

# WCO ESA ROCB Newsletter

Happy New Year 2021

October - December 2020





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# EDITORIAL

Happy New Year 2021. We made it through the tumultuous 2020, especially in light of the COVID-19 (Coronavirus) pandemic. Who would have imagined how the year would turn out? And like us, you are probably unsure about 2021, but we remain hopeful, doing our bit to make the year count. And like before, we are delighted to present to you our first quarterly Newsletter of the year.

This edition brings to you the high points of many outstanding regional events that took place in the fourth quarter of the year 2020, all amidst the ongoing pandemic. They include Seychelles becoming the 160<sup>th</sup> Contracting Party to the WCO Harmonized System Convention and their Customs Officers using Personal Protective Equipment (PPE's), South Africa's AEO Journey, Eswatini eCustoms Tariff portal integrated with ASYCUDA World, as well as news on the Uganda Revenue Authority and Kenya Revenue Authority Bilateral Engagements. This edition also features a special article on the distribution of vaccines in the ESA Region which discusses the need for collaboration between the public and private sector in devising a plan to distribute the vaccines since many countries around the globe, especially in our region, lack the necessary financial muscle to secure the vaccines for their people, an alternative needed to be found.

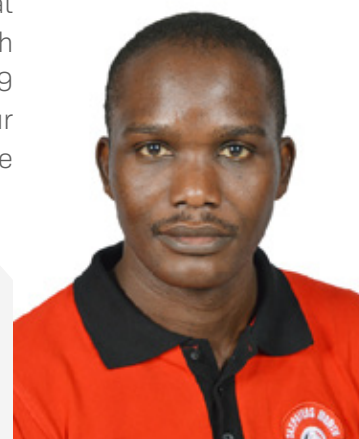
We continue to cherish and archive your stories in form of articles; for we have unceasingly showcased to the world the various notable capacity building activities taking place in the Region and within our national administrations.

Once again, we take this opportunity to appreciate all Members, WCO, Regional Training Centres, the African Union Commission, RECs, JICA, WCO ESA Project II, RPSG, GTS and all other development partners for continually supporting the growth of the WCO ESA ROCB Newsletter through regular contribution of articles, we look forward to receiving more articles from you in the new year.

Enjoy the read.

May you have a great year ahead and with the ongoing COVID-19 crisis, we send our warm wishes for a safe and healthy 2021!

LARRY LIZA.



## Acknowledgements

Angola Revenue Administration  
Eswatini Revenue Authority  
Madagascar Revenue Authority  
Seychelles Revenue Commission  
Somalia Customs  
South Africa Revenue Service  
Uganda Revenue Authority  
Zambia Revenue Authority  
Global Trade Solutions  
Japan International Cooperation Agency  
Regional Private Sector Group

## Editorial

Larry Liza – Editor in Chief  
Faith Mosongo – Programme Officer and Editor  
Eric Kaburu – Issue Editor and ICT Officer  
Ana Secivanovic – Design and Layout

# WCO ESA ROCB REGIONAL MEETINGS

In light of the effects of the COVID-19 pandemic making it unfeasible to hold physical meetings, the regional meetings were successfully held virtually via the Zoom platform.

The meeting of the WCO ESA RTC Heads, ROCB and the WCO, took place on 3<sup>rd</sup> November 2020. The meeting was chaired by RTC Kenya and attended by the Heads of RTC Mauritius and RTC South Africa, as well as the ROCB, and the WCO. The 19<sup>th</sup> Finance and Governance Committee (FGC) met on the 19<sup>th</sup> October 2020 and was attended by the Members of the Finance and Governance Committee, comprising Malawi (Chair), Madagascar and Zambia, as well as the ROCB. Rwanda (Deputy Chair) was unable to attend. The Virtual 32<sup>nd</sup> RSG meeting was held on 5<sup>th</sup> November 2020. The meeting was chaired by Alice Kolagano (Botswana) and attended by among others, the Regional Intelligence Liaison Office (RILO), African Union (AUC), World Customs Organization (WCO), WCO ESA Project and ESA Members.

The 25<sup>th</sup> Virtual Extraordinary Governing Council Meeting was held on 12<sup>th</sup> November 2020, it was graced by the World Customs Organization, Secretary General, Kunio Mikuriya. Noting the challenges

caused by the COVID-19 Pandemic, Dr. Mikuriya expressed hope on the processes towards the development of vaccines. He informed the meeting that the WCO has had to relook its ways of operation and has explored delivery of online capacity building activities and technical support. The meeting was chaired by WCO ESA ROCB Vice chair, Commissioner Phodiso Valashia (Botswana). The Chairperson expressed hope that the extra-ordinary Governing Council meeting will leave behind a lasting legacy in terms of the impact of the decisions taken and on the Customs and trade environment in the region. He underscored the importance of Governing Council's decisions in bringing about tangible benefits to WCO ESA member countries, especially decisions that would lead to substantial reduction in costs involved in international trade, enhanced mutual trust and ultimately economic growth and a more secure international trade supply chain. Members were urged to leverage on opportunities that will be provided by both the COMESA-EAC-SADC Tripartite and the African Continental Free Trade Area (AfCFTA), the largest Free Trade Area in the world, in terms of the number of participating countries since the formation of the World Trade Organisation.



# SEYCHELLES BECOMES THE 160<sup>TH</sup> CONTRACTING PARTY TO THE WCO HARMONIZED SYSTEM CONVENTION



In a letter addressed to the Commissioner General of Seychelles Revenue Commission, Taeil KANG – WCO's Capacity Building Director expressed his sincere congratulations to the Seychelles Revenue Commission (SRC) for the key role that it played in achieving Seychelles accession to the International Convention on the Harmonized Commodity Description and Coding System. Seychelles is now registered as the 160<sup>th</sup> contracting party to have successfully acceded to the Harmonized System (HS) Convention.

As per the World Customs Organization (WCO), the Harmonized System (HS) is itself one of the most successful instruments developed by the World Customs Organization as it addresses the fundamental needs of Governments. This comprises firstly of the ability to collectively categorize what is being traded on a daily basis. With the HS in place, it also facilitates both decisions on immediate actions to be taken for specific goods (e.g. duty collections, restrictions or controls) and the use of the collated information to underpin economic and trade related policies and planning.

Globally, Governments and businesses alike use the HS identification and coding of merchandise to facilitate international trade and regulation. It is for this reason that the HS is therefore considered as a very important instrument not only for the WCO but also for all institutions; public or private, involved in world trade. Its benefits include:

1. Facilitation of the collection, comparison and analysis of statistics relating to international trade through the harmonization of goods description, classification and coding of goods in international trade;
2. Standardization of trade documentation and the transmission of data.
3. As a contracting party Seychelles is also able to:
  - vote and veto any propositions and changes on classification that may impact on the country,
  - propose amendments,
  - share views on classification, and discuss propositions tabled by other parties to the convention.

It is the Classification, Valuation & Origin Unit (CVO Unit) based at Customs House which is responsible on behalf of the Seychelles Revenue Commission to implement the HS Codes and provide clarification to the general public upon receipt of enquiries. With the HS convention now into full force, the same unit is also the focal point to:

- (i) Ensure that its Customs tariff and statistical nomenclatures for both imports and exports are in strict conformity with the Harmonized System;
- (ii) Make publicly available its import and export trade statistics in conformity with the six-digit codes of the Harmonized System, or on its own initiative, beyond that level and;
- (iii) To implement the new HS version every five-years.



“

According to Seychelles Commissioner of Customs – Mr. Paul Barrack – *“following the official visit by a team of WCO experts in 2019, Seychelles was highly praised by the experts for the job well done in successfully implementing and using the Harmonized System.”*

To note that, the Seychelles Revenue Commission – Customs Division first started with implementation of the HS ‘2002 edition’ followed by migration to the ‘2007 edition’ in February 2013, then directly to the ‘2017 edition’ by April 2018.

As a contracting party it is highly expected that Seychelles will migrate to the next HS version of ‘2022 edition’ as of 1st January 2022. This will be a golden milestone that the Seychelles Revenue Commission together with its stakeholders and partner agencies is surely committed to tackle in time.

On the other hand, Ms. Terryl Lemiel from SRC’s Classification, Valuation & Origin Unit also noted that with Seychelles now a Party to the WCO Harmonized System Convention, SRC Customs Division, will

continue to benefit from technical assistance and will also be able to participate in discussion of classification of new products.

“

Ms. Cillia Mangroo, the Principal Secretary for the Department of Trade stated that *“The HS has been and will continue to be one of the main building blocks of trade facilitation as it provides a common goods classification system which is used by most governments and customs territories, and also allows us to better determine and implement our trade policies. Hence, Seychelles’ accession to the HS Convention indicates our commitment to continuously promote trade and development. Through the collective efforts by all the stakeholders, these provisions will assist us in further developing our national policies.”*

The Seychelles Revenue Commission will continue to bring more awareness about the harmonized system and encourage more Customs Officers and partner agencies to become well versed with the system.



Staff of Seychelles Revenue Commission attending to one of the Harmonized System presentation conducted by Ms. Terryl Lemiel from SRCs Classification, Valuation & Origin Unit (CVO Unit).



Seychelles National Flag.

# SOUTH AFRICA REACHES ANOTHER MILESTONE ON ITS AEO JOURNEY



On 11 November 2020 the South African Revenue Service (SARS) launched a new-look Authorised Economic Operator (AEO) logo at a South African Customs Union (SACU) online meeting of Commissioners-General and traders.

At the same time, SARS also announced that it was renaming its Preferred Trader Programme to Authorised Economic Operator – Compliance (AEO-C), in line with the World Customs Organisation (WCO) SAFE Framework of Standards. This was endorsed by all the SACU Heads of Customs, who agreed to adopt the same name for their respective AEO/Preferred Trader programmes.

SARS Head of Accreditation and Licensing, Rae Vivier, explains: “It’s not just about a name change.”

“It’s about aligning with international best practice and having a world class programme. Our Preferred Trader Programme has been endorsed by the WCO as an AEO Customs Compliance programme – and we wanted the name to reflect that.”

SARS launched its Preferred Trader Programme (PTP) in 2011, with a number of traders receiving accreditation over the years. Then in December 2019, an AEO pilot programme was implemented with certain sectors of trade, focusing on the security aspect of AEO. It is hoped that the Authorised Economic Operator-Safety and Security Programme (AEO-S) will be launched by early 2021.

Currently, the 128 AEO-C accredited traders (previously PTP traders) in South Africa can proudly use the AEO logo as a recognition of their status and a quality standard of their compliance. In future, when the full AEO programme and various mutual recognition agreements are implemented, the AEO logo will become a trademark recognising the holder as low risk in the supply chain, eligible for benefits nationally, regionally and internationally.

The unveiling of the AEO logo by the SARS Commissioner, Edward Kieswetter, was one of the highlights of the SACU webinar and was received with great enthusiasm by the attendees. The new logo comes in the midst of the Covid-19 pandemic, which has caused disruption and a slow-down in global supply chains and world trade. The spiral background of the new logo is therefore representative of global, digital trade as well as the interaction between countries in respect of trade and the intertwined relationship that customs and border agencies have with each other. This signifies the collaborative relationships between WCO members and traders. It also includes the South African flag so that it is recognisable as emanating from this country (and can also be used by Other Government Agencies, once these discussions are finalised).

Priority areas for the immediate future in terms of the AEO programme include accelerating mutual recognition arrangements with South Africa’s top ten trading partners, plans to include Small, Micro, Medium enterprises, Other Government Agencies, eCommerce, and the expansion of the Regional programme within SACU (AEO-C and AEO-S).

# THE DISTRIBUTION OF VACCINES IN THE ESA REGION - A NEED FOR PUBLIC AND PRIVATE COLLABORATION

After the world welcomed the news of the successful development of several COVID-19 vaccines, devising a plan to distribute the vaccines became the most crucial matter. Since many countries around the globe, especially in our region, don't have the necessary financial muscle to secure the vaccines for their people, an alternative needed to be found.

This need prompted global leaders to call for a solution that would - after the successful manufacturing - assure rapid, reasonable and equitable access to them for people in all countries. In response, the establishment of the Global Vaccine Access Facility (COVAX) initiative was created.

COVAX is one of three pillars of the Access to COVID-19 Tools (ACT) Accelerator, which was launched in April by the World Health Organization (WHO), the European Commission and France, in response to this pandemic. For the ESA Region, this initiative seems to be the best option in securing COVID-19 vaccines.

Furthermore, several key factors need to be taken into account when considering the distribution of the vaccines. These include the dosage, the cost-effectiveness, and the medical and logistical infrastructure required.

Some of the leading vaccines (such as the Pfizer/BioNTech) need to be taken in two doses, which would require an extensive medical care infrastructure, which many countries in the ESA region lack.

Moreover, countries in the region will struggle to buy vaccines, for example, the Moderna, which sells for \$35 a dose.

Lastly, some of the vaccines will have to be transported at ultra-cool temperatures, which will put a strain on the medical and logistical infrastructure.

The ultimate choice will rest based on two main characteristics; safety and efficacy.

For the private sector in the region, the distribution of the vaccines is going to be problematic, as many international airlines will shift from their current schedules to accommodate the vaccine. Nonetheless, the need for public and private sector collaboration is now, more than ever, a necessity, given the perilous position which the pandemic has placed the world. The RPSG is committed in this initiative.





# COVID-19

## CUSTOMS OFFICERS & THE USE OF PPE'S

To ensure that our Customs Officers are kept safe especially when dealing with incoming passengers by flight, Seychelles local Public Health Authority organized a series of training sessions to train workers from different authorities based at the Seychelles International Airport on how to correctly and efficiently use PPEs.



Customs Divisions—Airport Passenger Terminal Staff undergoing Safe wearing of PPE training under close supervision by representatives from the local health authority.

From the Seychelles Revenue Commission, it was the highly dedicated group of front line Customs Officers, who are based at the airport terminal who benefited from the practical training. The training itself was organized by the local Public Health authority aimed at properly educating and training workers especially Customs officers on how to correctly use PPEs in preparation for the opening of the Seychelles International Airport to commercial flights ; one of the many operations in Seychelles that had to cease due to the COVID-19 pandemic.

For the training, two doctors were present where they briefed the officers on the possible transmission methods of the virus and on the different preventive measures that needs to be taken by each officer whilst on and off duty. Aside from the briefings, the group of Customs Officers underwent practical sessions as well to ensure that they know how to wear and maintain the PPEs.

The term 'PPE' itself, stands for Personal Protective Equipment. PPE's is globally used as a specialized equipment worn by doctors, nurses, paramedics and even by Customs officers. PPE's consists of equipment's such as gloves, gowns, shoe cover, head covers, mask, and eye protection gears amongst others. When correctly and timely used, these equipment's can act a barrier and prevent healthcare workers and Customs Officers alike, from coming into direct contact with an infectious agent or body fluid that may contain an infectious agent such that of the COVID-19— a highly contagious virus that has been taking the world hostage by storm.



Representative from the local health authority providing PPE training to SRC Customs Officers.



# eSWATINI REVENUE AUTHORITY (SRA) IS MAKING HISTORY: eCUSTOMS TARIFF PORTAL NOW INTEGRATED WITH ASYCUDA WORLD

SRA successfully launched its new online eCustoms Tariff portal on the 1<sup>st</sup> of September 2020 as part of their broader customs digitization strategy.

The online portal makes the Harmonized Tariff information, the associated customs duties and other relevant information available to trade, clearing & forwarding agents and the broader Customs community in an electronic format via the SRA website.

Following the successful launch of the eCustoms Tariff Portal, the final part of the project included the integration of the eCustoms Tariff portal with ASYCUDA World, the Customs Management Solution in use by SRA. The end-to-end integrated solution went live, as planned, at the end of October 2020. It is another big milestone and achievement by SRA, as it is the first of its kind on the African Continent with the integration between an eCustoms solution and a Customs Management Solution, in this case, ASYCUDA World.

The new integrated approach enables the updates from the eCustoms Tariff Portal to be automatically updated into ASYCUDA World once the necessary verification and nationalisation has been done by the SRA team within the eCustoms Tariff back office. The integrated approach ensures that all the HS information of SRA remains up to date, in real-time, both on the online eCustoms Tariff Portal and the Customs Management Solution, ASYCUDA World.

The integrated approach reduces the overall workload of the Customs Team as only one source of the information needs to be validated and verified and in addition, the real-time publication in both environments has substantial benefits to SRA and trade. By creating this integrated flow SRA fulfils a number of the trade facilitation requirements and this real-

time activation will also have substantial benefits to trade as well.

SRA has already done a number of updates prior to the traditional 1 January update to ensure that the process is stable and imbedded in the new way of working within SRA. SRA is poised to use the new functionality to ensure that the new duties for the EU SACU and Mozambique Trade Agreement will be applied in line with the effective date of the 1<sup>st</sup> of January 2021.

The new integrated approach has also recently been modified to make provision for the new SACU AfCFTA agreement requirements, which is another milestone achievement by SRA. SRA will be utilising this innovative approach to enable the AfCFTA requirements are on time and in line with the effective date of 1 January 2021.

All of these initiatives bode well for trade as it will enable the trading community to utilize the benefits of the various trade agreements from the inception dates.

The final phase of the project was delivered through the successful public / private partnership between SRA and a private sector contributor with the support and assistance of the EU-WCO Programme for Harmonized System in Africa.

The screenshot shows the 'eCustoms Tariff for Eswatini' logo at the top. Below it is a yellow 'Duty Estimator' icon. A text box explains the tool's purpose: 'The Duty Estimator allows a quick Customs and Excise duty estimation that can also be downloaded and saved. Enter the relevant tariff code, select the country of origin (manufacturer) and the system will generate the estimated duties based on the data you select. This function removes the need for any manual calculations and allows for more accurate costing and planning. Please contact the SRA contact centre if you require additional information on customs duty calculations. The SRA contact centre details can be found here.' Below this is the 'Estimate Duty Calculator' form. It has a 'Tariff Details' section with 'Calculate' and 'Print' buttons. The 'Duties' table shows:

Tax Type	Description	Duty / Tax Base	Formula	Tax	Currency
OOD	Ordinary Customs Duty		100,000.00 Free	0.00	USD
VAT	Value Added Tax		100,000.00 15%	15,000.00	USD

Below the table is a 'Disclaimer' section: 'Whilst every effort has been made to ensure that the estimate duty calculation is accurate, the final assessed duty may differ on importation. SRA take no responsibility for any loss or damage suffered by any person as a result of the reliance upon the information contained therein.'



# AfCFTA - READINESS OF THE PRIVATE SECTOR IN THE ESA REGION

As the African continent awaits the kick-off of the AfCFTA in January 2021, the private sector has started gearing up for a smooth transition into this new era.

The AfCFTA creates an opportunity for the private sector to oppose or reduce economic and trade-related challenges such as market fragmentation, the diminutive size of economies, over-reliance on trade in primary commodities, under-development of industrial regional value chains, and other matters.

Within the SACU region, an emphasis has been placed on the AfCFTA, bringing in the private sector to take full advantage of the benefits provided under the agreement. The potential benefits are significant because a large portion of backlash against trade liberalisation, in recent years, has been aimed at the unequal distribution of benefits and lack of inclusive growth. Countering this shortcoming should be the main priority and focus area under the AfCFTA.

Some of the groups that are central to more equally distributed gains are women and youth, along with

MSMEs. The AfCFTA should, therefore, be employed to reduce the gender wage gap, improve youth employment rates and lower the barriers for MSMEs to enter into international markets.

As technologies and digitalisation spread across the world, it is increasingly essential for the AfCFTA to take advantage of these new developments to position the continent as a global player in this new era of trade. The 4<sup>th</sup> Industrial Revolution's impact on the AfCFTA and trade cannot be fully comprehended or explained, which means that African countries will need to be able to adapt to digital disruptions and fast-paced technological developments.

Finally, a study by the World Bank estimates that should the AfCFTA be adequately implemented, nearly 30 million Africans could be lifted out of extreme poverty by 2035 and increase intra-Africa trade by 81%. The implementation of the AfCFTA could lead to short-term revenue losses for African governments, which is why they must be adequately supported to ensure that the implementation receives the attention it deserves.



# CUSTOMS ONLINE BRAND PROTECTION TRAINING (HYUNDAI AND KIA PARTS) - (IPR)



The sixteen proud officers with their attendance certificate, together with SRC's Commissioner of Customs– Mr. Paul Barrack and the representative from PMC Spares Ltd, Seychelles.

Sixteen Customs Officers from the Seychelles Revenue Commission and two officers from the Seychelles Trade Department participated in a Customs Online Brand Protection Training for Hyundai and Kia parts - (IPR) .

The participants were firstly separated into three different groups where each group attended the training on three different days ; being the 24<sup>th</sup> June, 1<sup>st</sup> July & 8<sup>th</sup> July 2020 respectively. The aim of the training was to educate officers on how to spot and differentiate between a 'Genuine' and a 'Fake' vehicle spare part for Hyundai/Kia branded vehicles.

The training itself was held at Customs House, where it was hosted from MOBIS PARTS MIDDLE EAST (MPME), Dubai through well-known local company 'PMC Spares Ltd, Seychelles'.

After having completed the training, the participants had an idea of what to look for in order to differentiate between a genuine and a fake Hyundai/kia spare part. The participants also had a basic knowledge of the different vehicle parts, and how to differentiate the labels as well as the packaging types.

Participants were also informed about the danger of importing and using counterfeit parts.



# GOOD PROGRESS OF MTP IN SOUTHERN AFRICA EVEN UNDER THE COVID-19 PANDEMIC

Under the auspices of the WCO/JICA (Japan International Cooperation Agency) Joint Project, Southern African Customs administrations have been making collective efforts in building a pool of experts and developing training materials to be used for more sustainable capacity building in Southern Africa. Botswana, Malawi, Mozambique, Zambia and Zimbabwe have participated in the Master Trainer Program (MTP) and are currently progressing in building their training capacity on Customs valuation.

Fifteen (15) participants are taking part in a series of progressive MTP activities since October 2018. Through these activities, participants have improved their knowledge and expertise not only on Customs valuation but also on training techniques and competencies to become Master Trainers.

Even the COVID-19 could not stop their efforts to ensure the continued progress on the development of training skills and materials through their “Virtual Working Groups (VWG)”. The facilitators and experts from the WCO, JICA and Japan Customs welcomed their strong ownership and leadership and supported their VWGs.

With the (16) sixteen Virtual Working Groups (VWGs), the draft training materials have already been finalized and will soon be subject to a final review by the expert team for further refinement. The five participating countries are expected to meet again for phase 2 of their virtual work in February/March next year to adopt the training materials. The WCO, JICA and Japan Customs are committed to offering coordinated support for the MTP.



# INCREASING THE DRIVE OF PROCESS DIGITISATION AND LINKAGES TO THE RKC

During the COVID pandemic, focus throughout the ESA Region has been turned to digitalisation and the leveraging of ICT. Considering only six countries in the region had IT systems that enabled people to work from home, the other nations struggled to configure their systems in such a way as to allow remote working, which highlights the importance of ICT.

Adopting digital Customs and trade-related processes throughout the ESA region should be prioritised. Notably, many benefits can be realised by following a clear set of recommendations or guidelines. Additionally, many technological adoptions link to a safer and more secured trading environment, as envisaged by the WCO's Revised Kyoto Convention, which aims at facilitating trade by harmonising and simplifying Customs procedures and practices. Aiding to these aims, the RKC advocates for the *"maximum use of information technology"*.

Many customs administrations regionally have not maximised their use of technology. Instead, the experience, especially in the pandemic, has been adding further layers, such as health and sanitisation processes.

Technological advancements are plentiful and include electronic single-window systems, automated warehouse management, GPS tracking, among other improvements. By advocating for these initiatives and providing suggestions and guidance, the private sector can play a vital role in persuading the government to implement these technologies. In many instances, throughout the developing world, technology is not employed simply due to a lack of knowledge and understanding. Many success stories exist in our region, notably with the adoption of mobile banking in Kenya and other parts of East Africa.

Collating the abovementioned issues for the region, the RPSG is committed to up-skilling digitisation. Their goals in 2021 includes:

1. Hosting a webinar digitalisation and trade.
2. Do case studies on how technology has been effectively employed.
3. Assess the reach and presence of technology in the ESA region.
4. Research different ways technology can be effectively employed in Africa.

Additional information on the RPSG can be obtained from their website, which has also recently been upgraded.





# ENHANCING LOCAL CAPACITY IN EXCISE TAX MANAGEMENT

Consultant Mr Jacob Yotamu Mufandaedza, arrived in the Seychelles on March 18<sup>th</sup>, 2020, under the project Enhancing Capacity in Excise Tax Management. The objective of this project was to capacitate the Excise Unit of the Seychelles Revenue Commission through the review of the existing legal framework, the operational environment and the establishment of control schemes in line with international best practices governing Excise Management.

Despite being faced with some movement restrictions as a result of the COVID-19 pandemic, SRC ensured that a combination of tools was made at his disposal to ensure that he was comfortable whilst being away from home and so that he could meet his target gradually.

Once Mr. Jacob got the green light, the project kicked start with a review exercise of the existing documents governing Excise Operations within Seychelles, as well as the excise returns and the relevant supporting documents.

From his review exercises, he gathered that all the returns started from the declaration of production stage rather than norm being the raw material stage. In addition to the desk research, the consultant held several meetings with members of staff in order to carry out an analysis of the existing situation through an excise gap analysis. From there he was able to develop a work plan for the project, whereby to this end, the consultant has managed to successfully review the Excise Tax Act, 2009, develop a new Excise Tax regulations, assemble a consolidated Excise Tax (Suspension) Regulations, develop Commissioner's Rules governing the operations of excise manufacturers in:

- Commissioner's Rules on Beer Manufacturing
- Commissioner's Rules on Tobacco Manufacturing
- Commissioner's Rules on Spirit Production and Manufacture
- Commissioner's Rules on Petroleum Products

Additionally, in order to ensure the effective control of excise operations, standard forms were developed and/or revised to regulate various excise operational procedures. Mr. Jacob also conducted several internal consultative meetings as well

as national consultative workshops on the draft amendments to the existing legislation and any new legislations proposed. From the information gathered during his stay he is also working with Seychelles to design a training module on Excise Tax collection where this can be used to train Customs Officers collecting Excise Taxes. He is also designing a World Customs Organization compliant training course on Post Clearance Audit- tailored for the Seychelles environment.



Staff of Seychelles Revenue Commission together with a group of local excise manufacturers attending the consultative meetings organized by Mr. Jacob.



Consultant Mr. Jacob Yotamu Mufandaedza, during the consultative meeting held at SRC with local Excise Manufacturers

## SRC PARTICIPATES IN WCO VIRTUAL AEO TRAINING WORKSHOP

The WCO held a virtual authorized economic operator (AEO) training workshop for the Seychelles Revenue Commission from 20<sup>th</sup> to 23<sup>rd</sup> July 2020. The workshop was made possible through the WCO-Finland ESA Project II with the financial support from the Ministry of Foreign affairs of Finland.

The key objective of this workshop was to support SRC to build their capacity towards the implementation of an AEO Programme in line with the provisions of the SAFE Framework of Standards and Article 7.7 of the WTO Trade Facilitation Agreement (FTA).

The SRC participants gained an understanding of the three pillars of the SAFE Framework of standards, criteria and requirements for an AEO

scheme, AEO benefits, and the process of validation and authorization of economic operators adopting a whole supply chain approach.

In addition, detailed discussions were held with regards to the future steps for the development of an AEO Programme for SRC including establishing a project team, consulting with stakeholders, establishing a legal basis, framing of criteria, requirements and validation process, conducting of pilot, and drawing up an implementation plan with key deliverables and timelines. Going forward, based on the further need of SRC, a follow up workshop will be planned to support SRC officers together with stakeholders from the business community and partners government agencies.

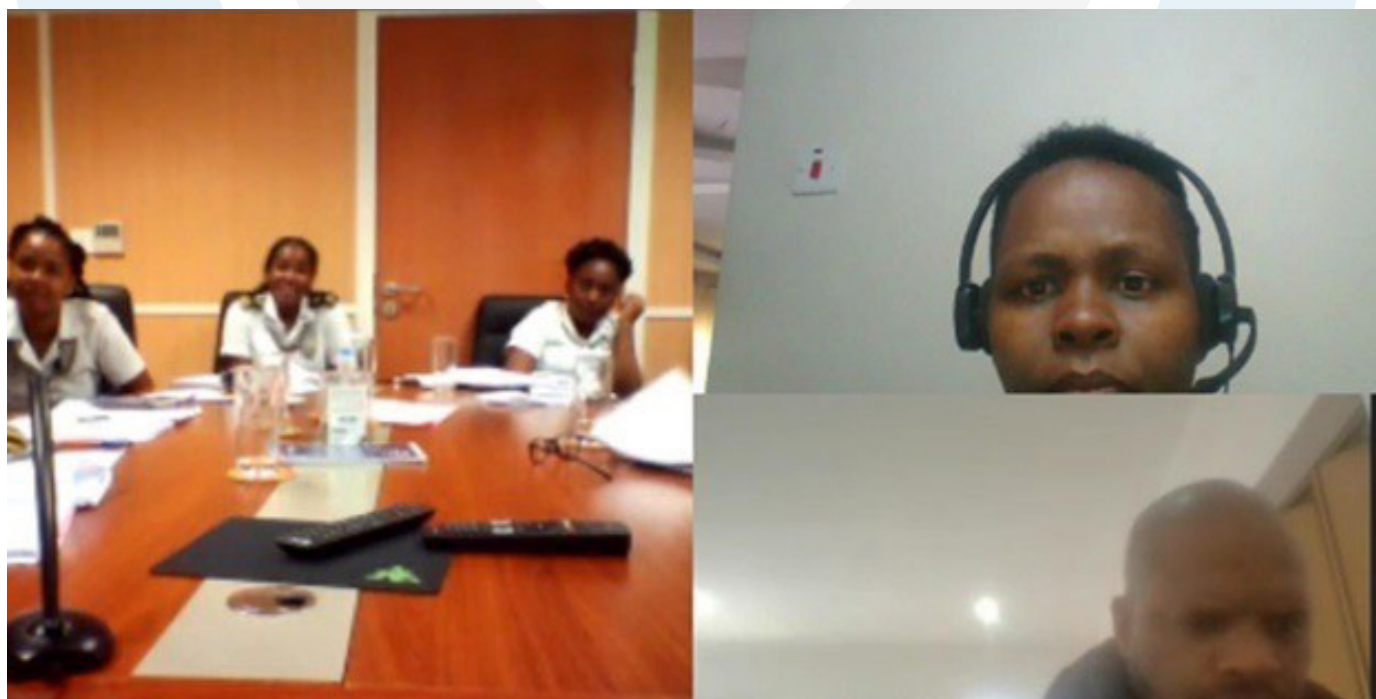


Photo & extracts courtesy of World Customs Organization (WCO): <http://www.wcoomd.org/en/media/newsroom/2020/august/wco-conducts-a-virtual-aEO-training-workshop-for-seychelles-revenue-commission.aspx>



# MONITORING THE MOVEMENT OF CARGO - HOW BIG DATA ANALYTICS CAN HELP THE PRIVATE SECTOR IN THE ESA REGION

The COVID-19 pandemic has highlighted some of the significant barriers to trade in cargo movement and overall supply chain management. The staggered re-opening of separate parts of the supply chain, after hard lockdowns across the world, showed how little we truly understand or notice the linkages between different parts of the supply chain and movement of goods. Big data analytics has the potential to combat these deficiencies and shed some light on delays in cargo movement and supply chain inefficiencies.

Big data can be generated through GPS devices, sensors, RFID tags, and others; and compiled through data sharing between organisations and government agencies. All this information, audio, visual and numerical, can be captured into large online databases and sorted.

The data can be used to determine market trends, buyer and seller habits, fuel costs, competitive prices, traffic delays, weather situations, strikes and protests, port congestion, and bankruptcies, among other things. With enough big data from a wide enough range of sources, big data allows any key player in the supply chain system to assess any part of the supply chain if done right.

The sheer scale of what can be accomplished through big data can make the process seem daunting and challenging to navigate. Identifying specific problems that need solving, areas that are costlier compared to competitors, or particular questions, allow the big data user to break it down into bite-sized pieces.

The last mile of shipping issues can be solved through big data by allowing logistics companies to identify high-cost sections of the process and identify ways to mitigate these costs (i.e., more distribution centres or multi-tiered systems). Similar data sets can also allow logistical providers to optimise delivery routes by keeping an eye on fuel cost changes, weather conditions, traffic delays and vehicle maintenance requirements.

The crux of big data analysis, however, remains the need for different parties to be willing to collect the relevant data, and to share this data with other members in the supply chain for big data to reach its full potential. The initiative includes the need for government and the private sector to work together to achieve this goal.



# EAST AFRICAN COMMUNITY GETTING PREPARED TO EMBRACE ELECTRONIC TARIFF

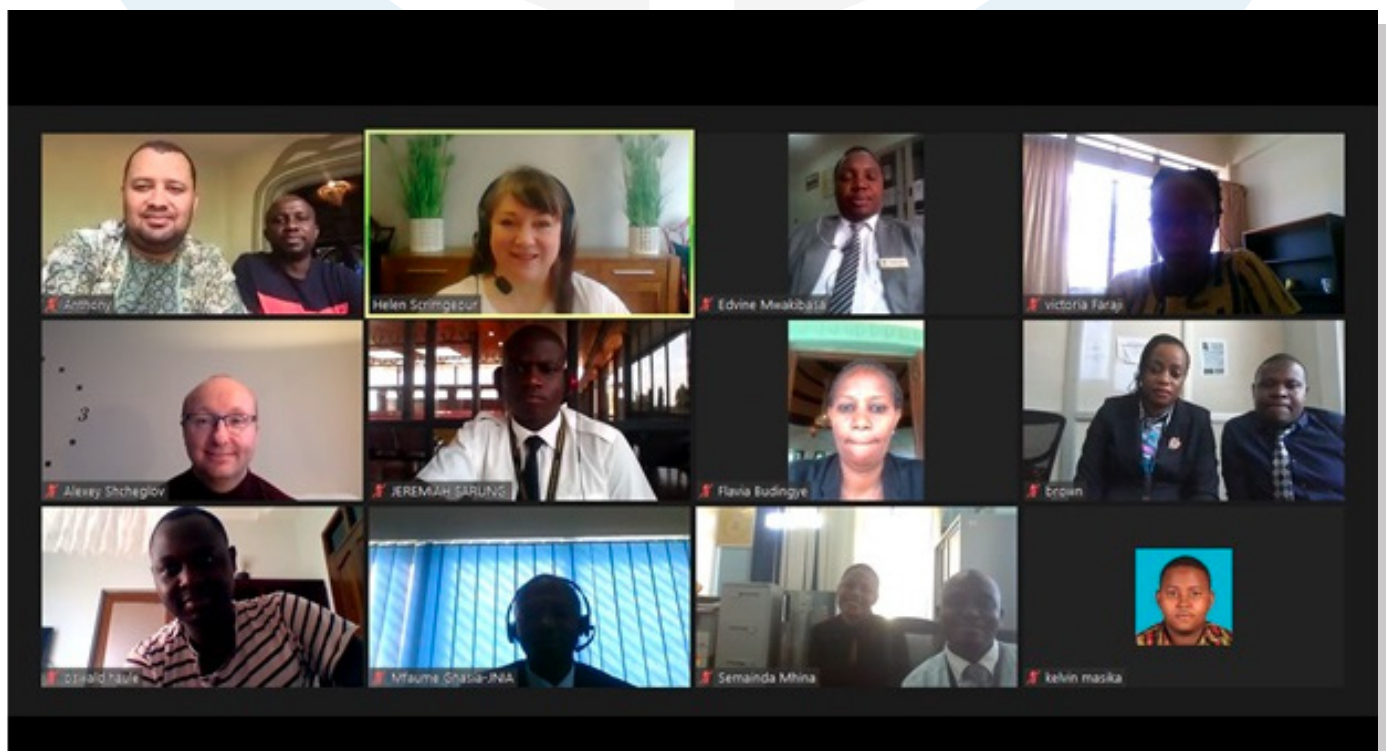
The East African Community (EAC) has recently embarked on a new project to make digital transformation of Customs a reality. The Community is preparing to make its Common External Tariff available through a web-based electronic platform. The project is supported by the WCO in the context of the EU-WCO Programme for the Harmonized System in Africa (HS-Africa Programme), funded by the European Union.

While the new electronic tariff platform is going through the testing phase, a series of workshops was conducted for the EAC Partner States during the period from 26 October to 3 November 2020, in the form of virtual training sessions. The workshops were organized jointly by the EAC Secretariat and the HS-Africa Programme. They brought together more than 90 Customs officers from Burundi, Kenya, Rwanda, Tanzania and Uganda.

The workshops highlighted the importance of the platform in facilitating the migration of the tariff to new versions of the HS. Developers of the electronic platform offered detailed explanations of its technical specifications, search functionalities and update procedures. Presenters stressed the relevance of the platform to the implementation of international standards on publishing information, in particular the WTO TFA and the AfCFTA.

The workshops marked an important step along the path leading to upcoming launch of the new tariff platform. The EAC Secretariat representatives expressed their firm commitment to continuing the ongoing cooperation with the WCO, in the framework of the HS-Africa Programme, to successfully implement the tariff platform and other initiatives.

For more details, please contact [capacity.building@wcoomd.org](mailto:capacity.building@wcoomd.org).





# IMPLEMENTATION OF THE COORDINATED BORDER MANAGEMENT IN ANGOLA

On August 22, 2011, the Joint Executive Decree No. 125/11 that establishes institutional cooperation between the agencies responsible for police missions, migratory and customs deployed in the different border perimeters of the country, was established.

The order is the first milestone for the execution of the Coordinated Border Management at tax administration level in its scope of customs services, a reality that has been ultimate with the formation of the Multisectoral Working Group created precisely to prepare draft legislation for the implementation of coordinated border management at the level of the Angolan legal-tax/customs system.

The coordinated border management arises through the assumption that Nowadays, the efficiency and effectiveness of Customs Services can only be achieved provided that the various entities that carry out border control, should accomplish their activities in a coordinated manner, towards increasing flows of trade transactions coupled with increased illicit trade and transnational crime.

Coordinated Border Management is a set of trade facilitation measures aimed at enabling a more accurate organization, fast and free of bureaucracies in trade among neighboring countries and it is also an essential mechanism or tool for regional and continental integration, mainly Angola's integration into the Free Trade Area of the Southern African Development Community (SADC).

Specifically, it is proposed a coordinated action between the Customs Services of AGT, SME, Fiscal and Border Guard Police, Health, Veterinary, Agriculture, among others.

It is worth mentioning that the coordinated border management has two perspectives, the horizontal perspective, which means sharing information and procedures in all institutions that control procedural compliance at borders, and the vertical perspective, which means that all government officials acting on the top-level border share the same procedures and policies.

This same concept has a national dimension and an international dimension:

The national dimension stems from the need for coordinated action between the earlier national institutions. The international dimension requires cooperation between border authorities in different countries.

By way of explanation, at SADC level, coordinated border management has proved to be a foremost experience, and coordination at the level of the SARPCCO (Regional Organization for the Cooperation of Police Chiefs of Southern Africa) is highlighted, the creation of the One-Stop Border Post, which operated during the 2010 World Cup in South Africa. , at all border posts, by agreement with neighboring countries, namely Botswana, Lesotho, Mozambique, Namibia, Swaziland and Zimbabwe, which consisted of the operation of the miniature one-stop post for the world, through which the entry visas of foreign tourists were processed at each entry border by joint teams whose final approval was given on the side of the border in South Africa, which allowed the visas of about 309,554 foreign visitors who entered South Africa to watch the 2010 world football championship.

Coordinated border management offers an innovative form of administration that breaks with the traditional model of border management for a modern vision that must always be supported by information and communication technologies for all border processing.

The other relevant element for coordinated border management between government institutions, and in the relationship between customs of different countries, requires the use of risk management that allows selecting imports and exports suspected of containing goods with evidence of fraud for non-intrusive inspection and this for a physical inspection where applicable.

For assertive implementation, the Executive should determine key issues on the leadership of coordinated border management between national institutions, which proves to be a key element to

discipline and guide actions at a local level. Allocate the human and financial resources necessary for its operationalization by building adequate infrastructure or improving current and qualified and properly trained human resources.

In Angola, as we have already mentioned, the process of making the legislation to support implementation has already begun and has the participation of all ministerial departments with proficiency in border issues.

In the preparation of the project, the responsibilities of each member body were taken into account, because as we know, each body has its own border management policies and strategies and takes care of its processes according to statutory tasks. However, close cooperation between the different institutions acting at borders and neighboring states is inevitable and indispensable, intending to make the border management system efficient and effective at local, national, regional and international level, as well as ensuring the facilitation of lawful trade, addressing cross-border crime and or irregular migration;

The draft legislation provides, among other things, for the existence of a Central Coordination Unit of the Coordinated Border Management that will have among its tasks, the responsibility of coordinating joint land, sea, air, river and lake actions to prevent and suppress any type of cross border crime;

- Promote continued cooperation between border agencies;
- Promote bilateral relations with neighboring states;
- Submit proposals for actions aimed at improving cooperation and coordination between competent authorities;
- Coordinate measures and programmes to facilitate cross-border and regional trade;
- Carry out joint surveillance actions to ensure compliance with the laws applicable to border control;
- Coordinate the control of the movement of motor vehicles





# BILATERAL ENGAGEMENTS IMPLEMENTATION OF THE DIRECTIVES OF THE COMMISSIONERS OF UGANDA REVENUE AUTHORITY AND KENYA REVENUE AUTHORITY

In a bid to foster relations, the two revenue bodies under the leadership of their commissioners of customs, on 02<sup>nd</sup> August 2019 a bilateral was signed under which several issues were agreed upon which include the following; Integration of iCMS (Integrated Customs Management Systems) and SCT (Single Customs Territory), Deployment of staff in the two partner states, Formulation of a compliance strategy between NTC Kenya and NTC Uganda (National Targeting Centre), management of electronic seals under RECTS (Regional Electronic Cargo Tracking System), Integration of Non-Intrusive Instruments, Joint valuation framework, warehousing framework, formulation of a technical working group on facilitation of Exports, joint training/capacity building, joint innovation hub, working group with TMEA, five additional borders, Ugandan ICD at Naivasha.

The signing of this bilateral gave birth to several joint working groups to implement the directives above among which is the technical working group on Human Resource and Capacity Building. This technical working group is required to develop a joint capacity building framework for both staff and clearing agents. It is against this background that the first bilateral engagement was held at the Busia one stop border post from 9<sup>th</sup> to 13<sup>th</sup> December 2019.

The three-day engagement resolved to work on two directives

1. Deploy staff in the two partner states which requires to make recommendations to both the commissioners of the partner states, developing of a standard deployment letter, immunity status of deployed staff and their vehicles.

2. Development of a joint capacity building framework to cover staff and clearing agents. development of the training curriculum, setting up of resource centres, virtual libraries, training laboratories at OSBPs (One Stop Border Post), Identification of model environments for training, KESRA (Kenya School of Revenue Administration) to fast track registration of a professional body to accredit the customs and tax professionals.

The Human Resource and Capacity Building technical working group held the second bilateral engagement from 16<sup>th</sup> to 18<sup>th</sup> February 2020 at the Kenya School of Revenue Administration to discuss the developed framework and also follow up on all the issues that were discussed in the first bilateral.

The two tax administration bodies are very optimistic of the outcomes of the different joint technical working groups if the recommendations suggested are adhered in a bid to improve trade facilitation.



# THE ONGOING SOMALIA CUSTOM REFORMS

Directorate of Revenue, under Ministry of Finance, has clear vision to align customs policy, regulations, tariff remodelling and instruments on international standards. Restoring relations with foreign administrations and progressing the automation of the customs clearance system have been part of the vision. A Technical working group has successfully implemented an automated declaration form in Mogadishu, Kismayo, Garowe and Bosaso. The automated declaration form is part of the vision to use harmonised systems throughout Somalia. All the reform efforts resulted in customs revenue to increase by 7% on 2019 and 78% from 2013-2019.

The development of a National Somali Customs Tariff has begun. This process galvanized policy makers to bring an agreement at both the political and technical level. As an aspirant to join the EAC customs union, this initiative will pave the way for Somali National Tariff to be at par with East African Community market.

The Customs Automated System which uses bespoke software is set for rollout in 2021. It is expected that the system will deliver a Customs

Management System for improved Customs clearance times, simplified procedures, reduced costs to the business community, and data generation for statistical analysis purposes. The implementation of CAS will also see Somali Customs adopt the internationally recognised Single Administrative Document as its declaration document.

Custom Capacity building was a key component of the reform strategy. Customs officials have received few trainings such as 'train the trainers' HS Code, Risk management, and inspection techniques. There is still great appetite amongst staff for more technical training. On this front, training academy has recently been created with funding from the African Development Bank. As a new member of African Tax Administration Forum ATAF, Somalia aims to access high-quality learning resources and opportunities for its tax officials. Finally, Revenue Directorate's communication units promote tax and reform awareness to the public and particularly to the business community. The directorate engages the public through social media and through a planned public events.





## ZRA ADOPTS IPSAS

The Government of the Republic of Zambia (GRZ) has started the process of rolling-out the International Public Sector Accounting Standards (IPSAS) in public institutions to ensure effective and efficient management of government assets and liabilities. The Zambia Revenue Authority (ZRA), being a quasi- government institution, is also required to migrate from the International Financial Reporting Standards (IFRS) to full IPSAS by 2023.

The government has reiterated the fact that IPSAS, which are accounting standards for use by public sector entities globally in the preparation of financial statements, are a critical platform for accountability and transparency in the utilization of government resources for supporting sustainable development. It is also hoped that once fully implemented, the initiative will promote accountability and reinforcement of Government's responsibility to justify its stewardship to the public through collection of revenue and accounting for the use of public resources.

In 2015, the government engaged the Zambia Institute of Chartered Accountants (ZICA) to assist in migrating to accrual-based IPSAS, with the rolling out of the programme initially expected to be completed in 2020 which has now been extended to 2023.

The ZRA immediately after the government pronouncement embarked on training its staff in a quest to start the preparatory works for the adoption of IPSAS. Management decided to actually ensure early adoption of IPSAS is done by 2019 with an attempt on the 2018 audited financial statements. Some identified members of staff undertook vigorous training both locally and outside the country to ensure the set target was realized.

By Chares Chilebe  
– IPSAS Project  
Implementation  
Manager



**Some staff members during IPSAS training in London, United Kingdom (24<sup>th</sup> April – 3<sup>rd</sup> May 2017)**

# MADAGASCAR'S CUSTOMS DIRECTORATE GENERAL KEEPS ITS HEAD HIGH DURING COVID-19

The Covid-19 pandemic has led to a sharp decrease in global economic activities, and Madagascar is not immune from this. But in spite of this situation, Madagascar's General Directorate of Customs has continued to strengthen its fiscal, economic and security missions, notably by deploying all its resources to keep its head above water.

## Malagasy Customs Modernization Plan: Technical and Financial Partners Attracted

The General Directorate of Customs organized on October 12th to 14<sup>th</sup>, under the aegis of the World Customs Organization (WCO), "a virtual round table of the Customs Administration of Madagascar and its Technical and Financial Partners". This was a first in the history of Malagasy Customs, supported by Afritac Sud, an initiative that was strongly welcomed by senior management, donors and technical and financial partners as well as local partners and Customs users, and sponsored by the Minister of Economy and Finance, Richard RANDRIAMANDRATO.

In this period of global health crisis, Madagascar is not to be outdone by working for the promotion of local industrialization and local entrepreneurship, job creation in order to eventually reach a certain form of autonomy. The Malagasy Customs is an essential pawn in this regard and presents through its strategic plan 2020-23 an ambitious modernization program, commensurate with the ambition and national vision shared by the Emergence Plan of HEM the President of the Republic, Andry RAJOELINA.

The Customs modernization program includes 27 projects, 17 of which were presented, discussed and found financing at the end of the 3 days of exchanges, which will be implemented starting in 2021; the 10 remaining projects will also follow their course, with the Administration having until 2023 to implement them. These projects are interconnected

and together constitute a development lever; bilateral and multilateral Technical and Financial Partners as well as traditional partners have shown their willingness to support the Malagasy Customs in the implementation of its modernization plan through its various projects (IMF, WB, GATF, USAID, UNCTAD, ITC, ADB, ...).

Bilateral sessions between Customs and the various Technical and Financial Partners for the finalization of cooperation agreements and project planning are planned before the end of 2020.



*"Together we will change the Malagasy Customs and we will bring an unparalleled modernity to this public administration which will then be a showcase for other administrations," said Customs Director General Zafivanona Ernest LAINKANA, supported by WCO SG Kunio Mikuriya, who said in his speech that "the Malagasy Customs plan and programs are well aligned with the National Plan for the Emergence of Madagascar".*

The General Directorate of Customs of Madagascar proceeded to a remodeling of its control system for more effectiveness and efficiency. Aware of the role it plays in the economic system, the Malagasy Customs is constantly looking for solutions to face the various problems related to customs clearance so that the chain does not suffer; this to avoid that the economy suffers the consequences, and ultimately the Malagasy citizen. Harmonization and optimization of the control system then became a top priority, following certain shortcomings and a non-negligible number of complaints received by the Malagasy General Customs Department. This has resulted in a chain of control that is uninterrupted, less scattered and involves greater synergy between the departments concerned. This has resulted in a chain of control that is uninterrupted, less



scattered and involves greater synergy between the departments concerned. It is here for the Director General a question of accountability to the Nation, and the establishment of the control unit is a means of detecting non-compliance with the law both internally and externally.

The effectiveness of this chain of custody was confirmed by the seizure of gold at Ivato Airport on Friday, November 20, 2020. An attempt to illegally export 15kg 245 of gold in a cargo bound for Dubai was intercepted by customs officers of the Ivato Airport Office. Traffickers no longer lack imagination. The goods were once hidden in a metal box containing Malagasy handicrafts, the inside walls

of which were lined with 257 sheets of gold foil repainted in aluminum. It was the disproportionate size of the crate that prompted the customs officers to make an immediate physical visit; the crate could not be scanned. The seized goods were deposited at the Central Bank of Madagascar the day after the seizure, and the offender was detained on Monday, November 23, 2020.

Despite the increasingly complex and clever techniques used by traffickers and mafia networks, Customs is increasing the level of vigilance for greater efficiency in its security mission, particularly at the International Airports, Ivato and Nosy Be, areas currently considered high-risk.



## ROCB STAFF



**Larry Liza**

Director

[larry.liza@wcoesarocb.org](mailto:larry.liza@wcoesarocb.org)



**Faith Mosongo**

Programme Officer

[faith.mosongo@wcoesarocb.org](mailto:faith.mosongo@wcoesarocb.org)



**Vincent Gituma**

Finance Officer

[vincent.gituma@wcoesarocb.org](mailto:vincent.gituma@wcoesarocb.org)



**Judy Mwaura**

Administrator & PA to Director

[rocbl@wcoesarocb.org](mailto:rocbl@wcoesarocb.org)



**Francis Ochiel**

Clerk / Assistant Administrator

[francis.ochiel@wcoesarocb.org](mailto:francis.ochiel@wcoesarocb.org)



**Erick Kaburu**

ICT Intern

[erickaburu88@gmail.com](mailto:erickaburu88@gmail.com)

### Contacts

Larry Liza,  
Director,  
World Customs Organization,  
East & Southern Africa,  
Regional Office for Capacity Building,  
P. O. Box 50581- 00200,  
NAIROBI, KENYA.  
Tel.: +254 70 901 1611/12/15  
E-mail: [larry.liza@wcoesarocb.org](mailto:larry.liza@wcoesarocb.org)



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