FREQUENTLY ASKED QUESTIONS ABOUT THE KENYA TRADENET SYSTEM AND MARINE CARGO INSURANCE

Following the decision by the Government of Kenya to operationalize section 20 of the Insurance Act, Cap 487, KenTrade, together with other industry stakeholders including State Department For Maritime And Shipping Affairs, Kenya Revenue Authority (KRA), Association of Kenya Insurers (AKI), Intergovernmental Standing Committee on Shipping (ISCOS) and Insurance companies have been working to roll-out Local Marine Cargo Insurance Certificate (MCI) in line with the Government directive contained in the budget policy statement 2016/2017. Industry Stakeholders have agreed to use the Kenya TradeNet System operated by KenTrade to facilitate the online application of local MCI.

To ensure smooth transition, KenTrade, in partnership with KRA, AKI and Shippers Council of Eastern Africa (SCEA) have been undertaking sensitization and training of stakeholders involved in MCI in readiness for the roll out in January 01, 2017. The following are a Frequently Asked questions (FAQ) and answers in regard to local MCI.

1. ## What is Marine Cargo Insurance (MCI)?

   Marine Cargo Insurance policy provides indemnity against loss or damage for goods being transported by sea or air and incidental land transportation.

2. ## Why implement the local MCI in Kenya now?
   Local MCI implementation in Kenya is in compliance with the 2016/2017 budget policy statement and also the Insurance Act Cap 487 section 20 (1) that requires that all marine insurance should be procured locally.

3. ## What is the commencement date for the implementation of local MCI?
   The local MCI takes effect from January 01, 2017. Cargo shipped on or after 1st January 2017 will be subject to local MCI.

4. How do I get my local MCI certificate from January 1, 2017?

As a first time user of the System, you will be required to get access credentials by contacting KenTrade Contact Centre (Visit www.kentrade.go.ke for contact information).

a) *You will then procure MCI certificate from your preferred Insurance Company. This process will be done outside the System (National Electronic Single Window System) also known as the Kenya TradeNet System.*

b) *Upon issuance of the MCI , the trader/insurance company will be required to submit to KRA and any other Partner Government Agencies (PGAs)the certificate through the Kenya TradeNet System by doing the following;*

Process Description

- **Importer**
  - ✓ *The importer creates a Unique Consignment Reference (UCR) in the Kenya TradeNet System.*

  - ✓ *The Importer submits an application for MCI to an Insurance company through the Kenya TradeNet System and links the application to the Unique Consignment Reference (UCR).*

- **Insurance Company**
  - ✓ *Insurance company accesses the application on Kenya TradeNet System and processes it.*

5. Who is supposed to apply for the MCI?
This is the responsibility of the importer.

6. Why am I required to submit the MCI certificate on Kenya Trade Net System yet I already have a hardcopy certificate?

The MCI application through the Kenya TradeNet System is intended to allow KRA and any other Government Agency to view the MCI certificate electronically in the course of cargo clearance. The MCI will appear in the UCR link. This eliminates the need for manual distributions of MCIs which is costly and inefficient.

7. How do I handle cargo that is already en route to the port of destination after December 31, 2016?

The Directive is applicable for any new shipments with effect from 1st January 2017. Considerations will be made on cargo that is already in the high seas before the deadline. Any cargo shipped on or after 1st January are subject to local MCI.

8. Who do I contact in case I need assistance?

The MCI committee has set up a helpdesk to assist traders who encounter both technical and process challenges such as the one cited in number 4 above. Customers experiencing challenges can seek for assistance through the following contacts:

KRA contacts are*; **Julius Kihara and Reuben Walufu Ext. 2176.***

KENTRADE Contacts:
Landline: +254 (20) 4965000
Mobile: 0709950000
Email Address: contactcentre@kentrade.go.ke

9. What Modes of transport does MCI cover?

Local MCI requirement covers all imports to Kenya regardless of the mode of transport.

11. As an importer, do I have the option of picking my preferred insurance company?

Yes. Importers have the choice of procuring local MCI from their preferred insurance companies.