

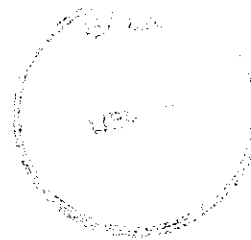
**EAST AFRICAN COMMUNITY
EAST AFRICAN LEGISLATIVE ASSEMBLY**



LAID ON TABLE ON
26TH SEPTEMBER 2018


PCA

**REPORT OF THE COMMITTEE ON COMMUNICATION, TRADE
AND INVESTMENTS ON THE EAST AFRICAN COMMUNITY
CUSTOMS MANAGEMENT (AMENDMENT) (NO.2) BILL, 2018**



CLERK'S CHAMBERS
EAC HEADQUARTERS
EALA WING, 3RD FLOOR
ARUSHA – TANZANIA

September 2018

1.0 INTRODUCTION

Rt. Hon. Speaker,

In accordance with the provisions of Article 59 of the Treaty for the Establishment of the East African Community, Rules 61, 65 and 66 of the Rules of Procedure of the Assembly, the Chairperson Council of Ministers introduced in the House and read for the first time, The East African Community Customs Management (Amendment) (No.2) Bill, 2018 during the Fifth Meeting of the First Session of the Fourth Assembly held in Nairobi, Kenya on the 31st of May, 2018. Pursuant to Rule 66(4) of the same Rules of Procedure, the Rt. Hon. Speaker referred the Bill to the Committee on Communication, Trade and Investment for consideration.

2.0 OBJECT OF THE BILL

The object of the Bill is to amend section 24 (1) of the East African Community Customs Management Act to require a master or agent of a vessel to provide to the proper officer advance information relating to the goods carried by the vessel before departure from the last port of call.

The Bill is intended to provide for customs administrations to receive advance information regarding the goods being moved across national borders ahead of the arrival of the vessel carrying the goods.

The Bill seeks to facilitate the ability of customs administrations to detect high risk consignments ahead of the arrival of the vessel carrying the goods to enable the customs administration to take appropriate action on such consignments and to distinguish between high risk goods from those that are not of high risk.

3.0 METHODOGY

During the consideration of the Bill, the Committee:

- a) reviewed literature regarding the subject matter of the Bill;
- b) Interacted with the Chairperson Council of Ministers and his technical team.

4.0 OBSERVATIONS

The Committee made the following observations:

- i. It was noted that the current Section 24(1) (a) of the East African Community Customs Management Act, 2004 requires the shipping lines to submit the vessel manifest not less than 24 hours before arrival of the vessel from a foreign port. This means that information relating to the cargo carried by the vessel is submitted long after the vessel has left the last port. The 24 hours minimum period is not adequate to sustain effective risk profiling of cargo prior to arrival of the vessel.
- ii. It was also noted that the mandate of the Customs Administrations in the EAC Partner States is to facilitate trade, and ensure security of the International Trade Supply Chain. To effectively carry out this mandate, the customs administrations require advance information regarding the goods moved across their national borders ahead of the arrival of the carrier vessel.
- iii. It was further noted that International Trade Supply Chain is susceptible to criminal exploitation including terrorism. To effectively mitigate the security risks and at the same time facilitate seamless clearance of goods, the customs administrations need to be furnished with information relating to the cargo which is carried by a vessel.
- iv. Since the enactment of the EAC Customs Management Act in 2004, the Council of Ministers has, on more than eight times presented to the House amendments to the principal Act. However, all these have been piecemeal and selective amendments. It should be noted that since 2004 a lot of developments/changes have taken place in the Trade and Investment sectors which need to be addressed by this Act.
- v. It is important to note that the EAC Legislative Framework should be responsive to the needs of the people, principles and the objectives of the Treaty. As a Community, we shall not be able to realise a people-centered and private sector-driven integration process if among others, the concerns and challenges of the business community are not addressed.

5.0 RECOMMENDATIONS

The Committee recommends that:

- i. The Council of Ministers carries out a comprehensive review of the East African Community Management Act, 2004 to address the current challenges in the Trade and Investment sectors.
- ii. The Council of Ministers introduces to the Assembly a comprehensive EAC Customs (Amendment) Bill that addresses the challenges identified in (i) above in the Financial Year 2019/2020.

- iii. The Assembly adopts the report of the Committee and passes the East African Community Customs Management (Amendment) (No.2) Bill, 2018.

REPORT OF THE COMMITTEE ON COMMUNICATION, TRADE AND INVESTMENTS ON THE EAST AFRICAN COMMUNITY CUSTOMS MANAGEMENT (AMENDMENT) (NO.2) BILL, 2018

1. Hon. Gai William Deng Nhail
2. Hon. Thoar Gatpan Gideon
3. Hon. Burikukiye Marie Claire
4. Hon. Rurakamvye Pierre Claver
5. Hon. Nsavyimana Sophie
6. Hon. Fred Mbidde Mukasa
7. Hon. Aburi Mpuru Lawrence
8. Hon. Sergon Jematiah Florence
9. Hon. Mbuga Nganga Simon
10. Hon. Rutazana Francine
11. Hon. Bahati Alex
12. Hon. Barimuyabo Jean Claude
13. Hon. Eng. Maassay Pamela Simon
14. Hon. Lugiko Happiness Elias
15. Hon. Eng. Mnyaa Mohammed Habib
16. Hon. Kasamba Mathias
17. Hon. Musamali Mwasa Paul
18. Hon. Dr. Woda Odok Jeremiah

Gai William Deng Nhail

Thoar Gatpan Gideon

Burikukiye Marie Claire

Rurakamvye Pierre Claver

Nsavyimana Sophie

Fred Mbidde Mukasa

Aburi Mpuru Lawrence

Sergon Jematiah Florence

Mbuga Nganga Simon

Rutazana Francine

Bahati Alex

Barimuyabo Jean Claude

Eng. Maassay Pamela Simon

Lugiko Happiness Elias

Eng. Mnyaa Mohammed Habib

Kasamba Mathias

Musamali Mwasa Paul

Dr. Woda Odok Jeremiah