



## AGRICULTURE AND FOOD AUTHORITY

### QUALITY MANAGEMENT SYSTEM

### STANDARD OPERATING PROCEDURES FOR IMPORTATION OF BROWN SUGAR AND WHITE REFINED SUGAR

Doc. No. AFA/R&C/SOP/01

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The signatures above certify that this SOP has been reviewed and approved for implementation.

Cabinet Secretary  
Ministry of Agriculture, Livestock, Fisheries & Co-operatives  
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Nairobi



**Doc. Title: Quality Management System  
Standard Operating Procedure for  
Regulation and Compliance**

**Issue No: 01**

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**Amendment Sheet**


No.	Pages/ section amended	Details/reasons of amendment	Prepared by (Name and signature)	Approved by (Name and signature)	Date	Effective date
1						
2						
3						
4						

Note: If any inconsistency or lack of clarity is noted, the user of this SOP should consult the supervisor or Management Representative, as appropriate.

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## **1.0 PURPOSE**

The purpose of this document is to specify and guide on the mode of operations as undertaken within the Regulation and Compliance functions at AFA Sugar Directorate.

## **2.0 SCOPE**

These procedures shall apply to the Regulation and Compliance Departments within the Authority. The procedures comprise of the following:

- 2.1 Importation of brown sugar
- 2.2 Importation of white refined sugar

## **3.0 REFERENCES**


- 3.1 AFA Act, 2013
- 3.2 Crops Act, 2013
- 3.3 The Crops (Sugar) (Imports, Exports and by-products) regulations, 2020
- 3.4 ISO 9001:2015
- 3.5 Risk Management Framework
- 3.6 Work plan
- 3.7 AFA Strategic Plan (2017/18 - 2021/22)

## **4.0 TERMS & ABBREVIATION**

### **4.1 Terms**

- 4.1.1 Registration
- 4.1.2 Dealer
- 4.1.3 Import
- 4.1.4 Export



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## **4.2 Abbreviations**

- 4.2.1** AFA- Agriculture and Food Authority
- 4.2.2** DG- Director General
- 4.2.3** BOD- Board of Directors
- 4.2.4** M-R&C- Manager, Regulation and Compliance
- 4.2.5** V&LC- Verification and Licencing Committee
- 4.2.6** L&RC- Licensing and Registration Committee
- 4.2.7** HOD- Head of Department
- 4.2.8** HD- Head of Directorate

## **5.0 RESPONSIBILITY**


It is the responsibility of the Manager, Regulation and Compliance to ensure that these procedures are effectively implemented, monitored, maintained and reviewed for suitability and adequacy.

## **6.0 PROCEDURE DETAILS**

### **6.1 PROCEDURES FOR IMPORTATION OF BROWN SUGAR**

#### **6.1.1 Introduction**

- A.** The Crops Act, 2013 provides for the regulation, promotion and development of all scheduled crops in Kenya including the sugar sub-sector. Under Section 40 of the Crops Act the Cabinet Secretary for Agriculture, Livestock Fisheries and Co-operatives is required to make regulations for the better carrying into effect the provisions of the Act.
- B.** The Cabinet Secretary for Agriculture, Livestock, Fisheries and Cooperatives has therefore made the Crops (Sugar) (Imports, Exports and By-products) Regulations, 2020 vide Gazette Notice vide Vol.CXXII-No.140 dated 17th July, 2020 to regulate the import and export of sugar and by-products.
- C.** To facilitate trade, the Authority has further, adopted online processing of certificates and permits through the Integrated Management Information System

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(IMIS) which is linked to the Kenya National Single Window System managed by Kenya Trade Network Agency (Kentrade).

- D.** In line with rule 4 of the Crops (Sugar) (Imports, Exports and by-products) regulations, 2020 all persons intending to import brown sugar shall in addition to complying with the provisions of the Crops Act and the Crops (Sugar) (Imports, Exports and By-products) Regulations, 2020 comply to the procedures for Importation of Brown Sugar and any other procedures as may be issued by the Authority from time to time.

#### **6.1.2 Procedure of Registration and Issuance of Permits**


- E.** Based on Kenya's commitments as member of Common Markets for East and Southern Africa (COMESA) and East African Community (EAC) trading blocks, brown sugar importation regime is administered on a non-discriminatory first-come first-served basis. Consideration is open to willing traders upon successful application.
- F.** Every person who wishes to import brown sugar shall apply for registration to the Authority and pay the prescribed annual registration fee of Kenya Shillings one hundred thousand shillings. Upon meeting all the requirements, the



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successful applicant shall be issued with a certificate of registration by the Authority.


- G.** A person registered as a brown sugar importer shall apply for an annual import permit and furnish the Authority with the following documents;
- i. The profile of the applicant;
  - ii. A copy of certificate of incorporation or certificate of registration of the applicant (if the applicant is a company or registered entity);
  - iii. A copy of the applicant's valid business permit at the time of making the application;
  - iv. The applicant's latest audited accounts;
  - v. A copy of the applicant's PIN certificate;
  - vi. A copy of the applicant's tax registration certificate;
  - vii. A copy of the applicant's memorandum of association (if the applicant is a company);
  - viii. A copy of the applicant's articles of association (if the applicant is a company);
  - ix. A copy of the identity cards or passports of each of the applicant's directors (if the applicant is a company);
  - x. A copy of the profile of each of the applicant's directors (if the applicant is a company);
  - xi. A copy of the applicant's valid tax compliance certificate;
  - xii. A copy of a valid certificate of good conduct for each of the applicant's directors (if the applicant is a company);
  - xiii. A copy of the applicant's valid certificate of good conduct (if the applicant is an individual); and
  - xiv. Proof of payment in the sum of Kenya Shillings one hundred thousand shillings as prescribed in the Second Schedule of Crops (Sugar) (Imports, Exports and By-products) Regulations, 2020.
- H.** The holder of an import permit shall submit a Letter of Intent to Import Brown Sugar (a non-binding document with no contractual obligations as prescribed in

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Form AFA/SD/LOI/01/2020) and attach the following documents to the Letter of Intent;

- i. Quantity and type of brown sugar
  - ii. Country of Origin
  - iii. Proforma Invoice showing all charges (Freight on Board, Freight, Insurance, Premium)
  - iv. Intended time of importation
- I.** The Authority shall consider the application by the applicant. The Authority, taking into account the shortfall in the domestic production, COMESA and EAC allocated quotas, equity & fairness and compliance with the relevant laws



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including submission of monthly returns shall approve or reject the application, and communicate in writing to the applicants of the outcome of their application

**J. The importer shall apply for a pre-shipment permit and attach the following:**


- i. A pre-shipment approval letter from the Authority which shall be valid for 45 days from the date of issue;
- ii. The dated Bill of Lading and Imports Declaration Form, for the consignment;
- iii. The customs entry or exit documents for the consignment;
- iv. A proof of payment of taxes by the exporter from whom the consignment was procured;
- v. The invoice and proof of payment for the consignment from the importer;
- vi. The identification and contact details of the exporter or dealer from whom the consignment was procured;
- vii. The certificate of origin of the consignment;
- viii. The phyto-sanitary permits, certificates, permits for the consignment; and
- ix. The certificate of conformity in respect of the consignment.

The Authority shall inspect the consignment and issue a Release Order on arrival.

### **6.1.3 General Provisions for Pre-Shipment Approval of Brown Sugar**

- A.** The Authority shall consider applications regularly as the need arises.
- B.** The maximum allocation will be capped at 1,000MT per consignment.
- C.** The pre-shipment approval letter shall be valid for 45 days and shall not be varied whatsoever.
- D.** The Authority shall determine the prevailing stock levels in determining the allowable quantities at any time.
- E.** The Authority shall endeavor (taking into account the shortfall in the domestic production, COMESA and EAC allocated quotas, equity & fairness and compliance



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with the relevant laws to the extent possible) to grant all applicants an opportunity to import within the validity of the registration and permit period.

- F.** The Authority shall not be responsible for any pre-existing contractual agreements entered into prior to issuance of pre-shipment approvals.
- G.** All letters of intent not responded to by the Authority as at 30th June following the expiry of the current license period shall be deemed to have expired.

#### **6.1.4 Monthly Returns, Re-Packaging, Re-Branding and Smuggling**

- A.** All registered brown sugar importers shall file online monthly returns.
- B.** Any person re-packaging or re-branding imported brown sugar shall seek approval from the Authority.
- C.** Any brown sugar imported into the country without approval from the Authority shall be deemed to have been imported illegally and the importer shall be liable to the penalties prescribed under the Crops Act and the Crops (Sugar) (Imports, Exports and by-products) regulations, 2020.

**NOTE:** All brown sugar importers are requested to acquaint themselves with the provisions of The Crops Act 2013 and The Crops (Sugar) (Imports, Exports and by-products) regulations, 2020 which can be accessed at the Agriculture and Food Authority website: [www.afa.go.ke](http://www.afa.go.ke).

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## **6.2 PROCEDURE FOR IMPORTATION OF WHITE REFINED SUGAR**

### **6.2.1 INTRODUCTION**

- A.** The Crops Act, 2013 provides for the regulation, promotion and development of all scheduled crops in Kenya including the sugar sub-sector. Under Section 40 of the Crops Act the Cabinet Secretary for Agriculture, Livestock Fisheries and Co-operatives is required to make regulations for the better carrying into effect the provisions of the Act.
- B.** The Cabinet Secretary for Agriculture, Livestock, Fisheries and Cooperatives has therefore made The Crops (Sugar) (Imports, Exports and by-products) regulations, 2020 vide Gazette Notice vide Vol.CXXII-No.140 dated 17<sup>th</sup> July, 2020 to regulate the import and export of sugar and by-products.
- C.** To facilitate trade, the Authority has further, adopted online processing of certificates and permits through the Integrated Management Information System (IMIS) which is linked to the Kenya National Single Window System managed by Kenya Trade Network Agency (Kentrade).
- D.** In line with rule 4 of the Crops (Sugar) (Imports, Exports and By-products) Regulations, 2020 all persons intending to import white refined sugar shall in addition to complying with the provisions of the Crops Act and the Crops (Sugar) (Imports, Exports and By-products) Regulations, 2020 comply to the procedures for Importation of White Refined Sugar and any other procedures as may be issued by the Authority from time to time.

### **6.2.2 PROCEDURE OF REGISTRATION AND ISSUANCE OF PERMITS**

- A.** Based on Kenya's commitments as member of Common Markets for East and Southern Africa (COMESA) and East African Community (EAC) trading blocks, white refined sugar importation regime is administered on a non-discriminatory first-come first-served basis. Consideration is open to willing traders upon successful application.





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- B.** Every person who wishes to import white refined sugar shall apply for registration to the Authority and pay the prescribed annual registration fee of Kenya Shillings one hundred thousand shillings. Upon meeting all the requirements, the successful applicant shall be issued with a certificate of registration by the Authority.
- C.** A person registered as a white refined sugar importer shall apply for an annual import permit and furnish the Authority with the following documents;
- I. The profile of the applicant;
  - II. A copy of certificate of incorporation or certificate of registration of the applicant (if the applicant is a company or registered entity);
  - III. A copy of the applicant's valid business permit at the time of making the application;
  - IV. The applicant's latest audited accounts;
  - V. A copy of the applicant's PIN certificate;
  - VI. A copy of the applicant's tax registration certificate;
  - VII. A copy of the applicant's memorandum of association (if the applicant is a company);
  - VIII. A copy of the applicant's articles of association (if the applicant is a company);
  - IX. A copy of the identity cards or passports of each of the applicant's directors (if the applicant is a company);
  - X. A copy of the profile of each of the applicant's directors (if the applicant is a company);
  - XI. A copy of the applicant's valid tax compliance certificate;
  - XII. A copy of a valid certificate of good conduct for each of the applicant's directors (if the applicant is a company);
  - XIII. A copy of the applicant's valid certificate of good conduct (if the applicant is an individual); and



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- XIV. Proof of payment in the sum of Kenya Shillings one hundred thousand shillings as prescribed in the **Second Schedule of Crops (Sugar) (Imports, Exports and By-products) Regulations, 2020.**
- D.** The holder of an import permit shall submit a **Letter of Intent** to Import White Refined Sugar (a non-binding document with no contractual obligations as prescribed in Form AFA/SD/LOI/02/2020) and attach the following documents to the Letter of Intent;
- I. Quantity and type of white refined sugar
  - II. Country of Origin
  - III. Proforma Invoice showing all charges (Freight on Board, Freight, Insurance, Premium)
  - IV. Intended time of importation
- E.** The Authority shall consider the application by the applicant. The Authority, taking into account the annual white refined sugar requirement by individual manufacturers, and compliance with the relevant laws including submission of monthly returns shall approve or reject the application, and communicate in writing to the applicants of the outcome of their application.
- F.** The importer shall apply for a pre-shipment permit and attach the following:
- I. A pre-shipment approval letter from the Authority which shall be valid for 45 days from the date of issue;
  - II. The dated Bill of Lading and Imports Declaration Form, for the consignment;
  - III. The customs entry or exit documents for the consignment;
  - IV. A proof of payment of taxes by the exporter from whom the consignment was procured;
  - V. The invoice and proof of payment for the consignment from the importer;
  - VI. The identification and contact details of the exporter or dealer from whom the consignment was procured;
  - VII. The certificate of origin of the consignment;
  - VIII. The phyto-sanitary permits, certificates, permits for the consignment; and

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- IX. The certificate of conformity in respect of the consignment.
- G.** The Authority shall inspect the consignment and issue a Release Order on arrival.

#### **6.2.3 GENERAL PROVISIONS FOR PRE-SHIPMENT APPROVAL FOR WHITE REFINED SUGAR**

- A.** The Authority shall conduct due diligence in establishing the quantity of white refined sugar required by each manufacturer.
- B.** The quantity by importer is based on the annual requirement of the industrial user and will be apportioned on a drawdown basis.
- C.** The Authority shall consider applications regularly as the need arises.
- D.** Industrial manufacturers are required to plan three (3) months ahead for importation.
- E.** Third-party transactions on white refined sugar are strictly prohibited and may lead to blacklisting.

#### **6.2.4 MONTHLY RETURNS, RE-PACKAGING, RE-BRANDING AND SMUGGLING**

- A.** All registered white refined sugar importers shall file online monthly returns.
- B.** Any white refined sugar imported into the country without approval from the Authority shall be deemed to have been imported illegally and the importer shall be liable to the penalties prescribed under the Crops Act, 2013 and the Crops (Sugar) (Imports, Exports and by-products) regulations, 2020.

**NOTE:** All white refined sugar importers are requested to acquaint themselves with the provisions of The Crops Act, 2013 and The Crops (Sugar) (Imports, Exports and By-products) Regulations, 2020 which can be accessed at the Agriculture and Food Authority website: [www.afa.go.ke](http://www.afa.go.ke).





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**7.0 Key performance indicator**

- 7.1** Inspection reports
- 7.2** Permits and Certificates
- 7.3** Licenses
- 7.4** Quality Verification reports
- 7.5** Action plans/ matrices
- 7.6** Activity work plans

**8.0 Records**

- 8.1** Non-conforming products/materials report form Committee Reports/ Minutes
- 8.2** Applicants' files
- 8.3** DG Reports/Letters
- 8.4** Product destruction/disposal approval log
- 8.5** Non - conforming Product / Raw material / Packaging material

**9.0 Annexes**

- 9.1** Inspection checklist
- 9.2** Dealer license and registration register
- 9.3** Risk management framework