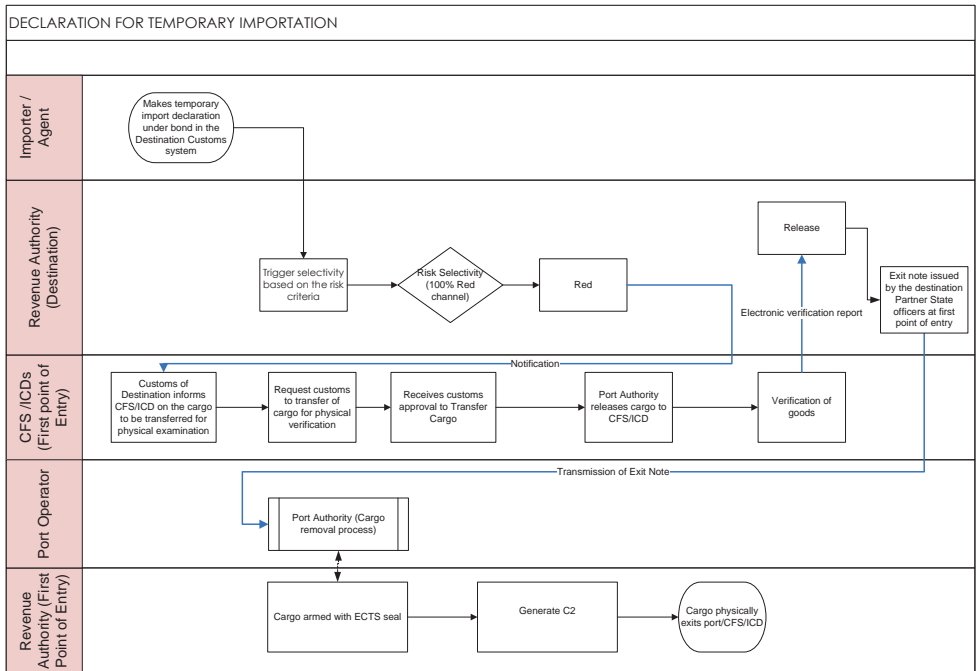
Temporary importation refers to goods imported into a Partner State conditionally relieved from payment of import duties and taxes; such goods must be imported for a specific purpose and must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made on them.

The following principle shall apply under free circulation;

Temporary imported goods shall be covered under a regional bond.

- 2.7.1 The importer/ Agent shall make a temporary import declaration using the data from the Manifest at any Customs Office in the destination country where the Customs system is accessible. Where applicable importer/clearing agent may lodge customs declaration prior to submission of cargo manifest;
- 2.7.2 The importer/agent shall lodge the temporary import declaration with other supporting documents to Customs and commits a temporary import guarantee bond at the destination country;

- 2.7.3 The destination Partner State Customs Authority shall trigger selectivity based on the risk criteria;
- 2.7.4 The Customs authorities at the destination partner state shall issue inspection/selectivity message to the Ports for movement of the cargo to the CFS/ICD. The CFS/ICD operators will prepare the Pick Up Order for movement of the cargo to the CFS/ICD.
- 2.7.5 After physical examination, the Electronic Verification Account shall be submitted to Customs authority of destination partner state for further management.
- 2.7.6 The entries shall be released by Customs Authorities of destination partner state after all conditions have been fulfilled;
- 2.7.7 A copy of the Customs management system release order is printed to allow the truck to move into the CFS/ICD to pick the cargo;
- 2.7.8 The destination Customs Authorities shall exit cargo in the system and send notification to KRA or TRA, Importer/ Clearing Agent and CFS/ICD Operator who shall commence the cargo removal process;
- 2.7.9 The Customs Authorities Enforcement officers shall use an ECTS seal (where required) , arm and release the truck from CFS/ICD;
- 2.7.10 The Customs Authorities officers at the CFS/ICD gate shall confirm exit of the cargo in the Customs management system, transfer document (EXIT NOTE and C2/Release order) is generated by both the destination Partner States Customs Authorities and the originating country respectively.
- 2.7.11 The cargo is handed over to Customs Authority enforcement officers for monitoring through the Gazetted transit routes up to country of destination;
- 2.7.12 Upon arrival at the inland Border, the Customs Authority of the originating country shall confirm the seal is intact and exit the cargo online and the destination country receives the cargo online.



Flow chart 5: Temporary Importation – Maritime

3.0 GOODS IN TRANSIT

The following principles shall apply under free circulation for goods in transit: Transit regime shall only apply to goods originating from a foreign country and destined to a foreign country through the Partner States or a Partner State.

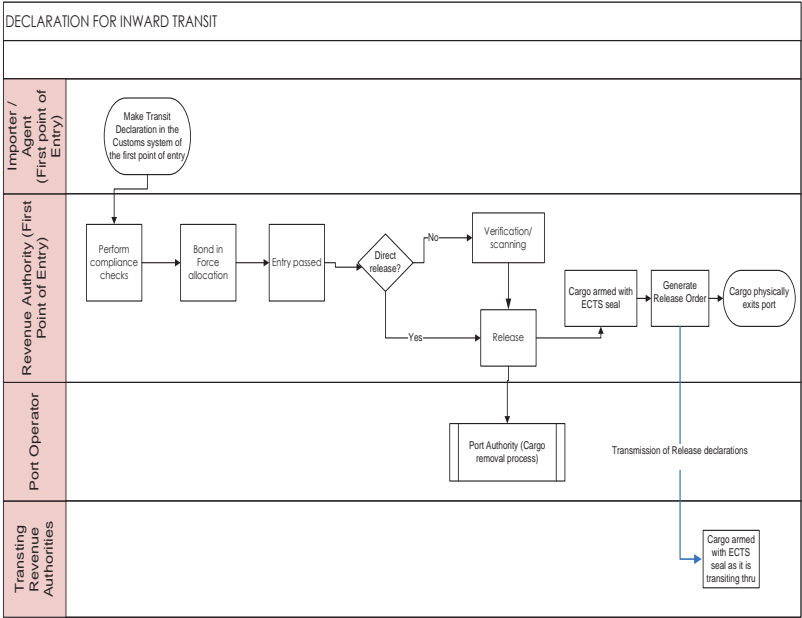
- Goods in transit shall be entered only once at the first point of entry.
- A single regional bond system shall apply on transit goods.
- Transit goods shall be managed under a regional transit system
- Goods in transit may be entered for home use upon approval and payment of relevant duties in the Partner State where they shall be entered.

At the Port (Dar-es-salaam or Mombasa), the Declaration for goods in transit shall be made and processed in the country of the first point of entry. Depending on the risk level, the goods can be monitored by all Customs Authorities to avoid diversion into the EAC market.

The following is the process for transit clearance through the Community;

3.1 INWARD TRANSIT

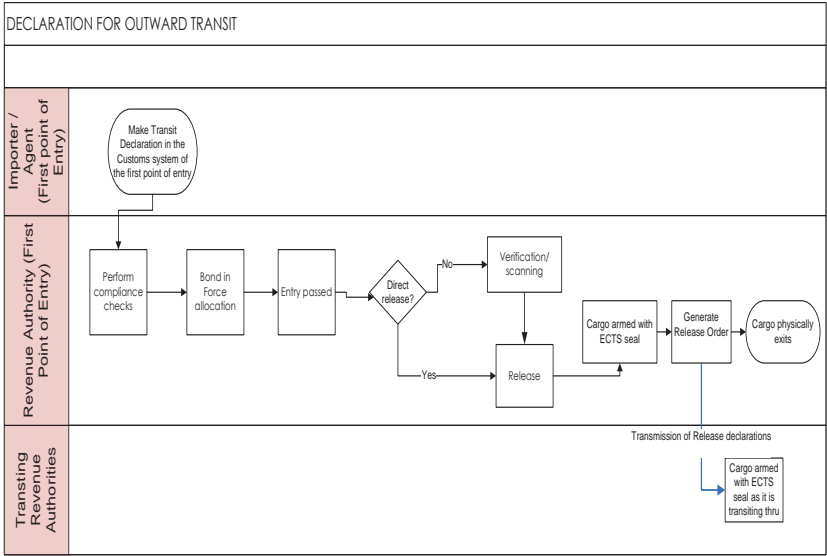
- 3.1.1 The transit declaration shall be lodged with the Customs authority at the first point of entry by the importer/agent and tagged with the manifest already submitted by the shipping line to customs authorities of the first point of entry;
- 3.1.2 The Customs authority performs compliance checks on the declaration and the system assigns the risk channel;
- 3.1.3 The declaration shall be covered by a regional bond;
- 3.1.4 The consignment can either be directly released or in case of red channel subjected to verification;
- 3.1.5 The declaration upon release is transmitted to the Customs authorities of the Partner States where the consignment is transiting;
- 3.1.6 After release of the declaration, the consignment may be armed with the electronic cargo seal and removed to commence the journey to destination;
- 3.1.7 The inland border officer shall confirm exit once the consignment arrives and the next Partner State takes over the process of monitoring through its territory;
- 3.1.8 The bond is acquitted upon confirmation by the Partner State Customs authority of the last border of the Community as goods crossover to destination country.



Flow chart 6: Inward transit

3.2 OUTWARD TRANSIT

- 3.2.1 The transit declaration shall be lodged with the Customs authority at the first border of entry into the Community by the exporter/agent;
- 3.2.2 The Partner States Customs authority performs compliance checks on the declaration and the system assigns the risk channel;
- 3.2.3 The declaration shall be covered by a regional bond;
- 3.2.4 The consignment can either be directly released or in case of red channel subjected to verification/scanning.
- 3.2.5 The declaration upon release is transmitted to the Customs authorities where the consignment is transiting.
- 3.2.6 After release of the declaration, the consignment may be armed with the electronic seal and removed to commence the journey to destination;
- 3.2.7 The inland border officer shall confirm exit once the consignment arrives and the next country takes over the process of monitoring through its territory;
- 3.2.8 The bond is acquitted upon confirmation by the Partner State Customs authority of the last border of the Community as goods crossover to destination.



Flow chart 7: Outward Transit

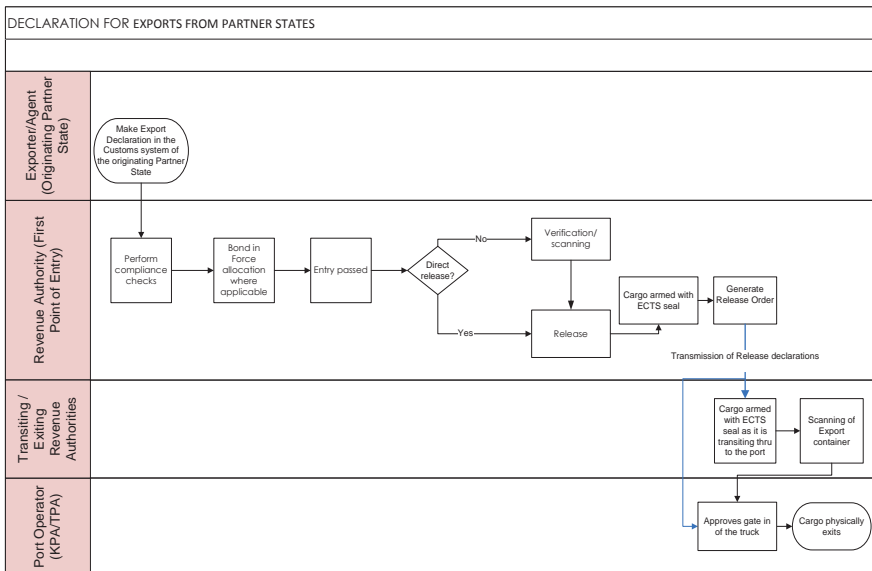
4.0 EXPORTS

4.1 DIRECT EXPORTS FROM PARTNER STATES TO OUTSIDE THE PARTNER STATES

Direct exports shall be made by the exporter/agent lodging the declaration with all supporting documents to Customs Authorities of exporting Partner State. Customs will process the declaration and authorise release of goods for loading.

- 4.1.1 Exports from Partner States to foreign States passing through other Partner States.
- 4.1.2 The export declaration shall be lodged with the Partner State Customs authority where the goods are originating by the exporter/agent;
- 4.1.3 The Customs authority performs compliance checks on the declaration and the system assigns the risk channel;
- 4.1.4 The declaration shall be covered by a regional bond and or armed with the electronic cargo tracking system;
- 4.1.5 The consignment can either be directly released or in case of red channel subjected to verification / Scanning is done in the originating Country;
- 4.1.6 The declaration upon release is transmitted to the Customs authorities where the consignment is transiting and a release sent to Port authority to facilitate gate in of the container;
- 4.1.7 After release of the declaration, the consignment may be armed with the electronic cargo seal and removed to commence the journey to destination;
- 4.1.8 The inland border officer shall confirm exit once the consignment arrives and the next country takes over the process of monitoring through its territory.
- 4.1.9 The bond is acquitted or ECTS seal is disarmed upon confirmation by the Customs authority of the last border of the Community;
- 4.1.10 Upon entry of the consignment in the Port it proceeds to Scanning Unit to undergo scanning and this is mandatory for all export containers;
- 4.1.11 After scanning and cleared for exportation Customs releases in Port operator system and thereafter the consignment is prepared for shipment.

Note – for goods attracting Export levy, an Export Levy payment form shall be generated and payment made by the Exporter before the final release of the declaration from the Originating Country.



Flow chart 8: Exports from Partner States

4.2 TEMPORARY EXPORTS ORIGINATING FROM PARTNER STATES TO FOREIGN

The temporary export shall only apply to those goods that have identification marks (e.g. Engines, chassis and serial numbers) or those that can be identified by other verifiable means that are registered in any Partner State. The temporary exports shall be processed under the current existing procedures.

5.0 TRANSFERS

5.1 TRANSFER OF LOCALLY PRODUCED GOODS.

The following principles shall apply under free circulation for locally produced goods that are transferred:

- Locally produced goods for transfer from one Partner State to another shall be entered only once in the destination Partner State and the information shall be transferred to the originating Partner State.

- ii. Locally produced goods for transfer from one Partner State to another shall be monitored through a regional information system. However in the short term, the monitoring shall be done through a bilateral exchange of information.
- iii. It shall be an offence to divert goods for transfer in a country other than the country of destination.
- iv. Locally produced goods may be entered for warehousing in destination Partner State, except those that are gazetted in accordance to the EAC Regulations

The following below is the process of transferring locally produced goods;

- 5.1.1 The Importer / Agent shall lodge a declaration in the destination Partner State;
- 5.1.2 The declaration is processed and requisite taxes are assessed and collected in the destination Partner State;
- 5.1.3 Verification/confirmation of loading of the consignment shall be done by either the destination Partner State or transfer Partner State or jointly depending on the risk assessment criteria;
- 5.1.4 In case of Amendments after verification/confirmation of loading, such amendments can be done by the destination Partner State after receipt of request to do so from the transfer Partner State;
- 5.1.5 Upon release, the Declaration information shall be transmitted to the transfer Partner State and Partner States where goods shall pass through for monitoring and statistical purposes;
- 5.1.6 The destination Partner State shall issue the exit note and send notification to the transfer Partner State;
- 5.1.7 The transfer Partner State shall generate the movement document (C2) after checking the correctness of the TIN or PIN. Upon issuance of the movement document (C2), information shall be transmitted to the destination Partner State and to other Partner States where the goods shall pass through to track the movement of the consignment;
- 5.1.8 The goods are released under ECTS before the goods commence movement;
- 5.1.9 Where the ECTS was armed, it shall only be disarmed after crossing over to the next Partner State.

Note: Verification can be conducted either at destination or at the border or in the Partner State of transfer depending on the available resources and nature of consignment.

5.2 TRANSFER OF DUTY PAID GOODS

For the duty paid goods, the person intending to transfer the goods shall first apply to the Commissioner of Customs in the Partner State where the goods are. It is only after approval of the application that the declaration process in the destination Partner State shall commence.

The following principles shall apply under free circulation:

- i. Goods which are transferred, in the same state as when they were first imported, from one Partner State to another shall be liable to customs duties where applicable.
- ii. Special customs regime shall be developed for the management of duty paid goods transferred from one Partner State to another.
- iii. A refund mechanism for duties on goods transferred from one Partner State to another Partner State has been established.

Note: The goods should have been under Customs control before application for transfer is made to the Commissioner Customs.

For goods which are not under Customs control but transferred to another Partner State, no duty refund shall apply and no application for such transfer will be required.

Below is the process for transferring duty paid goods which are still under Customs Control;

- 5.2.1 The owner in the country of transfer shall make an application to the Commissioner Customs to transfer the goods to another Partner State;
- 5.2.2 Upon approval of the application, the declarant shall lodge the a declaration in the destination Partner State;
- 5.2.3 The declaration is processed and requisite taxes are then collected in the destination Partner State;
- 5.2.4 Verification/confirmation of loading of the consignment shall be done by either the destination Partner State or transfer Partner State or jointly depending on the risk assessment criteria;
- 5.2.5 In case of Amendments after verification/confirmation of loading, such amendments can be done by the destination Partner State after receipt of request to do so from the transfer Partner State;
- 5.2.6 Upon release of the declaration, information will be transmitted to the transfer Partner State and Partner States where goods shall pass through for monitoring and statistical purposes;
- 5.2.7 The destination Partner State shall issue the exit note and send notification to the transfer Partner State;
- 5.2.8 The transfer Partner State shall generate the movement document after checking the correctness of the TIN or PIN. Upon issuance of the movement document (C2), information shall be transmitted to the

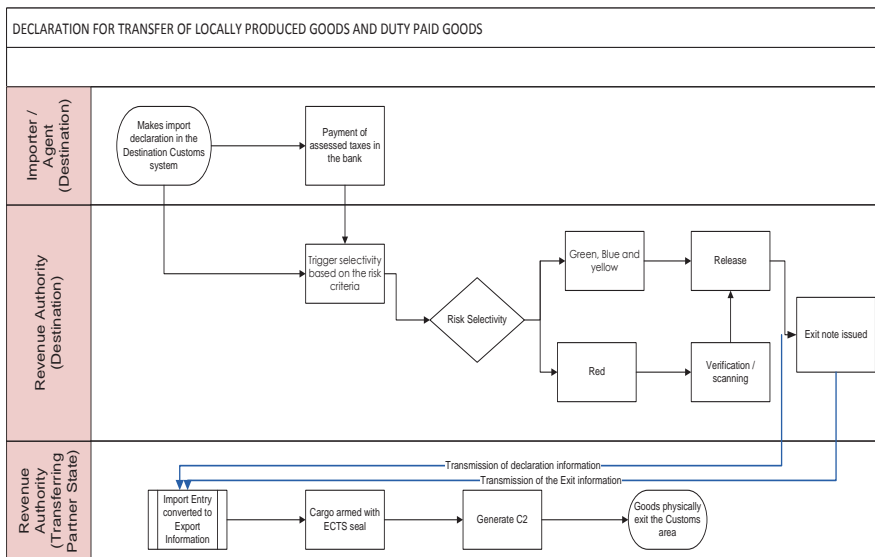
- destination Partner State and to other Partner States where the goods shall pass through to track the movement of the consignment;
- 5.2.9 The goods shall be released under ECTS before the goods commence movement;
- 5.2.10 Where the ECTS was armed, it shall only be disarmed after crossing over to the next Partner State.
- 5.2.11 For the duty paid goods, the refund mechanism shall apply when the goods have reached their destination (provided the goods were under Customs control before transfer).

Note: The destination Partner State can either conduct the destination inspection or can inspect at the border or in the Partner State of transfer depending on the available resources and nature of consignment.

5.3 TRANSFERS OF DUTY PAID GOODS – SMALL CARGO BY BUS

The transfers from the open market shall be dealt with in line with the cross border clearance initiative of simplified trade regime for the qualifying goods. This category of goods shall be small consignments usually carried by Bus. This cargo shall be subjected to direct assessment at the Destination Country.

For other categories of goods from the open Market (that don't fall under the category above), the normal Intra Region clearance shall apply.



Flow chart 9: Transfer of locally produced and duty paid goods

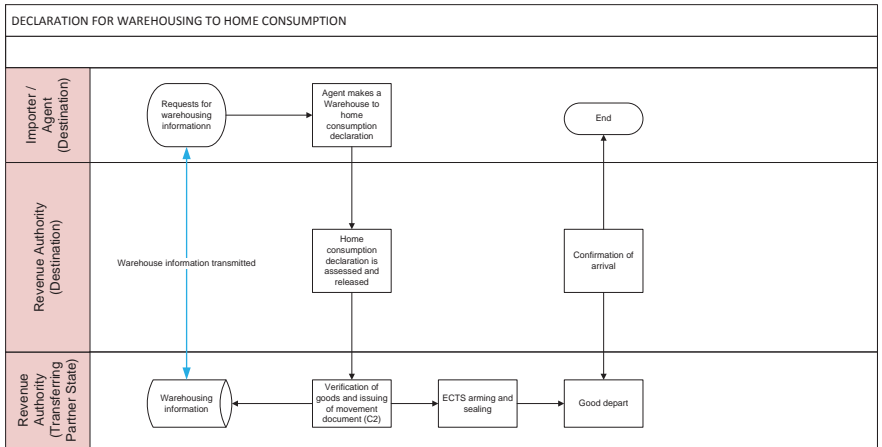
5.4 TRANSFERS FROM BONDED WAREHOUSES TO BONDED WAREHOUSE/HOME CONSUMPTION

The following principles shall apply under free circulation:

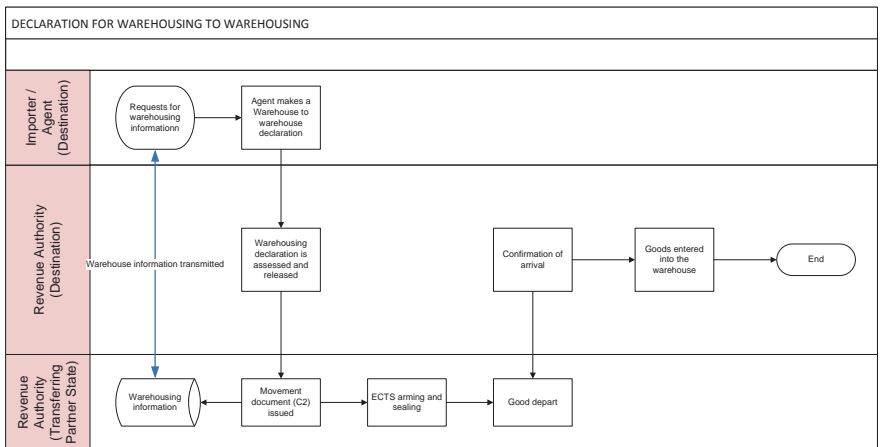
- i. Goods shall be entered in the destination Partner State for ex-warehousing for home use and be released for transfer to that Partner State from the Partner State where the goods are warehoused.
- ii. Goods may be removed from a bonded warehouse in one Partner State to a bonded warehouse in another Partner State through a direct bond to bond transfer.
- iii. where goods have been declared and duty paid as in (i) above such goods can be entered for home use in another Partner State other than the destination Partner State on approval by both Partner States.
- iv. Where goods are allowed for home use in (iii) above, the owner shall pay taxes due to the Partner State where the goods have been consumed and claim refund from the Partner State where taxes were initially paid.

Below shall be the process for transfer from one Bonded Warehouse to another Bonded Warehouse;

- 5.4.1 The buyer/receiver of goods should get the entry number on which the goods were warehoused in the transfer Partner State for processing of the warehousing declaration in the destination Partner State;
- 5.4.2 The buyer/receiver/agent make warehousing declaration and lodge it in the destination Partner State's Customs system;
- 5.4.3 In case of verification/confirmation of loading that has been conducted indicating discrepancies, the Partner State of transfer shall notify the Partner State of destination to make an amendment to the declaration.
- 5.4.4 For goods for home consumption, the taxes have to be paid in the Partner State of destination before the information can be sent to the Partner State of transfer for release;
- 5.4.5 The processed declaration will then be sent to the Partner State of transfer for physical release of goods;
- 5.4.6 The goods are then released to the Partner State of destination with the information to all concerned Partner States;
- 5.4.7 The bond is then acquitted in the Partner State of transfer's Customs system upon receipt of the goods at the bonded warehouse in the Partner State of destination;
- 5.4.8 For the goods to be warehoused, they will move to the bonded warehouse where they have been entered;
- 5.4.9 The goods shall be released under ECTS before the goods commence movement;
- 5.4.10 Each border crossed shall validate the entry in the Customs system.



Flow chart 10: Transfer from Bonded warehouse for Home Consumption



Flow chart 11: Transfer from Bonded Warehouse to Bonded Warehouse

Note: The ideal situation that facilitates effective bonded warehouse to bonded warehouse transfer is the common and centralised regional bond management system. There is need to develop the centralised regional bond management system.

5.5 TEMPORARY TRANSFERS

The duty paid goods which are transferred from one Partner State to another for temporary use shall move under the following conditions;

- a. Bond guarantee where there is high revenue risk.
- b. Any other form of security where the risk is low
- c. Free subject to some conditions in case of motor vehicles as provided in the Customs Regulations.

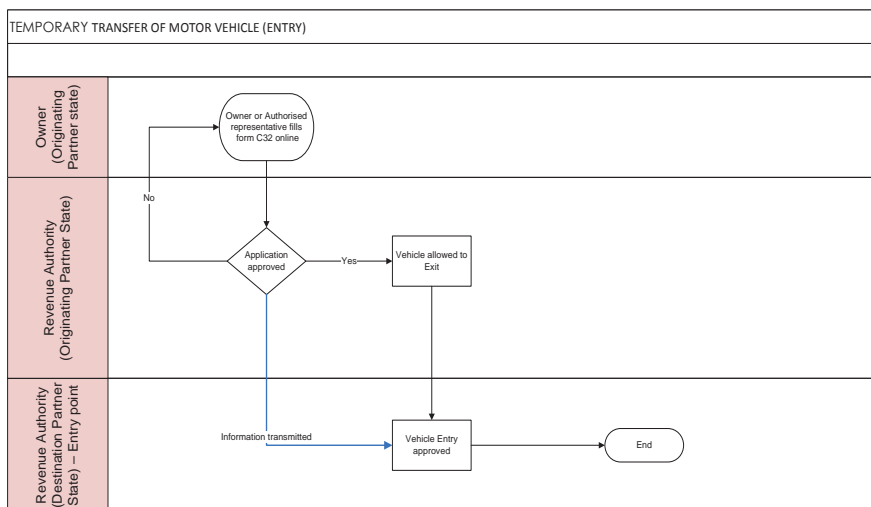
In case of motor vehicles a regional temporary importation IT interconnectivity shall apply. The temporary transfers are divided into two: - Temporary Transfer of motor vehicles; plant, machinery and equipment.

5.5.1 TEMPORARY TRANSFER OF MOTOR VEHICLES

- 5.5.1.1 The owner/ authorised driver shall complete an online form C32 and lodge it with the Customs exit point in the Partner State of registration;
- 5.5.1.2 Those that have access to the system shall make the declarations in advance prior to reaching the border;
- 5.5.1.3 Those who do not have access to the system, shall access it at the border where it will be processed and allowed or denied exit;
- 5.5.1.4 The officers can complete the details on the system at the border on behalf of clients who are unable to complete the C32 electronically.
- 5.5.1.5 The vehicle shall then be inspected; documents verified and allowed to exit.

Note: 1. The centralised system that can be accessed by all Customs of the Partner States shall be developed and implemented. The system should be able to identify the authenticity of motor vehicle registration marks. Customs at the border shall validate the data for all advance declarations;

2. In the short term, the local systems shall be interfaced to commence the process and should be implemented while the centralised and common system is being developed.

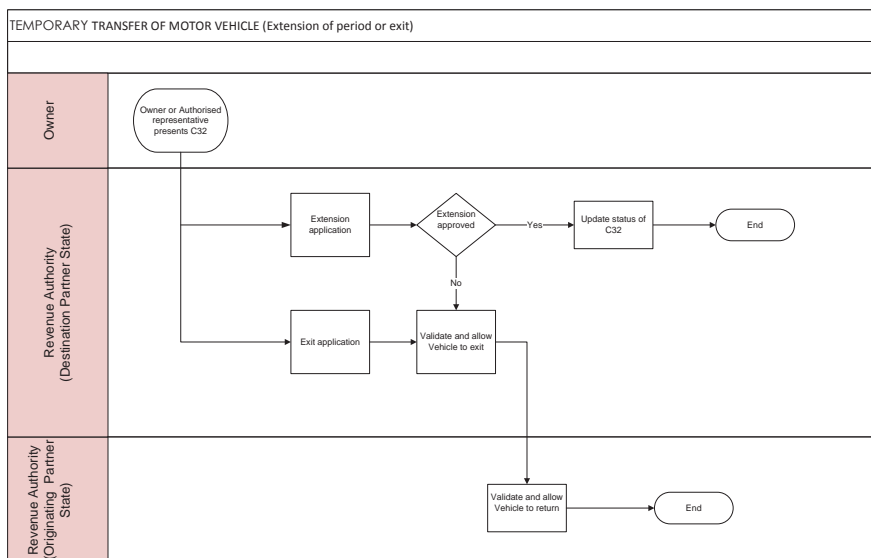


Flow chart 12: Temporary transfer of Motor Vehicle

Extension of temporary transfer period of motor vehicles

- 5.5.1.6 The process begins with owner of the vehicle/authorised person presenting the vehicle and the processed C32 to the nearest Customs office together with an application for extension; which should be made before the initial period has expired;
- 5.5.1.7 The vehicle will be inspected and application considered;
- 5.5.1.8 If approved the extension is granted for a period determined by the Commissioner Customs;
- 5.5.1.9 If rejected the applicant is required to return the vehicle back to the originating country before the allowed period expires.

Note: If application is presented after expiry of initial period Customs enforcement procedures will take effect



Flow chart 13: Extension of the period for temporary Motor Vehicle

5.5.2 TEMPORARY TRANSFER OF PLANT, MACHINERY, EQUIPMENT AND OTHER ITEMS

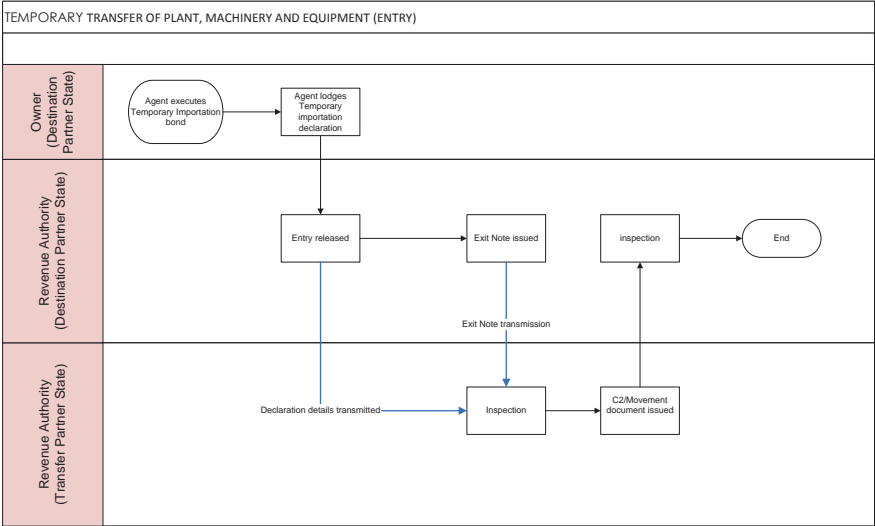
The process will have two declarations (export and import entries). The plant, equipment and machinery should have been imported into one Partner State of the EAC and even registered where necessary.

- 5.5.2.1 The agent/importer shall lodge the declaration in the destination Partner State using the Customs system.
- 5.5.2.2 The agent shall execute the regional bond to cover the transaction in the destination Partner State.
- 5.5.2.3 The destination Partner State Customs shall process the declaration and issue the Exit Note that is transmitted to the Partner State of transfer.
- 5.5.2.4 The Partner State of transfer shall inspect the goods before release and a Movement Document (C2) shall be issued for the goods to proceed to the destination Partner State.
- 5.5.2.5 When the goods reach the border, Customs officers of the Partner State of transfer shall confirm marks & Numbers of the goods and allow exit.
- 5.5.2.6 The Customs of the destination Partner State may inspect the goods upon entry.

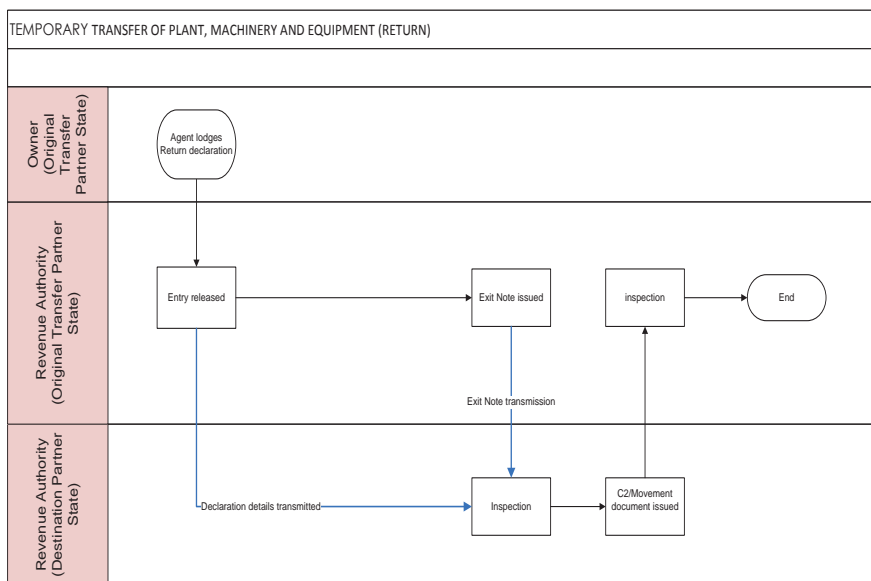
5.6 RETURN OF TEMPORARY TRANSFER

- 5.6.1 When the goods have to be returned to the Partner State of transfer (where the goods originally came from and registered), the owner through his agent shall lodge the return declaration in the Customs system where the goods originally came from;
- 5.6.2 The transfer Partner State (where the goods originally came from and registered) Customs shall process the declaration and issue the Exit Note that is transmitted to the Partner State of destination (where the goods went temporarily);
- 5.6.3 The Partner State of destination shall inspect the goods before release to proceed to the transfer Partner State;
- 5.6.4 when the goods reach the border, Customs officers of the Partner State of Destination shall confirm marks & Numbers of the goods and allow exit;
- 5.6.5 The Customs of the transfer Partner State shall inspect the goods upon return to confirm that they are the same ones that were initially temporarily transferred

(Consideration of having local systems that can be interfaced is ideal before the central and common regional system is developed)



Flow chart 14: Temporary transfer of Plant, Equipment and Machinery



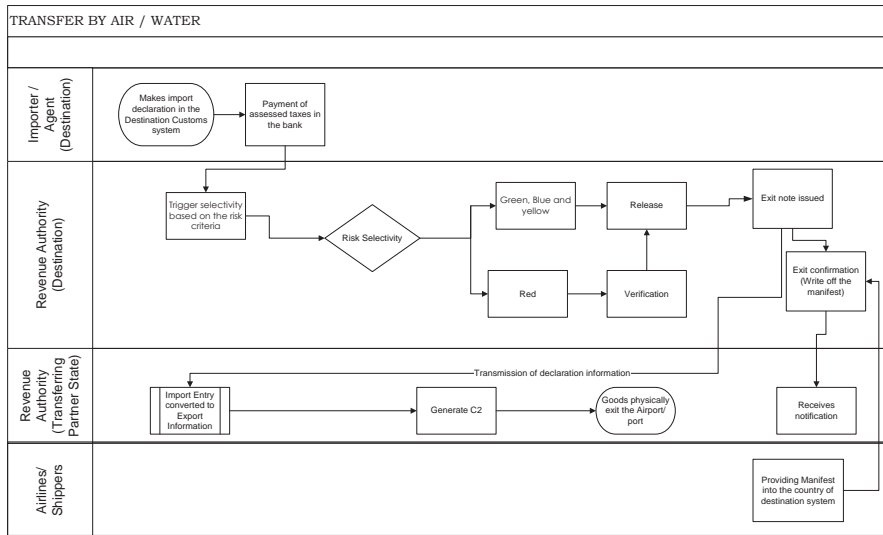
Flow chart 15: Temporary transfers that are returned

5.7 INTRA REGION TRANSFER BY AIR OR WATER

- 5.7.1.1 The importer / Agent shall make a declaration and pay taxes in the Customs management system of the Destination Country
- 5.7.1.2 For Blue, Green , and yellow lane declarations, the Country of Destination shall issue a release order
- 5.7.1.3 For Red lane Declarations, physical Examination shall be done at the originating Country and the Examination report uploaded into the CMS of the destination Country
- 5.7.1.4 Upon Release of the Declaration, data will be automatically transmitted to the originating Partner State
- 5.7.1.5 The Destination Country Staff at the Originating Country airport shall validate Exit (Exit Note issuance) of goods in the Destination Country CMS
- 5.7.1.6 The Originating Country Staff shall issue a C2
- 5.7.1.7 Cargo shall be loaded on the plane by the cargo handlers
- 5.7.1.8 Destination Country Officer at Destination Country shall Exit the goods in the Destination Country CMS after capturing required details of manifest and airway bill (transire for water transfer)

Note – the Exit of goods should be able to write off the airway bill

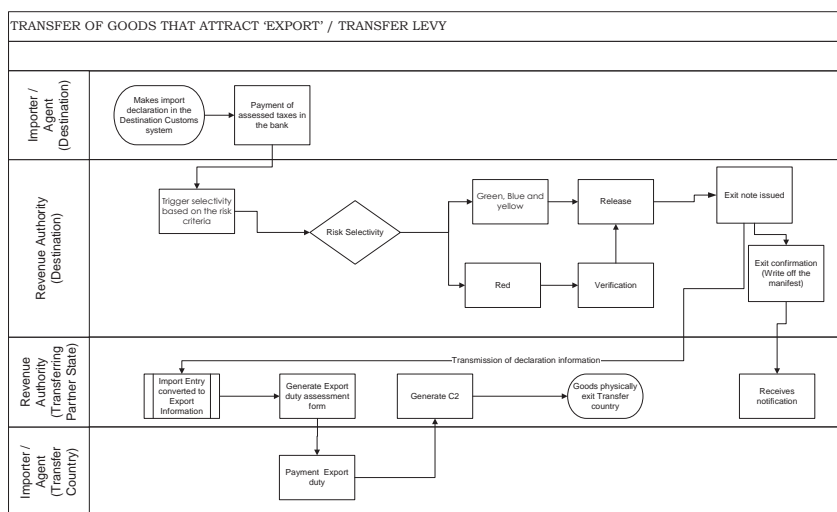
5.7.1.9 Upon arrival of the cargo at the Destination Country airport, destination Country Officers shall confirm arrival of the cargo in the CMS of the Destination Country



Flow chart 16: Transfer by Air or water

5.8 TRANSFER OF GOODS THAT ATTRACT 'EXPORT' / TRANSFER LEVY (INTRA REGION)

- 5.8.1.1 The Importer / Agent shall make a Declaration and pay taxes in the CMS of the Destination Country
- 5.8.1.2 The Destination Country shall process and Release the Declaration
- 5.8.1.3 Upon Release and exit of the Declaration in the Destination Country, data shall be automatically transmitted to the Originating Country
- 5.8.1.4 The country of transfer shall Examine the goods and generate a payment form for Export levy applicable in the transfer Country (based on the Declaration sent from the Destination Country)
- 5.8.1.5 The Exporter shall pay the Export levy
- 5.8.1.6 The Originating Country shall issue a C2 and the consignment shall proceed to destination Country



Flow chart 17: Transfer of goods that attract export/transfer levy

6.0 IMPORTS AND EXPORTS IN THE EXPORT PROCESSING ZONES (EPZ)

Goods may be imported into an Export Processing Zone (EPZ), Economic Zone or a Free port in any of the Partner States. Currently, goods imported into the Special Economic Zones (SEZs) and EPZs are treated as foreign territories within the EAC.

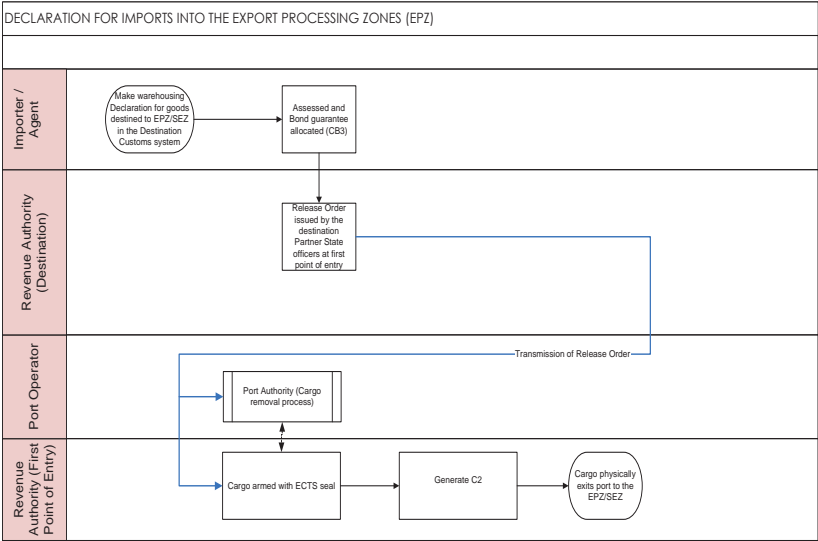
The following principles shall apply under free circulation:

- Goods destined into SEZs or EPZs shall be entered in the country of destination prior or upon arrival at the first point of entry.
- Transfer of goods from first point of entry to SEZ or EPZ in a Partner State shall be covered under single regional customs bond guarantee framework.
- Imports of goods from an EPZ or SEZ in the SCT to a Partner State in the SCT shall be treated in accordance with Articles 25, 29, 30, 31 and 32 of the Protocol on the Customs Union.

The following shall be the detailed process of clearing the goods under SEZ/EPZ in destination Partner State;

- 6.1.1 The process of initiating the transaction shall be the same as defined for the clearance of goods for Warehousing;

- 6.1.2 Upon assessment of the declaration and Regional Bond guarantee allocated, the destination Customs Authority shall issue a Release Order;
- 6.1.3 Upon release, a notification message shall be sent to the Port authorities and the country of first point of entry to facilitate cargo removal process;
- 6.1.4 The officer of the destination Customs Authorities at Dar-es-salaam or Mombasa shall exit in their Customs electronic system and notify Customs Authorities in the country of first point of entry (KRA or TRA);
- 6.1.5 Upon fulfilment of shipping line and Port requirements by the importer, the truck is allowed in the Port to pick the cargo;
- 6.1.6 The respective Customs Authorities Enforcement Officers shall e-seal, arm and release the truck from the port;
- 6.1.7 The Customs Authorities officers at the gate shall confirm exit of the cargo in the respective Customs systems and generate transfer documents (EXIT NOTE and movement documents/Release Order).
- 6.1.8 The cargo is handed over to the first point of entry Customs Authorities enforcement for monitoring through the Gazetted routes up to country of destination.
- 6.1.9 The monitoring of goods shall be done by both the destination and transfer Customs Authorities;
- 6.1.10 Receipt of cargo shall be acknowledged at the inland borders (OSBP office) and notification sent to the first point of entry once the cargo arrives at the final destination;
- 6.1.11 Note: KRA/TRA/URA officer confirms exit of cargo, while URA/RRA/OBR confirms arrival/entry of the cargo at the respective borders.
- 6.1.12 KRA/TRA/URA shall disarm the ECTS/tamper proof seals after receiving a notification of arrival from RRA/URA.
- 6.1.13 The general bond covering the goods from Dar-es-salaam or Mombasa shall be acquitted upon the goods being received in the SEZ/EPZ.



Flow chart 18: Imports into the Export Processing Zones (EPZ)

7.0 MOVEMENT OF EXEMPTED GOODS AND COUNTRY SPECIFIC REMISSION OR STAY OF APPLICATION OF CET

The EAC Customs Union Protocol and the EAC Customs Management Act provides for exemption of goods and mandates the Council to grant specific remission on imported goods. Goods granted country specific remissions and exemptions can pose a risk to revenue of other Partner States if they are diverted. The Council decided that such goods if transferred between Partner States shall attract duty at CET rates.

The following principle shall apply:

The goods under this facility will be cleared under the warehousing regime upon arrival at the first point of entry and will move to the destination Partner State under a bond.

8.0 INLAND BORDER CONTROLS

There are a number of agencies operating at the ports and borders with different mandates in the clearance of cargo. These include Customs, Port / Airport authorities, Bureau of standards, Public health, Police, Food and drug authorities, Military, Immigration, Pest control bodies, Radiation authorities, Clearing agencies, Shipping agencies, Banks, Transport, Shipping and handling companies.

The following principles shall apply under free circulation:

- i. Where the facilities have been established, One Stop Border Post (OSBP) model shall apply in accordance with the EAC OSBP Act.
- ii. Multi agency Coordinated Border Management (CBM) model shall apply at the ports through a Single Window System. A mechanism for mutual recognition in respect of certificates and other administrative instruments issued by related agencies in Partner States shall be implemented;
- iii. Partner States may have representation of their government and licensed agencies at the ports of entry or exit.

The cargo clearance guidelines under Coordinated Border Management shall be under taken as follows:-

- 8.1.1 Electronic seals shall be assigned to consignments, based on the degree of risk assessed.
- 8.1.2 Where e-seals have been attached to a consignment by any partner state, they shall be dis armed / armed at the intra Partner state territorial borders until the pending cross border telecommunication roaming related challenges are addressed; however on a bilateral arrangement, the e-seals attached by one Partner State can be used to track the consignment up to destination.
- 8.1.3 There shall be confirmation of Exit and arrival at the OSBP; all Agencies shall perform their compliance checks at the OSBP.
- 8.1.4 In instances of Prohibited, Restricted, or sub-standard goods, they shall be handled in accordance to the Enforcement guidelines.

9.0 SUPPORT PROVISIONS

9.1 ICT INFORMATION EXCHANGE

Information exchange between the different revenue authorities has been implemented using standard technologies with the aim of achieving security, data reliability and non-repudiation.

The data is packaged in pre-agreed Extensible Mark-up Language (XML) structures and transmitted via a VPN (Virtual Private Network) from source to destination revenue authority. On consumption of the data, receipt is confirmed to the sender through the same channel.

10.0 SUB PROCESSES

10.1 CLEARANCE OF USED MOTOR VEHICLES

- 10.1.1 The Manifest data is sent to the Customs system of destination Country;
Note: CFS/ICD operator to liaise with shipping lines to know which units have been nominated to their CFS/ICD.
- 10.1.2 CFS/ICD operator requests for the Motor Vehicle units in the data management system that is in use in the first point of entry;
- 10.1.3 The Request is approved by Customs in the country of first entry;
- 10.1.4 The Port Authority processes the request and prepares the Motor Vehicles to be transferred by CFS/ICD operators;
- 10.1.5 Motor vehicles are transferred from the Port to CFS/ICD;
- 10.1.6 Note: The officer at the exit gate at the port shall confirm the physical unit is tallying with the vehicle being transferred according to the system.
- 10.1.7 The CFS/ICD confirms receipt of Motor vehicles in the CFS/ICD and acknowledges receipt in the Data Management system: The revenue officer from the country of destination to be granted access rights to the data management system of the first point of entry for reconciliation purposes.
- 10.1.8 MVs are entered on a warehousing or home consumption regime (with scanned copy of all required attachments), payment of taxes and BIF is confirmed and entry released in CMS of country of destination;
- 10.1.9 Note : For containerised motor vehicles, warehousing entry may have more than one motor vehicle depending on the number of motor vehicles that are in the container
- 10.1.10 Customs officers of the destination country physically Verifies the MVs where necessary, (with or and Bureau of Standards) after which the verification Account is uploaded in destination country CMS.
- 10.1.11 Note: All containerised Motor Vehicles will be scanned at the CFS/ICD.
- 10.1.12 Destination country Revenue officer in the CFS/ICD confirms status of MV in the system and exits entry in destination country CMS. Notification is sent to the CFS/ICD operator and the taxpayer,
- 10.1.13 Destination country Barrier officer in the CFS/ICD confirms status of entry in the system confirms exit & enter all particular as required in the exit note. Officer generates Exit note.
- 10.1.14 The Transfer Country issues a C2 and releases the Vehicle to destination.
- 10.1.15 MV arrives at border, Transfer Country confirms Exits and Transiting / destination country confirms arrival in CMS and a notification is sent to country of first point of entry and any other country through which the vehicle is passing;
- 10.1.16 For Motor Vehicles under Warehousing regime, arrival at the Bonded warehouse shall be confirmed upon receipt of the MV in the Warehouse and validation in the system by the Officer. Upon validation, the

movement Bond shall be acquitted and the Warehousing Bond committed.

10.2 CLEARING PETROLEUM PRODUCTS

NOTICE OF INTENTION

Before a vessel arrives at the berth, the marketer informs the Revenue Authority of the first point of entry via a notice of intention, NOI (Form P1), that they are expecting a vessel, carrying a specific product for discharge into one or more of their tanks.

The NOI indicates;

- The name of the vessel,
- Product type,
- Quantity expected,
- Estimated date of arrival,
- Nominated tanks

After the vessel has arrived, the warehouse keeper/facility owner gives to the Revenue Authority of the first point of entry and destination country a replica NOI that they intend to receive products from a vessel to their nominated tanks .Once the notice is received by customs it is registered, approved and given back to KPC/TPA; one copy is retained in the Customs office. The notice will give the following details;

- tank number for receiving product
- type of product to be received
- the ship/vessel that is to discharge
- approximate volume
- approximate time the vessel will start discharging

MANIFEST

The manifest is lodged by the shipping agent via the Customs Management System and is accessed by the Revenue Authorities and Clearing Agents via the Customs Management Information system.

VESSEL ARRIVAL & DISCHARGE (PRODUCT RECEIPT)

- The vessel docks at the jetty. Customs officer of First point of entry & Destination Country, facility owner (KPC),KPA / TPA together with appointed surveyor (representative of marketers) participates in Vessel Ullage-taking to determine the quantity on board before discharge.
- In the Ullage taking, product heights of the various vessel Tanks with their corresponding temperature are measured to be used in the computation of the volume on board

- An officer, facility owner personnel and a surveyor go to the receiving tanks to take initial tank dips. These are recorded on **DIP TICKETS**. Product samples are taken by the facility owner and SURVEYORS from the tank to determine the density.
- Once the density is determined and agreed on between the parties, calculations are done to come up with the volumes of the products in the tanks. These results are called the INITIALS.
- After confirmation of quality and quantity, the vessel is allowed to commence discharge.
- After discharge is complete, the final tank dips are taken to confirm the final volume in the receiving tanks.
- The initial volume is deducted from the final volume to get the actual volume of product discharged.

QUANTITY ESTABLISHMENT (OUTTURN REPORT/CERTIFICATE OF QUANTITY)

After the volume has been determined, the Pumping Advice/Certificate of Quantity (COQ) is issued by the facility owner, while the inspection company will issue an Outturn report. The Outturn report will show:

1. The ships Name,
2. Tank number receiving the product,
3. Owner,
4. Volume received
5. Discharge date
6. Bill of lading Quantity
7. The difference between Bill of lading quantity and the actual quantity received into tank

NB: At this point, various factors may change which would require amendment of the manifest. These include:

- Change of ownership
- Change of destination
- Change in allocated volume

All manifest amendments must be approved by Customs

Every manifest amendment (Done via Management Information System) is accompanied by a change in the outturn report to show the changes.

PRODUCT DECLARATION/PROCESSING ENTRIES

Once the outturn report is issued, the clearing agents appointed by the marketer register entries according to the outturn report. Entries are lodged electronically through Destination CMS. The supporting documents include;

1. Bill of lading
2. Invoice
3. Manifest
4. Outturn report

NOTE: Declaration/entry should be done within 21 working days from the last date of discharge. After that the product starts to accrue Customs Warehouse Rent.

While in Uganda all fuel will be entered for direct home consumption (except fuel destined to National Reserves which will be processed under Warehousing regime), in Rwanda and Burundi it will be entered under both Home Consumption and warehousing regimes.

Note: Taxes are payable within 10 days after which a penalty of 2% compounded interest per month on taxes payables is charged.

VERIFICATION AND RELEASE

The clearing agents will present the declaration to customs who verify the declarations for correctness and validity.

NB: EXCEL Worksheets are maintained at KOSF (KIPEVU Oil Storage Facility)/ KOJ (KURASINI Oil Jetty) for reconciliation of the following:

- *Volume received against volume entered*
- *Volumes released against volume pumped*

If all conditions are fulfilled, the declaration will be released online.

In the case of KOSF/KOJ, a RELEASE ADVICE is issued to KPC/TPA and KPA from Destination Customs to advise them to release the quantities that have been cleared to the respective owners. This containing the following:

- The owner/Marketer
- Product type
- Quantity/Volume
- Declaration Number
- Destination

MIGRATION OF DATA TO STOCK MANAGEMENT INFORMATION SYSTEM

The migration of data from Customs Management System (CMS) of country of destination to the CMS of the point of first entry should be verified by a Customs officer at the release point (confirmation of volume), namely KOSF/KOJ or KPRL. **The officers at these release points shall be given a window in the system to verify that the declared volumes are available to the marketer before release.** In case of

insufficient stocks, the entry will be released but the excess volume will be blocked by the Stock Management Information System.

Stock management information system allows customs to control drawing of stocks in various depots by marketers such that they can only draw what has been cleared by customs as per the declarations.

PRODUCT EVACUATION

The marketers can evacuate their product from various facilities via trucks or wagons. The following is the procedure:

Presentation of loading order

A marketer prepares a Loading Order which contains the following information:

- Entry number
- Product
- Quantity
- Truck number
- Destination

Loading Order is approved by the facility owner then submitted to the customs office for truck inspection.

Booking the trucks

The officer checks the validity of the quoted declaration in Stock Management Information System and if valid continues to book the truck/wagon.

After booking, the truck is allowed into the facility and loaded as per the booking.

Confirmation of loaded Volumes

After the truck has loaded the Customs officer checks the loaded volume at 20° c by dipping the trucks and confirming against the loading advice generated by the facility owner after loading.

Sealing and Bio-coding

If everything conforms, the truck/wagon is bio-coded and e-sealed / customs seals.

Issuing of Gate pass (Proposed to be the Road manifest)

The customs officer then issues the Gate pass to release the truck/wagon from the facility. The gate pass contains the following;

- The declaration/entry number
- The owner
- Product type
- Quantity
- Truck/wagon number

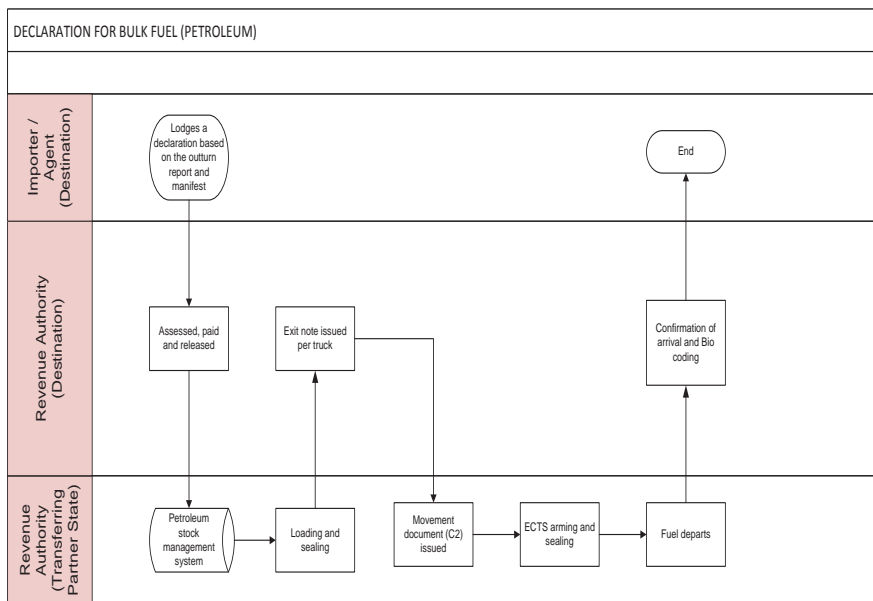
- Seal numbers
- Destination
- Name of Loading facility
- Name of releasing officer
- Exit/border point

After the truck leaves the facility, ENFORCEMENT takes over monitoring

Confirmation of arrival

Upon arrival of the truck at the border stations, confirmation is done in the Stock Management Information System and CMS.

NOTE – For duty paid fuel transferred from one Partner state to another, the first importer shall complete the removal process in the first point of entry; then process re-export declaration to move the fuel to the destination Country.



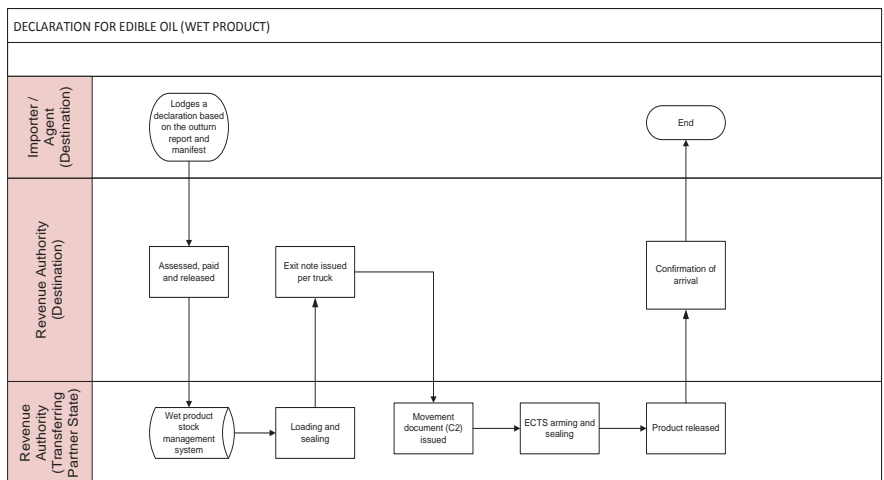
Flow chart 19: Declaration for Bulk Petroleum

10.3 BULK GRAINS, EDIBLE OIL & CLINKER

10.3.1 EDIBLE OIL PROCESS

- 10.3.1.1 Manifest received from the shipper (see the manifest pre-arrival process)
- 10.3.1.2 Notice of intention is given by Importer/Agent and approved by the destination country Officer.

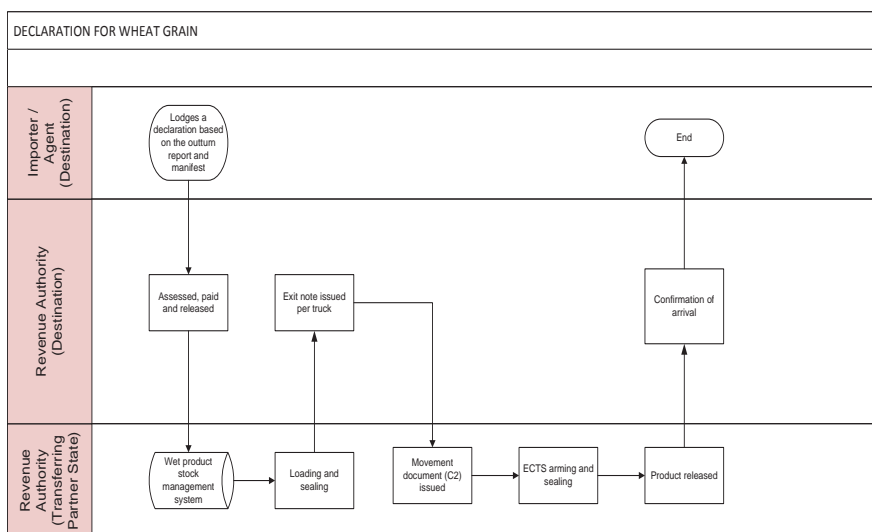
- 10.3.1.3 All receiving tanks outlets are sealed where applicable.
 - 10.3.1.4 Arrival of vessel taking ullages, comparison of document issued against cargo on board.
 - 10.3.1.5 Samples drawn and sent to the laboratory for verification.
 - 10.3.1.6 Discharge commences.
 - 10.3.1.7 Note: where complete discharge is done; dry certificate is issue immediately, for partial discharge the remaining quantities are established.
 - 10.3.1.8 Out turn report is produced by the surveyor.
 - 10.3.1.9 Note: Establish gain, spillage or short landing and amend manifest, where applicable extra revenue is collected. (There is an allowable Loss/Gain of 0.5%)
 - 10.3.1.10 Entering and release of declaration different regimes (home consumption /warehousing)
- Note: declaration should be lodged within 21 days from discharge.
- 10.3.1.11 Exit of declaration at the port
 - 10.3.1.12 Migration of exit note to CMS of the country of first point of entry;
 - 10.3.1.13 Copy of exit note issued to the Agent/Owner which he presents to the Facility owner to sanction loadings.
 - 10.3.1.14 Trucks weighed in the depot before and after loading to ascertain actual quantity.
 - 10.3.1.15 Confirmation of exit of declaration in the system
 - 10.3.1.16 Issueance of the C2
 - 10.3.1.17 Exit / physical release of trucks
 - 10.3.1.18 Confirmation of Exit & arrival at the OSBP



Flow chart 20: Flow Chart for Edible Oils

10.3.2 BULK GRAIN PROCESS

- 10.3.2.1 Manifest from shipping line
- 10.3.2.2 Arrival of vessel and discharge
- 10.3.2.3 Excel sheet for allocation to traders
- 10.3.2.4 Storage into silos by conveyor belt
- 10.3.2.5 Issuance of outturn report
- 10.3.2.6 Declaration and release
- 10.3.2.7 Exit of declaration and migration of declaration to stock management system
- 10.3.2.8 Weighing empty truck and Load on wagons/trucks
- 10.3.2.9 Weighing of loaded trucks
- 10.3.2.10 Confirmation of Exit of declarations in system
- 10.3.2.11 Issuance of C2 by first point of entry
- 10.3.2.12 Exit / physical release of trucks
- 10.3.2.13 Confirmation of Exit & arrival at the OSBP

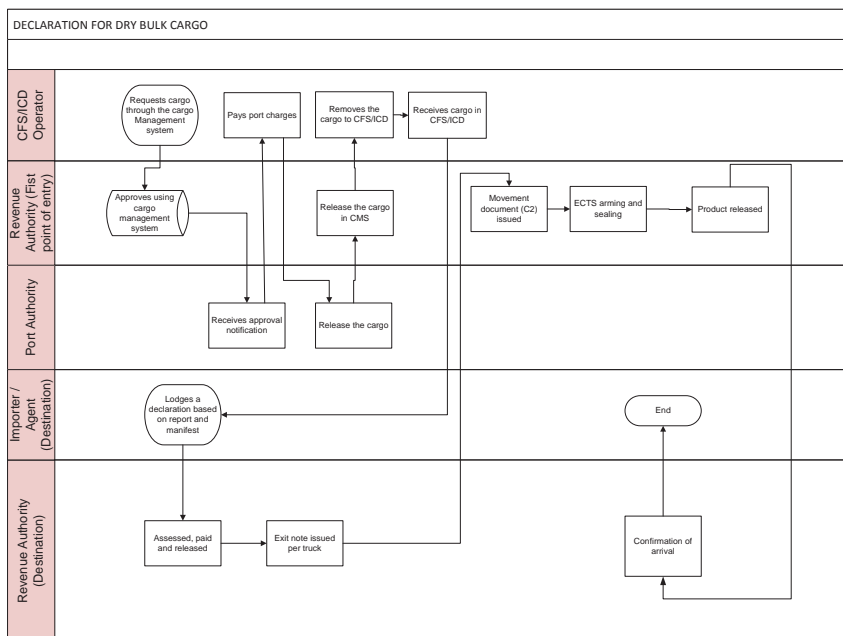


Flow chart 21: Flowchart for Bulk Grain

10.3.3 DRY BULK CARGO PROCESS

- 10.3.3.1 The Manifest data is sent to the Customs system of destination Country;
- 10.3.3.2 CFS/ICD operator requests for the Cargo in the Cargomanagement system of the first point of entry;
- 10.3.3.3 The Request is approved by Customs in the country of first entry;

- 10.3.3.4 The Port Authority processes the request and prepares the Cargo to be transferred by CFS/ICD operators;
- 10.3.3.5 Cargo is transferred from the Port to CFS/ICD;
- 10.3.3.6 The CFS/ICD confirms receipt of Cargo in the CFS/ICD and acknowledges receipt in the Cargo Management system: The revenue officer from the country of destination to be granted access rights to the Cargo management system of the first point of entry for reconciliation purposes.
- 10.3.3.7 Cargo is entered on a warehousing or home consumption regime (with scanned copy of all required attachments), payment of taxes or BIF is confirmed and entry released in CMS of country of destination;
- 10.3.3.8 Note - Customs officers of the destination country will physically Verify the Cargo where necessary, after which the verification report is uploaded in destination country CMS.
- 10.3.3.9 The Importer may pay for the whole shipment or part of it.
- 10.3.3.10 Partial removal of paid for consignments will be managed through partial-Exit depending on the quantities and weights being exited. The IM4/ IM7 shall be completely written-off once the last partial Exit has been done
- 10.3.3.11 Upon each Exit, Country of the first point of entry will be notified to generate a C2



Flow chart 22: Dry bulk cargo

10.4 PROCESS TO FORWARD CARGO AT CFS/ICD

- 10.4.1 Manifest data is sent from CMS of country of the first point of entry to CMS of the country of destination;
- 10.4.2 Manifest data is accessed in the CMS of the country of destination by the declarant for capture of declarations
- 10.4.3 Destination country triggers selectivity;
- 10.4.4 Customs officer of the destination country deployed at the CFS/ICD will advise the CFS/ICD operator to request for cargo from the port authority;
- 10.4.5 CFS/ICD operator requests for cargo for examination through the Cargo Manifest information system.
- 10.4.6 The Port Authority processes request & prepares to move cargo to the CFS/ICD
- 10.4.7 Cargo released by destination country officer in respective CMS and the information is sent to the CMS of the country of the first entry;
- 10.4.8 Destination country officer confirms physical receipt of cargo in the CFS/ICDs and the Officers of the first point of entry receives in the CMS;
- 10.4.9 Declarations are allocated to verification officers, Verification of Cargo is carried out;
- 10.4.10 Officer uploads the verification report on the system and reroutes to GREEN/BLUE and release (with exception to Uganda, officer shall re-route to YELLOWLANE such that it is accessible by the DOC CHECK officer in Kampala. Entry processed and released in the Asycuda in CBC
- 10.4.11 CFS/ICD officer confirms status and payment of taxes for entries in the CMS of destination country and exits entry. Exit Notification is sent to CFS operator, KRA and taxpayer.
- 10.4.12 Owner / Truck Driver prints off the Exit Note to allow the truck into the CFS/ICD to collect the cargo
- 10.4.13 Customs officer at the gate confirms that payment of taxes of entries in the CMS of destination country is for the exiting cargo confirms exit and enters all particulars. Generates exit.
- 10.4.14 Country of first point of entry issues a C2 / transfer document
- 10.4.15 Cargo is armed with ECTS seals and physically released to destination
- 10.4.16 Confirmation of Exit & arrival at the OSBP

10.5 DECONSOLIDATION

The process begins when the consolidator at Port of loading receives cargo for different consignees / Countries to whom they issue House bill of ladings. The consolidator approaches the shipping Agent with the full

Container and is issued with a master BL for shipment of the same to port of discharge on a Container to Container Basis. The Shipper will issue House BL's to the Consignees.

The consolidator at consignor Country will issue the Master BL to consolidator at Port of Destination / Discharge and the Local Consolidator shall eventually receive the House BLs from the consignees to commence the deconsolidation process

The following process shall ensue at the point of deconsolidation:

- 10.5.1 CFS / ICD operator shall request transfer of the Container in the first Point of Entry Revenue system (without a declaration), and the first Point of Entry Revenue shall also send a release information to Port Authority systems.
- 10.5.2 Upon the Container arriving at the Port, the CFS/ICD operator shall request transfer of the Container to CFS/ICD in the Port Authority system.
- 10.5.3 The consolidator shall deconsolidate the Master BL into House BL's in the first Point of Entry Revenue system.
- 10.5.4 The first Point of Entry Revenue system shall send the House BL's to the destination Revenue Systems for declaration
- 10.5.5 The normal clearance process shall thereafter commence.

NOTE –

- i. Such cargo shall be cleared from the CFS/ICD to destination Country as loose cargo.
- ii. Such cargo shall only be released to destination Country if loaded in a Truck destined to that Country.
- iii. Several consignments to the same destination can be allowed to be loaded on one truck, as long as each consignment has its own declaration
- iv. For Consolidated cargo whose final destination is one of the Partner State, the cargo shall be entered on a Warehousing regime and delivered to the Bonded Warehouse in the Destination Country for deconsolidation / ex-warehousing.

10.6 SCANNING DIRECT EXPORTS FROM PARTNER STATES TO FOREIGN PASSING THROUGH A PARTNER STATE

- 10.6.1 Upon entry of the consignment in the Port it proceeds to Scanning Unit to undergo scanning and this is mandatory for all export containers;
- 10.6.2 After scanning, the scanner Officer inputs his report in transfer country system on the received copy of the declaration (a comment/report field to be created in the system of the transfer country against the declaration received from the originating country – ICT Team);

- 10.6.3 The Customs Officer of the Transfer country shall access the transfer country System to view the report; if the scanner report passes the consignment, the Customs Officer of the Transfer country will clear the consignment by executing a Customs release in Port operator system;
- 10.6.4 If the scanner report does not pass the consignment, it shall be handed over to the transfer country who will subject the consignment to joint verification with the Officer of the originating country.
- 10.6.5 In case of any discrepancies, enforcement measures will take effect.

10.7 TRANSHIPMENT SUB PROCESS

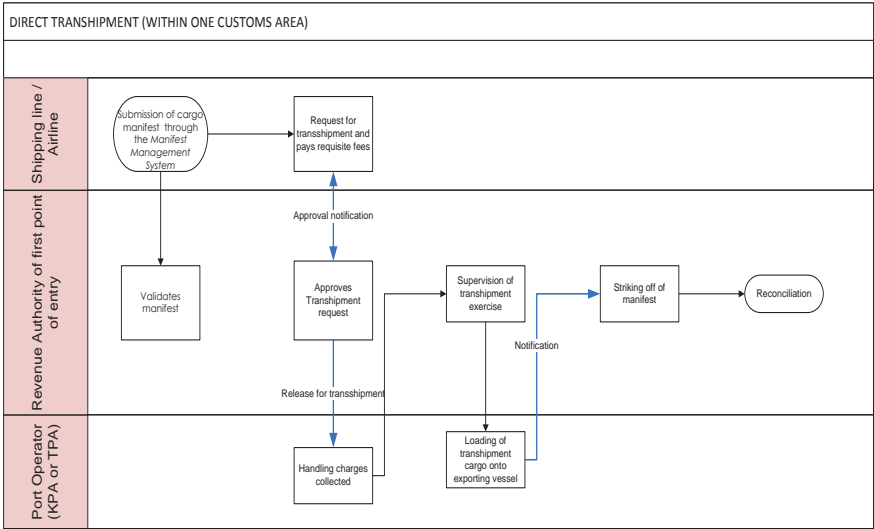
The Customs law provides for two levels of transshipment namely Direct & Indirect transshipment. Whilst direct transshipment is carried out within the Customs area subject to the prescribed conditions by Customs administrations hence posing minimum risks, indirect transshipment may involve movement of goods which are under Customs control out of one Customs area to another hence requiring more controls.

For purposes of SCT process flow, the indirect transshipment will continue to be administered under the existing procedures and the following business flow will be applied for management of Direct Transshipment.

10.7.1 DIRECT TRANSHIPMENT (WITHIN ONE CUSTOMS AREA)

- 10.7.1.1 The shipping line/ airline shall or their agents shall submit the cargo manifest to Customs through the Manifest Management System.
- 10.7.1.2 The Customs Management system shall segregate all the Shipments reported for transshipment.
- 10.7.1.3 The shipping/airline or their agent shall make a request online and pay the requisite fees of \$10 per B/L / Airway Bill to the Customs administration at the point of entry seeking authority to have the specific consignments transshipped. The request shall among others provide information of the exporting vessel and the expected date of arrival.
- 10.7.1.4 The Customs administration shall upon approval communicate online the details of the shipments reported for transshipment to both the shipping line and the Port/Airport authority.
- 10.7.1.5 The Port/Airport Authority shall collect handling charges and/or storage charges where applicable per Shipment.
- 10.7.1.6 The Customs Authority shall supervise the transshipment exercise to be carried out within a designated Customs area within the Port/Airport.
- 10.7.1.7 Upon completion of the transshipment exercise and subsequent loading of transshipment goods into the exporting vessel, the Port/Airport authority shall NOTIFY electronically the Customs administration at the Entry point accordingly.

- 10.7.1.8 This notification shall trigger the striking of the manifest of the Importing vessel/aircraft in the Manifest Management System
- 10.7.1.9 Frequent Reconciliations shall be carried out by Customs to ensure that all shipments reported for transshipment are fully accounted for.



Flow chart 23: Transshipment

10.7.2 RAILAGE TRANSSHIPMENT

- 10.7.2.1 Railage cargo shall be released and sealed at the first point of entry and move under ECTS up to the Point of transshipment.
- 10.7.2.2 The owner or his appointed agent shall make a request to the Customs Authority in the country of transshipment for authority to transship the cargo from the wagons to the truck.
- 10.7.2.3 Before approval of the request, the owner or his appointed agent shall pay the prescribed transshipment fee to the country of transshipment.
- 10.7.2.4 The Customs administration of the country of transshipment shall supervise the exercise.
- 10.7.2.5 Upon completion of the exercise & loading of the goods and sealing of the truck, the country of transshipment shall issue a new C2 incorporating the truck details and electronically notify the country of destination.

10.7.3 VEHICLE /VEHICLE

Cargo shall be released and sealed at the first point of entry and move under ECTS up to the Country of destination. However, in case of an accident or mechanical breakdown of the vehicle the following procedure shall be followed:

- 10.7.3.1 The owner or his appointed agent shall report to the nearest Customs or police Station within 12 hours.
- 10.7.3.2 The Customs officers in the transiting country shall immediately visit the scene and make a report to the Commissioner of the transiting Country who will notify the Commissioner of the destination Country immediately.
- 10.7.3.3 Where the Customs officers in the transiting country confirm that the goods are intact, they shall authorize the owner or his appointed agent to undertake transshipment of the goods under Customs supervision and the owner or his agent shall pay \$10 transshipment fee to the country of transshipment.
- 10.7.3.4 Where the Customs Officer in the Transiting Country confirms that the goods / seals are not intact, then the matter shall be referred to Enforcement for further Management.
- 10.7.3.5 Upon completion of the exercise & loading of the goods and sealing of the truck, the country of transshipment shall issue a new C2 incorporating the truck details and notify the country of destination.
- 10.7.3.6 The Transiting Country shall transmit the amended information to update the data in the destination Country

10.8 AMENDMENT OF DECLARATION

Where there is need to amend a Declaration / Exit Note, the declarant shall make an application to amend as per the laid down procedures in each Partner State.

- 10.8.1 Upon approval of the amendment and effecting of the same in destination Partner state system, a notification shall be sent to the first point of entry system and effect an update of the data earlier sent.
- 10.8.2 The system shall maintain a record of the amendments done on any particular declaration