TRADE FACILITATION REFORMS AT UGANDA REVENUE AUTHORITY

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Outline

- About Uganda
- Implementation of Trade Facilitation Reforms
  - ASYCUDA World
  - AEO
  - ECTS
- Benefits
- Challenges
- Success factors
About Uganda

Land Linked Country:

Area: 241,038 sq kms
Land boundary: 2,698 kms

Bordering five Countries:
Kenya, Tanzania, Rwanda,
Democratic Republic of Congo,
South Sudan

Main port of entry:
Mombasa – Kenya About 85%
by Value.
Trade Facilitation Reforms

- Implemented under the Customs Business Systems Enhancement Project (CBSEP)

- Objectives:
  - To leverage IT & staff professionalism in order to achieve greater efficiency, improved transparency, enhanced security in customs processes
  - To enhance international trade facilitation through strengthened inter-agency and regional cooperation
  - To enhance compliance through simplified, predictable business processes, and integrated management information systems.
The Customs Business Systems Enhancement Project

- Funded by TradeMark East Africa (USD 8.5 m), World Bank (USD 2 m) and Government of Uganda (USD 3 m)

Key project deliverables:

- Upgrade of the Customs Management Information System from ASYCUDA++ to ASYCUDA World
- Implementation of the Authorized Economic Operator (AEO) Program
- Implementation of the Electronic Cargo Tracking System (ECTS)
- Capacity Building of Staff
ASYCUDA World Implementation

Justification:

- The need to make the customs clearance process more friendly and quicker
- Inflexibility of ASYCUDA++ in light of the ever changing business needs
- The stoppage of ASYCUDA++ support made the need to upgrade to the new version more urgent
- At one time ASYCUDA++ service went down and could not be restored for a week
AEO Implementation

Justification/objectives:
- To enhance voluntary compliance with Customs laws, regulations and procedures.
- To promote secure international trade supply chain.
- To promote Customs to Business partnership
- To enhance trade facilitation by embracing best practices
1st Phase (Importers and Customs Brokers/Agents) - 10 Companies authorized in Sept 2013; Target is to authorize 20 operators by end of June 2014

Currently piloting the Warehouse Keepers’ program (benefit is self management of the bonded warehouses)

To mainstream AEO component starting September 2014
ECTS Implementation

ECTS Justification/Challenges:
- Diversion of transit cargo
- Inefficiency in management of transit cargo
- Inability to detect transit malpractices in real time
- Lack of audit trail
ECTS Implementation

Central Monitoring Centre activities:

- 24x7 monitoring services
- Alert and response services
- Customer support
- Generation of management reports
Benefits from the Initiatives

- Better and quicker service to compliant Traders
- Enabled customs to provide an online service – customs declarations can now be submitted from anywhere using the internet
- Reduced cost of doing business

AEO Testimony
Benefits from the Initiatives

- Improved transparency as clients can now view the status of their declarations in addition to receiving status notifications issued by the system
- Quick declaration processing because of the online submission and paperless declaration processing (resulting in reduction of average clearance time from 5 to less than 2 days)
- Fast response to business needs because of the local capability to modify the system
- ASYPM module – Capability to monitor and measure staff performance (Staff Efficiency and Effectiveness)
Benefits from the Initiatives

- Interface/integration with Other Government Agencies (OGAs)
- Interface with Other Revenue Authorities (EAC Single Customs Territory implementation)
- Electronic manifest submission
- Valuation Control
- Paperless declaration processing – reducing the environmental footprint (reduction of paper usage by 80% in some customs stations)
- AsyWorld System to provide the platform for National e-Single Window implementation in Uganda
## Benefits from the ECTS

### Benefits to Customs
- Able to Monitor transit cargo on a real-time basis
- Ability to enforce usage of gazetted transit routes
- Improved monitoring of bonded consignments
- Clear audit trail eases reconciliation
- Real time alerts when tampering / diversion occurs
- Reduction in diversion hence revenue protected
- Easier management of the bond guarantees
- Real time updates on status of cargo

### Benefits to the Brokers
- Provide an audit trail as evidence of exit
- Real time updates on location of truck and status of cargo
- Audit trail provides evidence of delivery, point of delivery

### Benefits to the Traders
- Ability to monitor the location of their cargo in real time
- No more charging of escort fees
- Real time updates on status /location of cargo
- Able to monitor the effectiveness of the drivers
- No restriction on movement times

### Benefits to the Transporters
- Real time updates on status of cargo
- No more charging of escort fees

### Reduced average transit time – by over 50%
Challenges

- The initiatives rely heavily on IT, especially internet and are therefore affected by network intermittence
- Instances of low specification IT hardware/infrastructure at the traders’ premises esp. internet connectivity
- Low level of computerisation of procedures by Other Government Agencies
Success factors...

- Active involvement and support by the main Development Partner (TMEA) – ASYCUDA World Hardware procured and delivered in a record 3 months.
- Flexible and business oriented procedures – e.g. confirmation of the order for hardware with Oracle within 2 weeks in May 2012 got us savings of 15% on hardware and 50% on software licenses.
- Massive stakeholder involvement, sensitizations and media campaigns.
- Use of internal capacity and phased implementation of the initiatives which also involved use of staff from pilot stations to carry out the rollout.
Thank you