



## **CLARIFICATION ON THE PROCESS OF THE REVIEW OF THE SACU REVENUE SHARING ARRANGEMENT**

In recent weeks, there have been a number of Newspaper articles relating to the ongoing review of the SACU Revenue Sharing Arrangement. At the same time, the SACU Secretariat has also received a number of enquiries about this ongoing review. The purpose of this article is to clarify the process that is being followed in the review and the current status of the review.

The SACU Council of Ministers met in January 2010 in Johannesburg, South Africa and took a decision to undertake a review of the Revenue Sharing Arrangement. The purpose of the study was to evaluate issues relating to the operations of the current revenue sharing arrangement and develop possible options on an equitable revenue sharing arrangement. Following this decision, the SACU Council of Ministers directed the Customs Union Commission to develop Terms of Reference for this review. Upon finalisation of the Terms of Reference, the SACU Commission decided on a process of open tender to obtain a consultant to undertake the review. Following the tendering process, the SACU Commission met to decide on the winning tender. Consequently, an Australian company, CIE Consultants, was appointed to undertake the review.

In undertaking this review, the consultants met stakeholders in all Member States. A draft report on the review of the revenue sharing arrangement was produced in December 2010. The Commission met on 21 January 2011 in Johannesburg, South Africa to receive a presentation of the draft report. This meeting provided an opportunity for Member States to seek clarity on the proposals made by the consultants and to provide their initial comments.

The draft report that is currently in circulation, provides a first attempt by the consultants at responding to the Terms of Reference. Following the meeting of 21 January 2011 held in Johannesburg, the Secretariat has received extensive comments from Member States on the proposals contained in the draft report. These comments have been forwarded to the consultants, who are expected to incorporate them into a revised report. It is expected that the final report will be concluded at the end of February 2011. This report will be debated by the SACU Commission and presented for a decision to the SACU Council of Ministers at their next meeting in April 2011.

The SACU Secretariat would like to underscore that the review of the Revenue Sharing Arrangement is a process which will culminate in a decision by the Council of Ministers on an appropriate way forward, based on the options.