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Abstract

The main purpose of this project was to assess the effect of customs regulations compliance on supply chain performance. The research specific objectives were: to investigate the effect of customs valuation on the performance of supply chain performance at Rwanda Revenue Authority; to examine the effect of customs declaration on the performance of supply chain at Rwanda Revenue Authority and to analyse the effect of trade agreements on supply chain activities at Rwanda Revenue Authority. To achieve these objectives, literature was reviewed on the subject matter, and then data was collected from target population equals to 141 respondents including 55 staff of Rwanda revenue authority, 30 logistics companies and 56 business personnel and out of them a sample size of 104 were purposively selected. Questionnaire, observation, interview guide and documentation were used as tools of data collection. This research also adopted the descriptive research design and correlational analysis to gain insight into the little-known subject in order to respond to what, how or why the study should be explored and to come up with relevant findings. Results indicated that customs declaration had the greatest effect on supply chain performance at Rwanda Revenue Authority, followed by customs valuation, and lastly trade agreements. At a 5% level of significance and a 95% level of confidence, customs valuation had a 0.000 level of significance; customs declaration had a 0.000 level of significance; and trade agreements also had a 0.04 level of significance. All above variables were significant ($p < 0.05$). From the above findings, results revealed that there is a positive relationship between customs regulations compliance and supply chain performance at Rwanda Revenue Authority. Customs compliance is an important part of international trade in Rwanda as it helps ensure that goods are properly recorded and taxes and duties are paid. Therefore, inline of findings researcher recommended that Rwanda Revenue Authority, as customs regulator in Rwanda, must make an efficient, accurate declaration and proper classification of goods, both for goods exported and imported.

1. Introduction

The significance of efficient supply chain management has been widely recognized as a critical factor for the success of businesses in today's globalized economy. In Rwanda, as an emerging economic hub, the efficient movement of goods across borders is crucial for fostering trade, attracting investments, and promoting economic growth (Mpakaniye, 2019).

Despite, non-compliance with customs regulations has significant repercussions for businesses in Rwanda. It led to penalties, fines, delays, and disruptions in import/export processes, which impacted financial stability and operational efficiency of some businesses (Chen & Li, 2015). Moreover, businesses risk damaging their reputation, losing customer trust, and facing legal consequences. Supply chain disruptions and loss of business contracts further exacerbate the consequences. Therefore, businesses must prioritize compliance, adhere to regulations, maintain accurate documentation, and seek expert guidance to avoid these negative outcomes and ensure sustainable operations (RRA, 2022).

According to the RRA report (2022), 30% of the total imported goods delays in the customs office due to the incompliance of the customs such as: delay of declaration issues, payment of taxes and duty free which contribute to the over storage and goods results in damages and this affect the supply chain performance of the selected logistics companies. It is with this regards that the researcher is highly motivated in conducting this research. However no specific study was done to assess the effect of customs regulations compliance on supply chain performance Therefore, the researcher needs to fill this gap by assessing the effect of customs regulations compliance on supply chain performance with a reference to Rwanda revenue authority (RRA) as a case study

1.1 Objectives of the study

The general objective of the study was to examine the effects of customs regulations compliance on supply chain performance.

The specific objectives were the following:

- i. To investigate the effect of customs valuation on the performance of supply chain at Rwanda Revenue Authority.
- ii. To examine the effect of customs declaration on the performance of supply chain at Rwanda Revenue Authority.
- iii. To analyse the effect of trade agreements on the supply chain activities at Rwanda Revenue Authority.

1.2 Research hypotheses

The study verified the following hypotheses;

- i. H_{01} : There is no significant effect of customs valuation on the performance of supply chain at Rwanda Revenue Authority.
- ii. H_{02} : There is no significant effect of customs declaration on the performance of supply chain at Rwanda Revenue Authority.
- iii. H_{03} : There is no significant effect of trade agreements on the supply chain activities at Rwanda Revenue Authority.

2. Literature review

This part involves the theories related to the study undertaken, such as Liberal IR Theory, Realism Theory and Agency theory.

2.1 Liberal IR Theory

Modern theoretical studies of international relations can sometimes be traced back to realist works such as E. H. Carr's *The Twenty Years' Crisis* (1939) and Hans Morgenthau's *Politics among States* (1948). The most influential theoretical work on international relations after the war was Kenneth Waltz's *Theory of International Politics* (1979), which pioneered the new realism. Neo-liberalism (or liberal institutionalism) emerged as an important competing framework for neo-realism, whose notable supporters included Robert Keohane and Joseph Nye. In the late 1980s and 1990s, constructivism emerged as an important third theoretical framework for international relations alongside existing realist and liberal approaches. International relations theorists such as Alexander Wendt, John Ruggie, Martha Finnemore, and Michael N. Barnett are constructing pioneer of doctrine. Rational choice approaches to world politics became increasingly influential in the 1990s, notably James Fearon's book *Models of War Negotiation*.

The basic premise of liberal international relations theory is that the relationship between states and their surrounding states and transnational societies crucially shapes state behavior by influencing the social purposes underlying state preferences, which can be reformulated in three core forms: assumption (Kahraman, et al. 2020). Liberal theory is based on a "bottom-up" view of politics, in which the needs of individuals and social groups are analyzed before politics. Political action is rooted in domestic and transnational civil society, which is understood as a collection of bounded rational individuals with different tastes, social participation, and resource endowments. Socially differentiated individuals define their material and aspiration interests independently of politics, and then promote these interests through political communication and collective action. Individuals and groups are believed to act rationally in search of material and spiritual well-being.

For libertarians, defining the interests of social actors is theoretically central. Liberal theory rejects the utopian idea of an automatic harmony of interests among individuals and groups in society. Scarcity and differentiation lead to inevitable competition. When social incentives to exchange and collective action are perceived, individuals and groups exploit them: the greater the expected payoff, the stronger the incentive to act. In pursuing these goals, individuals are, on average, risk-averse (Kuitunen, 2020). That means they are fiercely defending existing investments but remain more cautious about taking on the costs and risks of seeking new profits. However, what applies to ordinary people does not necessarily apply to all situations: some people in a given society may be adventurers or irrational people. Liberal theory attempts to generalize the social conditions under which the actions of self-interested actors lead to cooperation or conflict. Conflicting social needs and the willingness to enforce them through coercive means are related to many factors, three of which are relevant to this discussion: disagreements in core beliefs, conflicts over scarce material goods, and inequalities in political power.

There are deep, irreconcilable differences in beliefs about the provision of public goods such as borders, cultures, underlying political institutions, and local social practices that fuel conflict, while complementary beliefs promote harmony and cooperation. Extreme scarcity often intensifies the willingness of social participants to bear the cost and risk of obtaining

resources, thereby intensifying resource conflicts (Sjögren, 2023). Relatively abundant resources, by contrast, can provide opportunities to meet needs without inevitable conflict and give certain individuals and groups more time to protect themselves, thereby reducing conflict readiness. Finally, conflict is more likely to occur when there is greater inequality in social influence. Where social power is equitably distributed, the costs and benefits of action are more likely to be passed on to individuals for example, through complex, overarching patterns of mutually beneficial interactions or the presence of strong and legitimate domestic political institutions and to incentivize greater choice. Sexual or indiscriminate compulsions are suppressed (Prichard, *et al.* 2019). Conversely, when power asymmetries enable groups to avoid the costs of redistributing goods, exploitative, profit-seeking behavior is incentivized even if the outcomes for society as a whole are inefficient.

In the liberal conception of domestic politics, the state is not an actor but a representative institution, constantly conquered and reconquered, built and rebuilt by coalitions of social actors. Representative institutions and practices constitute the crucial "belt of transmission" through which individual and group preferences and social power are translated into state policy. Individuals turn to the state to achieve goals that private action cannot effectively achieve. Government policy is thus constrained by the underlying identities, interests, and power of individuals and groups (both inside and outside the state apparatus) who continually exert pressure on central decision makers to pursue policies that match their preferences. This is not a narrowly pluralistic view of domestic politics, in which all individuals and groups have equal influence on national politics and the structure of state institutions plays no role (Lucas, 2021). No government depends on universal or impartial political representation; every government represents certain individuals and groups more fully than others.

In extreme hypothetical scenarios, representation might empower a small section of the bureaucratic class or even an idealized dictator like Pol Pot or Joseph Stalin. Between the theoretical extremes of tyranny and democracy exist many representative institutions and practices, each with certain privileges. Thus, the nature of state institutions, as well as the interests of society itself, are key factors in the international behavior of states. From the explanation above, the researcher saw that liberals also argue that international diplomacy can be a very effective way to get states to interact with each other honestly and support nonviolent solutions to problems. With the proper institutions and diplomacy, liberals believe that states can work together to maximize prosperity and minimize conflict. Furthermore, this theory could be a disadvantage for a state in wartime, when a fast and unified response is necessary.

2.2 Realism Theory

Hans J. Morgenthau (1904-1980) developed realism into a comprehensive theory of international relations. Influenced by Protestant theologians and political writers Reinhold Niebuhr and Hobbes, he placed egoism and the desire for power at the center of his picture of human existence. Man's insatiable, eternal, and universal desire for power, which he equates with the desire to rule, is for him the main cause of conflict. As he put it in his major work, *Politics among Nations: The Struggle for Power and Peace*, first published in 1948, "International politics, like all politics, is a struggle for power." Morgenthau based international Systematizing realism in relations and incorporating it in the second edition of *International Politics*. As a traditionalist, he opposed so-called scientists (who, especially in the 1950s, tried to reduce the discipline of international relations to a branch of behavioural science). Nonetheless, he states in his first principle that realism is based on objective laws rooted in unchanging human nature. He hoped to develop realism into a theory of international politics and a political art, a useful tool of foreign policy (Özekin&Sune, 2021).

At the end of the Cold War and through much of the 1990s, realism came under attack as cooperation unexpectedly overcome security dilemmas. Instead, there seems to be something of a renaissance recently, especially with Russia's invasion of Crimea (Xu, 2023). At first glance, both the accusation and the endorsement are wrong judgments. Because they confuse description with explanation. The term "realism" is used in at least two fields. On the one hand, it deals with the observational theory of international relations, which has to find explanations for things like the end of the Cold War. Realism, on the other hand, refers to a specific foreign policy/security policy doctrine or strategy, usually associated with a strategy of containment or military preparations for war. In the first case, the world is analyzed from an external perspective, often focusing on explaining the behaviour of actors (Mickiewicz and Kasprzycki, 2019).

In the second case, the goal is to develop an overall plan of action for the participants. It's not hard to see how the two can be confused. As common as this claim is, it's still false. In this chaos, whenever something goes wrong, whenever the world experiences violence or war, when people adopt realistic strategies, the so-called realistic theories explaining these actions are confirmed; if diplomacy succeeds, war is avoided, and If there is cooperation, then "liberalism," "idealism," or whatever term you choose is correct. Obviously, this doesn't make much sense on any one level. Realist theory can explain not only violence and war, but also violence and war. To be a credible theory, it must also be able to explain cooperation and harmony. The same goes for any other theory. There are realistic explanations of European integration and constructivist explanations of the security dilemma.

The question is not the descriptive question of whether there is war or peace, but the interpretive question: for what reason? Furthermore, as he explained later, a liberal foreign policy does not necessarily exclude violence or war, or that a realistic strategy favors war over cooperation in all circumstances (Lake *et al.*, 2017). Moreover, in public debate, realism is sometimes even more vaguely associated with pessimism. While this can be defended on a philosophical level, with scientists such as Hans Morgenthau drawing it from a particular view of human nature, pessimism itself is not limited to realism. If you are a constructivist scholar looking at the current global political process through the lens of the militarization of politics and the essentialization of identity, you are probably more pessimistic today than some rationalists or defensive realists.

So, when realist theories came under attack at the end of the Cold War, it was not primarily because they failed to foresee the end, but the same fate as all other theories. Nor is it because things are going "smoothly" in Europe. The problem is that the theory's logic doesn't really explain how it ended. Likewise, the fact that there are territorial conflicts in Europe, such as recently in Crimea and Eastern Ukraine does not indicate that the realistic way of interpreting these conflicts is correct, since there are other main reasons for such conflicts, which can be seen as power or Maximum safety. Confusion between theory and strategy, distant explanation and code of action is rare in other social sciences. It comes up often in professional debates about international relations for good reason: this binary simplification does not come from the realm of science, although it is reproduced there.

Its roots lie in world diplomatic discourse. Its guiding principles are the classic debate between political realism and idealism and their notions of the superiority of practical knowledge. Social and political practice has not been improved by alienating scientific views; rather, the opposite is true: science is created by drawing lessons from practice. If society develops such that science is necessary for the legitimacy of knowledge, control, and domination, then the

discipline of international relations that emerges later will serve as the basis for persuading the new and expanding world diplomatic society to believe in, and thus maintaining, the existing diplomatic society necessary detour (Zapp, 2023). It is the practical knowledge of diplomatic and military elites. Science is not against tradition; tradition is embedded in their science. Discipline is not for producing knowledge, but for producing knowledge. Knowledge begets his discipline.

From the above details explained, the researcher found that realists overemphasize security and defense considerations at the expense of cultural and ideological variables. Furthermore, one weakness of realism is its limited scope for explaining non-state actors, transnational issues, and factors beyond power politics. Realism tends to overlook the role of non-state actors such as international organizations, non-governmental organizations, and global civil society movements.

2.3 Agency theory

This theory focuses on the principal-agent relationship between businesses and customs authorities. It examines the incentives, conflicts of interest, and information asymmetry that arise when customs authorities act as agents enforcing regulations on behalf of the government. It suggests that effective governance mechanisms and aligning incentives can mitigate potential agency problems and improve compliance with customs regulations (Fama, 1980). The historical background of Agency Theory can be traced back to the mid-20th century when economists and scholars began examining the principal-agent relationship in economic and organizational contexts. The theory emerged as a response to the challenges posed by the separation of ownership and control in corporations. During the early 20th century, the ownership of corporations became increasingly dispersed, with shareholders holding small stakes in the company. This separation of ownership from control created a principal-agent problem, where the owners (principals) entrusted the management of the company to managers (agents) who may have their own interests that do not necessarily align with those of the shareholders (Eisenhardt, 1989)

The term "agency theory" was first coined in 1976 by economist Michael C. Jensen and William H. Meckling in their influential paper titled "Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure." This paper laid the foundation for the theory by exploring the nature of the principal-agent relationship and the associated problems. Jensen and Meckling argued that conflicts of interest arise between principals and agents due to information asymmetry, risk aversion, and differing goals. They posited that agents may pursue their own self-interests, such as maximizing their own compensation or job security, instead of acting solely in the best interests of the principals (Eisenhardt, 1985).

Agency theory suggests that such conflicts can lead to agency costs, which refer to the expenses incurred by principals to monitor and control agents' behavior, as well as the losses arising from agents' opportunistic actions. These costs include monitoring expenses, bonding and residual loss, and the costs of establishing incentive systems to align the interests of agents with those of principals. Over time, agency theory has been applied not only to corporate governance but also to various other fields such as economics, finance, management, and organizational behavior. It has become a prominent framework for analyzing and understanding the complex relationships and conflicts of interest that exist between principals and agents in different contexts (Pfeffer and Salancik, 2003).

The insights provided by agency theory have shaped corporate governance practices, including the design of executive compensation systems, board structures, and mechanisms for monitoring and controlling managerial behavior. The theory has also influenced the development of related concepts and theories, such as the separation of ownership and control, shareholder activism, and the role of information and disclosure in mitigating agency problems. Overall, the historical background of agency theory stems from the recognition of the principal-agent problem in corporations and the subsequent efforts to understand and address the conflicts of interest that arise between principals and agents.

As critics, we recognize the existence of agency costs due to conflicting interests between shareholders and managers and the assumption of rational, self-interested behavior without non-pecuniary agent motivation. Additionally, the theory always implies a lack of legal agency between shareholders and directors, the flawed arguments of residual claimant and economic efficiency, and the limited control shareholders have over directors.

3. Research methodology

This section presents the detailed procedures to be followed to realize the research objectives. It comprises the research design, target population and sample size, sampling design, data collection instruments and data analysis.

3.1 Research design

This research used the descriptive research design, which is the best for the study as it describes and explains the characteristics associated with the subject population. The justification for choosing the research design is the fact that we can only describe or explain the relationships, if any, that exist between variables, but we cannot alter those relationships. A correlational research design is a quantitative research method used to determine the relationship between two or more variables. In addition, this study considers the use of quantitative methods in terms of statistical, mathematical, or numerical analysis of the data collected through surveys, questionnaires, and interview guides. On the other hand, qualitative methods using non-numerical data are also used to understand respondents' beliefs, experiences, attitudes, behaviors, and interactions.

3.2 Target population and sampling

The target populations for this study were employees of the Rwanda Revenue Authority, logistics companies and business personnel constituted of 55 employees, and the companies involved in logistics and clearance, made up of 30 institutions and 56 business personnel, for a total of 141.

Concerning the study, the researcher chooses different employees of RRA Headquarters, logistics companies and business personnel with a total of 141 personnel. A sample size of 104 personnel was selected purposefully from the total population, which includes RRA's employees, logistics companies and business personnel. It is not easy for the researcher to gather information, especially when the target population is large. For determining the number of respondents, the researcher referred to the formula given by Yamane (1989) as follows:

$$n = \frac{N}{1 + N(e)^2}$$
$$n = \frac{141}{1 + 141(0.05)^2} = \frac{141}{1 + 0.3525} = 104.2 \approx \mathbf{104}$$

n = 104

N: Study population.

n= Sample size

e: Error Term (equal to 5%)

A sample is a portion of a larger group of people. Therefore, the study used the purposive sampling technique, which is carried out because all workers are well aware of the effects of customs regulations compliance on supply chain performance.

3.3 Data collection Instruments

Data collection techniques refer to methods of collecting and analysing various forms of data. Standard data collection techniques include reviewing documents on a topic and conducting interviews and observations (Kielhofner and Coster, 2017). Therefore, in this section, the researcher used different instruments to collect both primary and secondary data.

The questionnaire contains closed questions that limit the respondent's answers or opinions by using pre-selected alternatives. In this study, the questionnaire was contained in four sections: a demographic profile of respondents, The second section contained three closed-ended questions addressed to respondents based on the effects of customs regulation compliance on supply chain performance, while the third section also contained six closed-ended questions addressed to respondents.

Therefore, the researcher used observation to learn how customs regulations work and how they affect supply chain performance in the daily activities of this institution.

Interview guide was prepared and also addressed to concerned personnel in order to gain a better understanding of the effect of customs valuation on supply chain performance, the effect of customs declaration on supply chain performance and finally the effect of trade agreements on supply chain performance.

3.4 Data Analysis

Both quantitative and qualitative approaches were used for data analysis. The Statistical Package for the Social Sciences (SPSS) software was used to run descriptive statistics such as percentages, mean, and standard deviation so as to present the quantitative data in cross-tabulation tables based on the major research questions. The qualitative data was used to reinforce the quantitative data, and inferential statistics such as Pearson correlation were used.

In addition, in order to determine the effects of customs regulations compliance on supply chain performance was analyzed through the case of Rwanda Revenue Authority. As a solution to this problem, researcher also prefer multiple regression models that assume a linear relationship $Y = \alpha + \beta X + \varepsilon$ between the dependent variable Y (supply chain performance) and the explanatory variable X (customs regulations compliance), where the error term ε includes the omitted factor. Check as follows:

$$Y = a + bX_1 + cX_2 + dX_3 + \epsilon$$

Where:

- **Y** : Supply chain performance
- **X₁, X₂, X₃**: Independent (explanatory) variables: customs valuation (x_1), A customs declaration (x_2) and trade agreements (x_3).
- **A** : Intercept

- **b, c, d:** Slopes
- ϵ : Residual (error)

Multiple linear regressions follow the same conditions as the simple linear model.

4. Research findings

The chapter comprises by the data presentation, interpretation and discussion of the findings as set out in the research methodology.

Table 1: Correlations

		Customs regulations compliance	Supply chain performance
Customs regulations compliance	Pearson Correlation	1	.890**
	Sig. (2-tailed)		.000
	N	104	104
Supply chain performance	Pearson Correlation	.890**	1
	Sig. (2-tailed)	.000	
	N	104	104

** . Correlation is significant at the 0.01 level (2-tailed).

According to Pearson’s theory on coefficient of correlation, table 1 indicates that customs regulations compliance on supply chain performance at Rwanda Revenue Authority equals .890, thus indicating that there is a strong positive relationship between these two variables. Therefore, customs regulations compliance practices at RRA through customs valuation, customs declaration, and trade agreements improve greatly its supply chain performance.

Table 2: Model Summary_b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.947 ^a	.897	.872	.144

a. Predictors: (Constant), Trade agreements, Customs declaration, Customs valuation

Table 2 shows that 89.7% of the change in the factor 4 can be accounted for by factors 1 and the remaining percentages are accounted for by other variables which are not presented in this model.

Table 3: ANOVA_b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.188	3	.729	34.714	.000 ^a
	Residual	.250	110	.021		
	Total	2.438	103			

a. Predictors: (Constant), Trade agreements, Customs declaration, Customs valuation

b. Dependent Variable: Competitive advantage

Table 3 shows that there is a significant vary at .000^a between customs regulations compliance and supply chain performance at Rwanda Revenue Authority.

Table 4: Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.500	.191		2.619	.022
	Customs valuation	.750	.132	.635	5.692	.000
	Customs declaration	1.250	.132	1.059	9.487	.000
	Trade agreements	.500	.144	.424	3.464	.005

a. Dependent Variable: Supply chain performance at Rwanda Revenue Authority

From the regression equation above, it was found that holding all the customs regulations compliance to a constant zero, the supply chain performance at Rwanda Revenue Authority will be .500 percent; a unit increase in the use of customs valuation would lead to an increase in the supply chain performance at Rwanda Revenue Authority by 75%; a one percent increase in the use of customs declaration would lead to an increase in supply chain performance at Rwanda Revenue Authority by 125 %; and a one percentage point increase in the use of Trade agreements would lead to a 50% increase in the supply chain performance at Rwanda Revenue Authority. Overall, customs declaration had the greatest effect supply chain performance at Rwanda Revenue Authority, followed by customs valuation, and lastly trade agreements. At a 5% level of significance and a 95% level of confidence, customs valuation had a 0.000 level of significance; customs declaration had a 0.000 level of significance; and trade agreements also had a 0.04 level of significance. All above variables were significant ($p < 0.05$).

The regression model for the research can be stated as:

$$Y = 0.500 + 0.750X_1 + 1.250X_2 + 0.500X_3 + \epsilon$$

Test of hypotheses

The study assessed the effect of customs regulation compliance on supply chain performance; multiple regressions were used. Findings are presented below:

H₀₁: There is no significant effect of customs valuation on the performance of supply chain at Rwanda Revenue Authority. Results revealed that P-Value = .000 therefore, it means that all customs valuation variables jointly have a positive and significant effect on performance of supply chain at Rwanda Revenue Authority at all levels of significance.

H₀₂: There is no significant effect of customs declaration on the performance of supply chain at Rwanda Revenue Authority; findings revealed that P-Value = .000; this means that all customs declaration variables jointly have a positive and significant effect on performance of supply chain at Rwanda Revenue at all levels of significance.

H₀₃: There is no significant effect of trade agreements on the supply chain activities at Rwanda Revenue Authority; the findings indicated that P-Value = .005; therefore, this means that all trade agreements variables jointly have a positive and significant effect on performance of supply chain at Rwanda Revenue at all levels of significance.

5. Conclusion

From the above findings, this study concluded that customs valuation plays a vital role in the international trade system. It ensures compliance with international trade laws, determines the duty and tax implications of trade transactions, collects trade statistics, prevents fraud, and promotes fairness in global market competition. Furthermore, customs declarations are also necessary for security, as certain goods are subject to licenses or permits. With customs, RRA also clearly determines the economic value of goods declared for importation. Together with origin and classification, the customs value provides the basis for the assessment of the customs debt, which is normally calculated as a percentage of the customs value.

Finally, this study concluded that there is a positive relationship between customs regulation compliance and supply chain performance at the Rwanda Revenue Authority. Finally, the Rwanda Revenue Authority, as a customs administration, is responsible for ensuring that products entering the territory of a given country pay all applicable duties and taxes upon clearance and that goods declared for export actually leave the territory free of indirect taxation and are not returned to the domestic market.

6. Recommendations

The Rwandan Revenue Authority would ensure that the dutiable value forms the basis for the assessment of customs debt, which is usually calculated as a percentage of the dutiable value.

RRA should provide clear and comprehensive guidelines on customs valuation to both customs officials and importers/exporters. Clarity in the valuation process reduces confusion and minimizes disputes, ensuring a smoother supply chain.

The study also recommends that the Rwanda Revenue Authority Implementing automated customs processes can significantly enhance the efficiency of supply chain operations. Utilize technology to streamline declaration procedures, reducing manual errors and processing times.

Rwanda Revenue Authority can deploy a strong legal team that understands compliance with trade agreements is critical.

RRA must ensure that before any Rwandan traders begin operations, they must obtain the right licenses, permits, and tax registrations. Licensing requirements exist to regulate their businesses and protect the public.

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