

# BUSINESSES CALL FOR WIDER CONSULTATION OVER CLEARANCE POLICY

By Moses Kigongo

The Uganda Revenue Authority (URA) has defended its decision to direct that all consolidated container cargo be cleared through a single inland container depot (ICD), Lexus, saying the move is intended to tighten customs control, improve tax compliance and address long-standing irregularities in the cargo clearance process.

The directive, issued by URA's commissioner for customs, Henry Kwaligonza, requires all consolidated cargo destined for Uganda to be cleared through Lexus ICD. According to URA, the measure was informed by challenges that had been identified in the operations of some container consolidators, including concealment of cargo and failure to transfer house bills to customs officials, making it difficult to establish the actual owners of the imported goods.

## WHY CENTRALISED CLEARANCE?

URA says centralising the clearance process will improve supervision of imported cargo, strengthen accountability among consolidators and ensure that importers clear their goods using their own tax identification numbers. The taxman also believes the arrangement will help curb tax leakages and streamline customs operations as it seeks to enhance revenue collection.

In a circular responding to concerns raised by

# URA DEFENDS SINGLE-ICD CARGO CLEARANCE POLICY



Taxman says centralised clearance will curb tax leakages and improve compliance

## CONCERNS AMONG STAKEHOLDERS

Many industry stakeholders say the policy was introduced without sufficient consultation and that it risks disrupting a sector that supports thousands of livelihoods across the country.

Among those raising concern is Kenny

Ayebare, a member of the Uganda Cargo Consolidators Association, who questioned why Uganda Revenue Authority moved ahead with the directive before engaging key players in the industry.

consolidators, Kwaligonza said consolidators are required to contact the respective owners of cargo and issue them with house bills to facilitate proper

customs clearance.

While URA says the measure is aimed at improving compliance, the directive has triggered concern among

traders, cargo consolidators and operators of inland container depots, who fear that restricting all consolidated cargo to a single facility could

arguing that small-scale importers may find it difficult to cope with additional requirements imposed by the facility.

## QUESTIONS ABOUT URA'S CHOICE

Other traders are questioning the criteria that was used to select Lexus as the sole ICD for the initiative. They say many other facilities already comply with URA's operational standards.

Richard Chacha, a fashion designer and importer, said traders are worried that the concentration of all consolidated cargo at a single bond could result in delays that may affect business operations.



URA's John Musinguzi

create more problems than it solves.

## FEARS OF JOB LOSSES

Kenny Ayebare, a member of the Uganda Cargo Consolidators Association, said the decision could render many ICDs non-functional and expose hundreds of workers to possible job losses. Ayebare said concentrating all consolidated cargo at one location could also lead to delays in cargo clearance, increased congestion and additional operational costs for importers.

Ayebare said some traders are already concerned about the costs associated with accessing services at Lexus,

## 'MEASURE IS TEMPORARY'

Responding to the concerns, URA commissioner-general John Musinguzi said the directive is a temporary intervention designed to address specific weaknesses that had been identified in the management of consolidated cargo.

He said URA had observed instances where cargo was concealed or not properly declared, making it difficult for customs officials to verify ownership and collect the correct taxes. Musinguzi said the decision was, therefore, intended to strengthen control while longer-term solutions are being considered.

He assured taxpayers that URA would continuously monitor the implementation of the directive and make adjustments where necessary.