CUSTOMS & BORDER CONTROL DEPARTMENT

KENYA REVENUE
AUTHORITY

The Customs and Border Control Department (CBCD) is one of the Revenue Departments within Kenya Revenue Authority.

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The department administers the East African Custom Management Act (EACMA) 2004 and other Revenue Acts that impose taxes or levies on imports and exports eg the VAT Act 2013, Excise Act 2015 and miscellaneous Act 2016.

LEGAL ADMINISTRATION OF CUSTOMS & BORDER CONTROL DEPARTMENT

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- CBCD collects and accounts for Import Duty and VAT (Value added Tax) on imports. The department also collects Agency Fees on behalf of other institutions related to cargo.

- CBCD collects and accounts for 35% of the gross revenue collected by Kenya Revenue Authority.

- CBCD compliments security agencies operations at the entry points.

MANDATE OF THE DEPARTMENT

- *Trade facilitation:* facilitating international trade by providing expedited clearance of goods through simplified and harmonized Customs procedures as envisaged under the Revised Kyoto Convention.

- *Border control:* Control of Exports & Imports, travellers, border patrols and surveillance.

- *Revenue collection:* Import & Export Duty, APSC (Airport Passenger Service Charge), IDF (Import Declaration Form) fees, PDL (Petroleum Development Levy), Transit Road Toll, VAT, Excise & Sugar Levy etc.

- *Protection of society and environment through enforcement of prohibitions and restrictions:* by

barring international trade in illegal substances and materials e.g. narcotic substances, arms and ammunitions, endangered animal species, counterfeit or sub-standard goods, stolen motor vehicles, smuggled goods, etc.

- *Compilation of trade statistics:* The department collects and collates trade data on all imports and exports that the government uses for planning purposes.

CBM (CUSTOMS BORDER MANAGEMENT) INITIATIVES

- *Joint Border Committees* (JBCs) is a platform where Customs, PGAs (Partner Government Agency), and the private sector sits with the objective of trade facilitation and securing the border.

  — Helped in enhancing inter-agency collaboration, and promoting the sharing of available resources

- *OSBP* (One Stop Border Post)

  — These consist of Lunga Lunga, Taveta, Namanga, Isebania, Malaba, Busia, and Moyale. They are at various stages of completion.

THE DEPARTMENT HAS UNDERGONE SEVERAL
REFORMS SINCE 2005:

- In January 2005, the Department adopted the East African Community Customs Management Act (ECCMA) in compliance with the protocol on the establishment of the East African Customs Union.

- The Dog Unit (K9) was introduced in Jomo Kenyatta International Airport and Mombasa.

- Post Clearance Audit (PCA) was established to replace the traditional jerquing branch audit.

- Customs & Excise Department

was changed to Customs Services Department after the Domestic Excise component was transferred to DTD (Domestic Taxes Department) following restructuring of KRA departments on functional lines; in 2015 the Department has since been renamed as Customs and Border Control Department when the Border Security was given more prominence within the Department.

- The Department implemented the Simba 2005 System (Tradex) which is a web based application and discarded the semi-automated system, Boffin.

- The Services of Pre-Shipment Inspection (PSI) companies were phased out and Customs took over the responsibilities of the PSI Companies.

- The Document Processing Centre (DPC) was established to replace the traditional Long Rooms countrywide. It is a One Stop Centre for online document processing and validation.

OTHER REFORMS INCLUDE THE FOLLOWING:

- **ECTS** (Electronic Cargo Tracking System)

- **SCT** (Single Customs Territory)

- **AEO** (Authorised Economic Operator)

- **Pre-Arrival Clearance Program** (Ongoing)

- **ICMS** (Integrated Customs Management System) (Ongoing)

ENFORCEMENT TOOLS THAT ARE USED IN THE DEPARTMENT DURING VERIFICATION OF CARGO

PROCESS OF CARGO CLEARANCE (IMPORTS)

The process has various stages:

1. REGISTRATION OF ENTRIES

- Clearing Agents transmit declarations (C17B) electronically to Customs Services with information obtained from their clients through the documents mentioned here below.

- The entries are lodged against the manifest registered electronically by the shipping/airline agents.

Essential Documents to Support Declarations:

- Import Declaration Form (IDF)
- Commercial Invoice
- Bill of Lading/Airway Bill
- Licenses/Permits (where applicable)
- Exemption/remission authority (where applicable)
- Packaging Lists
- Any other document supporting the declaration

2. PROCESSING OF REGISTERED ENTRIES

- Processing of entries is now centralized at the Document Processing Centre (DPC) in Times Tower, Nairobi.

- Customs Officers process the registered entries electronically and if found in order, they issue a DPC approval (DPC pass) and the declarant through the system gets a notification and moves to release point for Verification/Release.

- (NOTE : Under new customs systems iCMS, the entries are automatically processed (Passed) once payment is done without the intervention of DPC)

Scanner

K9

Water patrol boat

3. VERIFICATION & RELEASE OF CARGO

- Verification Officers at the releasing points receive the Customs entries online after
  they are passed at the DPC.

Verification of cargo is conducted as follows:

- Goods on red channel are verified 100%

- Goods on yellow channel go through the cargo scanner and full document verification

- Goods on green channel are given direct release

- Goods released on the green channel will be subjected to Post Clearance Audit (PCA) procedure on a risk based approach

PROCESS OF CARGO CLEARANCE (EXPORTS)

The process has various stages:

1. REGISTRATION OF ENTRIES

- Clearing Agents transmit declarations (C17B) electronically to Customs with information obtained from their clients through the documents mentioned here below.

- The entries are lodged against the manifest registered electronically by the shipping/airline agents.

Requirements for export:

Export Documentation

The following documents are required for a typical export transaction:

- Commercial Invoice

- Bill of lading/Airway bill

- Packing List

- Certificate of Origin

- All necessary permits

Customs declaration should be prepared to clear the goods for export.

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3. VERIFICATION, STUFFING, SEALING & RELEASE OF EXPORT CARGO

- Verification Officers at the releasing points receive the Customs entries online after they are passed at the DPC.

- Prior to release, the export Officer verifies and /or supervises stuffing of export cargo prior to release.

- The goods proceed to the border of exit.

- After export confirmation has been confirmed a CEO (Certificate of Export) is issued.

VALUATION OF EXPORTS/ IMPORTS

Valuation for cargo is carried out according to the fourth schedule of EACMA in accordance with WTO (ACV) Agreement on Customs Valuation.

In view of Kenya being a signatory to the agreement, the Department ensures that the international Valuation guidelines are strictly complied with.

PROHIBITED AND RESTRICTED IMPORTS & EXPORTS

The Second & Third Schedule of the EA Customs Management Act prescribes the Prohibited and Restricted Imports & Exports respectively.

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Tulipe Ushuru, Tujitegemee!