

THE NEED TO CREATE LEGAL SPACE FOR THE SHIP TALLYING BUSINESS

Fact sheet – July 2013

- The law in Tanzania is silent about the ship tallying business.
- Ship tallying is a core business in the shipping industry.
- Ship owners and shipping agents, importers, exporters and the government, all rely directly or indirectly on ship tally data.
- Ship tallying also serves as a security buffer zone since it verifies the type of cargo which is imported into a country.
- Ship tallying is an important element in the shipping industry all over the world.
- From 2002, TASHITA has been advocating for the introduction of the appropriate regulation of the commercial ship tally business without success.

Negative Impacts

The omission of ship tallying business in The Shipping Agency Act of 2002 and Regulations causes the Government to lose billions of dollars in revenue, due to lack of independent cargo statistics.

Shipping agents do tallying, in fact checking data themselves, for revenue payments.

Most ship owners and their agents are not owned by Tanzanians, meaning national interests may actually be at stake.



Legal loopholes

- The Shipping Agency Act of 2002 and subsequent regulations allow various agencies to perform ship tallying without proper licenses, to the detriment of the country's revenue and economy.
- Ship tallying business is currently largely undertaken by shipping agents or their appointed sister companies. Instead it would be better done by independent ship tally professionals.
- There are no proper regulations to guide and ensure that the ship tallying business is properly done in the country.
- SUMATRA, the regulatory body has no appropriate regulations guiding its ship tallying activities at present.
- Absence of a clear separation between shipping agency activities and the ship tallying business creates loopholes for tax evasion and a likely loss of government revenue as companies not officially licensed to do ship tallying do it as an in-house operation

What can and should be done?

Shipping Agency Act of 2002 and subsequent regulations need to be amended so as to:

- Ensure that shipping agents do not undertake ship tallying activities to avoid a conflict of interest.
- Allow the generation of independent and unbiased cargo statistics.
- Reintroduce ship tallying as a stand-alone business.
- Ensure SUMATRA develops adequate regulations for ship tallying business.

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