

Q: Is it possible to dispose of / sell goods in any Partner State other than destination country after payment of taxes?

A: Yes. It is possible to sell goods where duties and taxes have been paid in any Partner State other than the destination country. However, the importer should notify the Commissioners of the importing and destination countries, pay taxes in the consuming country and claim refund from the destination country where taxes were initially paid.

Q: Will the internal borders of importing Partner States still be handling cargo clearance?

A: Yes. For cargo cleared at the first point of entry, there will be reduced controls at the internal border stations.

Q: How will the locally produced goods be treated under the SCT?

A: Goods produced in the region are not subjected to import duty when transferred to another Partner State if they meet the EAC rules of origin criteria. However these goods will be subjected to domestic taxes which must be paid before the goods move from the country of origin to the destination Partner State.

Q: Is the Electronic Cargo Tracking System free; if not who meets the cost?

A: It is not free. The cost shall be borne by the transporter.

Q: How will the SCT address the problem of several weigh bridges?

A: Partner States are committed to reducing the number of weigh bridges.

Q: How are Revenue Authorities going to ensure that the networks are reliable?

A: All required tests will be done to ensure that the networks are stable; before the roll out is undertaken.

Q: What happens in case of network failures?

A: A contingency plan will be in place to ensure business continuity.

Q: Who will be responsible if the bonded cargo does not reach its intended destination?

A: The clearing agent, the transporter and the importer will be responsible in case of diversion of cargo.

Q: How will the other government agencies concerned with the clearing process conduct their mandates in SCT environment?

A: Some government agencies may position their staff at the first post of entry.

Q: Who is responsible for the security of goods along the corridors?

A: Whereas the Partner States provide security, the responsibility of securing the goods lies with the customs clearing agent, the transporter and the owner.

Q: Have you considered that there will be loss of jobs?

A: The SCT provides a wider market for jobs.

Q: The shipping lines may delay to provide the manifest. Who takes that extra cost?

A: An international best practice of submitting manifests prior to the arrival of the vessel already exists between the shippers and the Ports Authorities

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**The Frequent Asked Question
under the EAC Single
Customs Territory
(SCT)**

The Frequent Asked Questions under the EAC Single Customs Territory (SCT)

Q: What is Single Customs Territory?

A: A Single Customs Territory is the full attainment of the Customs Union achievable through removal of trade restrictions including minimization of internal border controls.

Q: What is SCT all about?

A: It is about achieving free circulation of goods in the Customs Territory in order to reduce the cost of doing business.

Q: What are the features of SCT?

A: The following are the features of the SCT

- Goods are cleared at the first point of entry;
- Customs declarations are made once at the destination country;
- Taxes are paid at the point of destination when goods are still at the first point of entry;
- Goods are moved under a single bond from the port to destination;
- Goods are monitored by electronic cargo tracking system;
- Interconnected Customs systems;
- Minimized internal controls / checks

Q: When is SCT going to be implemented?

A: The SCT commenced on 1st January 2014 as a pilot on the Northern Corridor. The pilot on the Central Corridor will commence in April 2014 and roll- out for the whole of the EAC will be on 1st July 2014.

Q: what are the benefits from the SCT?

- A.
- Reduces the cost of doing business by eliminating duplication of processes;

- Reduces administrative costs and regulatory requirements;
- Facilitates the free movement of goods, labour, services and capital as envisaged under the Common market;
- Promotes foreign, domestic and cross border investment;
- Enhances trade in locally produced goods particularly agricultural goods from areas of surplus to areas of deficit;
- Enhances the relationship between the private and public sectors;
- Creates a mechanism for prevention of smuggling at a regional level;
- Reduces the risks associated with non-compliance on the transit of goods;
- Creates an efficient mechanism of revenue management;

Q: Who are involved in the SCT?

A: The EAC Partner States - Burundi, Kenya, Rwanda, Tanzania, Uganda.

Q: Is it true that all persons involved in the clearance process shall relocate to Mombasa and Dar es Salaam as first points of entry respectively?

A: It is not true. Persons involved in the clearance process may choose to work through representatives or may relocate to Mombasa or Dar es Salaam as first points of entry.

Q: Are Mombasa and Dar es Salaam the only first points of entry?

A: No. All Customs stations that receive goods from outside EAC region are considered as first points of entry including international airports.

Q: How will the goods be cleared?

A: The goods will be cleared by lodging an entry from the destination country.

Q: Can the customs clearing agent in the importing country access services from the first point of entry?

A: Yes. The Customs systems are web based and automated to enable accessibility and interaction from anywhere.

Q: Is it possible to declare transit within the EAC under the SCT?

A: No. Transit declaration shall only apply to goods originating from foreign countries and destined to a foreign country outside the EAC region.

Q: Where will the Customs duties be paid?

A: All Customs duties will be paid in the respective destination/importing countries.

Q: Will the clearing agents be allowed to operate in the Partner States under the SCT?

A: Yes. A clearing agent licensed by a Partner State shall be authorized to operate in another Partner State under mutual recognition.

Q: Will the agents be able to access all the customs systems under the SCT?

A: Yes. They will all be able to access the systems. They will be trained on how to use them.

Q: Is it necessary to have a bond guarantee under the SCT?

A: There will be no bond guarantee for goods where taxes have been paid at destination. Bond guarantee will apply on goods meant for warehousing, temporary importation, transit and on duty remission/ exemption.

Q: If a consignment is selected for Physical Examination at the Points of entry, who is responsible for supervising the goods on behalf of the importer?

A: The representatives at the first point of entry will be responsible for supervising the physical examination of the goods.