Africa customs and cross-border trade guide

Cross-border tariffs and preferential trade arrangements

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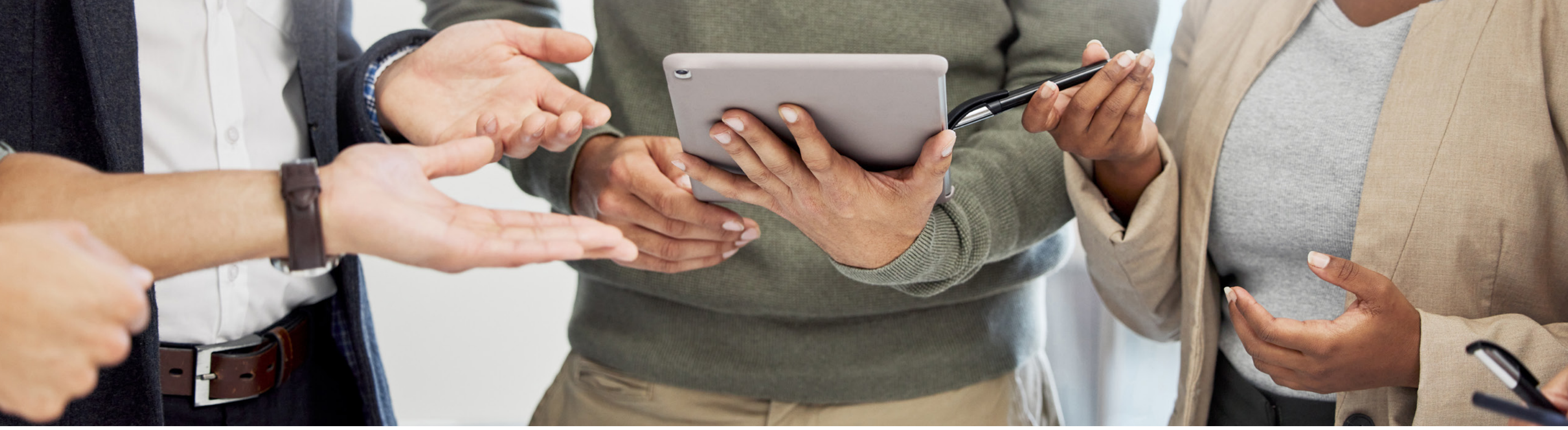
Glossary

- **AEO:** Authorised Economic Operator
- **AfCFTA:** African Continental Free Trade Area
- **AGOA:** African Growth and Opportunity Act
- **APDP:** Automotive Production Development Programme
- **AU:** African Union
- **CAP:** Chapter
- **CACP:** Customs Accredited Clients Programme
- **CEPA:** Comprehensive Economic Partnership Agreement
- **CET:** Common External Tariff
- **CIF:** Cost, Insurance and Freight
- **CMTA:** Customs (Management and Tariff) Act
- **COMESA:** Common Market for Eastern and Southern Africa
- **CPF:** Computer Processing Fee
- **CRP:** Common Revenue Pool
- **DRC:** Democratic Republic of Congo
- **EAC:** East African Community
- **EACCMA:** East African Community Customs Management Act, 2004
- **EACCMR:** East African Community Customs Management Regulations, 2010
- **ECTS:** Electronic Cargo Tracking System
- **EDF:** Economic Development Forum
- **EFTA:** European Free Trade Association
- **EMIA:** Export Marketing and Investment Assistance Scheme
- **EPA:** Economic Partnership Agreement
- **EPZ:** Export Processing Zone
- **ETIP:** Enhanced Trade and Investment Partnership
- **ETLS:** ECOWAS Trade Liberalisation Scheme
- **EU:** European Union
- **EXIM:** Export-Import Bank
- **FDI:** Foreign Direct Investment
- **FOB:** Free on Board
- **FTA:** Free Trade Agreement
- **GAFTA:** Greater Arab Free Trade Area
- **GDP:** Gross Domestic Product
- **GETFUND:** Ghana Education Trust Fund
- **GSP:** Generalised System of Preferences
- **GTI:** Guided Trade Initiative
- **HS:** Harmonised System
- **iCMS:** Integrated Customs Management System
- **IDEC:** Import Duty Exemption Certificate

Glossary continued

- **IDF:** Import Declaration Form
- **IDL:** Infrastructure Development Levy
- **ITAC:** International Trade Administration Commission
- **KES:** Kenyan Shilling
- **KRA:** Kenya Revenue Authority
- **MERCOSUR:** Southern Common Market
- **MFEZ:** Multi-Facility Economic Zones
- **MIBS:** Manufacture-in-Bond Scheme
- **MINICOM:** Ministry of Trade and Industry
- **MIT:** Ministry of Industry and Trade
- **MUB:** Manufacturing Under Bond
- **NCS:** Nigeria Customs Service
- **NEPZA:** Nigeria Export Processing Zones Authority
- **NHIL:** National Health Insurance Levy
- **NIC:** National Implementation Committee
- **OACPS:** Organisation of African, Caribbean and Pacific States
- **PTA:** Preferential Trade Agreement
- **QFC:** Quitus Fiscal Certificate
- **RDL:** Railway Development Levy
- **REC:** Regional Economic Community
- **ROO:** Rules of Origin
- **SACU:** Southern African Customs Union
- **SADC:** Southern African Development Community
- **SAFE:** Standards to Secure and Facilitate Trade
- **SARS:** South African Revenue Service
- **SCT:** Single Customs Territory
- **SEZ:** Special Economic Zone
- **SIMBA:** Kenya's legacy customs management system
- **SSAS:** Sector Specific Assistance Scheme
- **TFTA:** Tripartite Free Trade Area
- **TIC:** Tanzania Investment Centre
- **TRA:** Tanzania Revenue Authority
- **URA:** Uganda Revenue Authority
- **US:** United States
- **VAT:** Value Added Tax
- **VDP:** Value for Duty Purposes
- **VATA:** Value Added Tax Act
- **WCO:** World Customs Organisation
- **WHT:** Withholding Tax
- **WTO:** World Trade Organisation
- **ZRA:** Zambia Revenue Authority



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Executive Summary

Amid global supply chain shifts, geopolitical uncertainty and environmental pressures, countries across the continent are rethinking how goods move across borders. This guide provides a strategic overview of the customs and cross-border trade environment in ten key African markets: Kenya, Ghana, South Africa, Tanzania, Uganda, Zambia, Namibia, Rwanda, Egypt and Nigeria.

The momentum is clear: modernisation, integration and opportunity.

Governments are overhauling customs frameworks to simplify procedures, reduce clearance times and enhance transparency. These reforms are not only improving trade efficiency—they're laying the groundwork for long-term economic growth.

At the same time, regional integration is gaining pace.

Through active participation in Regional Economic Communities (RECs), African nations are harmonising standards, reducing tariff and non-tariff barriers and building more connected trade corridors. These partnerships are reshaping the continent's trade architecture—unlocking new routes to market and strengthening Africa's position in global value chains.

We deliver the insights—so you can navigate Africa's evolving trade environment with clarity, confidence and strategic foresight.

From legal frameworks and tariff structures to preferential trade programmes and Authorised Economic Operator (AEO) schemes, we break down the key developments shaping Africa's cross-border trade future.

We explore the implementation of the African Continental Free Trade Area ("AfCFTA")—a landmark initiative to create a single continental market by reducing tariffs and non-tariff barriers. All ten countries featured have signed and ratified the agreement, though implementation varies. The AfCFTA is poised to significantly boost intra-African trade and unlock new economic opportunities across the continent.

To further support trade and investment, many countries offer targeted customs incentives. These include bonded warehousing, manufacturing under bond and duty remission schemes designed to promote export-oriented manufacturing and attract foreign and domestic investment. AEOs benefit from expedited processing, reduced clearance times and fewer inspections. In some countries, two tiers of AEO accreditation are available, offering additional advantages such as reduced security requirements and faster refunds. Regional AEO recognition is also emerging within certain RECs.

Collectively, the ten countries profiled in this guide are making meaningful progress. Through modernised trade regulations, deeper regional integration and AfCFTA implementation, they enhance trade flows, attracting investment and driving sustainable economic growth. With continued focus on preferential trade agreements and customs facilitation, these countries are well-positioned to strengthen Africa's role in global trade and seize the opportunities ahead.

This publication reflects the legislative and regulatory landscape as of 30 June 2025. Whilst we have made every effort to ensure accuracy and completeness, subsequent amendments and developments occurring after this date may not be captured herein.

01

Legal regime

Kenya

Background

Kenya is a Partner State within the East African Community (EAC) a customs union. Consequently, customs and international trade is primarily governed by the East African Community Customs Management Act, 2004 (EACCMA) along with various regulations, including the East African Community Customs Management Regulations, 2010 (EACCMR). Kenya also applies the EAC Common External Tariff (CET). Goods produced within Kenya must comply with the Protocol on the Establishment of the East African Community Customs Union (EAC Protocol) and its Annex, the East African Community Customs Union (Rules of Origin [ROO]) Rules, 2015 to enjoy preferential treatment.

Apart from import duties, there are domestic taxes that apply on imports and exports which are governed by the following laws:

- Value Added Tax Act, Cap 476
- Excise Duty Act, Cap 472
- Miscellaneous Fees and Levies Act, CAP 469C

Kenya's customs affairs are overseen by the Customs and Border Control Department (Kenya Customs) of the Kenya Revenue Authority (KRA). Kenya Customs uses the Integrated Customs Management System (iCMS) for cargo clearance and other processes. The older system, SIMBA has almost completely been phased out.

RECs

Kenya is a member of multiple RECs including:

- The EAC: This is a customs union with common customs laws. Goods which qualify as originating under the ROO are subject to preferential tariff treatment in other Partner States.
- The Common Market for Eastern and Southern Africa (COMESA): Under this Free Trade Area (FTA), goods which qualify as originating under COMESA's ROO are subject to preferential tariff treatment in other Member States on a reciprocal basis.

- The Africa Continental Free Trade Area (AfCFTA): This is a continental-wide FTA. Trade under the AfCFTA began in January 2021 and was facilitated under the Guided Trade Initiative (GTI).
- COMESA-EAC-SADC Tripartite Free Trade Area (TFTA): This FTA, which incorporates three RECs, EAC, COMESA and the Southern African Development Community (SADC), only came into force on 25 July 2024. Trade under the TFTA is yet to commence but goods qualifying as originating will ultimately enjoy preferential treatment.

Tariffs

Kenya applies the EAC CET whose rates are classified into a four-band structure:

The CET includes a list of sensitive items such as dairy products, wheat flour, sugar and certain textiles which attract much higher duty rates of up to 100%.

0%	10%	25%	35%
for raw materials and capital goods	for intermediate goods	for finished goods	for finished goods for which the EAC region is considered to have sufficient production capacity

Divergence from CET

The EAC Council of Ministers is empowered by the EAC Protocol to approve measures such as stays of application of the duty rates under the CET for specified periods. The modification of duty rates may be an increase or decrease in comparison to the CET rates to address specific economic needs or circumstances faced by Member States, e.g., the need to protect local industries.

In addition, the Council of Ministers may grant remission of duty on goods, such as raw materials and other inputs used in manufacturing or value-added production in a EAC Partner State. Qualifying goods imported under preferential arrangements will also not be subject to the CET rates.

Other import/ export taxes

2.5%

Import Declaration Fees except where the imported goods are exempt

2%

Railway Development Levy except where the imported goods are exempt

Import taxes

The domestic taxes and levies that are generally applicable on imports include:

- Value Added Tax (VAT): Generally applies on imports at the rate of 16% unless a product is specifically subject to VAT at 0% (zero rated) or VAT exempt;
- Excise duty: Is applicable on imports at various specific or *ad valorem* rates depending on the affected goods;
- Import Declaration Fees: This fee applies at the rate of 2.5% except where the imported goods are exempt;
- Railway Development Levy (RDL): This levy applies at the rate of 2% except where the imported goods are exempt;
- Export and Investment Promotion Levy (EIPL): This levy applies at various *ad valorem* rates depending on the affected goods; and
- Anti-adulteration levy: This levy applies at the rate of KES 18 per litre of imported illuminating kerosene.

The customs value of goods is determined on a Cost, Insurance and Freight (CIF) basis for purposes of computing import duty.

Export taxes

Exports from Kenya are subject to the following:

- Export levy: This levy applies at various specific or *ad valorem* rates depending on the affected product, mostly scrap metal and hides and skins; and
- VAT: Applies at the zero rate (0%).

Import duty exemptions

The EACCMA provides customs duty exemptions for imports categorised into general (activity based) and specific (privileged persons and institutions) exemptions.

General exemptions are provided for a specified list of goods that are necessary to support the general economic and societal priorities of the EAC Partner States. Such exemptions include:

- **Goods for specific sectors:** To encourage investment and development, customs duty exemptions are granted to specific sectors, including extractive industries (such as mining, geothermal, oil and gas), hospitals, health products, horticulture and hotel development. In Kenya, for instance, the duty exemptions for the oil and gas and hotel industry have encouraged investments in the energy and tourism sectors.

- **Relief goods:** To ensure the timely delivery of essential supplies during emergencies, items imported for disaster relief and humanitarian aid are exempt from customs duties.

Privileged persons and institutions, including but not limited to, certain arms or agencies of government, international, regional and donor organisations, diplomatic persons or first arrivals and handicapped persons are given exemptions. Such exemptions include:

- **Government use:** Goods imported for government use, for example, goods imported for the use by the presidents of the Partner States.
- **Diplomatic shipments:** Goods imported by diplomatic missions and personnel are exempt from customs duties in accordance with international diplomatic agreements.

Preferential programmes and regimes

Other preferential trade agreements

Apart from EAC, COMESA and AfCFTA cited above, Kenya is party to other preferential programmes such as:

- African Growth and Opportunity Act (AGOA): Allows preferential (duty-free) access to the United States of America (US) market for Kenyan originating products.
- European Union (EU) trade with African Caribbean and Pacific (ACP) countries: Allows preferential access to the European Union (EU) for Kenyan originating products.
- The Kenya-UK Economic Partnership Agreement (Kenya-UK EPA): Allows duty free access to the UK market for Kenyan originating products. Also allows preferential treatment for UK originating goods imported into Kenya, with gradual tariff liberalisation over time.
- The Kenya-EU Economic Partnership Agreement (Kenya-EU EPA): Allows duty free access to the EU market for Kenyan originating products. Also allows preferential treatment for EU originating goods imported into Kenya, with gradual tariff liberalisation over time.
- The Kenya-United Arab Emirates (UAE) Comprehensive Economic Partnership Agreement (CEPA): In January 2025, Kenya signed a CEPA with the UAE. The CEPA is expected to go through relevant legislative processes prior to its ratification and subsequent implementation.

AfCFTA implementation

Kenya signed the AfCFTA Agreement on 21 March 2018 and was among the first countries to deposit its instruments of ratification on 10 May 2018. It was also among the first eight participating countries in the GTI. Accordingly, it exported its first consignment of batteries to Ghana in October 2022 under the AfCFTA agreement. Kenya has since then traded other goods with countries such as Egypt, Rwanda, South Africa and Nigeria.

Kenya has a national AfCFTA implementation strategy for the period 2022 – 2027 whose strategic objectives include enhancing Kenya's productive capacity and the competitive advantage of domestic producers and exporters as well as ensuring Kenya's manufacturing sector real value-added increases by 5% per annum. An AfCFTA National Implementation Committee (NIC) exists to ensure effective and coordinated implementation of the national AfCFTA strategy. Various initiatives are currently underway in Kenya, including through the customs authorities, to sensitise stakeholders on AfCFTA's benefits and implementation.

For trade under AfCFTA, Kenya applies the EAC Provisional Schedules of Tariff Concessions of Category A products which were gazetted on 6 September 2022.

Customs incentive/schemes

Kenya's customs law provides numerous incentives/schemes which apply to businesses and are aimed at promoting investment, manufacturing and exportation. These include bonded warehousing, manufacturing under bond, tariff optimisation for part shipments, customs duty refunds and rebates, inward and outward processing reliefs and operations under Export Processing Zones (EPZs) and Special Economic Zones (SEZs), among others.

Authorised economic operator (AEO) programmes

Kenya has an AEO programme in place which targets a range of stakeholders involved in international trade including customs brokers/agents, importers/exporters (traders), transporters and logistics providers (including shipping companies and freight forwarders) and warehouse operators. The benefits of AEO to its members include priority treatment or preferential customs facilitation during clearance, reduced time and cost of clearance and enhanced reputation for being a customs certified secure and reliable trading partner.

There are two categories of AEO; national and EAC regional AEOs. The authorisation process for national AEOs is conducted by the Kenya customs authorities while the authorisation process under the EAC regional AEO programme, which is applicable in most of the EAC Partner States, is conducted by the EAC secretariat. National AEO benefits are limited to the jurisdiction of Kenya while EAC regional AEOs are recognised by the EAC.

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02

Legal regime

Egypt

Egypt's customs and international trade are primarily regulated by the Customs Law No. 207 of 2020 and its executive regulation no.430 of 2021, along with complementary laws related to imports, exports and international agreements. The customs regime in Egypt focuses on facilitating trade through automation, offering duty exemptions for certain business activities such as manufacturing under bond and in free zones and aligning with international trade standards. The Egyptian government has also been modernising its customs procedures to streamline trade while ensuring compliance with customs regulations and international obligations.

RECs

Egypt is part of several regional trade agreements and preferential programmes that offer varying degrees of duty exemptions and reductions. Here's a brief overview of some of the key agreements:

AfCFTA

The AfCFTA aims to create a continent-wide free trade area, offering duty reductions and exemptions for goods traded between member countries. It seeks to eliminate tariffs on 90% of goods, which promotes intra-Africa trade and economic integration. Egypt benefits from this by gaining preferential access to markets across Africa.

COMESA

Egypt is a member of COMESA, which has established a free trade area to reduce or eliminate tariffs on goods traded between Member States. Egypt benefits from reduced tariffs for exports to COMESA countries and can access a larger regional market with preferential duties.

ECOWAS

Egypt is not a member of ECOWAS, but it has bilateral trade agreements with some ECOWAS members. Through these, Egypt may benefit from preferential tariffs and duty reductions for trade with West African countries.

These agreements collectively enhance Egypt's access to broader markets with reduced tariffs, stimulating its trade relations with various regional and global partners.

Tariffs

Egypt has a published tariff schedule that outlines the customs duties and tariffs applied to various imported goods.

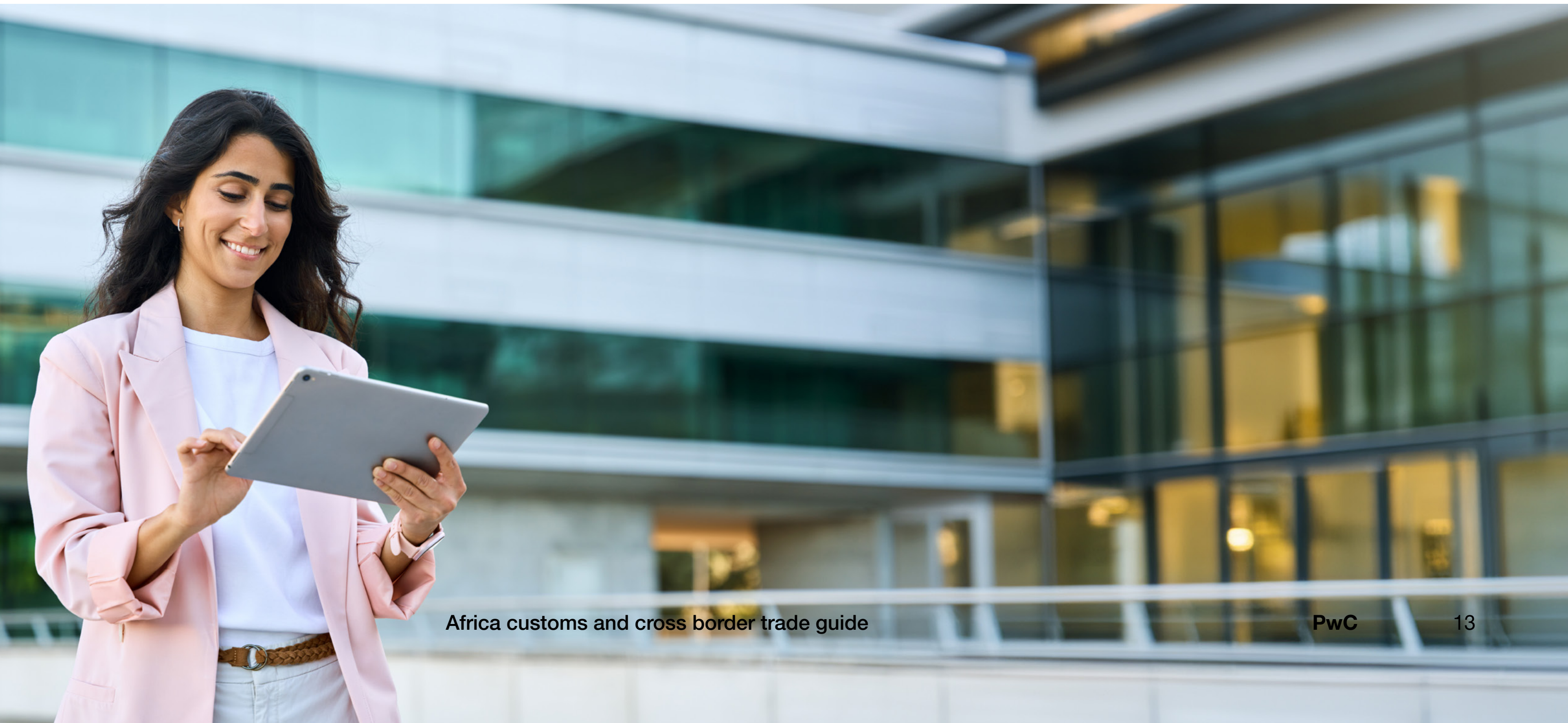
Other import/ export taxes

Import taxes

The domestic taxes and levies that are generally applicable on imports include:

- VAT: Generally applies on imports at the rate of 14% unless a product is specifically subject to VAT at 0% (zero rated) or VAT exempt; and
- Withholding Tax of 1%

These are applied on the CIF values.



Export taxes

There is no export taxes imposed on exports from Egypt.

Import duty exemptions

In Egypt, certain products are exempted from customs duties to promote economic growth, protect public health and support national industries. Notable exemptions include:

- Medications: All medications related to infectious, chronic, psychiatric and neurological diseases are exempt from customs duties.
- Agricultural and nutritional products: Items such as fish products, fishery goods and fruits benefit from customs exemptions or discounted rates to align with international food safety standards.
- Electric vehicles (EV): EV are fully exempt from customs duties, encouraging the adoption of environmentally friendly transportation.
- Personal care and hygiene products: Certain personal care items, including toothpaste, shaving creams and medical soaps, have reduced customs duties, promoting public health and hygiene.
- Protective uniforms: Protective uniforms made of cotton and synthetic fibers benefit from reduced customs duties, supporting industries that require such apparel.
- Baby strollers: Baby strollers are subject to reduced customs duties, making them more accessible to consumers.
- Silkworm eggs and LED components: Silkworm eggs and LED bulbs, along with their components, are exempt from customs duties, fostering the growth of related industries.

These exemptions are part of Egypt's broader strategy to stimulate economic development, protect public health and support various sectors.

Preferential programmes and regimes

Other preferential trade arrangements

AGOA : While AGOA primarily benefits Sub-Saharan African countries, Egypt enjoys some trade benefits under it. AGOA offers duty-free access to the US market for qualifying products, with Egypt able to take advantage of this for eligible exports, especially textiles and apparel.

Greater Arab Free Trade Area (GAFTA): Established in 1997, this agreement facilitates trade between Arab League countries by reducing tariffs and enhancing economic cooperation.

Egypt-European Union Association Agreement: In effect since 2004, it provides preferential access to the EU market, Egypt's largest trading partner. It focuses on reducing tariffs, promoting investments and aligning regulations.

Agadir Agreement: Signed in 2004 with Jordan, Morocco and Tunisia, it encourages trade liberalisation and economic integration between Egypt and Mediterranean Arab countries.

Egypt-Turkey Free Trade Agreement: Signed in 2005, this agreement aims to boost bilateral trade by reducing tariffs and facilitating market access.

Egypt-MERCOSUR Preferential Trade Agreement: This was signed in 2004 with MERCOSUR countries (Brazil, Argentina, Paraguay and Uruguay) to reduce tariffs and enhance trade relations.

Egypt-EFTA Free Trade Agreement: This was signed in 2007 with EFTA Members who include Iceland, Liechtenstein, Norway and Switzerland. It enhances trade by reducing tariffs and eliminating trade barriers between Egypt and EFTA countries.

Egypt-United Kingdom Free Trade Agreement (UK-Egypt FTA): This was signed in January 2021, following the UK's exit from the European Union (Brexit), when the UK negotiated bilateral trade agreements with Egypt to maintain and enhance existing trade relations.

AfCFTA implementation

AfCFTA is a promising initiative for Egypt's trade future, and while there have been significant strides in legal processes and participation in the GTI, Egypt ratified the AfCFTA agreement on 23 June, 2022. This ratification came several years after Egypt initially signed the agreement on 21 March, 2018, during the 36th African Union (AU) Summit in Kigali, Rwanda. The Egyptian government's ongoing efforts to harmonise domestic regulations with AfCFTA will play a key role in unlocking the full potential of intra-African trade.

Egypt has been active in exporting goods such as textiles, pharmaceuticals, chemicals, machinery and agricultural products to various African countries since the AfCFTA came into force.

Customs incentive/schemes

Egypt's customs incentive schemes, such as Manufacturing under Bond, Duty Remissions, EPZs, and SEZs, provide significant advantages to businesses, especially those involved in export-oriented manufacturing and those investing in strategic sectors. These incentives primarily benefit foreign and domestic manufacturers and investors looking to produce goods for export or operate in specially designated areas with reduced taxes and duties.

AEO programmes

Egypt has an AEO programme which is designed to enhance the security and efficiency of international trade by providing trade participants (such as importers, exporters, customs brokers and transporters) with special privileges and benefits. The AEO programme aligns with the World Customs Organization's (WCO) SAFE Framework of Standards, which aims to strengthen international supply chain security.

The AEO programme in Egypt offers several key benefits aimed at enhancing trade efficiency and security. These benefits include and are not limited to expedited processing by customs and reduced clearance times, fewer physical inspections and document checks and reduced customs fees and other charges. Companies with AEO status are also viewed as more reliable and compliant by trading partners, giving them a competitive edge in international markets. The programme also supports exporters by simplifying customs procedures, helping Egypt expand its presence in global markets.

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03

Legal regime

Ghana

Background

The Customs Act, 2015 (Act 891) and its amendments, along with the Customs Regulation, 2016 (L.I 2248), primarily govern customs and international trade in goods. The Economic Community of West African States (ECOWAS) CET and schedules, which are part of the Customs Act, are based on the Harmonized Commodity Description and Coding System (HS System) for classifying products and assigning tariffs to prescribed goods. The applicable taxes, duties or levies on imported goods, as prescribed under other enactments like the Value Added Tax Act, 2013 (Act 870), are administered under the Customs Act.

RECs

Ghana operates within the ECOWAS regional bloc. Ghana has been an active member of ECOWAS since its inception in 1975. It has adopted various ECOWAS protocols and policies aimed at facilitating trade, movement of people and economic cooperation within the region. For international trade purposes, the ECOWAS CET provides for standardised tariff rates across Member States, facilitating smoother and more predictable trade within the region. Additionally, the ECOWAS Trade Liberalization Scheme (ETLS) allows for duty-free movement of goods that meet the ROO criteria, promoting intra-regional trade.

Furthermore, an ECOWAS levy of 0.5% on the CIF values apply on the value of goods imported from outside the ECOWAS region. This levy is intended to support the activities and programmes of ECOWAS, promoting regional development and integration.

Tariffs

Ghana operates under the ECOWAS CET, which outlines duty rates for different categories of goods. The CET includes five tariff bands:

0%	5%	10%	20%	35%
for essential social goods (e.g., medicines)	for basic necessities, raw materials and capital goods	for intermediate goods	for consumer goods	for other specific goods

Divergence from CET

The ECOWAS CET allows for some concessionary and preferential duty rates. The concessionary duty rates provide for reduced rates to manufacturers registered or licensed and can be found under chapter 98 of the first schedule. Preferential rates on the other hand apply on specified products originating from within the ECOWAS region. These preferential rates are usually lower than the rates for similar products that originate from non-ECOWAS Member States and are covered under the second schedule. There are also other general exemptions that are covered under the second and third schedules.

Other import/ export taxes

Import taxes

The domestic taxes and levies that are generally applicable on imports include:

- Import National Health Insurance Levy (NHIL): The standard rate applicable is 2.5%. The base for computation is the CIF and the import duty amount.
- Import Ghana Education Trust Fund (GETFUND) Levy: The standard rate applicable is 2.5%. The base for computation is the CIF and the import duty amount.
- COVID-19 Health Recovery Levy: The standard rate applicable is 1%. The base for computation is the CIF and the import duty amount.
- Import VAT: This applies at a standard rate of 15%. The base for computation includes various items like the the import duty amount, excise duty (where applicable), NHIL, GETFUND levy and COVID-19 levy (levies) amounts. Input VAT deduction exists where the importer is a VAT registered person, deals in taxable supplies and the imported item is generally considered as tax deductible based on the Ghana tax laws.
- African Union Import Levy: This only applies where goods are imported from non-AU Member States. The rate is 0.2% on the CIF.
- Ghana Export-Import Bank (EXIM) levy: This applies at a rate of 0.75% on the CIF value.

2%

Special import levy, applies to all goods except Petroleum Products

- Special import levy: The rate is 2% and applies to all goods except Petroleum Products listed under Headings 27.09 and 27.10 of Chapter 27, Fertilizer listed under Chapter 31 and Machinery and Equipment listed under Chapters 84 and 85 of the HS and Customs Tariff Schedules.

Export taxes

Exports from Ghana are subject to the following:

- VAT: Exports for non-VAT exempt goods are zero-rated for VAT purposes provided there is documentary proof that the goods were entered for export pursuant to Customs Act. Otherwise, VAT and the levies may apply on the exported products if they are non-exempt.
- Export duties: Applies on cocoa beans, aviation turbine kerosene for international flights only, and gas oil.

Import duty exemptions

Import duty exemptions are applicable for specific goods or activities. These include:

- Personal effects except for arms, ammunition, motor vehicles, spare parts and building materials.
- Diplomatic shipments for personal use may be exempted from customs duties on reciprocity basis.
- Import for upstream oil and gas (exploration) actvities may be exempted from duties in accordance with their petroleum agreements.
- Specified exemptions may exist for horticulture.

Preferential programmes and regimes

Other preferential trade agreements

Under the AfCFTA, Ghana offers some customs duties concessions to promote intra-African trade. Recognised African exporters benefit from exemptions on import duties, import levy and the ECOWAS levy for goods that meet the ROO criteria.

AfCFTA implementation

Ghana has been actively involved in the implementation of the AfCFTA agreement. The country had been part of the GTI, a pilot phase aimed at accelerating the operationalisation of AfCFTA by testing the institutional, legal and trade policy environment.

Customs incentives/schemes

Below are some special schemes that offer customs incentives for businesses in Ghana:

- A free zone enterprise that imports items into a free zone or single factory zone is exempt from customs duties and customs taxes.
- Duty remissions and duty drawbacks also exist in addition to customs concessions for manfacturing under bond.
- Customs bonded warehouse to defer payment of taxes and duties until the business or its customer are ready to clear the items from the warehouse.

AEO programmes

In Ghana, the AEO programme certifies businesses that meet specific criteria related to supply chain security, customs compliance and financial solvency. Certified AEOs benefit from reduced customs inspections, priority treatment, and simplified procedures, enhancing trade efficiency and reducing costs.

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04

Legal regime

Namibia

Background

The Customs and Excise Act, Act No. 20 of 1998 (C&E Act), as amended, governs the implementation of customs and international trade in Namibia.

RECs

Southern African Customs Union (SACU)

Namibia is a member of the SACU Agreement, as renegotiated and signed in October 2002 with Botswana, eSwatini, Lesotho and South Africa. SACU is the oldest functioning customs union in the world since 1910. The Agreement was amended in 1969 and again in 2002 to address changing polical and economic realities.

SACU provides for customs duty-free trade among its members. A CET is applied on goods imported from outside SACU and no customs duties are levied on intra-SACU Trade. Revenue sharing is conducted according to an agreed formula. Duties collected by members are deposited in the common revenue pool (CRP) and distributed among the members based on the SACU Revenue Formula. Namibia earns a significant part of its total tax revenue from SACU.

SADC

Namibia applies the SADC trade protocol, offering reciprocal tariff exemptions and reductions. The exent of rebates under the trade protocol, as agreed by SADC, is published in Schedule 1. Most goods can be imported duty-free provided a certificate of origin issued in the exporting SADC country is attached to the import documents.

AfCTA

Namibia, as a member of AfCTA, offers free or reduced tariffs. The tariffs are published in Schedule 1 to the Customs and Excise Act. Goods may be imported free or at reduced duties in terms of AfCTA, provided a certificate of origin is issued by the compentent authority in the country of origin.

Tariffs

Namibia applies a CET on imports from outside SACU. Schedule 1 to the C&E Act sets out the ordinary customs duty payable. Classification is done in terms of the WCO HS. The Customs Tariff in Schedule 1 of the C&E Act is published with a "General" column setting out the CET, with further columns providing for PTAs, i.e. SADC, EU, EFTA, AfCFTA and MERCOSUR, prescribing the agreed lower tariffs.

Other import/ export taxes

Import taxes

The domestic taxes and levies that are generally applicable on imports, based on the FOB value, include:

- Import VAT: Customs collect the import VAT unless the importer has an import VAT account in which case the import VAT is deferred and paid to the Namibian Revenue Authority before or on the 20th of the following month.
- Environmental levies are collected by customs on carbon emissions of vehicles, tyres, batteries and certain light bulbs as provided in the customs and excise Act.

Export taxes

Certain goods exported from Namibia are subject to export levies in terms of the Export Levies Act, Act No. 2 of 2016. Goods include:

- Fish products;
- Timber; and
- Other botanical products and minerals.

The export levy varies from 0% to 2%, depending on the level of beneficiation. VAT at a zero-rate is levied on the direct export of goods from Namibia.

Import duty exemptions

Import duty exemptions apply on the following goods:

- Household and personal effects imported on relocation to Namibia;
- Goods under a techncial assistance agreement or relief programmes;
- Goods imported for oil and gas exploration and mining; and
- Goods imported by the state.

The specific rebates are provided in Schedule 4 to the Customs and Excise Act. Note that the exemptions are not automatically granted and are subject to submissions to Namibia Revenue Agency (NamRA) Customs prior to importation for registration on the Asycuda World system.

Preferential programmes and regimes

Other preferential trade arrangements

Apart from SADC, SACU and AfCFTA cited above, Namibia is party to other preferential programmes such as:

- **Namibia - Zimbabwe trade agrement:** Namibia concluded a free trade agreement with Zimbabwe shortly after independence, in 1992. The agreement aims to remove all tariffs and trade barriers in order to foster bilateral trade between the two countries. The agreement has not been negotiated through SACU and is managed by the two countries on a bilateral level. Customs duties are not payable in the importing state provided the exporter has been registered with the Zimbabwe Revenue Authority Customs and NamRA Customs, respectively. Tariffs are not published in Schedule 1 of the Customs and Excise Act of Namibia as this is a bilateral agreement managed and enforced by the customs authorities in the two countries.
- **European Union:** An agreement with SADC under EPAS (Southern African Economic Partnership Agreement) was signed in June 2016 and incorporates Namibia. At present the only signatories include SACU member states and Mozambique. Imports from the EU are subject to preferential or no duties in Namibia subject to approval. Similarly, the EU removed most duties on imports from SADC signatories. Note that not all duties have been removed by the EU on imports from Africa. The various agreements between the EU and Africa must be consulted to determine the extent to which duties have been removed as these are preferential agreements with the EU and do not involve 100% reciprocal removal of duties by either party.
- **European Free Trade Association (EFTA):** EFTA consists of the Republic of Iceland, Principality of Liechtenstein, Kingdom of Norway, the Swiss Confederation and SACU. Goods may be imported free or at reduced duties subject to a certificate of origin issued by the compentent authority in the country of exportation.

- **The Southern Common Market (MERCOSUR based on Spanish):** MERCOSUR consist of the following countries: Argentine Republic, Federative Republic of Brazil, Republic of Paraguay and Oriental Republic of Uruguay. The Agreement was concluded on 1 April 2016 with SACU. Namibia benefits from this FTA, subject to a certificate of origin issued by the exporting MERCOSUR country and attached to the customs documentation. The Agreement offers preferences on over 1000 tariff lines from each side with the margins of preference ranging between 10% and 100%.

AfCFTA implementation

The AfCTA Agreement was signed and ratified by the Namibian Parliament on 2 July 2018 and 3 February 2019, respectively. Namibia was the 9th country to join the GTI, which provided interim trade under the AfCFTA. The agreement has been fully implemented in Namibian customs legislation by providing a full list of goods qualifying for preferential duties under the AfCFTA.

Implementation of the AFCFTA is driven by the Ministry of Industry and Trade (MIT) which is focusing on multiple aspects based on their published strategy paper for 2022–2027, i.e.,

- Effective implementation of Namibia's commitments and obligations under the agreement.
- Increasing the existing and potential level of intra-African trade in goods of Namibia and widening access to African markets, particularly targeting new markets and enlarging market share.
- Developing and enhancing Namibian trade in services capacity, particularly export readiness.
- Attracting investment in strategic sectors with the potential to add value at home and in regional and continental value chains.
- Building productive capacity by reinvigorating implementation of the execution strategy of Namibia for industrialisation to respond to emerging AfCFTA opportunities.
- Enhancing infrastructure for connectivity, logistics, trade and business facilitation.
- Empowering micro, small and medium-sized enterprises, women and youth businesses by: providing them with enabling entry points into regional and continental markets.

Trade under AfCFTA is regulated and controlled by MIT. Namibia's first export under AfCFTA took place in March 2025. Namibia's AfCFTA exports to other African countries is gaining momentum, focusing on mineral products like diamonds, uranium, gold and petroleum oils, along with fish. These products were exported to other African countries prior to the implementation of AfCFTA and it is expected that more products and intra-continental trade will follow as awareness of the AfCFTA increases.

Customs incentive/schemes

The customs law provides for general incentive schemes to support industrial development in Namibia. Namibian manufacturers may enjoy rebate of duties provided they are registered under the Duty Remission Scheme at NamRA Customs. Further, specific rebates are available per industry, for example, rubber adhesives used in the manufacturing of shoes may be imported free of duty as well as components for the manufacturing of motor vehicle cabs.

The EPZ regime is currently undergoing revision and legislation is being prepared following consultations by the Ministry of Industrialisation and Trade (MIT) for the adoption of polices and drafting of new legislation for SEZs. The SEZ policy would provide for tax and non-fiscal investment incentives and allow existing EPZ enterprises to operate under the SEZ legislation (to be finalised).

AEO programmes

The Namibian C&E Act provides for registration as an AEO. NamRA customs encourages international transport companies and large volume importers and exporters to apply for AEO status. Applicants must demonstrate acceptable record-keeping, have a good compliance record with customs, have a satisfactory system to manage commercial and transport controls, demonstrate financial solvency, have skilled employees and an automated system to comply with AEO requirements.

Once registered, an AEO enjoys streamlined customs clearance, lower security requirements, accelerated customs clearing at border posts and other trade facilitation benefits. NamRA expedites the processing of AEO applications provided all documentation has been provided. It takes between 2 and 3 weeks to finalise the application, depending on the completeness and correctness of the application.

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05

Legal regime

Nigeria

Background

Nigeria's customs and international trade is primarily governed by the Nigeria Customs Service Act 2023 (the Act). The Act aims to reform the administration and management of customs and excise, aid trade facilitation, improve economic growth and align customs administration with international best practices. The Nigeria Customs Service (NCS) is the agency responsible for administering the Act.

RECs

Nigeria is a member of the following:

- ECOWAS Trade Liberalisation Scheme (ETLS): **The ETLS** allows for duty-free and quota-free access to goods produced within the region, provided they satisfy the ROO. Goods imported from countries outside the 15 ECOWAS member states are liable to pay ETLS levy.
- AfCFTA: **The AfCFTA** agreement gradually removes tariffs on 90% of goods over a 10-year period, facilitating free access to commodities, goods and services across the African continent.
- ECOWAS CET: **The ECOWAS** CET harmonises tariff rates across member countries to facilitate trade and economic integration. The tariff rates range from 0% to 35%, depending on the HS code of the goods.

Divergence from CETs

- Nigeria maintains supplemental levies and duties on selected imports that may raise or reduce the effective tariff rates. The instruments applied in this regard are the annual Fiscal Policy Measures and Finance Act.
- Nigeria's Chapter 99 contains a list of items that are eligible for import duty reduction. It also outlines the import adjustment tarrif for each of the identified products.

Other import/ export taxes

7%

Import duty surcharge

Import taxes

The domestic taxes and levies that are generally applicable on imports include:

- Import duty (0% -35% of CIF)
- Surcharge (7% of import duty)
- ETLS levy (0.5% of CIF value)
- Comprehensive Import Supervision Scheme fee (1% of Free on Board)
- VAT (7.5% of all the above + CIF)

Export taxes

The VAT Modification Order 2021 reclassified 'non-oil exports' from the list of zero rated items to VAT exempt items.

Import duty exemptions

Nigeria provides import duty exemptions for various goods and activities, specifically:

- Personal and household effects accompanying a passenger;
  - Unused personal effects of a passenger and gifts not exceeding a value of NGN50,000 (excluding jewellery, photographic equipment, electronic and other luxury goods);
  - property accompanying a temporary visitor to Nigeria;
  - personal and household effects of a passenger, landed at any customs port, airport and station within two months of the arrival of the passenger or further period as maybe allowed; and
  - personal and household effects of a Nigerian who has been a resident outside Nigeria for not less than nine months.

The Federal Government, through the Ministry of Finance currently implements an Import Duty Exemption Certificate (IDEC) scheme where exemption is granted on import and other statutory charges arising from importation of qualifying plant and machinery (used in designated industries).

Preferential programmes and regimes

Other preferential trade arrangements

- **AGOA:** Nigeria benefits from preferential access to the US market under the AGOA, with duty-free access to the US market for over 6,700 products.
- **Enhanced Trade and Investment Partnership (ETIP):** Nigeria signed the ETIP with the UK in February 2024. The ETIP builds on the strong relationship between the UK and Nigeria, replacing the previous biannual UK-Nigeria Economic Development Forum (EDF). The ETIP aims to establish and support bilateral technical cooperation, share best practice in areas of mutual interest to help boost trade and investment in both Countries.
- **WTO Trade Facilitation Agreement:** Nigeria ratified the WTO Trade Facilitation Agreement on 20 January 2017. The Agreement aims to expedite movement and clearance of goods, cooperation between customs and other relevant authorities on trade facilitation, customs compliance and the provision of technical and capacity building support.
- **Joint Declaration on economic cooperation with the EFTA:** Nigeria signed a Joint Declaration on economic cooperation with the Governments of Iceland, Liechtenstein, Norway and the Swiss referred to as the "EFTA States" in 2017. The economic operation aims to promote information exchange and facilitation of trade and investment.
- **Bilateral trade agreements:** Nigeria has bilateral investment agreements with 31 countries, however only 13 have been ratified and domesticated.

AfCFTA implementation

- Nigeria signed the AfCFTA in July 2019 and ratified the agreement in December 2020. Nigeria established the National Action Committee on AfCFTA (now known as the Nigerian AfCFTA Coordination Office) in December 2019 to ensure Nigeria's readiness and active participation in AfCFTA.
- Nigeria's first shipment under the AfCFTA GTI took place in July 2024. Nigerian products such as bags, smart cards, black soap, alcoholic bitters, shea butter and synthetic filaments have been exported to Egypt, Algeria, Uganda, Cameroon and Kenya.

Customs incentive/schemes

Nigeria offers incentive schemes to promote industrialisation and export activities such as:

- The Manufacture-in-Bond Scheme (MIBS) is designed to encourage manufacturers to import duty-free raw materials and intermediate products for the production of goods for export. Qualified beneficiaries are manufacturers who obtain bonds from recognised financial institutions. The bond is discharged upon evidence of exportation and repatriation of foreign proceeds.

- Duty remissions are granted to manufacturers for importing raw materials, components and machinery used in production. Eligible manufacturers must provide evidence of local production capacity and commit to export a portion of their goods. Applications for duty remissions are submitted to the NCS and may require a bond from a recognised financial institution. Duty remissions aim to reduce production costs, enhance the competitiveness of Nigerian products and promote economic growth.
- The Nigeria Export Processing Zones Authority (NEPZA) oversees the establishment and operation of EPZs. These zones offer various incentives, including income tax exemption, exemption on import duties, 100% foreign ownership, no exchange control restrictions, etc.

AEO programmes

Nigeria has an AEO programme aimed at enhancing trade facilitation and supply chain security. The AEO programme was officially launched on 15 February 2025, after a successful ten-month pilot phase involving six companies. The programme is open to importers, exporters, customs agents and other stakeholders who satisfy the requirements.

Companies can apply for the programme by registering on the AEO portal, submitting necessary documents and undergoing an assessment of compliance history, financial stability, operational standards and security measures. The NCS offers two types of AEO certifications: AEO Simplified (AEO-C) and AEO Security (AEO-S). AEO-C is granted to operators with a compliance score of between 5 and 10, meeting standards in customs compliance, record keeping, financial solvency and professional competence. AEO-S is for operators with a compliance score below 5, who maintain high security and safety standards.

The benefits of the programme include expedited customs clearance and reduced inspections, lower costs due to fewer delays and reduced storage fees.

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06

Legal regime

Rwanda

Background

Rwanda is a member of the EAC and it adheres to a unified customs regime under the EAC framework which harmonises customs laws and regulations across all member states. The laws that govern the implementation of the customs regime in Rwanda are the EACCMA and as read togther with the East African Community Customs Management Regulations (EACCMR) among others.

The EAC customs union has a CET which allows Partner States to apply a uniform tarrif rate to goods imported from non-EAC countries.

The Rwanda Revenue Authority (RRA), through the Customs Services Department, is the primary government body responsible for implementing the customs laws. Rwanda participates in the Single Customs Territory (SCT) such that goods destined for Rwanda, which is a landlocked country, from ports like Mombasa are cleared at the first point of entry for efficiency.

RECs

Rwanda is a Partner State of the EAC. Goods originating within EAC member states are exempt from customs duties provided they meet the rules of origin requirements. Rwanda is also a member state of the COMESA since January 2004. Similarly, goods which qualify as originating under COMESA's ROO are subject to preferential treatment in other member states, on a reciprocal basis.

Other memberships for Rwanda are the COMESA-EAC-SADC TFTA, and the AfCFTA. Trade under TFTA is yet to commence having only recently come into force. On the other hand, Rwanda began to trade under the AfCFTA in 2022 under the GTI.

Tariffs

Rwanda applies the EAC CET which is adhered to by all EAC member states. Generally, the EAC CET has four bands depending on the level of completion of the imported consignment, namely:

0%	10%	25%	35%
for raw materials and capital goods	for intermediate goods	for finished goods	for selected goods that are sufficiently available within the EAC

In addition to above, rates above 35% apply on selected items classified as sensitive under Schedule 2 of the EAC CET.

Divergence from CET

Rwanda will sometimes deviate from the EAC CET by decreasing or increasing the tariffs depending on the economic rationale, e.g., higher taxes for second-hand clothes and shoes and zero import duty rates for electric & hybrid vehicles and electric motorcycles. This is typically achieved through a stay of application granted by the EAC Council of Ministers. In addition, Rwandan manufacturers enjoy duty remission on raw materials and inputs used for production of specific items such as exercise books, sanitary towels and diapers, among others. Qualifying goods imported under preferential arrangements will also not be subject to the CET rates.

Other import/ export taxes

Import taxes

The domestic taxes and levies that are generally applicable on imports include:

VAT: Applies on supply of goods and services in-country as well as on importation of goods into Rwanda. Generally, there are three classes of VAT status, namely; zero rated, standard rates (18%) and exempt supplies.

Withholding Tax (WHT): WHT at the rate of 5% applies on the CIF value of imported goods for all taxpayers, with the exception of taxpayers who have valid Quitus Fiscal Certificate (QFC). The QFC is a testament to a taxpayer's compliance in dealings with the RRA, and it is granted upon application. The 5% WHT paid on importation is a form of advance tax therefore taxpayers have the right to utilise the same as tax credits against the corporate income tax liability for the tax period.

Infrastructure Development Levy (IDL): This is aimed at funding regional trade facilitation infrastructure projects, which are crucial for economic development and integration. The IDL is charged at a rate of 1.5% on the CIF value of all imported goods, with certain exceptions which are listed as exempt under the relevant law.

African Union Levy (AUL): This is imposed on a wide array of imported goods and applies at a rate of 0.2% of the CIF value of the imported consignment. However, certain goods may be exempt from this levy.

Computer Processing Fee (CPF): This is a nominal mandatory fee that applies to import or export declaration. The CPF is a fixed charge, currently less than $2.5 and is enforced by the RRA.

Export taxes

Generally, exports are subject to VAT at the zero-rate (0%).

Import duty exemptions

Goods imported or purchased before clearance through customs by or on behalf of privileged persons and institutions are exempt. Examples include:

- The presidents, Partner States Armed Forces, Commonwealth and other governments;
- Diplomatic and first arrival passengers;
- Donor agencies with bilateral agreements with the Partner States;
- International and regional organisations; and
- Blind and physically handicapped persons, among others.

Other imports subject to duty exemption includes goods intended for:

- Horticulture,
- Agriculture or floriculture and
- Hotel equipment, and specific items for use in licensed hospitals, among others.

Preferential programmes and regimes

Other preferential trade agreements

Rwanda is party to other preferential programmes such as:

- **AGOA:** Allows preferential (duty-free) access to the US market for Rwandan originating products, however, its AGOA benefits for apparel exports have been suspended since 2018.
- **European Union (EU) trade with African Caribbean and Pacific (ACP) countries:** Allows preferential access to the EU for Rwandan originating products.

- **The Rwanda-EU Economic Partnership Agreement (Rwanda-EU EPA):** Allows duty free access to the EU market for Rwandan originating products. Also allows preferential treatment for EU originating goods imported into Rwanda, with gradual tariff liberalisation over time.

AfCFTA Implementation

Rwanda is a founding member and has been an active negotiator leading up to the implementation of the AfCFTA. It signed the AfCFTA Agreement on 21 March 2018 and deposited its instruments of ratification on 26 May 2018. Rwanda was among the first cohort of countries participating in the GTI and exported its first consignment of coffee to Ghana in October 2022.

Rwanda has a team within its Ministry of Trade and Industry (MINICOM) that is responsible for coordinating and overseeing AfCFTA related activities. Efforts continue towards building the capacity of stakeholders in order to benefit from the AfCFTA's potential to enhance economic growth, attract Foreign Direct Investment (FDI) and reduce tariffs for intra African trade.

Customs incentive/schemes

Under the EACCMA, the Council may grant remission of duty for goods imported for use in the manufacturing of goods for export. The customs law also provides incentives such as clearance of goods for use in EPZs, inward/outward processes, temporary importation, and duty refunds where taxes have been paid in error, among others.

AEO programmes

Rwanda has an AEO programme in place for compliant international trade players who qualify to join the programme. The programme is open to different businesses, i.e., importers, exporters, customs agents, warehouse operators or any other person involved in the international movement of goods. Rwandan AEOs can also apply for the EAC/Regional AEO programme which is beneficial for economic operators established in at least one of the Partner States. RRA continues to invite eligible business operators to apply to join the AEO programme.

The introduction of an AEO programme aims to fundamentally change the relationship between businesses and the Customs Administration by implementing preferential treatment to those businesses that are established to be compliant through a structured assessment of risk (authorisation). The AEOs benefit from simplification of procedures and/or facilitation with regard to customs controls, including those related to security and safety throughout the EAC Region.

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07

Legal regime

South Africa

Background

The Customs and Excise Act No.91 of 1964 (the Customs Act) governs the customs regulations in South Africa. This Act regulates the import and export of goods, ensuring compliance with various safety, quality, environmental and health standards, and is administered by the South African Revenue Authority. Additionally, the Value-Added Tax Act No. 89 of 1991 governs the collection of VAT on imported goods. The Customs Act includes provisions for Carbon Tax, which is assessed, collected and enforced as an environmental levy under the Customs Act in conjunction with the relevant provisions of the Carbon Tax Act, 2019.

The International Trade Administration Commission (ITAC) in South Africa plays a crucial role in regulating and promoting fair trade practices. It administers trade remedy instruments such as anti-dumping, countervailing and safeguard measures to protect domestic industries from unfair trade practices. ITAC also conducts investigations and makes recommendations on tariff amendments to support industrial development and competitiveness. Additionally, it regulates the import and export of certain goods to ensure compliance with national policies and international agreements. The commission provides advice to the government on trade policy matters, helping to shape policies that promote economic growth and development. Furthermore, ITAC monitors compliance with trade laws and agreements, ensuring that trade practices are fair and beneficial to the South African economy.

RECs

- **SACU:** South Africa is a member state of the SACU. The SACU allows for the free movement of goods between its Member States – Botswana, Eswatini, Lesotho, Namibia and South Africa –without customs duties. It applies a CET on goods imported from non-member countries and has a revenue-sharing arrangement where customs and excise duties collected are distributed among Member States based on a specific formula. SACU works towards harmonising customs and excise policies to facilitate trade and economic integration, promoting deeper economic cooperation and supporting sustainable economic growth and development within the region.

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- **SADC**: South Africa is a member of the SADC, a free trade agreement that facilitates trade among 13 of the 16 member countries. Currently, Angola, the Democratic Republic of Congo (DRC) and Comoros have not yet acceded to the agreement. Goods that meet the SADC ROO criteria are eligible for preferential tariff treatment in other Member States on a reciprocal basis.
- **AfCFTA:** A continental-wide FTA. Trade under the AfCFTA began in January 2021 and was piloted under the GTI.

Tariffs

South Africa's tariff schedule is detailed in schedules to the Customs Act. The South African Tariff Book is a comprehensive guide used for the classification of goods for customs purposes. It is based on the HS Coding System, which is an internationally standardised system for classifying traded products.

A brief overview of the schedules:

- Schedule No. 1: Ordinary customs cuty
- Schedule No. 2: Anti-dumping, Countervailing and Safeguard Duties
- Schedule No. 3: Industrial rebates of customs duties
- Schedule No. 4: General rebates of customs duties, fuel levy and environmental levy
- Schedule No. 5: Specific drawbacks and refunds of customs duties, fuel levy and environmental levy
- Schedule No. 6: Refunds and rebates of excise duties, fuel levy and environmental levy (applicable to locally manufactured excisable goods)
- Schedule No. 8: Licences
- Schedule No. 10: Agreements, protocols or other parts or provisions thereof contemplated in section 49 (5) of the Customs Act

Divergence from CET

South Africa does have specific deviations contained in Chapters 98 and 99 of the HS Code. These chapters are used for special classifications and often include provisions for specific goods or circumstances that do not fit neatly into other categories. These schedules provide detailed information on the various duties and levies applicable to goods imported into, manufactured locally in or exported from South Africa. The tariff rates in South Africa range from 0% to 45% for most goods.

The dutiable value of goods is calculated based on the free on board (FOB) price in the country of export, in accordance with the WTO customs valuation code. The tariff schedule is designed to facilitate trade while protecting local industries and ensuring compliance with international trade agreements.

Other import/ export taxes

Import taxes

There are several kinds of taxes or duties typically levied on imports, being:

- Environmental levies imposed on specific goods such as:
  - Plastic bags at 32c per bag;
  - Electric filament lamps at R20 per lamp;
  - Tyres at R2.30/Kg; and
  - Carbon emissions at R190.00 /t CO_2e emissions as prescribed in the Carbon Tax Act, 2019.
- Anti-dumping or countervailing duties (duties imposed on specific goods considered to be dumped or subsidised imported goods);
- VAT at 15%;
- Excise duties (levied on specific luxury or non-essential goods such as automobiles, tobacco or alcohol);
- Fuel and Road Accident Fund levies; and
- Health promotion and Sugary Beverage levies.

Excise duty and certain levies are equally imposed on imported products and on locally manufactured goods of the same class or kind.

Export taxes

Where goods are exported from South Africa, the following taxes are applicable:

- Export levy (on limited specific goods such as unpolished diamonds or scrap metal);
- VAT (consideration is to be based on the provisions of the VAT Act)

Import duty exemptions

There are instances where customs duty relief is available, such as:

- Trade agreements offering a preferrential rate of duty;
- Industrial rebates where a full remission or part reduction of import duties is provided, typically for goods imported which are used for local industrial or manufacturing purposes, goods for disabled or charitable purposes, goods for heads of State or foreign representatives, tourists for personal use, etc;
- Temporary rebates for goods imported temporarily;
- Drawbacks providing refunds of customs duties that the importer has already paid on certain imported goods supplied to manufacturers for manufacturing, processing, finishing, equipment or packing on their behalf; and
- SEZs (being designated areas for targeted activities where goods imported into can be rebated).

Preferential programmes and regimes

Other preferential trade agreements

South Africa is a member of several preferential programmes that facilitate trade and economic cooperation as summarised below:

	Type of agreement	Countries involved	Extent of duty exemption/ reduction	Products involved
Free Trade Agreements (FTAs)				
Trade, Development and Cooperation Agreement (TDCA)	Free Trade Agreement	Free Trade Agreement	The EU offered to liberalise 95% of its duties on South African originating products by 2010. In turn, by 2012, South Africa offered to liberalise 86% of its duties on EU originating products.	The TDCA was reviewed, with the aim of broadening the scope of product coverage. This took place under the SADC-EU Economic Partnership Agreement.
European Free Trade Association (EFTA) -SACU Free Trade Agreement (FTA)	Free Trade Agreement	SACU and the EFTA–Iceland, Liechtenstein, Norway and Switzerland.	Tariff reductions on selected goods.	Industrial goods (including fish and other marine products) and processed agricultural products. Basic agricultural products are covered by bilateral agreements with individual EFTA States.
Economic Partnership Agreement between the SADC EPA States, and the European Union and its Member States	Economic Partnership Agreement	South Africa, Botswana, Eswatini, Namibia, Lesotho and Mozambique (referred to as the SADC EPA Group) and the European Union (EU).	SA's core interest has been to harmonise trading regimes between SACU and the EU; to secure further market access in agriculture (beyond the SA-EU TDCA provisions) and regain some policy space lost under the TDCA.	The agreement covers most products. It replaces the Trade Chapter of the TDCA.

	Type of agreement	Countries involved	Extent of duty exemption/ reduction	Products involved
Economic Partnership Agreement (EPA) between the Southern African Customs Union (SACU) member States and Mozambique, on the one part and the United Kingdom of Great Britain and Northern Ireland, on the other part (SACUM-UK EPA)	Economic Partnership Agreement	South Africa, Botswana, Eswatini, Namibia, Lesotho and Mozambique (referred to as the SACUM EPA Group), and England, Scotland, Wales and Northern Ireland.	The agreement follows the framework established by the SADC EPA.	The agreement follows the framework established by the SADC EPA.
Preferential Trade Agreements (PTAs)				
SACU-Southern Common Market (Mercosur) PTA	Preferential Trade Agreement	SACU and Argentina, Brazil, Paraguay and Uruguay (Although Venezuela has since joined MERCOSUR, it is not party to the PTA with SACU).	Tariff reductions on selected goods. It entered into force on 21 October 2016.	About 1,000 product lines on each side of the border.
Non-reciprocal Trade Arrangements				
Generalised System of Preferences (GSP)	Unilateral preferences granted under the enabling clause of the WTO, these preferences are not contractually binding upon the benefactors.	Offered to South Africa as a developing country by the EU, Norway, Switzerland, Russia, Turkey, the US and Canada.	Products from developing countries qualify for preferential market access to these markets	Selected industrial and agricultural products.
AGOA	Unilateral assistance measure; like the GSP programmes but wider in scope.	Granted by the US to 39 sub-Saharan African countries.	Preferential access to the US market through lower tariffs or no tariffs on selected products.	Duty free access to the US market under the combined AGOA/GSP programme stands at approximately 7 000 product tariff lines.

AfCFTA implementation

South Africa signed the AfCFTA on 1 July 2018, and deposited its instrument of ratification on 10 February 2019. South Africa finalised their legal modalities to enable trade in thousands of products lines, ranging from food and beverages to steel products and equipment, taxis, pharmaceutical and personal care products, chemical products and household goods. The SACU achieved a common tariff offer covering 90% of its tariff book in February 2023. The offer was endorsed by the Extraordinary Session of the AfCFTA Council of Ministers held on 31 May 2023 in Nairobi, Kenya. SACU is awaiting the finalisation of ROO for clothing, textiles and automotive products before making a full tariff liberalisation offer.

The South African Revenue Service (SARS) published the necessary legal instruments for AfCFTA trade on 26 January 2024 which followed the publication, on the same date, of a Government Gazette explaining the terms under which South Africa would participate in the GTI. For South Africa, actual trade under the GTI commenced on 31 January 2024 for the approved published tariff offers and SARS certified two consignments destined to Ghana and Kenya respectively. Countries qualified to trade with South Africa under the AfCFTA are Algeria, Cameroon, Egypt, Ghana, Kenya, Rwanda and Tunisia. Traders were registered with SARS as exporters or producers to trade under the AfCFTA GTI.

Tariff phase-downs have occurred over three years from 1 January 2021.

Customs incentive/schemes

Customs incentives include:

- **Export incentives**
  - Export Marketing and Investment Assistance Scheme (EMIA): The purpose of the EMIA is to partially compensate exporters for certain costs incurred in respect of activities aimed at developing export markets for South African products and to recruit new foreign direct investment into South Africa.
  - **The Sector Specific Assistance Scheme (SSAS):** SSAS is a scheme that compensates for costs in respect of the approved activities aimed at the development of South African emerging exporters through events. This incentive provides financial support for physical and digital events participation by qualifying emerging exporters.

- **Import incentives**
  - **Automotive Production Development Program (APDP) phase 2:** It is a production incentive scheme for the motor industry aimed at promoting production volumes in the specified motor vehicle industry and promoting added value in the automotive component industry thus creating employment across the automotive value chains.
  - Any motor vehicle manufacturers and/or original equipment manufacturers (OEMs) importing original equipment components for use in the manufacture of specified motor vehicles must license their special manufacturing warehouse and register for home use processing under rebate.

- **Rebates**
  - A rebate is a full remission or part reduction of import duties, subject to the importer's compliance to specific conditions set out in the Customs Act. To claim a rebate the importer must register as a rebate user and have a dedicated rebate store (located within South Africa), which also requires an application with customs and excise.

- **Drawbacks**
  - Drawback is a refund of customs duty that the importer has already paid when acquiring certain materials that were used in the manufacturing, processing, packaging or otherwise altering of goods for the purpose of export. The Customs Act lists the goods that qualify for the drawback under the Schedule 5, dealing with specific drawbacks and refunds of customs duties, fuel levy and environmental levy.

- **SEZ**
  - SEZs within South Africa are geographically designated areas set aside for specifically targeted economic activities to promote national economic growth and exports by using support measures to attract foreign and domestic investments and technology. Businesses and operators located within a customs controlled area of a SEZ will be eligible for tax relief. Categories of SEZs that may be designated as such by the Minister of Trade and Industry may include:
    - Free ports;
    - Free Trade Zones (FTZs);
    - Industrial Development Zones (IDZs); and
    - Sector Development Zones (SDZs).

AEO programmes

South Africa's AEO programme is based on Customs-Private partnership under the WCO SAFE Framework of Standards to secure and facilitate global trade. The programme aims to enhance international supply chain security and facilitate movement of legitimate goods. There are two levels of accreditation with benefits assigned to each accreditation level with the aim to provide specific benefits to accredited businesses trading in the regional market (Southern African Customs Union) as well as the international market.

Level 1 Accreditation AEO – Compliance: The AEO compliance programme also known as Level 1 Accreditation is a voluntary programme in which participating entities or traders cooperate with South African Revenue Service (SARS) customs in maintaining high quality measures in terms of internal operational processes and computer systems, appropriate records of compliance, sufficient financial resources as well as display sufficient customs knowledge to be held responsible for customs matters.

Level 2 Accreditation AEO – Safety and security: The AEO safety and security programme also known as Level 2 Accreditation is a voluntary supply chain security programme, focused on improving the security of entities' or traders' supply chain through a documented process for determining and alleviating risk throughout their international supply chain.

Qualification and benefits

Traders eligible to apply for AEO status must be registered or licensed for a customs activity which include importers, exporters, certified customs brokers, bonded area operators, bonded transportation companies, forwarders and shipping companies amongst others. AEO benefits vary across the two levels of accreditation and include, access to client relationship managers, reduced security amounts or exemption from security payments for level 2, reduced inspections, authorised use of AEO logo, mutual recognition with major trading partners, co-ordination of other governmental agency intervention, provision of targeted training, provision of quarterly trade statistics, expedited refunds and drawbacks applications, etc.

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08

Legal regime

Tanzania

Background

Tanzania's customs and international trade is primarily governed by the EACCMA, with its subsidiary Regulations. This Act provides a comprehensive legal framework for customs operations within the EAC, which includes Tanzania. The EACCMA outlines the procedures for the importation and exportation of goods, the collection of customs duties and the enforcement of customs laws.

Additionally, the Tanzania Revenue Authority (TRA) administers customs duties and taxes in accordance with national laws and regulations, such as the Tanzania Customs (Management and Tariff) Act (CMTA) and the Value Added Tax Act, 2014 (VATA 2014). These laws ensure that customs operations are conducted efficiently and in compliance with both regional and national standards.

RECs

Tanzania is a member of multiple regional economic blocs which aim to facilitate trade among Member States. These include:

- **EAC:** Tanzania participates in the EAC customs union (which became operational in 2005). The EAC provides duty-free access to goods traded within Member States. This regional integration aims to enhance trade and economic cooperation among member countries.
- **SADC:** Tanzania participates in the SADC free-trade area (since 1992). The SADC offers preferential tariff rates for goods traded among member countries as the SADC Trade Protocol aims to promote regional economic integration and development.

- **AfCFTA:** Tanzania has participated in the AfCFTA since 2021. The AfCFTA aims to create a single continental market with reduced tariffs and non-tariff barriers. Additionally, the AfCFTA seeks to boost intra-African trade and economic growth by creating a large, integrated market.

Please note that participating in the above regional trade agreements is subject to meeting the ROO criteria.

Tariffs

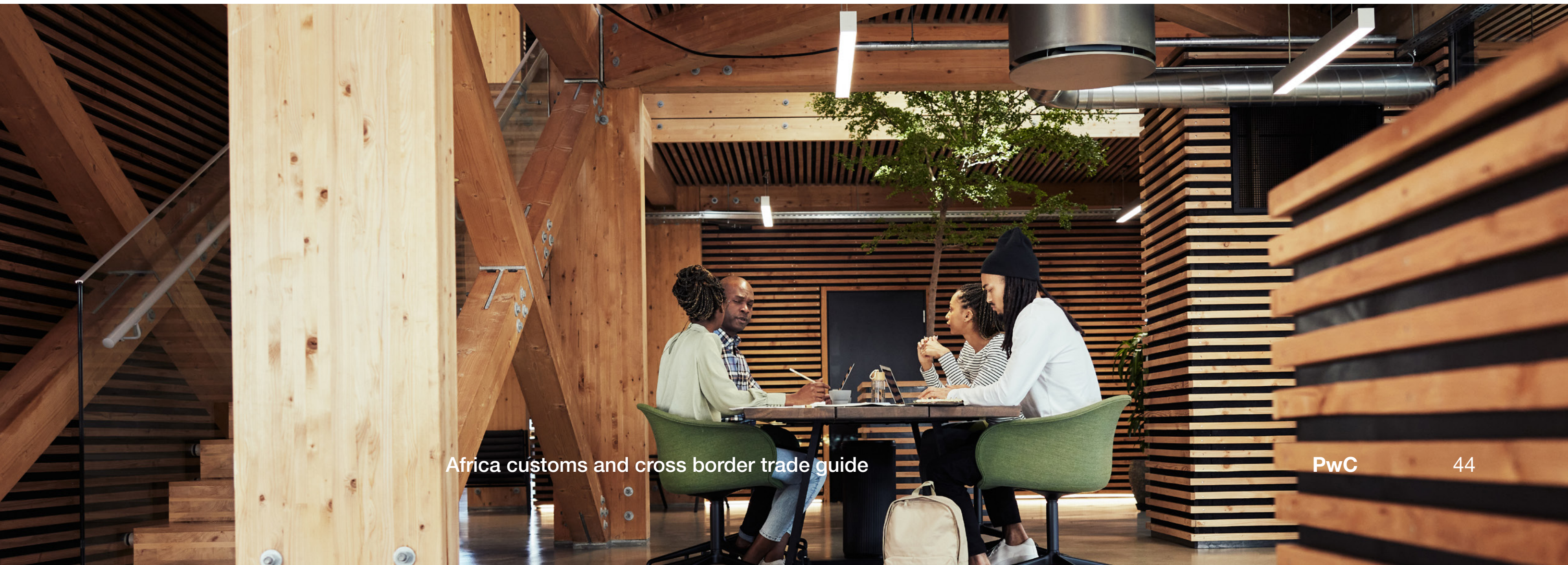
Tanzania adheres to the EAC CET, which categorises goods into different tariff bands. The CET typically includes four bands:

0%	10%	25%	35%
for raw materials and capital goods	for intermediate/ semi finished goods	for finished goods	or selected goods that are sufficiently available within the EAC

In addition to the above, there exist some sensitve products which attract an import duty range from 30% to 100%.

Divergence from CET

Although Tanzania generally follows the East African CET, certain country specific exemptions or adjustments exist, including the stays of application which temporarily deviates from the CET to allow reduced duty rates for strategic imports.



Other import/ export taxes

2%

RDL levied on customs value on the imported goods

0.6%

Customs processing fee, levied on the value of imported goods

Other import taxes

In addition to customs duties, imports into Tanzania may be subject to the following additional taxes:

- VAT at 18%, levied on the total value (inclusive of duties and taxes to be levied) of the imported goods;
- Excise duties on specific products, levied on the customs value (inclusive of import duty (where applicable)) of the imported goods;
- RDL at 2%, levied on the customs value of the imported goods (i.e.CIF); and
- Customs processing fee (CPF) at 0.6%, levied on the value of imported goods FOB.

Please note that the above list of duties is not exhaustive. Imports may be subject to additional duties depending on the types of goods imported.

Export taxes

Exports from Tanzania are subject to the following:

- Export duties: Applies to specific goods, such as minerals and certain animals and agricultural products;
- VAT: Applies at the zero rate (0%).

Import duty exemptions

The EACCMA provides customs duty exemptions for imports categorised into general (activity based) and specific (privileged persons and institutions) exemptions.

General exemptions are provided for a specified list of goods that are necessary to support the general economic and societal priorities of the EAC Partner States.

Such exemptions include:

- Goods for specific sectors: To encourage investment and development, customs duty exemptions are granted to specific sectors, including extractive industries (such as mining, geothermal, oil and gas), hospitals, health products, horticulture and hotel development. For example, equipment and machinery used in the extractive sector may be imported duty free to support the growth of this strategic sector.
- Relief goods: To ensure the timely delivery of essential supplies during emergencies, items imported for disaster relief and humanitarian aid are exempt from customs duties.

- Privileged persons and institutions including but not limited to certain arms or agencies of Government, international, regional and donor organisations, diplomatic persons or first arrivals and handicapped persons. Such exemptions include:
  - Government use: Goods imported for government use are also subject to import duty exemptions. For instance, goods imported for the use by the presidents of the Partner States.
  - Diplomatic shipments: Goods imported by diplomatic missions and personnel are exempt from customs duties in accordance with international diplomatic agreements.

Preferential programmes and regimes

Other preferential trade agreements

Apart from EAC, SADC and AfCFTA cited above, Tanzania is party to the AGOA which allows preferential (duty-free) access to the US market for products that originate in Tanzania.

AfCFTA implementation

Tanzania ratified and deposited the ratification instrument for the AfCFTA agreement in September 2021 and January 2022 respectively, and is in the process of implementing its provisions. The sensitisation process is ongoing, and the country had participated in the GTI which facilitates the initial stages of trade under the AfCFTA framework. This initiative supports member countries in transitioning to the new trade regime by providing technical assistance, capacity building and implementation support. Tanzania began participating in the AfCFTA with its first coffee export shipment to Algeria in 2023 and is also currently receiving imports under the AfCFTA.

Customs incentive/schemes

Tanzania offers several customs incentive schemes, including but not limited to:

- **Tanzania Investment Centre (TIC):** Offers both tax incentives and non-tax benefits for approved investors with the aim of coordinating, encouraging, promoting and facilitating investment in Tanzania. Some of the customs incentives include, but are not limited to, (i) exemption of 75% of import duty on capital/deemed capital goods and (ii) exemption of VAT, fuel tolls and excise duty to be levied on importation, upon approval by the cabinet and an order published in the gazette.
- **Bonded warehouse:** Warehouse or other places licensed by the commissioner for the deposit of dutiable goods on which import duty payment is suspended once entered under bond.
- **Manufacturing Under Bond (MUB):** Allows manufacturers to import raw materials and components duty-free, provided the finished products are exported. This scheme is designed to promote export-oriented manufacturing and enhance the competitiveness of Tanzanian products in the global market.

- **Duty Remissions:** Provides duty exemptions or reductions for specific industries or projects. For example, certain agricultural inputs and industrial machinery may be eligible for duty remissions to support the development of key sectors.
- **EPZ and SEZ:** Offer various incentives, including tax holidays and duty exemptions on raw materials, to attract investment and promote exports. EPZs and SEZs are designated areas where businesses can benefit from favourable regulatory and fiscal conditions to enhance their productivity and competitiveness.

AEO programmes

Tanzania has implemented an AEO programme to facilitate trade for compliant international trade players. Qualified participants include transporters, customs agents and traders who meet specific compliance criteria, such as maintaining a good track record of customs compliance, financial solvency and security standards. Benefits of the AEO programme include expedited customs clearance, reduced inspections and priority treatment at border crossings. These benefits are designed to enhance the efficiency and reliability of the supply chain, reduce costs and improve the overall competitiveness of Tanzanian businesses in the global market.

There are two categories of AEO: national and EAC regional AEOs. The authorisation process for national AEOs is conducted by the TRA while the authorisation process under the EAC regional AEO programme, which is applicable in most of the EAC Partner States, is conducted by the EAC Secretariat. National AEO benefits are limited to the jurisdiction of Tanzania while EAC regional AEOs are recognised by the EAC. As of February 2025, there are 36 companies who have been registered as AEOs in Tanzania, four being at the national level and thirty two being at the regional level.

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09

Legal regime

Uganda

Background

Uganda is part of the EAC customs union, under which EAC countries (i.e. Uganda, Kenya, Tanzania, Burundi, Rwanda, South Sudan and DRC) apply a CET on goods imported from outside the EAC, and the movement of goods within the EAC is generally duty-free. The import and export of goods is governed by the EACCMA and its regulations. ROO apply to determine where goods are originating. Uganda also relies on all Acts passed by the Parliament of Uganda that refer to taxes levied by the government on imported and exported goods.

RECs

Uganda actively operates in regional blocs such as the EAC customs union, COMESA and most recently the AfCFTA.

EAC: Uganda is a founding member of the EAC, a regional intergovernmental organisation that includes Kenya, Tanzania, Rwanda, Burundi, South Sudan and the Democratic Republic of the Congo. The EAC aims to enhance economic integration, facilitate free trade and promote regional development.

- As part of the EAC, Uganda actively participates in:
  - **The EAC Customs Union** (established in 2005), which allows duty-free trade among Member States and a CET for goods from non-member countries.
  - **The EAC Common Market** (launched in 2010), enabling free movement of goods, services, capital and labor across the region.
  - **The EAC Monetary** Union (ongoing discussions), which aims to establish a single currency to enhance trade efficiency.

Uganda's active involvement in the EAC has significantly boosted trade by providing market access, improving infrastructure and attracting investments. However, challenges such as non-trade barriers and trade imbalances remain. Strengthening regional trade policies, improving infrastructure and fostering industrial growth will further enhance Uganda's trade benefits within the EAC.

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COMESA: Uganda joined COMESA on 5 November, 1993. Uganda passed the COMESA Treaty (implementation) Act in 2017 to incorporate COMESA's requirements into its legislation. Uganda's COMESA membership promotes regional trade preferences. Uganda wants smooth intra-COMESA commerce to benefit its economy and that of other members by following customs procedures, tariff structures and certification processes.

AfCFTA: Uganda signed the AfCFTA agreement on 21 March, 2018, during the 10^{th} Extraordinary Session of the African Union Summit in Kigali, Rwanda. Subsequently, Uganda ratified the agreement on 26 November, 2018, demonstrating its commitment to promoting intra-African trade. To implement the AfCFTA, Uganda announced its National AfCFTA Implementation Strategy on 20 December 2024. This plan attempts to expand Uganda's exports beyond the EAC and COMESA to the greater African market of 1.3 billion people with a USD 3.4 trillion GDP. Trade facilitation, removal of non-tariff barriers, standard harmonisation, and industrial investment to create jobs and boost local raw material value are priorities.

Tariffs

Uganda uses the EAC CET for classification of imported goods.

Divergence from CET

Goods imported into Uganda from outside the EAC will be subject to import duty generally at rates ranging from 0% to 35%. The rate of import duty applicable will depend on the nature of the goods (per their HS code classification) as well as their intended use. Currently there are four main rates of import duty applicable to imported goods as follows;

Import taxes

The domestic taxes and levies that are generally applicable on imports depend on the customs value which is normally computed on a base value determined on the nature of international comercial terms used (for example CIF or FOB among others) and these include:

0%	10%	25%	35%
meritorious goods, raw materials and capital goods	intermediate goods	finished and consumer goods	finished goods covered by this rate include textiles and garments, cotton, leather products, iron and steel, furniture, meat and dairy products, paints, ceramic products and head gear

Other import/ export taxes

18%

VAT on imported goods

1.5%

Infrasturcture levy

- VAT: The import of goods would normally be subject to VAT at 18%;
- Withholding tax: Imported goods may be subject to 6% withholding tax;
- Excise duty (for excisable goods);
- Infrastruture levy at a rate of 1.5%; and
- Environnmental levy depending on the year of manufacture.

In the computation of the import duties to be levied on an imported item, the following order will be followed: import duty, excise duty, VAT and withholding tax. The import duty is levied on the CIF value and excise duty is levied on the CIF value plus import duty. VAT is levied on the CIF value plus import and excise duty. Withholding tax is levied on the CIF value. All of these taxes are levied (or waived if eligible) by the Uganda Revenue Authority (URA) customs department as part of the customs clearance procedure.

Export taxes

Exports are zero-rated supplies for VAT purposes. Exports need to be supported by appropriate documentation.

Import duty exemptions

The EACCMA provides customs duty exemptions for imports categorised into general (activity based) and specific (privileged persons and institutions) exemptions.

General exemptions are provided for a specified list of goods that are necessary to support the general economic and societal priorities of the EAC Partner States. Such exemptions include:

- Goods for specific sectors: To encourage investment and development, customs duty exemptions are granted to specific sectors, including extractive industries (such as mining, geothermal, oil and gas), hospitals, health products, horticulture and hotel development. In Kenya, for instance, the duty exemptions for the oil and gas and hotel industry have encouraged investments in the energy and tourism sectors.
- Relief goods: To ensure the timely delivery of essential supplies during emergencies, items imported for disaster relief and humanitarian aid are exempt from customs duties.

Privileged persons and institutions, including but not limited to, certain arms or agencies of government, international, regional and donor organisations, diplomatic persons or first arrivals and handicapped persons. Such exemptions include:

- Government use: Goods imported for government use. For example, goods imported for the use by the presidents of the Partner States.
- Diplomatic shipments: Goods imported by diplomatic missions and personnel are exempt from customs duties in accordance with international diplomatic agreements.

Preferential programmes and regimes

Other preferential trade agreements

Uganda has entered into several trade agreements and partnerships with countries outside of Africa to enhance its economic growth and integration into the global market. This overview outlines the arrangements, detailing the year of execution and their present status:

- AGOA in relation to the US: AGOA is a US trade Act that improves market access for Sub-Saharan African countries, such as Uganda, by permitting duty-free exports to the US for qualifying products. This initiative seeks to enhance economic growth and strengthen trade relations between the US and African nations.
- The Samoa Accord with the European Union: In August 2024, Uganda signed the Samoa Agreement, which replaces the Cotonou Agreement, aimed at enhancing partnerships between the Organisation of African, Caribbean and Pacific States (OACPS) and the European Union. This agreement establishes legal and diplomatic frameworks that encourage economic growth, development and the reduction of poverty. The EU has designated around €79.5bn within its 2021-2027 financial framework to back initiatives in member countries, including Uganda.
- Trade Agreement with Serbia: In August 2023, Uganda and Serbia formalised agreements aimed at strengthening their trade relations. This collaboration utilises Serbia's free trade agreements with the EU, Turkey and the UAE, offering Uganda access to these markets. The partnership emphasises areas including agriculture, highlighting Uganda's exports of products such as coffee and fresh produce and seeks to create direct transport connections to enhance trade.

Customs incentive/schemes

Uganda offers various customs incentive schemes for importers (including manufacturers) such as:

- Duty exemptions and reductions;
- Customs duty remission schemes: These schemes are relevant for those who import raw materials or intermediate goods intended for use in their manufacturing processes;
- Customs duty refunds: If any goods belonging to an importer have been damaged or destroyed during transit or while under customs control, or if the importer has mistakenly paid any duties, they may qualify for duty refunds, provided they meet specific conditions;
- Customs duty drawbacks: Importers of goods for the purpose of manufacturing products for export, or goods intended for transfer to an export processing zone, may be eligible to claim a duty drawback, provided they satisfy specific conditions;
- Deferment of duty payment by way of bonded warehousing: An importer has the option to clear goods into a bonded warehouse, allowing them to defer the payment of the relevant duties until the goods are removed from the warehousing facility;
- Temporary admission of goods: Permits the importation of goods such as samples, professional equipment or items for exhibitions without the payment of duties, provided that the goods will be re-exported within a specified period;
- SEZs: Uganda has established SEZs which provide a range of incentives including tax reductions, infrastructure assistance and simplified regulations to draw in investment and enhance industrialisation.

AEO programmes

Uganda operates an AEO programme which includes importers, exporters, customs agents, warehouse operators or any other persons involved in the international movement of goods and have been approved by the customs administration in their jurisdiction(s) as complying with WCO supply chain security standards. These security standards include evidence on premises security, cargo security, conveyance security, information security and appropriate internal control mechanisms. Achieving AEO status offers numerous advantages for taxpayers including acknowledgement as a low-risk entity and expedited customs clearance processes. This is facilitated by specific benefits such as automatic approval of customs declarations, limited physical inspections of goods in certain instances, the possibility of waiving the Electronic Cargo Tracking System (ECTS) requirements where applicable, faster processing of duty refund claims, direct inclusion on the withholding tax exemption list, reduced customs security requirements where relevant, priority access to customs initiatives, assured renewal of customs licenses, exemption from movement bond requirements and the ability to self-manage bonded warehouses.

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10

Legal regime

Zambia

Background

The Customs and Excise Act (CAP 322 of the laws of Zambia) provides the legal framework for the imposition, collection and management of customs, excise and other duties. Other subsidiary legislation include the following:

- The Customs And Excise (General) Regulations of 2000;
- The Customs and Excise Tarrif book; and
- Zambia Revenue Authority (ZRA) Practice notes.

Zambia's customs operations are managed by the Customs and Border Control Department under the ZRA. The ZRA uses an Automated System for Customs Data (ASYCUDA) platform for all customs clearance processes.

Customs duty is levied on goods imported into Zambia and export duty is imposed on goods exported from Zambia. Customs duty is charged on the Value for Duty Purposes (VDP) , the assessable value which comprises of CIF of goods.This includes the cost of goods imported, insurance during transit and freight charges to the Zambian border.

RECs

Zambia is a member of several RECs. These memberships play a crucial role in enhancing regional integration and economic cooperation. The RECs that Zambia is part of include:

- **SADC:** Zambia has been a member of SADC and party to the SADC FTA since April 1980. Goods which qualify as originating under the ROO are subject to preferntial tariff treatment in other member states.

- **COMESA:** Zambia has been a member of COMESA since 1994. Goods which qualify as originating under COMESA's ROO are subject to preferential tariff treatment in other member states on a reciprocal basis.
- **COMESA-EAC-SADC TFTA:** This TFTA which integrates three RECs; EAC, COMESA and SADC only came into force on 25 July 2024. Although trade under the TFTA has not yet commenced, goods that qualify as originating from within the regions will eventually benefit from the preferential treatment.
- **AfCFTA:** Zambia signed and ratified the AfCFTA Agreement and deposited the instrument of ratification, officially joining the GTI in October, 2024.

Tariffs

Zambia implements a Tariff Book published by the ZRA's customs services department. The HS Code system in Zambia is governed by general interpretative rules which have roots in the WCO, as well as additional Zambia-specific rules. Customs duty is levied on all goods entering the country, with duty rates ranging between 0% and 40% and is charged on the VDP which is made up of the CIF.

Divergence from CET

Section XXII, Chapter 99 of the HS Code in Zambia (additional zambian special transactions tariff) is designated for goods for special uses; goods subject to certain conditions or limitations. This chapter outlines specific provisions that allow for deviations from standard tariff applications, it provides specific conditions and limitations for goods imported by travellers, single consignment imports and low-value commercial import, to address unique economic and trade needs.

The Minister of Finance, by statutory instrument, makes regulations and prescribes conditions under which the provision will be carried out.

Other import/ export taxes

Import taxes

The domestic taxes and levies that are generally applicable on imports, based on CIF, include:

- **Import VAT** generally applies at the rate of 16% on imported goods unless a product is specifically subject to VAT at the zero rate (0%) or VAT exempt.
- **Excise duty** is tax that is levied on selected imported goods at various specific or *ad valorem* rates.
- **The Carbon Emissions Surtax** is determined by engine capacity, while the surtax on other imported goods typically ranges from 5% to 30%.

Export taxes

Exports from Zambia are subject to export tax from 0% to 40% and apply to goods such as scrap metal, copper concentrates, maize, timber and mineral ores.

The export of goods from Zambia by, or on behalf of a taxable supplier, is subject to VAT at the zero rate (VAT is charged at 0%) provided that certain administrative conditions, outlined under VAT rule 18 of the VAT (General) Rules are met.

Effective 18 February 2025, export duty on precious stones and metals was suspended from 15% to 0% to allow local producers to compete more effectively.

Import duty exemptions

The Customs and Excise Act provides various duty exemptions and incentives in Zambia, including exemptions for goods imported for the following:

- Government or diplomatic use;
- Temporary imports by visitors;
- Items for exhibitions or trade fairs; and
- Household and personal effects, including one motor vehicle per household, are duty-free for individuals resuming residence in Zambia.

The Duty Drawback Scheme refunds duties on inputs used in export production, while preferential treatment exempts goods from regional trade bloc countries from customs duty.

The Manufacturing Under Bond Scheme allows duty-free imports for bonded warehouse operators.

Incentives are also available for machinery and equipment in Multi-Facility Economic Zones (MFEZs), Industrial Parks, and rural areas, as well as for scientific, agricultural and technical programmes. Claimants must prove their entitlement to these exemptions and incentives.

Other preferential trade agreements

In addition to EAC, COMESA and AfCFTA mentioned above, Zambia participates in other preferential programmes such as:

- **AGOA**: Zambia is eligible for US trade benefits under the AGOA , which provides duty and quota-free access to the US market for most goods.
- **European Union (EU) General System of Preferences (GSP) and Everything But Arms:** Zambia has duty-free and quota-free access to EU markets, under the “Everything but Arms” programme for the world’s least developed countries. Tariff preferences are either in the form of duty free access or reductions in the applicable standard tariffs and cover approximately 66% of tariff lines.
- **Chinese Market Access Initiative for Least Developed Coutries (LDCs)**: China grants preferential market access for products originating from LDCs that have diplomatic relations with China. Zambia enjoys preferential market access for products that meet the ROO.

AfCFTA implementation

Zambia signed and ratified the AfCFTA Agreement on 10 February 2019 and 8 February 2021 respectively. Further, the country officially joined the GTI in October 2024. Trade under the AfCFTA has not yet commenced, however, various stakeholders are being sensitised and encouraged to participate in the GTI as AfCFTA Exporting Companies, provided that they adhere to the provisions of the AfCFTA Agreement. On 7 March 2025, Zambia gazetted its AfCFTA Provisional Schedule of Tariff Concessions (PSTCs).

Customs incentive/schemes

The Zambia customs legislation offers a variety of incentives and schemes to promote investment, manufacturing and export of goods from Zambia. These include but are not limited to:

- Bonded warehousing: Facilitates importations of goods into warehouses (typically under the control of customs authorities) without the immediate payment of customs duties and taxes. The deferral of duty payments helps in better cash flow management.
- Manufacturing under the bond Scheme: Applicable to operators of bonded warehouses. It allows businesses to clear goods into a licensed bonded warehouse and carry out various activities pursuant to the nature of their business without payment of duties and taxes.
- Duty drawback scheme: Applicable to local manufacturers. Duties paid on inputs used in the production of exports are refunded to ensure that the exports remain competitive.
- Export processing Zones: The MFEZ blend the best features of the FTZs, EPZs and the industrial parks/zones concept and create the administrative infrastructure and regulations that create the ideal investment environment for attracting major investors. Developers of the MFEZ and companies operating in the zones are accorded specific incentives in respect to customs duty on machinery and equipment including some specified goods.

AEO programmes

Zambia operates an AEO programme called the Customs Accredited Clients Programme (CACP). This programme is designed for various stakeholders such as importers/exporters (traders), clearing agents, warehouse operators, transporters and logistics companies.

Upon certification under the CACP, members enjoy several benefits such as preferential clearance at the borders, preclearance of certain goods under certain conditions and fewer customs audits due to reliance on the member's internal systems and controls. These advantages lead to improved business performance and enhances both the national and international reputation of the member.

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