OUTLINE OF THE SINGLE CUSTOMS TERRITORY PROGRESS REPORT

1. Main Objectives of SCT,

a) Seamless flow of goods to enhance intra EAC trade,
b) Lowering clearance costs of goods within the region,
c) Shift from physical controls to electronic
d) Coordination between agencies responsible for clearance of goods
e) Building a foundation for EAC Common Market and internal single market
f) Realizing economies of scale and optimal use of resources in clearance of goods
g) Development of Supportive institutional and legal framework

2. An elaboration of areas implemented in Kenya so far,(Milestones)

a) Business Processes re-engineering;
Customs processes have simplified and harmonization across the Region. Under the Destination model, Only One declaration is made in the destination Partner state and is shared amongst other states and Port authorities for clearance of Imports and Exports.
b) Systems interfaces for Customs and Ports Authorities;
c) IT systems of all the Revenue Authorities and Port Authorities of Mombasa and Dar es Salaam have been interfaced, to enable exchange of information on shipper's manifests and Customs declarations on real time basis. This has resulted into faster decision making and improved clearance times.

KRA has so far fully implemented the following Regimes of SCT:

- Imports (via Land and Sea)
- Exports
- Transfers
- Transits (to be rolled out from 1st July 2020)

Other processes implemented on the SCT platform include:

- Identification and processing of AEO transactions
- Exchange of Electronic Certificate of Origin (to be rolled out in August 2020)

d) Establishment of offices and deployment of staff from Uganda Revenue Authority (URA) and Rwanda Revenue Authority (RRA) in Kenya to facilitate the SCT operations

e) Facilitation of Online Payment of port charges (KPA) in by importers in Uganda and Rwanda. Traders no longer have to travel to Mombasa or remit large sums of money through clearing agents.
f) Operationalization of the Mutual Recognition of Agents in the EAC region. Customs Agents that are licensed by respective Revenue Authorities are mutually recognized. Whether they have been trained and given access rights to operate in Customs systems of other Partner states.
g) Implementation of the Imports and Exports Regime under SCT,

3. SCT challenges(internally and with Partner states)

1. Network and System outages, which affects data exchange
2. Resource constraints, which impacts on implementation timelines amongst Partner states
3. There is need to develop clear guidelines on implementation of refund of taxes for goods dumped in partner state.
4. Inadequate trainings & sensitization conducted for agents on partner states' system hence limiting the number of agents recognized/using partner states system.
5. Monthly deactivation of license of some Kenya Clearing and forwarding Agents on Partner states system hence leading to delay and loss of business