



## KENYA TRANSPORTERS ASSOCIATION

*A united association of global excellence in advancing sustainable and competitive road freight services*

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### REGIONAL ELECTRONIC CARGO TRACKING SYSTEM (RECTS) SEALS ARE A SCAM AND KRA IS HIDING BEHIND REGULATIONS TO SCAM TRANSPORTERS

**The Kenya Revenue Authority's (KRA)** management of Regional Electronic Cargo Tracking System (RECTS) Seals is causing undue hardship and frustration for transporters in Kenya. While the East African Community Customs Management Act assigns responsibility for the seals to transporters, the KRA's current practices create unfair financial burdens to transporters, even in situations beyond the transporters control and in absence of any negligence.

KRA officers hide behind the regulations, even in cases where KRA staff themselves are negligent.

The Act empowers the KRA Commissioner to use discretion when applying regulations, allowing for a more balanced approach that considers fairness and practicality.

#### **Some of the unfair instances.**

1. **The market price** for a RECTS seal is around \$150, whereas KRA charges a staggering \$2,500 for a lost seal. This significant difference raises concerns of corruption in seal procurement inside KRA.
2. **Unforeseen Events:** Transporters are held liable for lost seals due to accidents, robberies, or vehicle destruction, even if these events are beyond their control and there is no negligence on their part. We have had cases where even the accident is fatal and driver has died but KRA still hides behind the law to punish the transporter.
3. **Shared Responsibility:** KRA is responsible for attaching and removing seals. When a seal remains attached due to KRA's negligence, demanding compensation from the transporter is unreasonable.
4. **Communication Gap:** Transporters often learn about missing seals only when they receive a hefty fine, hindering their ability to investigate or prevent further loss. Transporters do not even know which KRA officer has untagged the truck nor is it indicated on RECTS system.
5. **Delays in tagging at Port or CFSs** due to lack of enough seals and manpower leading to creating a conducive environment for corruption as transporters push to deliver cargo quickly.

We urge the KRA to implement the RECTS program with fairness and logic. Transporters are vital to the Kenyan economy, and their cooperation should be encouraged, not discouraged.

**Proposed Solutions:**

1. Investigate the substantial price difference between the market cost of a seal \$150 and the penalty imposed for losing one \$2500.
2. Develop a system for promptly notifying transporters of missing seals immediately, allowing them to investigate and minimize potential losses.
3. Review regulations to account for situations where transporter negligence is demonstrably absent, such as accidents or theft.
4. Increase the number of seals and sealing manpower including considering empowerment of KRA Border Control officers to seal at the CFSs.

By adapting to changing circumstances and prioritizing fair implementation, the RECTS program can be an effective tool without causing undue hardship for transporters. This collaborative approach will foster cooperation between KRA and transporters, ultimately benefiting the Kenyan economy.

On Behalf of the Board,

**Newton Wang'oo,**  
**Chairman.**  
**Kenya Transporters Association Ltd.**

*The Kenya Transporters Association Limited (KTA) is a business association of road transporters whose broad objective is to provide a common voice to articulate business constraints facing its members, while being a united association of global excellence in advancing sustainable and competitive road freight services in Kenya, East Africa Region and beyond.*