

# ESA Newsletter

July - September 2018



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World Customs Organization East & Southern Africa Regional Office for Capacity Building

## ESA AWARDS: Mauritius Wins Member of the Year 2018 Award!



paradise island exchanged over **362,412** words with the ROCB.

At the Regional Research Conference held in the year 2017 in Nairobi, Kenya, Mauritius was also awarded as the Best Member in Research even though no physical award was available for them.

The ROCB Introduced the “Member of the Year Award” in the year 2018 to recognize the

Member who has been consistent and steadfast in their support to the Region, the ROCB and Members.

Mauritius, the paradise island, won the award for the year 2018 and was awarded a trophy during the 23<sup>rd</sup> Governing Council held in Kigali, Rwanda. During the year under review, the Member accepted, without hesitation, to host any regional activity brought their way. The Director General, Commissioner of Customs, Head of Training, National Contact Point and staff have worked hand in hand to help meet various aspects of the Regional Strategy. Mauritius has also provided virtual staff to the ROCB especially Training of Trainers, and in Compliance and Survey. On a lighter note, the

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The WCO ESA ROCB is excited to present to you the second edition of its global newsletter for the year 2018. This edition features articles showing strides being made by our Members towards Reform and Modernization of Customs processes as well as various capacity building activities that are aimed at developing human capital in the Region. With this activities, its envisioned that Customs officers will be more proactive in their daily responsibilities especially with regards to improving border security and combating illicit trade more effectively.

As you go through the newsletter, you will take note that the Angolan General Tax Administration (AGT) is currently preparing for the implementation of the value added tax (VAT) in January 2019. This proposal for the implementation of VAT in Angola provides for the replacement of excise duty by a new tax. Currently the excise duty permits double taxation which is the 'cascade effect', a reality of many countries, and which Angola intends to avoid.

This edition also features the various awards as presented during the 23<sup>rd</sup> Governing Council held in Rwanda earlier this year. It is worth noting that most articles in this edition have been authored by the ROCB staff in an effort to strengthen staff as all-round Officers in line with the vision of the new Regional Strategy.

We appreciate the support of our dedicated Members, Regional Economic Committees and other development partners who have continuously sent us articles and ensured the success of this newsletter.

We invite you to enjoy reading all the articles and urge you to continue supporting us in sustaining the quarterly release of the newsletter through continuously sending us articles.

*Faith Mosongo*

Programme Officer and Issue Editor

## Acknowledgements

Angola General Tax Administration

Comoros Customs

JICA

Kenya Revenue Authority

Seychelles Revenue Commission

South Africa Revenue Service

South Sudan Customs Service

Tanzania Revenue Authority

Zimbabwe Revenue Authority

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# ESA AWARDS > Zimbabwe Retains the Communication Award for the Third Year Running!

The ESA Governing Council in 2013 directed that the ROCB spearheads improved communication in the Region, having taken note of the weakness in communication that existed then. Members nominated National Contact Points who have worked with the ROCB in improving communication within the region. Statistics show that communication levels improved from 52%, and now standing at 82%.

The Best Member in Communication in the Year and Best National Contact Points are awarded a trophy and certificates during the Governing Council every year. This Year we recognised two leading Members, **Zimbabwe** and **Lesotho** for their swiftness, efficiency and effectiveness. Lesotho has been consistently second for three years running, while Zimbabwe has continually upped their game, with 108% response rate in all regional matters. Zimbabwe won the Communication Award for the year 2018 hence winning the award for 3 years running!

**Ms. Barbara Moeng** of **South Africa** won the Best National Contact Point of the year 2018 award. Barbara is fast, efficient and effective in communication, responding to all our matters as well as making necessary follow ups to ensure that all issues raised are addressed. This year, the ROCB also introduced a special award in recognition of the Director General who has endeavoured to respond to all our inquiries despite their busy schedule.

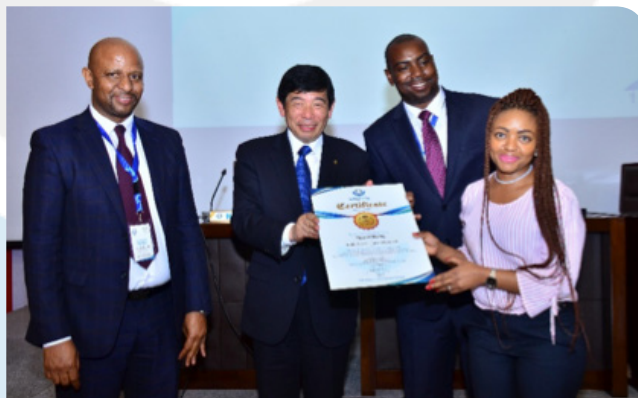
**Mr. Souef Kamalidini** of **Comoros** won the award for the year 2018. Mr. Kamalidini has endeavoured to improve communication in his strategy, taking into account the language challenges of his Administration's staff. He always acknowledges all communication, in spite of his hectic schedule, and steps in to ensure all national and regional matters are responded to. He is also a father figure to his country and ROCB, always inspiring us to achieving our potential.



*The trophy and certificate were presented by Dr. Kunio Mikuriya, the World Customs Organization Secretary General to the Winner (Zimbabwe) which was represented by Mr. Haplias Kuzvinzwa.*



*Special Communication Award presented by Dr. Kunio Mikuriya, the World Customs Organization Secretary General and Mr. Dicksons Kateshumbwa, the ESA Vice Chair and Commissioner of Customs, Uganda Revenue Authority to the Winner (Lesotho) which was represented by Ms. Lepholisa Makali Commissioner of Customs, Lesotho Revenue Authority.*



*Best National Contact Point Award presented by Dr. Kunio Mikuriya, the World Customs Organization Secretary General and Mr. Dicksons Kateshumbwa, the ESA Vice Chair and Commissioner of Customs, Uganda Revenue Authority to the Winner Ms. Barbara Moeng.*



*Special Recognition Award presented by Dr. Kunio Mikuriya, the World Customs Organization Secretary General and Mr. Dicksons Kateshumbwa, the ESA Vice Chair and Commissioner of Customs, Uganda Revenue Authority to the Winner Mr. Souef Kamalidini, Director General Administration of Customs, Union of Comoros.*



# 10<sup>th</sup> Edition of Ordinary Meeting of the African Union Sub-committee of Directors General of Customs > Moroni, Comoros Islands



*From left to right, the chair (director general of Comoros customs), the elected vice chair, the African Union Commissioner for trade and industry, the president of Union of Comoros, the secretary general of world customs organization, the immediate past president, the Director of Nigeria Customs, the director General of Rwanda revenue authority and the head of customs division of African Union.*

For the 1<sup>st</sup> time in the Indian Ocean and in East Africa region, the meeting of the African Union Sub-committee of Directors General of Customs was held in Moroni, Comoros from 17<sup>th</sup> to 21<sup>st</sup> September under the theme "Combating Corruption in Customs to effectively implement the African Continental Free Trade Area (AfCFTA)". A three days meeting of Experts from AU Customs countries, Regional Economic Communities and other international organisations was followed by two days meeting of Directors general of AU customs in which the later approved what have been elaborated by the Experts.

This meeting was honoured by the participation of high personalities such the Secretary General of the World Customs Organisation, Dr Kunio Mikuriya, the African Union Commissioner for Trade and Industry, HE Ambassador Albert Muchanga and the President of the Union of Comoros, HE Mr Azali Assoumani. The two opening ceremonies were officially opened respectively by the minister of finance and Budget of the Union of Comoros, Ministers Said Chayhane and Minister of Economy,



*The director general of customs and the staff during on the opening ceremony of the meeting before he enters the hall.*

Commerce and Industry, Abianrifi Tarmidhi.

The main outcomes from this 10<sup>th</sup> edition are the adopted "African Union Trade Facilitation Strategy" and "Moroni Declaration Fight against Corruption within Customs".

With reference to the theme of the meeting, Dr Mikuriya and HEM Muchanga underlined the importance of Customs' contribution to the implementation of the African Continental Free Trade Area (CFTA), through the application of regional and international

instruments, while President Azali emphasized on the role of Customs on security matters and fighting against corruption.

According to organizers, from AU and Comorian authorities, participants and observers, this 10<sup>th</sup> Edition of Ordinary meeting of AU Sub-committee of DG of Customs was successful because of the record of attendance, quality of discussions and well known Comorian hospitality.





## Customs Facilitation > Comorian Customs Administration has adopted a new Customs valuation database system

*Moina Fatima Soilihi*  
Communication Officer, Comoros Customs Port

**T**he Comorian Customs is pursuing its reforms initiated since 2016 and still aiming to have a plain field level for all traders, economic operators and public administrations which are involved in international trade by adopting a new customs valuation database which is now used in all local customs centers and seen as an important aspect of trade facilitation.

The basic purposes of the customs valuation are to require the Comorian officers to use a valuation system that is fair, neutral and uniform and to prevent the use of arbitrary or fictitious values and also, it is another way to banish false invoices. Harmonized and predictable Customs valuation rules are essential to smooth trade flows and apparent deviations from international trade agreed upon rules and regulations would stifle international trade and economic growth. Hence, the Comorian customs found it vital to start using this tool in order to reduce risks for import into Comoros, to assess potential risk regarding the truth and accuracy



of the declared values for imported goods, to make sure values will be used accordingly and last but not least, to raise government revenues. Just like any other customs administration, the Comorian customs is under the rules and laws of customs valuations which are:

- To protect the Community from illegal and unfair trade with supporting reasonable business activities.
- To ensure the safety and security of citizens.

- To protect the economic interests of the Community.
- To increase the competitiveness through contemporary functioning method.

Therefore, for functioning competent and efficient free and fair market, Comorian customs is responsible for protecting society, facilitating international trade and ensure a safe collection revenue for the Government.

## SRC Acquires Top of the Art Pallet Scanner

Customs officers based at the Seychelles Seaport have been following multiple training sessions since June 2018 on how to use the new scanner.

The officers are being trained by a local consultant from MONDOTEK Engineering and Consultancy Services in how to use the scanner effectively especially with regards to how to read the scanned images which will help the officers to be able to better detect any illicit goods or contrabands that have been concealed in consignments being brought into the country.

The scanner project has been funded under the SRC Budget and was purchased from Smiths Detection, an international operation and UK based global technology business of the Smiths Group. All installation works were carried out by Rey & Lenferna Home and Engineering Solutions – a company based in Mauritius that has been contracted by Smiths Detection.

Once the enclosed area for the scanner is completed, the scanner will be used by Customs to scan incoming pallets from containers or even to scan LCL cargo (less than container load cargo) that have been earmarked as high risk cargo or based on information that Seychelles Customs receives from other border agencies that may consider a particular cargo to be high risk. Officers from other agencies such as the Seychelles Anti-Narcotics Bureau (ANB) may also seek customs assistance to make use of the scanner for their investigation purposes.

It is expected that once the project is completed and the



*Customs Officer with representative from Rey and Lenferna Home and Engineering solutions*

scanner becomes fully operational for service, it will facilitate trade, as it will reduce the amount of physical inspection currently being done and therefore also reduce the clearance time of cargo at the Seaport. Having the scanner up and running, would also allow Customs division to divert some of its resources such as manpower to other locations that requires more assistance of customs officers which can help to support risk based border management whilst improving Customs service delivery in line with the SRC service standards.

## Customs Modernization

**“A disruptive innovation** is a technological innovation, product, or service that eventually overturns the existing dominant technology or product in the market”.

Information Technology is increasingly assuming a critical role in modern Customs administration where their technical roles of vary considerably. We live in an age where dependence on technology makes man no longer want to think.

Despite this damned black cloud, we could not be where we are having come so far since the early 1970s, where customs administrations of developed economies saw the need and advantages of using technology-based solutions such as increased trade flows, trade creation and diversion, solving the problem of trade deflection, closer integration and cooperation, increased



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# A Historic Milestone

Signing of an arrangement for the automatic exchange of customs information (AEoCI)



On the 14<sup>th</sup> of June 2018, Mr Mark Kingon, Acting Commissioner of the South African Revenue Service (SARS) and Mr Dumisani Masilela, Commissioner General of the Swaziland Revenue Authority (SRA) signed the “Arrangement for the Automatic Exchange of Customs Information between the South African Revenue Service and the Swaziland Revenue Authority on the basis of the Annex E to the SACU 2002 Agreement”, in Pretoria, South Africa. It is a historic milestone in what has been a long and complex regional journey.

## The regional journey

Over 10 years ago, customs administrations in the Southern Africa Customs Union (SACU) started drafting a regional legal framework to enable closer for customs cooperation and mutual administrative assistance with each other, including for the automatic exchange of customs information (AEoCI). That legal framework, the Annex to the SACU Agreement on Mutual Administrative Assistance (Annex E), finally entered into force

on 8 March 2017.

In parallel to the finalisation of the regional legal framework, the region has also been involved in the WCO-SACU Connect Project. The Project is a collaboration between the World Customs Organization (WCO), SACU Secretariat and the customs administrations of SACU Member States, under the aegis of the WCO Columbus programme, funded by the Swedish International Development Agency (Sida). The purpose of the project is to ensure that Customs Administrations in the SACU region are better prepared to contribute towards the enhanced regional integration and trade facilitation. The project is a direct response to the priorities and needs identified by the SACU region particularly focusing on Information Technology (IT) Connectivity, Trade Partnerships, Risk Management and Enforcement as well as Customs Legislative Reform. The Project has successfully developed a standard framework for Customs System interconnectivity and electronic

Signing of an arrangement for the automatic exchange of customs information (AEoCI) between the South African Revenue Service and the Swaziland Revenue Authority under the WCO-SACU Connect Project

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## Customs Modernization

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productivity among so many other wins.

With many wins we also cannot ignore the other side of the coin, losses. Modernization like any other advancements has its flaws. 'Thanks' to modernization, antagonizing us are repercussions such as loss of economic sovereignty, allocation of tariff revenues, complex tariff schedules, exceptions and 'sensitive lists', single markets and BREXIT.

Over the years such systems have been enhanced, simplified, and in some respects standardized in line with international best practices. They were adjusted over time to capitalize on changes in information and communications technologies. As a result, such countries have computer systems that reflect modern customs management practices such as self-assessment, clearance on minimum information, deferred payment of revenues, an intelligence-led and targeted risk management approach to clearance of international consignments, and sophisticated post-clearance audit regimes. The disruptive technologies, e-commerce, e-freight, x-ray cargo scanning, workforce reimagined, smart software, internet of me are here to stay for better or for worse till customs administrations do us part.

## A Historic Milestone

### Signing of an arrangement for the automatic exchange of customs information (AEoCI)

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exchange of trade data, based on the WCO Globally Networked Customs (GNC) Approach adopted by the region. Standard frameworks developed under the Project include the SACU IT Connectivity Utility Block, SACU Preferred Trader Utility Block and SACU Unique Consignment Reference Number for interconnectivity of Customs Systems.

The regional legal framework, Annex E, provides that Customs Administration may enter into an arrangement should they wish to implement AEoCI between them. Such arrangements should also ensure the protection of data so exchanged, in particular of personal information.

#### The bilateral journey

With the concurrence of the other Customs Administrations in SACU, SARS and the SRA started work in December 2017 on developing an arrangement that could also serve as a model for the region. The SARS and SRA legal teams had to carefully consider the compatibility of their respective legal frameworks in relation to the obligations contained in Annex E, as well as consult with the respective IT teams on the intended implementation of AEoCI within SACU. The text that was developed was then considered by the Office of the Chief State

Law Adviser at the Department of International Relations and Cooperation, before being signed.

#### The Arrangement

This Arrangement will enable SARS and the SRA to incrementally implement the IT connectivity component of the WCO-SACU Connect Project between them, as part of the Customs Modernisation Programme of the SACU Member States.

The Customs information that will be automatically exchanged between SARS and the SRA consists of a regionally agreed Customs data cluster and the information received may be used for risk analysis, improving the quality of trade data and for any testing and development required to implement or enhance the Arrangement. The two administrations are also required to ensure that all Customs information received is fully protected and safeguarded, in line with respective personal data protection requirements and obligations.

#### Next Steps

It is anticipated that implementation of the arrangement between SARS and the SRA will provide a suitable platform for work to commence on exploring similar arrangements between SARS and the remaining SACU Customs Administrations.

## SRC's Customs Officials Receives Training from WCO Experts

A group of fifteen Customs officers received training in "Airport passenger control and Analysis" to help develop their skills in questioning types and techniques, manifest data identification, passenger profiling, search techniques, and in passport and e-ticket data identification.

Such capacity building development is crucial in



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## SRC's Customs Officials Receives Training from WCO Experts



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this new customs environment and the challenges that come with it. The training itself was conducted by two WCO experts; Australian - Mr. Mathew Bannon and Canadian - Ms. Jatinder Kaur Randhawa at the request of Seychelles Revenue Commission as part of its capacity building program. The four days training program was held from the

22<sup>nd</sup> to 25<sup>th</sup> May 2018 in Seychelles and was funded by the World Customs Organisation Secretariat.

With this training, the Customs officers aim to be more proactive in their daily responsibilities especially with regards to improving Seychelles border security and combat illicit trades more effectively.



*The participants during the training sessions and in a souvenir photo with the two WCO experts and the Commissioner General of SRC.*

## VAT will be implemented in Angola in 2019

Staff Writer, AGT Office of Institutional Communication (GCI)

The Angolan General Tax Administration (AGT) is currently preparing for the implementation of the value added tax (VAT) in January 2019.

"The implementation of VAT results from a set of short-term actions attributed to the Ministry of Finance, resulting from the alignment with the National Development Plan 2018/2022, as a guiding tool for the country's economic and



social management", explained Adilson Sequeira, AGT's executive and Coordinator of the Technical Group for the implementation of VAT.

The interim plan of the Angolan Executive, approved in 2017,

the implementation of the actions necessary for the inclusion of VAT in the State Budget for 2019, the visits of the International Monetary Fund (IMF), in September 2016 and December 2017, as well as the regional requirement, since Angola is the only country in the SADC (Southern African Development Community) that has not yet implemented this type of tax, have all been contributory factors to the acceleration of this process.

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# SARS delegation visits Saldanha Bay to assess Special Economic Zones



The South African Revenue Service (SARS) Customs and Excise Division is currently undertaking an assessment of SARS services and compliance levels in South Africa's Special Economic Zones (SEZ).

The aim of the assessment is to provide a platform for SEZ operators, investors, and existing businesses in the SEZ to register their concerns on our services, policies and procedures, that hinder economic development and investment. This will help inform the types of interventions required to ensure that our services are aligned to the realisation of strategic imperatives of the National Development Plan, as well as the ease of doing business, said Coffet Lebepe, Group Executive: Customs and Excise Strategy and Legal Policy.

The assessment kicked off with a meeting on 25 July with the Saldanha Bay Industrial Development Zone (IDZ) Company, the licenced operators of the economic zone. The company outlined their plans for unlocking the economic potential of the oil, petroleum, gas and marine repairs industry. They envisage a R9-billion investment into

the region and the creation of 13 000 jobs by 2025. At present, they are busy with infrastructure development that includes roads, bridges and the creation of a quayside for rig repairs. On 26 July, a SARS delegation met with investors and businesses and outlined the various corporate, customs and VAT incentives for companies investing in the Saldanha SEZ. Henson Msongweni, Acting Executive for Customs in Cape Town, pledged his support to remove all obstacles in the registration and licencing process, and discussed the setting up of a Technical Working Group with the IDZ Operator and the various Customs and Excise sub-divisions, to deal with the issues and concerns raised by the Operator and Investors.

The team were expected to visit Richards Bay and Dube Trade Ports in mid-August.

**Fact file (to go in a box):** The South African government, via the Department of Trade and Industry, established various special economic zones (SEZs) within designated areas in South Africa in 2016. SEZs are geographically designated areas of

## VAT will be implemented in Angola in 2019

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This proposal for the implementation of VAT in Angola provides for the replacement of excise duty by a new tax. Currently the excise duty permits double taxation which is the 'cascade effect', a reality of many countries, and which Angola intends to avoid.

With the legal diploma in preparation it is intended the application of two schemes at the level of its implementation;

At an early stage, there will be a general scheme for companies in this category, where VAT can be settled on invoices, deducted from purchases, and reimbursement requested. In another stage, the non-entry regime will allow these traders not to liquidate VAT on invoices. These two schemes will begin to operate simultaneously from 2021.

With the entry into force by 2019 it is intended to maintain both the non-subjective regime of companies that are below the linear, as well as the general regime as mandatory for taxpayers registered in the tax distribution of large taxpayers, which shall comply with the transitional period of 2 years that goes up to 2020. In this way, companies will be allowed to decide according to their technological, accounting conditions and the updating of the Register.

The proposed law approving the VAT code is being widely disseminated and discussed in Angola between AGT and the stakeholders. The law consists of eight articles and the respective code, which has 75 articles.

This endeavor is considered by the Finance Ministry to be another step towards extending the tax base, reducing fraud and tax evasion, boosting non-petroleum revenue and, above all, an instrument that will guarantee greater tax justice.

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# Goods valued at R1.7 billion bust by SARS Customs in the past six months

The SA Revenue Service (SARS) released its latest statistics of Customs busts for the period 1 January 2018 until 30 June 2018. The total value of all goods confiscated amounts to R1 732 339 421. Some of the statistics include:

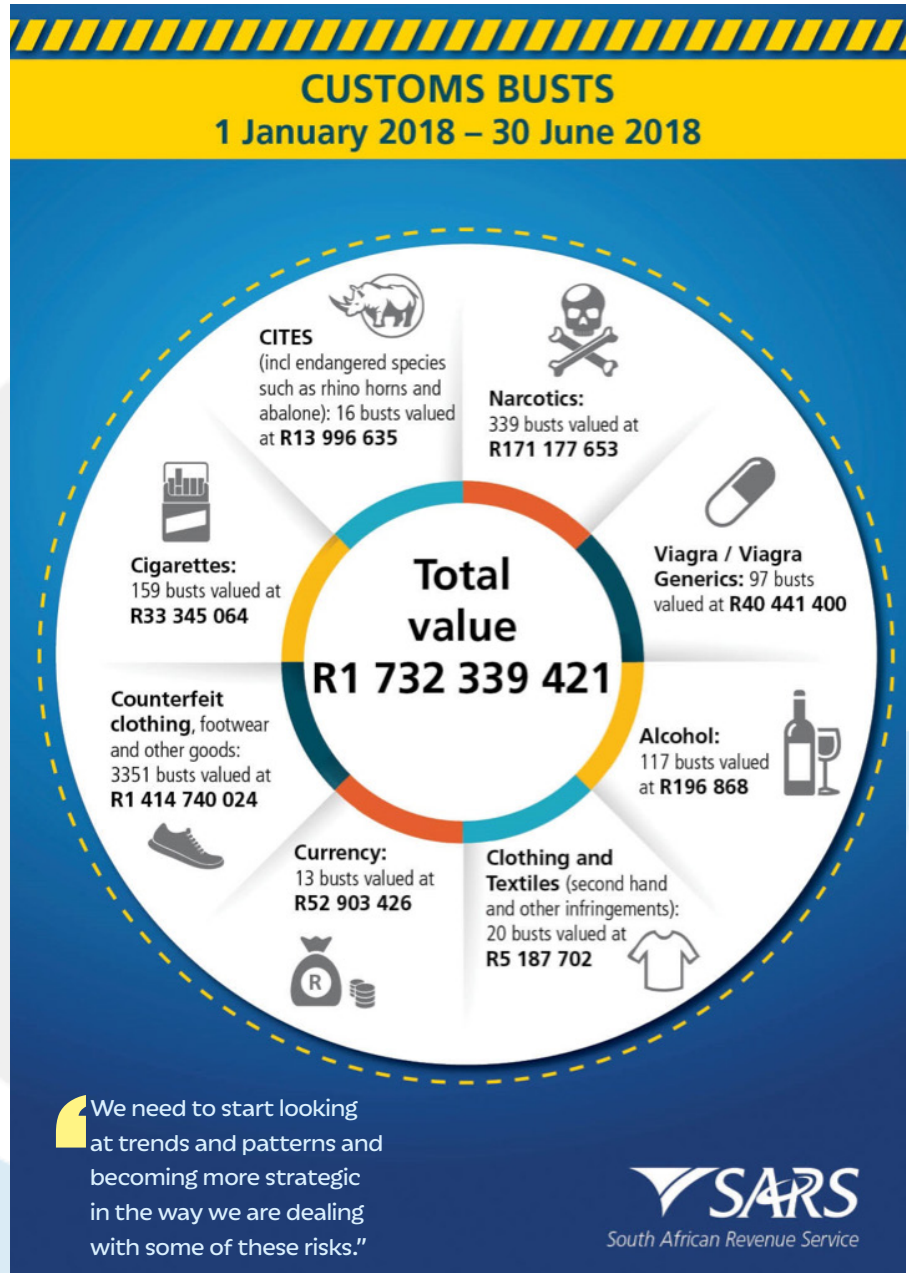
- Narcotics: 339 busts valued at R171 177 653
- Cigarettes: 159 busts valued at R33 345 064
- CITES (including endangered species such as abalone): 16 busts valued at R13 996 635
- Currency: 13 busts valued at R52 903 426
- Viagra / Viagra Generics: 97 busts valued at R40 441 400
- Counterfeit clothing, footwear and other goods: 3351 busts valued at R1 414 740 024
- Clothing and Textiles (second hand and other infringements): 20 busts valued at R5 187 702
- Alcohol: 117 busts valued at R196 868

Compared with the same period last year (Jan to June 2017), the number and value of busts has increased this year – 4 122 busts valued at R1 732 339 421 this year, compared to 1 763 busts valued at R1 648 779 675 last year.

Acting Chief Officer: Customs and Excise, Beyers Theron, congratulated Customs officers for the above successes. However, he added that he believed there was more that Customs and SARS could do to make inroads into the illicit economy. "We need to start looking at trends and patterns and becoming more strategic in the way we are dealing with some of these risks."

Some of the high-profile busts which took place during the first six months of this year include the following:

- Ketamine and Methaqualone (precursors to mandrax) with an estimated value of R32 000 400, en route from Kenya to South Africa, seized at OR Tambo International Airport on 10 April.
- Methaqualone with an estimated value of R30 000 000, en route from China to South Africa, seized at OR Tambo International Airport on 31 January.
- Sexual Enhancement Tablets (Generic Viagra) valued at R30 000 000, en



route from India to South Africa, seized at OR Tambo International Airport on 13 May.

- Currency (USD & GBP) valued R15 000 000, en route from South Africa to Dubai, seized at OR Tambo International Airport on 1 February.
- Abalone with an estimated value of R10 000 000, en route from South Africa to China, seized at Port Elizabeth Harbour on 26 January.
- Currency (ZAR & USD) valued R6 992 569, en route from South Africa to Mauritius, seized at OR Tambo International Airport on 4 May.
- Currency (ZAR) valued

R6 332 008.00, en route from South Africa to Dubai, seized at OR Tambo International Airport on 27 March.

- Kamagra (Generic Viagra) valued at R4 000 000, en route from India to South Africa, seized at OR Tambo International Airport on 15 January.
- Abalone with an estimated value of R2 370 000, en route from South Africa to Sri Lanka via Dubai, seized at Durban Harbour on 21 February.
- 1 766 200 Cigarettes seized at Beit Bridge Border Post on 17 April.
- 500 000 Cigarettes seized at Beit Bridge Border Post on 27 April.

# APPLICATION OF RISK MANAGEMENT IN CUSTOMS ADMINISTRATION

Risk management in Customs Administration is one of the new concepts in modern Customs administration. The **Revised Kyoto Conversion (R.K.C)** introduced the use of Risk management techniques in Customs under **Chapter 6- Customs Control Standard 6.3; 6.4 and 6.5 .**

The traditional Customs administration applied one *size fits all techniques* and subjected to physical examination almost all imports and exports. There were uncountable administrative weaknesses in that mode of the Customs administration ostensibly disregarding the adverse effects to external stakeholders and economies of states.

Literatures on Customs Modernization incorporate among other customs administrative tools, risk management, Post clearance audit (PCA), advanced automation of Customs processes, implementation of authorized economic operator concepts e.t.c. Global efforts to increase efficiency in the customs administration might have to largest extent been prompted by various pressing factors on customs administration. Among the issues include the modern role of customs as an engine for economic growth and **Security of Supply Chain** in international trade which became one of the global issues of concern. This paper dwells on the aspect of **risk management in customs administration**, case study of developing countries in the Sub-Saharan Africa, and how effectively the tool enables

customs meets its socio-economic goals.

## **Collection of risk data**

Risk Management cannot work effectively where there is no proper data collection for a particular business operation. Customs business operating systems are primary tools for data collection in most customs administrations. It is obvious that the collected data in the course of processing customs declaration information is merely the first requirement in applying risk management techniques effectively. The data collected whether electronically or manually must be well organized in alignment to specific functions in Customs. Undesirable events for each process will be recorded and become inputs for data analysis. Customs administrations need to formulate an effective data capturing process, whether in automated or manual format but the same results are likely to occur where it done properly.

## **Data analysis**

An enigma in Customs at present for most Customs administrations dwells on inadequate skills and

lack of proper customs data analysis tools which will translate the collected data into meaningful information. The risk management unit under a number of customs administrations is not equipped with well trained personnel, required data extraction and analysis tools. The Data to be analyzed must be from the customs business operating systems.

Risk management systems of customs administrations need to be supported by manual decision-making rather than relying fully on risk criteria. A number of factors come into play; one is the low technology used in building the automated and semi automated risk management systems in customs administrations, low proficiency and inadequate training of personnel designated to manage risks in customs and many other factors. Data collection is made but fall short of adequate organization after collection and analysis to provide information worth using to predict occurrence of undesired events in the customs operating environment.

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## **SARS** delegation visits Saldanha Bay to assess Special Economic Zones

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a country set aside for specifically targeted economic activities. These SEZs are supported by means of government-provided infrastructure, business support services and streamlined approval processes. A number of tax incentives are provided by Government to ensure SEZs' growth, revenue generation, creation of jobs, attraction

of foreign direct investment and international competitiveness; these which include income tax, value-added tax (VAT) and customs-related incentives. There are currently SEZs in Coega and East London in the Eastern Cape, Dube Trade Port and Richards Bay in KwaZulu-Natal and Saldanha Bay in the Western Cape.



The JICA project for Capacity Development of South Sudan Customs Service for Introduction of Harmonized System (HS) Code (P.I.H.S.), successfully completed HS training in June and July for 90 clearing agents working in Juba at the Landmark hotel. For three consecutive weeks, P.I.H.S. implemented three batches of one-week HS training for 30 clearing agents per week from 18<sup>th</sup> June to 6<sup>th</sup> July.

Despite that HS codes have not yet been introduced in South Sudan, the project team plans to introduce it by the end of the project, September 2019. In October 2016, South



## *JICA South Sudan Customs Project Successfully Completed HS Trainings for Clearing Agents in Juba*

Sudan became a member of the EAC and one of the requirements is the EAC Common External Tariff (CET), South Sudan hopes to fulfil the East Africa Community (EAC) requirements by the end of transitional which is October 2019. HS experts of South Sudan customs fostered by P.I.H.S. divided into six groups by sections gave lectures of sections from I to XXI. The trainings designed were practical and

theoretical lectures with group work (case study). In the case study sessions, trainees discussed classification of actual commodities by interim South Sudan HS tariff book and presented their conclusions (answers). The objectives of the training were to raise awareness of South Sudan clearing agents about HS Convention and its Nomenclature, to improve understanding of South Sudan clearing agents about the

impact of HS classification for proper declarations, and to develop appropriate capacity of South Sudan clearing agents to exercise HS classification in South Sudan. The trainings were supported by the Japanese HS experts who gave feedback through a teleconference system in Uganda while the trainings were being implemented in South Sudan.

### **APPLICATION OF RISK MANAGEMENT IN CUSTOMS ADMINISTRATION**

*Continued from page 12*

#### ***Benefits of risk Management to customs administration.***

There are many benefits which effective risk management applications in the customs administration provides. Briefly the said benefits include: increased customs efficiency in allocation and utilization of resources; reduced cost of doing business; hence encourage investments in a Country; risk management enable a customs administration deploy the meager administrative resources at its disposal to area where they are desired most without compromising required socio-economic security controls; e.t.c; therefore, effective application of risk management is unavoidable and is actually the way to go by all Modern Customs Administration.

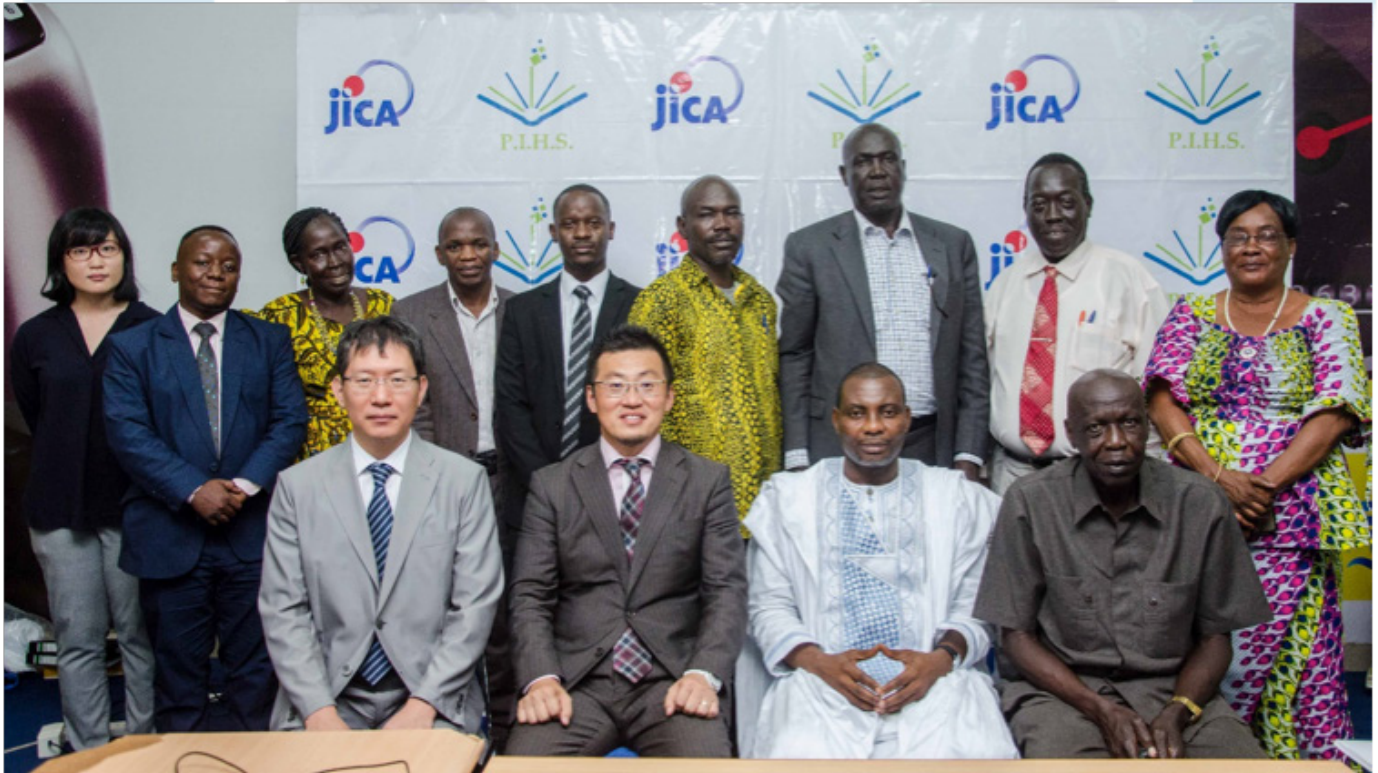
# JICA holds Meeting with Commissioner General National Revenue Authority, South Sudan

On 18<sup>th</sup>-June-2018, the JICA project for Capacity Development of South Sudan Customs Service for Introduction of Harmonized System (HS) code (P.I.H.S.) held a meeting with Dr. Olympio Attipoe, the Commissioner General of National Revenue Authority, South Sudan (NRASS) in Kampala Uganda on revenue modernization and tax policy reforms in South Sudan. The meeting was attended by representatives from the Ministry of Finance and Planning and South Sudan customs officers and Mr. Matsuhisa Ippei from JICA South Sudan office. The parties discussed the

preconditions of tentatively introducing HS which include amending the Financial Act 2018/2019 incorporating the tariff in line with HS code, introducing the EAC SAD and trade statistics database, and prospects of computerization of customs procedures and customs works after establishment of NRASS.

They agreed and confirmed the recruitment overview and schedule, the enforced period of the Financial Act 2018/2019, P.I.H.S. workplan and introduction of the EAC SAD into South Sudan. Dr. Olympio Attipoe commended the project

clearing agents make appropriate declarations. He also picked keen interest in the statistics database developed for NRASS by the P.I.H.S. statistics expert team, he pledged to cooperate with P.I.H.S. and introduce the EAC SAD to support declarations made by clearing agents. The JICA project has so far trained up to 590 custom officers and clearing agents in the capacity building and training programs on HS and trade statistics. These trainings aim to ensure smooth administration, efficiency and operations of customs procedures. P.I.H.S. is implementing the trainings



recruitment schedule of 650 custom officers for NRA, the tentative introduction of HS code in Juba within 2018, the

achievements and affirmed the introduction of HS code into South Sudan will contribute to revenue collection and enable

in Juba and will introduce the HS code into South Sudan by September 2019.





The month of September in Kenya is supposed to be a warm one after three months of chilly weather which begins in June to August normally referred to as “our winter”. This warm weather is normally eagerly awaited, so that the citizen can dress normally, and put away the heavy warm clothing which makes them look like “balloons” due to layering to keep off the cold. Despite the weather being chilly the WCO ESA ROCB Staff enthusiastically endured the two hours’ drive for their first ever Team Building at the Sagana Getaway Resort and the Rapids Camp on the 5<sup>th</sup> and 6<sup>th</sup> September 2018. It was pleasant being away from the hustle and bustle of the city and breathing in the beauty of the countryside calm. The Team engaged in various joyous activities, supported by excellent and professional trainers during the two days, centred on testing

and building on the team’s mental skills, creativeness and team work. The climax of the exercise though was the water rafting and other water events where the team swam, dived and roared the boats under turbulent waters from the Rapid Water Falls. The highlight here though was jumping scores of metres up from the peak of a waterfall to the bottom, a scary yet thrilling experience. Well, three out of the nine team members were too scared to dive, but we all left with an unforgettable experience that built the team, and looking forward to more opportunities.

## TEAM BUILDING FINALLY!





# Five Revenue Authorities in East Africa Launched a new Program to Raise a Pool of Regional Experts on PCA

A total of 20 officials from the Five Revenue Authorities of East Africa, namely, Burundi, Kenya, Rwanda, Tanzania and Uganda, together with the experts from the EAC (East African Community) Secretariat, attended the first regional activity for the Master Trainer Programme (MTP) on Post-Clearance Audit (PCA), which was held in Dar-es-Salaam, Tanzania, on 10-14 September 2018.

The workshop was organized under the Project for Capacity Development for Trade Facilitation and Border Control in East Africa by JICA (Japan International Cooperation Agency) and the WCO and it is the first workshop in a series of Train-the-Trainer activities (so-called MTP) to be undertaken by the East African Revenue Authorities to enhance their capacity on the implementation of PCA. The MTP is a program that has been implemented under the JICA/WCO Joint Project to develop sustainable and self-contained training capacity within the Customs administrations by developing (i) a pool of well-experienced trainers and (ii) regionally featured training materials and program to be used by these trainers.

## Each country shared its issues and challenges

During the workshop, each country shared its issues and challenges they are facing in the implementation of PCA while the invited experts from the WCO, EAC Secretariat and Japan Customs shared their knowledge and expertise on PCA from the global, regional and national perspectives.



The participants jointly worked to identify the common issues and challenges, as well as the necessary training intervention to address those challenges. Finally the group developed a work plan for the progressive activities to be followed for them to be qualified trainers on PCA.

Both JICA and WCO welcomed the strong ownership and

commitment clearly demonstrated by the participants during the workshop and reaffirmed their support to the continuous efforts of Customs administrations in East Africa to ensure sustainable capacity development.





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