EAC SUMMIT: PRESIDENTS TO SIGN NEW BUSINESS BOND FOR CITIZENS

BY NELSON KIVA

East African Community (EAC) heads of state will this weekend sign new customs reforms to pave the way for a single business bond for citizens.

The leaders from EAC regional bloc members – Uganda, Kenya, Tanzania, Rwanda, Burundi, South Sudan and DR Congo – will sign the new business regulation in Arusha, Tanzania.

Experts said the EAC customs bond is a single regional customs guarantee that replaces the current requirement for multiple national bonds along transit routes.

"Under the new arrangement, traders and clearing agents will secure one bond recognised across all EAC partner states, instead of arranging separate guarantees in each country of transit," a statement issued by EAC officials noted.

The officials added that nationalised trade policies and protectionist tendencies continue to undermine the EAC common market protocols, with some member states still implementing tougher licensing rules, permit denials and non-tariff barriers, which hinder the free movement of goods and services within the community.

The EAC launched the pilot phase of a single customs bond at Sheraton Kampala Hotel on August 4, 2025, to significantly reduce trade costs, ease border delays and free up business capital. Uganda, Kenya and Rwanda were earmarked to drive the pilot phase.

Dr Fred Muhumuza, a development economist, said the new single business bond will reduce the lengthy processes of clearing goods.

"If traders in Uganda are able to clear here, the Kenyans at the joint bond in Mombasa can clear the goods," Muhumuza said.

The framework provides that compliance with the EAC customs bond will be enforced through automated systems linked with customs and cargo tracking, ensuring that all movements are monitored and risk managed.

The EAC indicated that a customs bond is a financial guarantee that ensures a government can recover duties or taxes if a trader fails to comply with customs regulations.

Initially, traders moving goods from Mombasa Port to destinations such as Kampala, Kigali and Bujumbura were required to post separate bonds or cash deposits at every border crossing, locking up capital at each step and inflating trade costs.

However, the Ugandan business community has since expressed reservations about the particular reform, citing concerns about the security of their goods.

"When they tried to implement clearance at Mombasa, it was creating a lot of inconvenience.

"When goods reach Mombasa, traders want those goods to be cleared immediately so that they move freely to Uganda," Thadeus Musoke Nagenda, the former chairperson of Kampala City Traders Association, said.

Musoke added that the process places too great a burden on traders to safeguard their goods.

"That is why our suggestion was – if that process is simplified, they should leave a window for traders who are comfortable with clearing within Uganda, and those who want to clear from the border," Nagenda said.

On his part, the EAC secretary-general, Veronica Nduva, said: "The EAC customs bond frees up traders' money that was tied up in deposits, allowing businesses to reinvest in expansion and jobs."



L-R, EAC heads of state; Hassan Mohamud (Somalia), Paul Kagame (Rwanda), William Ruto (Kenya), Yoweri Museveni, Samia Suluhu (Tanzania) and Salva Kiir (South Sudan) at the 24th EAC Summit on November 29, 2024 in Arusha

'CUTTING UNNECESSARY COSTS'

The Minister of State for East Africa Community Affairs, James Magode, said the EAC customs bond is a practical solution to long-standing trade barriers that have hindered regional business growth.

Magode said the bond will benefit traders by lowering costs, easing cargo movement, and improving competitiveness in regional markets.

"By eliminating multiple bond requirements, we are cutting unnecessary costs and speeding up trade across our borders. This will empower our business community, boost Uganda's exports, and strengthen our participation in the regional economy," Magode said.