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## **Private Sector Position on Delayed Clearing of Cargo in Mombasa**

**Presented to**

**The Commissioner General**

**Uganda Revenue Authority**

**URA Headquarters, Plot M193/M194, Nakawa Industrial Area**


**P. O. Box 7279, Kampala**

**17<sup>th</sup> April 2023**

## Introduction

Greetings from Private Sector Foundation Uganda (PSFU). PSFU thanks URA for the continued support in an effort to make Uganda's private sector grow and become competitive. It has come to our notice that in the past weeks there have been delays in cargo clearance through the ports of Entry due to a new procedure that was introduced by Uganda Revenue Authority (URA). According to the procedure URA requires all importers to do full declaration with all their document at hand at the above ports.

## Some of the URA Measures

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1. Non-Clearance of Shipments without all required documentation: Customs will refuse to process port entries that are missing basic transaction documents like Commercial Invoice, Packing List, Bill of Lading, Proforma Invoices, Credit Agreements/Proof of Payments etc, this shall lead to delays and extra charges in port.
  2. Deterrent penalties: any "misleading statement" on documents or declarations shall be penalized to stop future errors from occurring according to the Tax Procedures Code (Amendment) Act, 2022. Penalties shall be up to US\$10,000 per incident. Example of such errors are misnaming items on the commercial invoice, packing list.
  3. Auctioning of Cargo: Any delayed cargo in customs bonds shall be immediately auctioned off as per the customs management act without any further warnings or notifications.

## **Private Sector concerns**

Whereas URA has the right to raise any queries at any time in the customs clearance procedure to your satisfaction it is important that such is done in a method that does not hinder trade flow and attract further losses to the private sector. Uganda is a landlocked country and faces related geographical disadvantages in terms of trade.

Over the years logistics sector players have had several meetings with URA and agreed that containers can be highlighted and queried but allowed to proceed to the dry ports where they will still be in the custody of the Revenue Collector (URA), since these are gazetted areas licensed by URA as ports to facilitate trade in our land-locked environment. The port of Mombasa where 80% of Ugandan Cargo is transited, gives Ugandan cargo only nine free storage days. This means after the nine free days, a 1x40 container is charged at least US \$120-\$170 per day. As a result, Ugandans have had their goods auctioned over accumulated storage costs over the years.

## **Private sector prayers**

We request the Commissioner General to;

1. Instruct that containers can be highlighted at the ports of entry and facilitated to proceed to the destination Inland Container Depots and URA can further handle them to their satisfaction to avoid losses by traders in accumulated storage.
2. Facilitate the formation of a team of URA officers and private sector representatives from the trade and logistics sectors to come up with standard operating procedures (SOPs) that support both revenue collection and facilitate effective trade.

3. Be available or your Senior Commissioners to meet with the private sector players in all sectors of the economy to harmonize some of the issues affecting revenue collection and private sector competitiveness and growth.

Once again, we thank you and the entire URA staff for your continued support to facilitate private sector growth, competitiveness and revenue mobilization.



*Business growth is our business*