

"EACBond Strengthening Regional Integration through a Unified Customs Security"

1. FOREWORD

The launch of the EACBond marks a historic achievement in our journey towards an integrated and efficient East African trade environment. As a flagship regional initiative, the EACBond provides a single, interoperable and secure regional guarantee mechanism that simplifies trade processes and significantly lowers the cost of compliance for traders operating across the East African Community. It is anchored in the EAC Customs Management Act (2004) and developed in alignment with the principles and procedures of the EAC Single Customs Territory.

The EACBond is the product of extensive collaboration between the EAC Secretariat, Partner States' Customs administrations, Insurance Regulatory Authorities, Banks, Insurers, the Private Sector and Development Partners. We recognize and appreciate the critical contributions of each stakeholder, particularly the East African Insurers Supervisors Association (EAISA), Federation of East African Freight Forwarders Association (FEAFAA), BSMART Technology, Trademark Africa, Afreximbank and the Bankers Association.

This initiative is not only a digital innovation, but also a symbol of our shared resolve to facilitate trade, deepen regional integration, and ensure sustainable economic development across the EAC. I encourage all stakeholders to continue supporting its operationalization.

Hon. Veronica Mueni Nduba
Secretary General,
East African Community Secretariat

2. THE JOURNEY TO THE EACBOND

The EACBond represents a decade long pursuit of a unified regional guarantee solution aligned with the goals of the EAC Customs Union and its Single Customs Territory (SCT). The development of the EACBond followed a phased, consultative approach, grounded in policy direction and stakeholder collaboration involving the following key milestones

2013

The EAC Council of Ministers endorsed the Framework for Attainment of the Single Customs Territory, calling for a single regional customs bond to facilitate seamless trade across Partner States. This policy directive acknowledged the need to shift from fragmented national guarantees to a harmonized regional instrument

2015

As an interim measure, Partner States adopted the other Regional Customs Transit Guarantee mechanisms to meet the immediate needs of the SCT. However, it became clear that a dedicated EAC instrument was needed, one tailored to the SCT's unique regimes, including warehousing and temporary imports

2017

The Sectoral Council on Trade, Industry, Finance and Investment (SCTIFI) directed the development of a dedicated EACBond. A technical working group comprising Customs officials, policy makers, insurers, banks and technologists was constituted to drive the process

- This period saw extensive stakeholder consultations, the commissioning of actuarial pricing studies, design of the governance framework and development of a Management Information System (MIS);

2018 - 2023

- The product was stress tested in different operational settings to ensure alignment with national customs systems and RECTS
- SCTIFI approved a pricing and authorized the hybrid guarantee model covering both transit and other operations. This policy breakthrough allowed the formalization of the EACBond financial model.

2024

- The East African Insurance Supervisors' Association (EAISA) provided final concurrence on regulatory and compliance matters.
- Pilot Partner States Uganda, Kenya, and Rwanda were confirmed for first phase rollout.

2025

The EACBond is formally launched, ushering in a new era of regional cooperation, trade facilitation and digital transformation in customs operations

Each milestone reflects the shared determination of EAC institutions and stakeholders to promote cost-effective, secure and integrated trade.

3. ABOUT THE EACBOND

The EACBond is a legally and digitally anchored regional customs guarantee instrument developed under Sections 106 and 107 of the EAC Customs Management Act (2004). It enables the secure movement of goods under customs control across multiple Partner States without the need to post multiple national bonds.

The instrument secures:

- Movement of goods in both EAC Corridors, i.e. the Central and Northern Corridors,
- Warehousing regimes within Partner States
- Temporary imports (e.g., exhibition goods, plant & machinery)
- Containers for shipping lines as an add on

The EACBond is managed through an online portal which provides stakeholders with secure, real-time access to guarantee creation, tracking, acquittal, and claims processing. The system integrates seamlessly with national customs systems and the EAC Regional Electronic Cargo Tracking System (RECTS), ensuring transparency and full cargo journey visibility.

4. BENEFITS AND STRATEGIC IMPACT OF THE EACBOND

The EACBond delivers measurable value across public and private sector actors. Its design reflects a balance of policy alignment, economic logic and operational efficiency:

4.1. Traders and Authorized Economic Operators (AEOs)

- (a) One Customs Security covers multiple countries, reducing the number of instruments and transactions.
- (b) Significant cost savings on premiums and service charges
- (c) Access to simplified digital issuance and reduced documentation
- (d) Access to real time visibility of cargo in transit

4.2. Banks and Insurers

- (a) New guarantee product lines designed for regional deployment
- (b) Enhanced risk profiling through data from RECTS and customs
- (c) Reduced risk of fraud or delay due to digital workflows and automation

4.3. Governments and Customs Authorities

- (a) Reinforced customs revenue protection through automated risk management tools
- (b) Enhanced capacity to monitor transit performance, mitigate diversion risks
- (c) Reduction in clearance times and bottlenecks across borders

4.4. For the EAC Region

- (a) Boosted intra EAC trade by removing redundant processes
- (b) Greater private sector participation and confidence in SCT
- (c) Model for future regional instruments (e.g. e-Carnet schemes).

5. GOVERNANCE & TECHNOLOGY OF THE EACBOND

The EACBond is anchored in a robust governance model and supported by a secure, scalable digital architecture. The scheme involves all key regional actors:

- EAC Secretariat: Strategic oversight, coordination and MIS management
- Customs Authorities: Execution, validation and enforcement of bond terms
- Guarantors: Licensed banks and insurance companies providing financial security
- Insurance Regulatory Authorities: Oversight on prudential soundness and regulatory compliance
- Technology Partner: BSMART Technology, the developer, systems integrator and administration of the EACBond MIS

6. TECHNOLOGY FEATURES OF THE EACBOND

- The EACBond MIS is centralized but interoperable with national systems (CMS, RECTS, Payment Gateways)
- Provides APIs for real-time data exchange with customs, banks and insurers
- Allows automated bond acquittal, incident alerts, claims escalation and resolution
- Features route based risk flags, digital dashboards and audit trails for all stakeholders
- Is mobile friendly and accessible at the palm of your hand

This infrastructure ensures scalability, transparency and trustworthiness, making the EACBond a digital cornerstone for customs modernization