



# EC/EAC EPA NEGOTIATIONS

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## CUSTOMS AND TRADE FACILITATION

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*Proposed activity by in this area by EABC on behalf of EAC  
Private Sector bodies - Some suggestions from Expert Team  
for consideration by Second Regional Sensitisation  
Workshop*



# PRESENT STATE OF NEGOTIATIONS

- Broad areas of agreement already agreed BUT
- Still need to agree measures to promote implementation of agreement
- EAC has five years (from 2008 AD) to implement provisions – plus 3 additional years with agreement of EPA Council

# **OBJECTIVES OF COOPERATION BETWEEN EU AND EAC PARTNERS UNDER C&T FACILITATION**

## **Broadly**

Facilitate trade between EAC partner states and EU by rationalising trade regulatory regime in line with international Best Practice

## **To this end secure**

- Harmonisation of Customs legislation and procedures at EAC regional level
- Provision to support EAC partner-states Customs in implementing EPA agreement and international Customs Best Practices
- Enhance cooperation between parties' customs authorities and other related border agencies

# MAIN AREAS OF AGREEMENT

- Customs and Administrative Cooperation – i.e. joint initiatives and exchanges of information
- Customs and legislative procedures – to facilitate legitimate trade and avoid unnecessary burdens on *bone fide* traders
- Facilitation of transit movements – promote and implement transit arrangements allowing movements without payment of duty or charges of similar effect

**Above mainly affect state agencies BUT ALSO**

- Impact on Business Community - In this connection parties agree as follows

# RELATIONS WITH BUSINESS COMMUNITY

- All information relating to legislation, procedures, charges etc. to be readily available in most convenient forms (certainly means on-line) ALSO clarification to be on offer
- Consult with representatives of Business Community on all measures relating to Customs and Trade in timely manner
- New measures under C&T Facilitation to be introduced in ways that ease business compliance
- Use of publicly accessible procedures, such as Memoranda of Understanding, based on those promulgated by WCO
- Customs-related requirements to restrict legitimate trade as little as possible

# IMPLICATIONS OF AGREEMENT FOR BUSINESS COMMUNITY

- Strengthening of EAC Customs Union through harmonisation of procedures and standards → likely to increase regional trade
- Simplification of regulatory regime and procedures will benefit *bone fide* traders
- Businesses more compliant with customs procedures – life will be easier for them and for Customs and other regulatory agencies
- Improved trade regulatory regime will tend to enhance exports to EU and world market
- Fees and charges to be commensurate with service provided and not calculated on *ad valorem* basis – will reduce costs of trading
- Broker services no longer to be mandatory BUT demand-driven – should bring about improvements in these services

# WHAT SHOULD EACB DO IN THIS CONNECTION

- **BECAUSE** Private Sector needs to be:
  - More conversant and compliant with Customs regulatory regime and procedures and changes and reforms proposed and implemented; needs to
  - Realise that compliance with Customs procedures can bring about efficiency gains and are not merely a cost of doing business to be passed on to customer
- **SO** EABC should
  - Propose regional study to identify what is needed in this regard – ask negotiators to seek resources from EC for early Project I/D mission
  - Ensure that the EAC Governments (esp. the Customs agencies) are reminded of their agreement to consult with Private Sector on all changes in legislation and procedures and involve them in all capacity-building projects as appropriate – project i/d mission should address how to ensure EACB has capability to carry out this function