

## JOINT MEDIA RELEASE

### SACU MEMBERS SIGN MUTUAL RECOGNITION ARRANGEMENT

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**Johannesburg, 31 May 2023** - Accredited traders in Botswana, Eswatini, Lesotho, Namibia and South Africa will benefit from lower trade costs and quicker turn-around times for imports and exports, because of a Mutual Recognition Arrangement signed today by the five Member States of the Southern African Customs Union (SACU).

The Heads of Revenue Administrations in Botswana, Eswatini, Lesotho, Namibia and South Africa, have agreed to recognise each other's importers and exporters who have been granted the status of an Authorised Economic Operator (AEO).

Traders who are AEOs across the SACU region will benefit from fast-tracked controls and reduced administration costs for customs clearance.

The Authorised Economic Operator (AEO) programme is a flagship Customs-Business partnership. It benefits both parties because it offers an opportunity for Customs authorities to share its compliance and security responsibilities with the private sector and at the same time, rewards them with several trade facilitation benefits.

Partnership programmes of this nature with trade will allow revenue administrations to achieve more with less effort, with the goal of ensuring sustainable and long-term voluntary compliance through incentives. These Authorised Economic Operators must maintain high quality internal operational processes and have an appropriate record of compliance and will then, in turn, receive certain benefits to support these businesses.

The AEO programme supports international compliance models working towards a system of increased voluntary compliance. This requires Customs to place more reliance on traders who choose to be compliant.

The Heads of the SACU Revenue Administrations committed themselves “to do the best we can to facilitate cross-regional trade to ensure the success of the Africa Continental Free Trade Agreement, exploring all its opportunities and being alert to respond to all of its risks.

“It is in our hands as leaders of SACU Revenue Administrations to play a key role, in significantly reducing the stubborn residue of poverty, inequality and unemployment amongst our people in our region and beyond.”

The SACU leaders said they believe in partnerships, in order to work with and through others to improve the entire trade eco-system in support of voluntary compliance. “As SACU, we have set out an ambitious programme to improve trade facilitation,” they added.

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The SARS Commissioner, Edward Kieswetter, said that “the AEO programme supports SARS’ strategic intent to work towards a system of voluntary compliance. This requires of SARS to place more reliance on taxpayers and traders who choose to be compliant. The AEO Programme does just this! The quid pro quo is a level of accreditation, integrity, and trust mutually built between the parties with tangible benefits in the form of expedited processing and other measures.”

Mr Kieswetter added that today's signing of the Mutual Recognition Arrangement will further boost trade opportunities and contribute to the smooth flow of goods between SACU countries. The MRA will also strengthen end-to-end supply chain security for trade in goods by promoting multi-layered risk-management and providing facilitation benefits to accredited traders.

During the session today, which was open to the public and media, Mr Kieswetter said Customs must carry out its two complementary mandates - facilitate legitimate trade while enforcing the country’s laws.

“These are not in competition. But we cannot do this on our own - we need you as the industry partners and business leaders, we need our fellow Customs administrators - because a border is a dividing line between two countries, but ports of entry connect our countries. The AEO allows both partners to collaborate beyond their narrow self-interest.

“We must understand that the outcome of our work must be the socio-economic development of every member state so that every African girl child, boy, every granny and every household can benefit,” Mr Kieswetter said.

The Executive Secretary of SACU, Mr Thabo Khasipe, said: “The AEO programme has now been mutually recognised by SACU so that these benefits can extend to compliant and accredited businesses, to operate seamlessly across borders between SACU member states.”

Mr Khasipe urged business to form mutually beneficial partnerships through the AEO programme so that the region can extend economic benefits to all its citizens. “This is a VIP system for trade in the region that can assist in developing the region,” he said.

For further information contact: [sarsmedia@sars.gov.za](mailto:sarsmedia@sars.gov.za)

Ms. Kungo Mabogo

SACU Secretariat

Communications Manager

Email: [info@sacu.int](mailto:info@sacu.int)

Cell: +264811468385