

# **SADC TRANSIT MANAGEMENT SYSTEM**

## **Regional Customs Transit Bond Guarantee**

**GENEVA, 14- 18 October 2019**

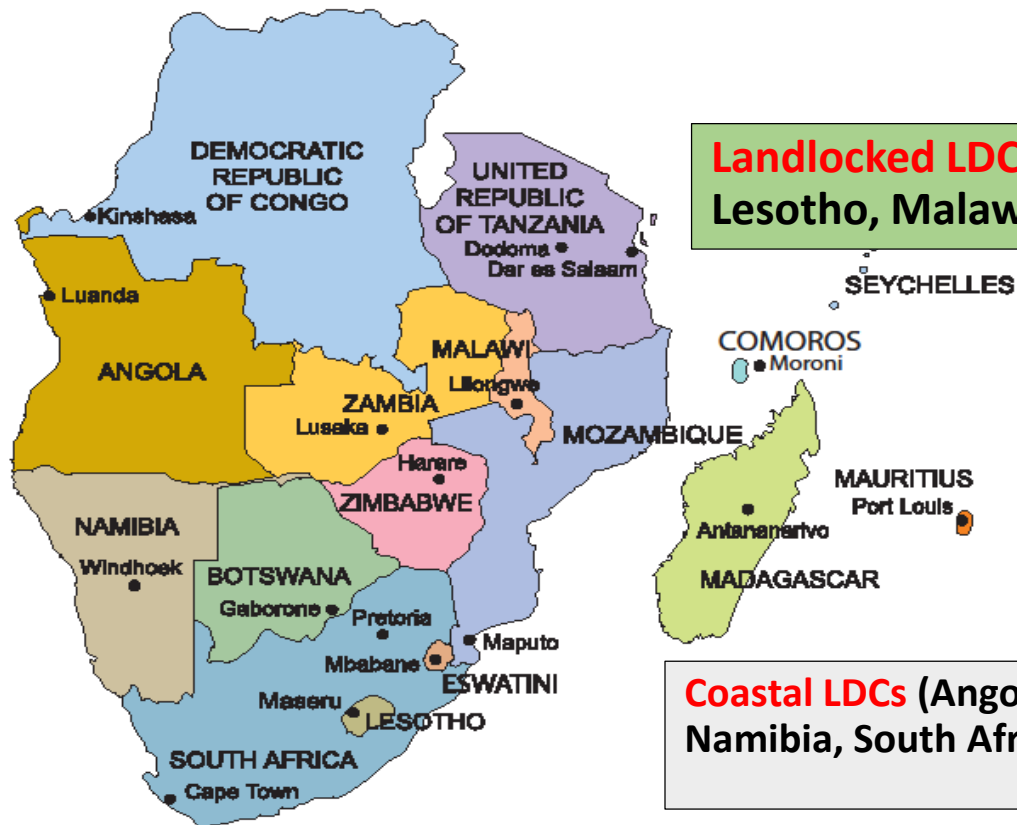
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Secretariat**



The main objective of SADC is to achieve economic development, peace and security, alleviate poverty, enhance the standard and quality of life of the peoples of Southern Africa, and support the socially disadvantaged through regional integration. built on democratic

Population: 277 million

Area: 9,860,999



**Landlocked LDCs** (Botswana, Eswatini, Lesotho, Malawi, Zambia, Zimbabwe).

**Coastal LDCs** (Angola, DRC, Mozambique, Namibia, South Africa and Tanzania).

**Island LDCs** (Comoros, Madagascar, Mauritius and Seychelle).

Legal Instruments:  
Treaty & Protocols



# TRADE FACILITATION /COMPETITIVENESS/ TRADE TRANSATION COST



Customs clearance times are key determinants of **foreign investment**, export status and productivity.

➤ For integration into **global value chains** efficient importation is as important as exportation.

➤ Trade costs are a crucial ingredient for **competitiveness and FDI**.



# SADC TRADE FACILITATION PROGRAMME

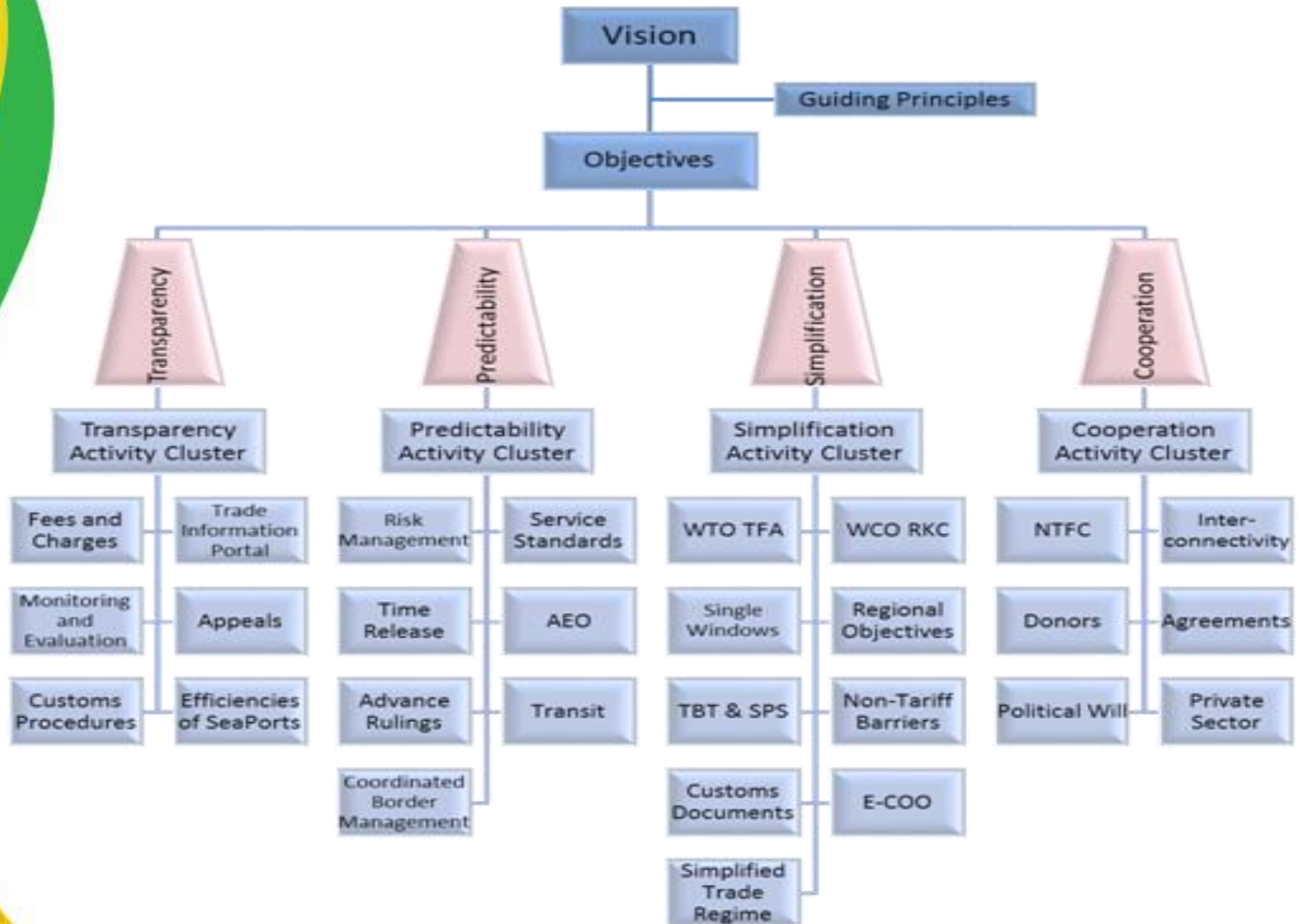
- 13th meeting of the Ministerial Task Force on Regional Economic Integration held in July 2013.



The tariff phase down is almost completed, but NTBs and other barriers which impedes the movement of goods are the challenges to be addressed.



# SADC TFP PROGRAMME

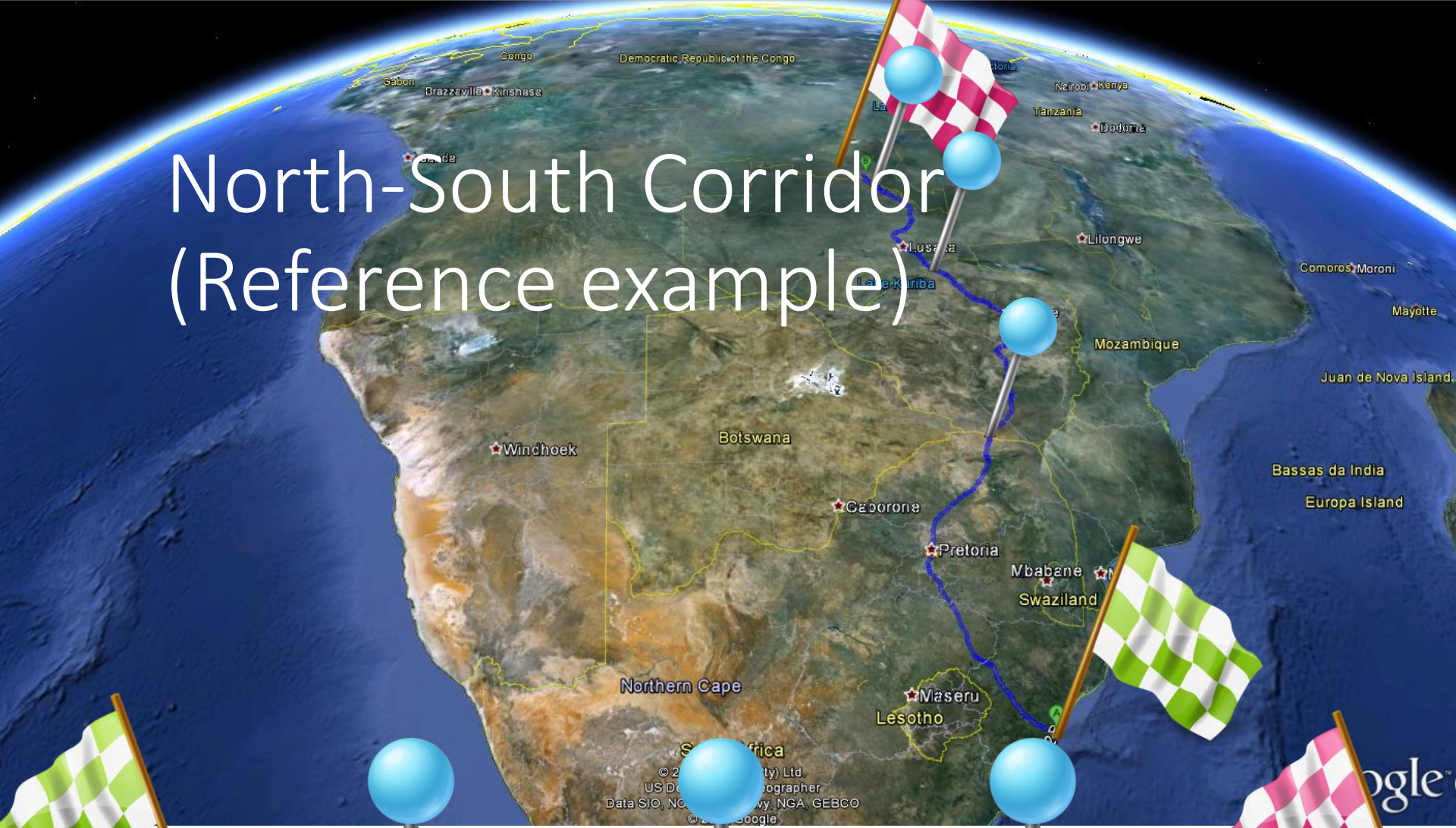


# TRANSIT APPROACHES

- Information Sharing
- Guarantee
- Simplification of formalities
- Risk Management
- Customs seals and other measures
- E-tracking System
- Coordinated Border Management
- One Stop Border Post
- Performance Measurement



# North-South Corridor (Reference example)



South Africa

Zimbabwe

Zambia

DRC

**Durban-Beitbridge-Harare-Chirundu/Lusaka- Kasumbalesa- Lubumbashi**



# INTER. INSTRUMENTS & NATIONAL



## INTERNATIONAL

- Annex E of the RKC
- Article 11 of the WTO TFA
- WCO Transit Guidelines
- Vienna Programme of Action
- GATT Article VI
- Istanbul/ATA Convention
- TIR Convention

## NATIONAL

- Protocol on trade (Annex IV)
- Appendix VI RCTBG
- ✓ Transit Regulation
- Transit Manual
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# RCTBG USED FOR

- **Regional Customs Transit Bond Guarantee (RCTBG)**- is Guarantee under which Customs Administration in country of commencement requires in order for the goods to be moved under Transit Procedure
- Regional Bonds Guarantee, means bond issued in one country should be recognized across the region
- Secure the duties when the goods are in transit
- is used for pay amount of customs duties and other charges in transit country in the event that the goods cannot be accounted for.



# CHALLENGES WITH THE CURRENT TMS



- Each Customs Administration requires the bond to be issued in their country before the goods can move under transit procedure
- Each MS is using its national bond; no regional
- Cost of issuing and processing bond each time goods pass through a country
  - This situation creates delays at the border
  - repetition of procedures;
  - verification;
  - Examination; and
  - Processing



# KEY PLAYER OF THE RCTBG

Customs Authorities

Principal Bond Holder (Freight Forwarders/Clearance Agent, Import/Export)

- Designated Representative (appointed by PBH private arrangement)
- Guarantor (Insurance Industry/Banks)



# CURRENT ARCHITECTURE/ FLOW



At port of Commencement:

- Application of the bond (PBH), issuance (Guarantor), submission to Customs (PBH) and approval (Customs)
- Transit Countries
- Goods in transit (no bond required to be issued)
- Port of Destination
- Acquittal



# EXTRA TERRITORIAL RECOGNITION OF THE BOND

- Bond Should be issued in one country and recognized across the region;
- Guarantor should appoint correspondent Bank/Insurance Agent
- Acquittal should occur at the last port of destination once the goods is under customs control; and



# Role of the Regional Financial Regulatory Board

The **Banks Regulatory Authorities** shall:

- provide oversight on the banking regulation and payment system; and
- **approve** the banking institutions that participate in the regional transit customs Guarantee system;
- **monitor** and **resolve** issues related to the banking regulation and payment system arising from implementation of the Guarantee; and
- **determine** minimum requirements for the commercial banks to participate in the Guarantee.
- keep and **share with Customs Administration a list of the names of commercial banks that participate in the regional transit customs Guarantee system**



# THANK YOU ONCE AGAIN

