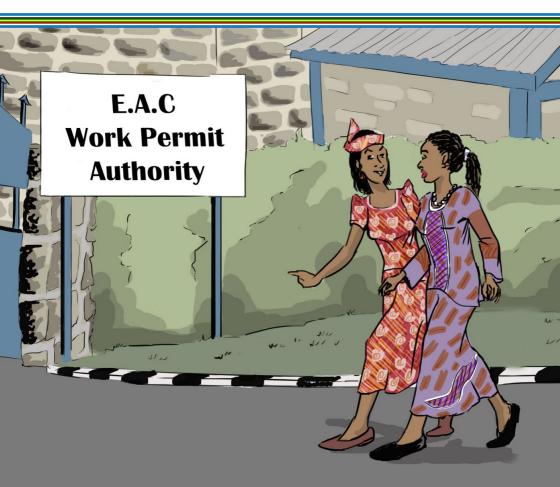


A Simplified Guide for Micro and Small-Scale Women Cross Border Traders and Service Providers within the East African Community (EAC)



4

EAC rules and regulations on right of establishment

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## **Foreword**

The East African Community (EAC) continues to consolidate key regional integration achievements particularly the implementation of the EAC Single Customs Territory, and the application of the revised EAC Rules of Origin, 2015. The operationalization of the revised EAC Rules of Origin, 2015 has eased doing business in the region. The removal of several tariff and non-tariff trade barriers has promoted the movement of goods and services across borders and tremendously spurred intra-EAC Trade. Available statistics show that trade within the EAC increased from US\$4.5 billion in 2011 to US\$5.1 billion in 2015.

Articles 121 and 122 of the Treaty Establishing the East African Community recognizes the role of Women in Socio-Economic Development and in Business. Based on this Treaty provision, EAC Partner States are therefore committed to promote gender equality and women's empowerment through linking women to national and regional markets and improving their access to relevant and customized information on EAC and/or national market opportunities.

One of the non-tariff barriers impeding trade across the region is the lack of information. Traders struggle to find information regarding the goods and services allowed for trade in each Partner State, the standards and authorization certifications required, the taxes and tariffs expected in each Partner State, the import and export laws of each Partner State, the trade processes and controls, the rules of origin and the customs procedures among other details that are important for successful trade within the region. Information is also lacking on where a trader should go to find help or lodge a complaint regarding cross border trade offences or inconsistencies.

This lack of information has left big loop holes for corruption and the shortchanging of traders as they endeavor to move their goods from one Partner State to another. As a result, traders incur great financial losses incurred, and in several instances, forcing them out of business. The lack of clear and accessible information is more acute among

women entrepreneurs as communication channels and means have not necessarily been developed along their needs.

Against this background the EAC, in partnership with the ILO, have developed a comprehensive information pack (Simplified Guide/Tool) containing up-to-date and relevant information on the existing policies, procedures, requirements, rules of origin, taxes, tariffs, exemptions and facilities available to cross border traders such that they can ably trade within the region.

This guide provides information on key EAC trade rules, regulations and procedures, related to trade within the EAC (intra-EAC trade) in a simplified and user-friendly manner. The main users of this will mainly be micro and small scale women cross border traders and service suppliers as well as associations and networks of women entrepreneurs, service suppliers and cross border traders but also secondary users such as cross border traders, the private sector in general, young entrepreneurs, investors, Business Membership Organizations (BMOs), Non-Governmental Organizations (NGOs), development partners as well as relevant government institutions.

I take this opportunity to thank the Directorates of Social Sectors, Customs and Trade, the gender and trade experts from Partner States, development Partners particularly the International Labour Organisation and GIZ for the technical and financial support provided in the development and production of this Info pack.

Amb. Liberat Mfumukeko Secretary General East African Community

# **Acknowledgements**

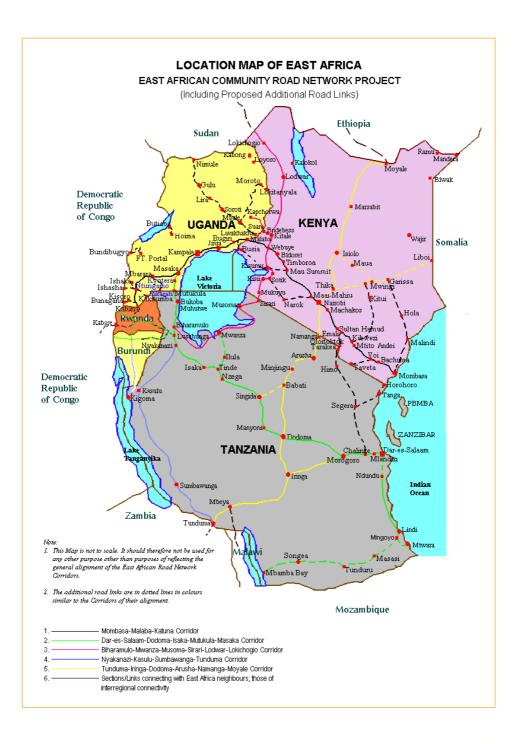
The East African Secretariat wishes to take this opportunity to sincerely thank the International Labour Organisation (ILO) and the GIZ - Support to the African Union Border Programme for the support provided in the development of the Simplified Guide and Information Pack on EAC Trade Rules and Regulations for Women Cross Border Traders.

The Simplified Guide and Information Pack was developed by the EAC Secretariat with technical and financial support from the International Labour Organization - Women Entrepreneurship Development and Economic Empowerment Project (ILO WEDEE) to sensitize cross border traders on the opportunities provided for by the Customs Union and Common Market Protocols in addressing challenges faced by women in business especially in the EAC cross border trade.

We are especially grateful to go to all Gender and Trade experts from the EAC Partner States for all their efforts and contribution during the preparation of the Simplified Guide and the Information pack.

Last but not least we appreciate the efforts of Ms. Mary Makoffu, Director, Social Sectors, Mrs. Generose Minani, the Principal Gender Officer and Mr. Morris Tayebwa, Programme Assistant in the Gender Department who coordinated the participation, reviews and final inputs from the Partner States experts, Customs and Trade and EAC Statistics in the production of this report.

EAC Secretariat, December 2016



### **Acronyms**

BMOs Business Membership Organizations

CMP Common Market Protocol
DFR Department of Fisheries

DVS Department of Veterinary Services

EAC East African Community
FDI Foreign Direct Investment
GDP Gross Domestic Product

KEPHIS Kenya Plant Health Inspectorate Services

MAFC The Ministry of Agriculture, Food Security and

Cooperatives

MLDF Ministry of Livestock Development and Fisheries

NGOs Non-Governmental Organizations

RoO Rules of Origin (EAC)

SMEs Small and Medium Enterprises

SPS Sanitary and Phyto-sanitary measures
TAEC Tanzania Atomic Energy Commission
TFDA Tanzania Food and Drugs Authority

TPRI The Tropical Pesticide Research Institute

VAT Value Added Tax

#### Notations in the booklet



Indicates a QUESTION asked



Indicates an ANSWER to the question asked



Note: This brings to attention supplementary information to be taken into consideration



Text box: This gives further explanations of certain areas



Directs the user to another booklet

# EAC rules and regulations on right of establishment

The EAC Common Market Protocol (CMP) allows:

- A self-employed citizen of an EAC Partner State, the spouse and children can move and live in another EAC Partner State;
- 2. A registered company or business to set up a business or company branch in another EAC Partner State.

It is however important to note that, a self employed citizen who intends to take up or pursue economic acidities (i.e employment) in another EAC Partner State must apply for a work permit within 30 days after entering the other EAC Partner State. For more information on work permit procedures and regulations. (See Book 3, from Page 5).



Documents required for a self-employed to enter and work in another EAC Partner State

For a self-employed person, to enter and work, in another EAC Partner State the following documents are required;

 A valid travel document, passport, temporary pass document, or a national identity card. It is worth noting that Kenya, Uganda and Rwanda recognize national identity cards as valid travel documents. Tanzania is in the process of issuing its citizens with national identity cards.

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#### >> Continued

 Comply with immigration procedures e.g. filling in the required immigration forms, and getting the right medical vaccinations such as yellow fever vaccination as well providing all required information.

Upon providing the required documents outlined in bullet 1 and 2 above, a self employed person shall be issued with a pass which allows the person to enter and stay for upto 6 months as the person is preparing to formally settle down in the new country. The spouse and children of the self-employed person should also be issued with the pass. No payment or fee is required for immigration forms or the 6 months pass.

3. A Valid Work Permit – to be applied for within 30days after entering the other EAC Partner State.



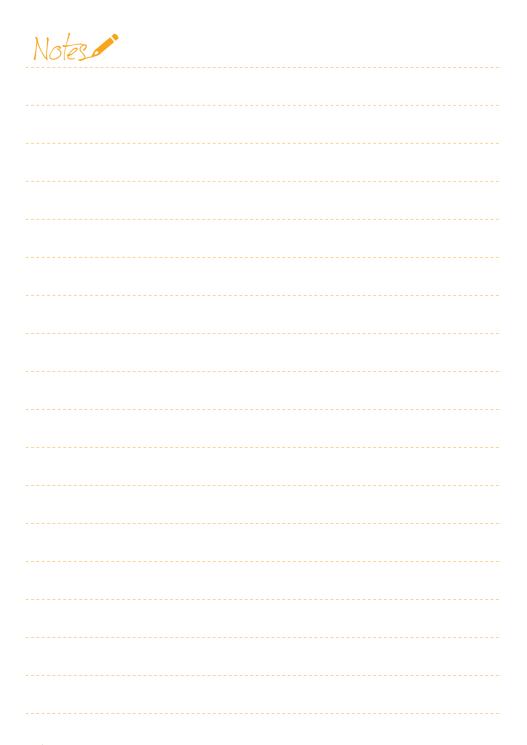
Are there regulations on setting up a company or business in another EAC Partner State?

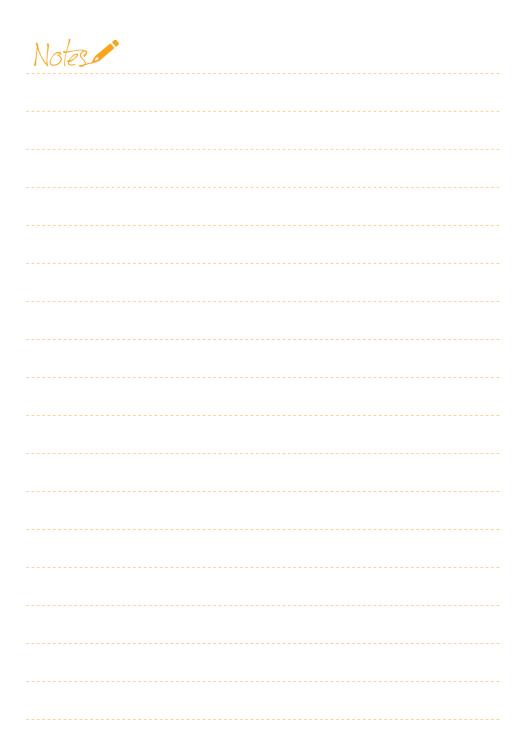


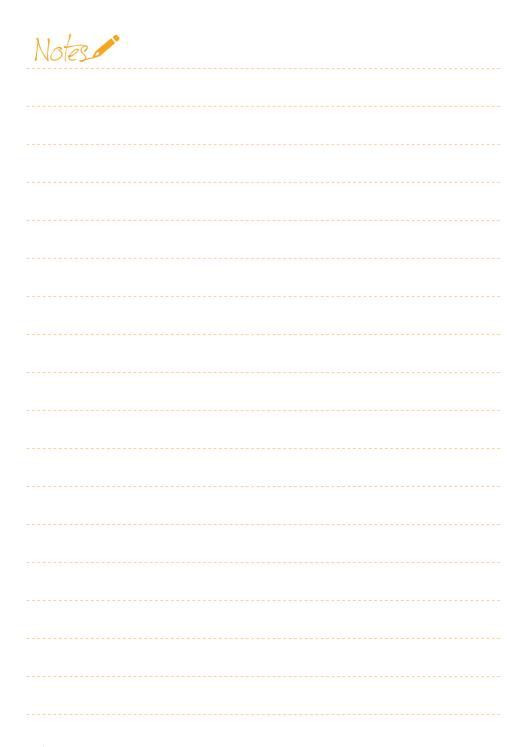
Yes. The key regulation is that the business or company must be properly registered in that other EAC Partner State. For more information on business and company registration in the five EAC Partner States, See Booklet 5.

# Checklist of required documents for workers, self-employed persons, small-scale cross border traders, persons and short-term/temporary service suppliers

Category	Required documents		
Persons/cross border traders	<ul> <li>✓ Valid travel document i.e national identity card (for some countries), passport or temporary pass</li> <li>✓ Valid immigration stamp and signature upon entering another EAC Partner State</li> <li>✓ Some evidence of intended trading activity i.e invoice, Simplified Certificate of Origin or Purchase Order</li> </ul>		
Workers	<ul> <li>✓ Valid passport</li> <li>✓ Valid immigration stamp and signature</li> <li>✓ Valid work permit/special pass</li> </ul>		
Short-term/ temporary service suppliers	<ul> <li>✓ Valid passport</li> <li>✓ Valid immigration stamp and signature</li> <li>✓ Valid work permit/special pass (for now until new regulations are put in place)</li> </ul>		
Self-employed person	<ul> <li>✓ Valid travel document i.e national identity card (for some countries), passport or temporary pass</li> <li>✓ Valid Passport (only when the self-employed person wants to undertake economic activities)</li> <li>✓ Valid immigration stamp and signature</li> <li>✓ Valid work permit/special pass (only when a person wants to undertake economic activities)</li> </ul>		







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