

The Common Market for Eastern and Southern Africa (COMESA) has allocated part of its budget for the year 2020 to the review of the current threshold of the Simplified Trade Regime (STR). To this end, an invitation to submit Expression of Interest (EOI) has been published on its [website](#) .

The STR is basically a scheme that allows informal traders to benefit from an exoneration from payment of customs duties and taxes for transactions under a threshold value which is currently of US\$ 2,000 per consignment. At the launch of the STR in 2010, the threshold was set in USD 500. However, as small-scale traders complained that this amount was too little and did not allow them an opportunity to grow their businesses and incomes, the COMESA Council decided to raise the threshold to USD 1000 first (in 2011) and to USD 2000 in 2014.

The [Revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures](#) (Transitional Standard 4.13) allows the WCO members to exonerate from payment of customs duties and taxes for transactions under a minimum value and/or when the total amount of duties and taxes due is under a minimum threshold to be specified by the national legislation, while the WCO Guidelines to the Revised Kyoto Convention further clarify that the collection and payment of duties and taxes should not be required for negligible amounts of revenue that incur costly paperwork both for the Customs administration and the importer/exporter.

COMESA will commission to an independent consultant the task of conducting an analytical review of the current STR threshold to evaluate its adequacy or, rather, reduce or increase again its amount.

It must be noted that one of the conditions for COMESA Member States to implement the STR, is that they must participate to the COMESA Free Trade Area (FTA). However, in practice there are also other COMESA Member States not participating under the FTA that apply simplified regimes equivalent to the STR under specific bilateral arrangements.

For goods to qualify for STR clearance, they must be on an agreed Common List approved by both the exporting and importing country and be originating from a COMESA country. With regard to those goods that have been grown or wholly produced in the COMESA Region and appear on the Common List, the trader is required to complete a simplified customs declaration

form to be filled out directly at the border post, so that it can be submitted to a customs official who will stamp and certify it. Goods that are on the Common List do not require a Simplified Certificate of Origin in order to be traded. Obviously, such goods must also comply with the normal food safety, plant and animal health regulations including environmental protection. So, in case they require specific import or export permits, these ones must be submitted to Customs or the other competent authorities.

The STR initiative responds to a key challenge of lengthy customs procedures and documentation requirements that often turn informal trade away from compliance, particularly small-scale trade. The countries that have implemented such initiative have been able to convert part of informal trade to the formal trade, due to the exemption from customs duties.