

Extraordinary



Federal Republic of Nigeria Official Gazette

No. 88

Lagos - 31st May, 2016

Vol. 103

Government Notice No. 44

The following is published as supplement to this *Gazette* :

<i>S.I. No.</i>	<i>Short Title</i>	<i>Page</i>
8	Lagos Free Trade Zone Regulations, 2016	B311-386

Printed and Published by The Federal Government Printer, Lagos, Nigeria
FGP 50/62016/650

Annual Subscription from 1st January, 2016 is Local : ₦25,000.00 Overseas : ₦37,500.00 [Surface Mail]
₦49,500.00 [Second Class Air Mail]. Present issue ₦1,500.00 per copy. Subscribers who wish to obtain *Gazette* after
1st January should apply to the Federal Government Printer, Lagos for amended Subscriptions.

NIGERIA EXPORT PROCESSING ZONES ACT
CAP. N107, LAWS OF THE FEDERATION OF NIGERIA, 2004
LAGOS FREE TRADE ZONE REGULATIONS, 2016



ARRANGEMENT OF REGULATIONS

Regulation :

PART I—OBJECTIVES

1. Objectives.

PART II—FREE ZONE REGISTRY

2. Object and powers of a Free Zone Enterprise.
3. Registration as Free Zone Enterprise.
4. Documentation required in respect of the registration of FZE.
5. Schedule of Charges and Registration Fees.
6. Transfer and other payment instructions.
7. Right of the Free Zone Registry to request for information.
8. FZE Share Capital Denomination.
9. Name of a FZE operating within LFTZ.
10. Registered Address.
11. Name Plate.
12. Business Letters.
13. Transfer of shares.
14. Registration of Transferred Shares.
15. Statutory Declaration of Compliance.
16. Directors and Secretary's Register.
17. Status of Directors.
18. Directors' meetings.
19. Appointment and duties of Secretaries.
20. Seal of a FZE.
21. Contracts entered into by FZE.
22. Books of Accounts and Records.
23. Appointment of Auditors.
24. Quarterly Returns and Reports.
25. Distributions.
26. Ownership.
27. Ownership's Declaration.

28. Security Interests.
29. Power to investigate the affairs of FZE.
30. Deregistration.
31. Registration of Free Zone Vehicles.

PART III—LICENSING PROCEDURES AND REGULATIONS

32. Application for Licence.
33. Types of Licence.
34. Eligibility for a Licence.
35. Annual Licensing fees.
36. Issuance of Licence.
37. Continuing obligations.
38. Renewal of Licence.
39. Operations outside the Free Zone.
40. Lease Agreement with Zone Management.
41. Revocation of Licence.

PART IV—GENERAL REGULATIONS

42. Incentives and Concessions.
43. Approval to establish Banks in the Free Zone.
44. Retail Trade activities.
45. Abandoned Goods or Property.
46. Authorized Activities.
47. Removal of goods from the Zone.
48. Free Zone Customs, Police and Immigration.
49. Custom Procedures, etc.
50. Work Permit.
51. Provision of Security.
52. Applicable Laws.
53. Dispute Resolution.
54. Litigation.
55. Employment of Expatriates outside the Free Zone.
56. Environmental Protection.
57. Maintenance Works.
58. Payment for Utilities.
59. Taxation Procedures and Regulations.
60. Penalties for non-compliance with extant Rules and Regulations.

PART V—BANKING PROCEDURES AND INCENTIVES

61. Objective of this Part.
62. Banks in LFTZ to be granted approval by the Authority.
63. Sources and uses of Funds.
64. Participation of Free Zone Enterprises in the Nigerian Foreign Exchange Market.

65. Examination of Banks.
66. Auditing of Accounts.
67. Incentives.
68. Accounts permissible.
69. Permissible activities.
70. Prohibited activities.
71. Know Your Customer (KYC) directive.

PART VI—HEALTH, SAFETY AND ENVIRONMENT

72. Access to Zones.
73. Reporting.
74. Aesthetics.
75. Maintenance of Facilities.
76. FZE Management responsibilities.
77. Responsibilities of Site Managers and Supervisors.
78. Employee Responsibilities.
79. Responsibilities of Service Providers.
80. HSE Induction Training.
81. Occupational health and safety Practices.
82. Control of Hazardous Substances.
83. Fire Prevention.
84. Fire Fighting Guidelines.
85. Fire Exits.
86. Emergency Evacuation Procedure.
87. Personal Protective Equipment (PPE).
88. Uniform or Overall.
89. Safety shoes.
90. Breathing apparatus, ear protection and gloves.
91. Work practices.
92. Authorized access to restricted areas.
93. Tag in and out.
94. Hot Work Permit.
95. Machinery and Hand tools.
96. Walkways, platforms and passageways.
97. Working locations.
98. Stairways and Ladders
99. Mechanical and Manual Handling.
100. Travel and Transportation.
101. Job Hazard Analysis and Registration.
102. Waste management.
103. HSE awareness programme.
104. Disciplinary and corrective action.

PART VII—IMMIGRATION PROCEDURES AND REGULATIONS

105. Guidelines, Procedures and Regulations for processing Immigration applications.
106. Entry visas for foreigners seeking entry into the Zone.
107. Business, Tourist and Visitors Visas.
108. Temporary Work Permit Visa (TWP).
109. Residence subject to regularization Visa.
110. Regularization of Stay.
111. Permit for change of employment by resident expatriate.
112. Free Zone Expatriates' Register.
113. Requirement to Re-Entry Visa.

PART VIII—INVESTMENT AND APPLICATION PROCEDURES

114. Request for Information.
115. Expression of Interest.
116. Application Pack.
117. Incomplete application to be returned to the applicant.
118. Submission, receipt and approval of Application.
119. Application for and grant of Licence.
120. Request for serviced land or factory space.
121. Building and structure.
122. Machinery Installation.
123. Grant of Permit to commence operations by the Zone Management.
124. Commencement of operations in a based built up factory space.
125. Assignment, property use and alteration.
126. Rent.
127. Cessation of Operations.
128. Investment process flow.

PART IX—PLANNING AND CONSTRUCTION PROCEDURES AND REGULATIONS

129. Payment of deposit for lease of Land or Pre-built factory.
130. Forfeiture of Deposit for Lease.
131. Application for Building Permit.
132. Constructions to comply with Building Regulations.
133. Commencement of Development.
134. Failure to commence Development within stipulated time.
135. Application for utility inspection.
136. Application for Permit to commence Operations.
137. Alteration, Expansion and Demolition of built-up Factory Space.
138. Sub-demise or Demise property.
139. Payment of ground rent.

PART X—HUMAN RESOURCES AND LABOUR RELATED MATTERS, ETC.

140. Regulation of the labour market and related matters.
141. Provisional employment contracts and apprenticeships.
142. Termination of contract of employment.
143. Unilateral modification in employment conditions.
144. Minimum wage, overtime pay and holidays.
145. Resolution of disputes.
146. Employment Benefits.
147. Facilities within the LFTZ.

PART XI—MISCELLANEOUS

148. Organizational structure and management.
149. Revocation and savings provision.
150. Interpretation.
151. List of abbreviations.
152. Citation.

SCHEDULES

S. I. No. 8 of 2016

NIGERIA EXPORT PROCESSING ZONES ACT
CAP. N107, LAWS OF THE FEDERATION OF NIGERIA, 2004
LAGOS FREE TRADE ZONE REGULATIONS, 2016

[26th Day of May, 2016]

Commence-
ment.

In exercise of the powers conferred on it by section 27 of the Nigerian Export Processing Zones Act, CAP. N107, Laws of the Federation of Nigeria, 2004 ("the Act") and all other powers enabling it in that behalf, the Nigeria Export Processing Zones Authority with the approval of the Honourable Minister of Industry, Trade and Investment makes the following Regulations—

PART I—OBJECTIVES

1. The objectives of these Regulations include, to—

Objectives.

- (a) complement and enhance the provisions of the Act ;
- (b) provide details of regulatory and supervisory requirements necessary to promote efficient and profitable operations in the Lagos Free Trade Zone in these Regulations referred to a "LFTZ" ; and
- (c) facilitate the attainment of the goals for which the Lagos Free Trade Zone is established.

PART II—FREE ZONE REGISTRY

2. The objects of each Free Zone Enterprise (in these Regulations referred to as "FZE") shall be to carry on—

Object and
powers of a
Free Zone
Enterprise.

- (a) such business within the area of the Free Zone as Zone Management may permit under the terms of the licence issued in respect of the FZE, which terms, may be amended from time to time by the Zone Management in accordance with all applicable laws and regulations ; and
- (b) all business and other matters ancillary, conducive or related to the business permitted by the Authority and shall have power to—
 - (i) borrow, grant security, guarantee an obligation of any person or indemnify any person to enter into banking and financial transactions,
 - (ii) issue, make, endorse or draw any negotiable instruments including cheques, bills of exchange, promissory notes or bills of lading in relation to the business of the FZE, and
 - (iii) make, alter or dispose of any investments, whether or not within Nigeria, in relation to the business of the FZE.

Registration
as Free Zone
Enterprise.

3.—(1) An entity proposing to operate in the LFTZ shall be registered as Free Zone Enterprise ("FZE") by the Authority in accordance with section 9(1) of the Act.

(2) Any enterprise proposing to operate and undertake an approved activity as a FZE in LFTZ shall apply to the Authority through the Zone Management in a prescribed Form for permission to do so and shall submit such documents and information in support of its application, as the Authority may require.

(3) Upon an approval being granted to an enterprise by the Authority, the Zone Management shall cause all relevant details concerning such enterprise to be forwarded to the Authority for a duly executed Certificate of Registration, to be issued to the FZE.

(4) The Authority may grant the approval and issue a Certificate of Registration to the FZE on such terms and conditions as it thinks fit for the enterprise to undertake the approved activity specified in its application brought, pursuant to sub-regulation (2) of this regulation, subject to the relevant provisions of the Act.

Documentation
required in
respect of
the
registration
of FZE.

4. The documentations required in respect of the registration of the proposed FZE shall include—

(a) a certificate of incorporation, to be verified with the Corporate Affairs Commission (CAC) or other regulatory agencies for companies already in existence outside LFTZ ;

(b) memorandum and articles of association of the proposed FZE ;

(c) Board's resolution to establish an FZE ; and

(d) proof of identification such as International Passport, Driver's Licence or National Identification Card, for Senior Management of FZEs (if promoted by a company) or promoters (in the case of sole proprietorship business).

Registration
as a Free
Zone
Enterprise.

5.—(1) The Zone Management shall issue a schedule of the Charges (Tariff) applicable in the Zone and make same available on request to the operators or Licence Holders.

(2) The Zone Management may with the approval of the Authority review the schedule of charges issued under sub-regulation (1) of this regulation, from time to time.

(3) An entity seeking to register as a FZE within the LFTZ shall pay a registration fee as may be prescribed by the Zone Management.

Transfer and
other
payment
instructions.

6. Persons making payments in respect of registration, licensing and rent shall make all cheques and transfer instructions in favour of Lagos Free Trade Zone Company (LFTZC).

7.—(1) Licensees shall provide, file returns or submit information to the Free Zone Registry which shall provide relevant information to other Government Institutions.

Right of the Free Zone Registry to request for information.

(2) The Free Zone Registry may request and receive on timely basis such information, including audited accounts, as deemed appropriate by the Authority.

8.—(1) The share capital of each FZE shall be denominated in the United States Dollar (US\$).

FZE Share Capital Denomination.

(2) The share capital of each FZE shall be divided into shares and each share shall be numbered and represented by a share certificate in such form as the Authority may prescribe, from time to time.

(3) The share capital of a FZE may be paid—

(i) in cash ;

(ii) by way of contribution in kind ; or

(iii) by a combination of cash and contributory in kind.

subject to such conditions as the Zone Management may require.

(4) The share capital of a FZE may be altered by the Owner's Declaration subject to the approval of the Zone Management.

(5) Details of any alteration in the share capital of a FZE shall be entered in the FZE Register domiciled at the Free Zone Registry and shall take effect from the date of such registration.

(6) A FZE, being a body corporate, and undertaking an approved activity shall notify the Zone Management of any purchase, assignment or transfer of shares in the enterprise, except where its shares are quoted and are freely transferable on any International Stock exchange.

9.—(1) The name of a FZE operating within LFTZ shall end with the acronym of LFTZE.

Name of a FZE operating within LFTZ.

(2) A FZE may change its name by Owners Declaration subject to the proposed new name being approved by the Authority.

(3) The new name of the FZE shall be entered in the FZE Register and a Certificate of Change of name issued by the FZ Registry.

(4) Each Certificate of Change of Name shall specify, among other things, the date of registration of the new name in the FZ Register, being the date in which such new name shall take effect.

10.—(1) The Free Zone shall at all times have an address, either in the Zone, in the state or in any other state, to which all communications and notices may be addressed.

Registered Address.

(2) Details of the address referred to under sub-regulation (1) of this regulation shall be the registered address of the FZE and the FZ Registry shall be notified of any change of address within fourteen days and details thereof promptly entered in the FZE Register.

Name Plate.

11. Every FZE shall affix and keep affixed its name on the outside of every office or place in which its business is carried on in a conspicuous position and in letters easily legible in accordance with the requirements of the Authority.

Business Letters.

12.—(1) Every FZE shall have its name written in legible characters in business letters, notices and other official publications, promissory notes, cheques and other bills of exchange, money order, goods or services purporting to be signed by or on behalf of the FZE and on all its parcels, invoices, receipts, letters of credit and guarantees.

(2) Every FZE shall write its registered address in legible characters in its business letters and job order forms.

Transfer of Shares.

13.—(1) No share in a FZE may be issued unless the capital thereof is fully paid.

(2) FZEs may have two or more shareholders.

(3) No FZE may acquire its own shares provided that any FZE may own all or some of the shares in any other FZE or shares in any company or other enterprises subject to compliance with applicable laws and regulations.

(4) Every FZE shall complete and issue a share certificate to the owner in respect of shares held and duly paid for or contributed in accordance with these Regulations.

Registration of transferred shares.

14.—(1) The details of the number, amount and owner of all shares issued by the FZE shall be entered into the FZE's share register provided that no shares shall be issued in bearer form.

(2) After any transfer of any share in any FZE, a duly executed instrument of transfer shall be registered in the FZ Registry.

(3) Any share transfer shall be deemed effective as from the date of registration thereof in the FZE Register.

Statutory Declaration of Compliance.

15.—(1) After all requirements of the law as stated in these Regulations have been complied with and all required documents have been submitted to the Zone Management, there shall be made a statutory declaration in the prescribed form by a legal practitioner that the requirements for registration have been complied with.

(2) The Authority reserves the right to accept or refuse the declaration within thirty days of receipt and shall through the Zone Management inform the applicant of the refusal and ground for refusal.

16.—(1) Every FZE shall keep at its registered address a register of directors and secretaries of FZEs and of any change thereto.

Directors
and
Secretary's
Register.

(2) The FZ Registry shall be notified of any such changes within fourteen days thereof and details promptly entered in the FZ Register in the prescribed form.

(3) The director and the secretary may be appointed and removed by the Licensee subject to the Licensee's articles of association.

17. Directors shall be managers of the FZE and in respect of the vicarious liability for negligence, directors of a FZE shall be recognized as the officers of the FZE.

Status of
Directors.

18.—(1) The business of a FZE shall be managed by the directors who may exercise all the powers of the FZE.

Directors'
Meetings.

(2) The directors may regulate the proceedings of their meetings as they think fit and a director may call a meeting and any question arising at the meeting shall be decided by majority of votes with each director having one vote.

(3) The directors may elect a chairperson and may vest in him a casting vote.

(4) A director may appoint any other director as his alternate who shall be entitled to vote in accordance with the appointing director's instructions (if any) separately from his own vote.

(5) A resolution signed by a majority of all the directors shall be as valid and effective as if passed at a valid meeting of the directors and may consist of several documents signed by one or more directors.

(6) A director shall not be entitled to vote or be counted as part of the quorum in relation to any resolution which concerns a matter in which he has direct or indirect interest, or duty which is material and which may conflict with the interests of the FZE unless—

(a) his interest had been disclosed in writing to the other directors in sufficient details to provide an accurate statement thereof; and

(b) the other directors or a majority of them resolves that such director should be entitled to vote and be counted as part of the quorum.

19.—(1) Every FZE may have a secretary who shall be appointed by the directors and shall possess the requisite knowledge and experience to discharge functions that may be assigned to him, from time to time.

Appointment
and duties of
Secretaries.

(2) The duties of a secretary includes—

(a) the rendition of proper returns to the Zone Management, and

(b) such other administrative and secretarial duties that may be assigned by the directors of the FZE, from time to time.

(3) The secretary shall cause minutes to be made in books kept for the purpose of each meeting of the directors and of all appointments of directors and secretary.

Seal of a
FZE.

20. A FZE may have a seal with its name engraved in legible characters.

Contracts
entered into
by FZE.

21.—(1) A contract may be entered into by FZE in writing—

(a) under its seal together with the signature of any director of the FZE ;

(b) with the signature of any director and expressed in whatever form of words to be executed by the FZE ; or

(c) on its behalf by any person acting under the authority of the FZE whether such authority is express or implied.

(2) Any contract purportedly entered into by or on behalf of a FZE, if made, accepted or endorsed in the name of, and by or on behalf of or on account of the FZE by a person acting under its authority is binding.

(3) A promissory note, cheque or other bill of exchange is deemed to have been issued, accepted or endorsed on behalf of the FZE if made, accepted or endorsed in the name of and by or on behalf of or on account of the FZE by a person acting under its authority.

Books of
Accounts
and Records.

22.—(1) Every FZE shall prepare and keep proper and accurate books of accounts and accounting records—

(a) in conformity with accepted international accounting principles and standards ;

(b) sufficient to show and explain the transactions of such FZE ;

(c) be such as to disclose with reasonable accuracy, at any time, the financial position of the FZE at that time ; and

(d) to enable the directors to ensure that the balance sheet and profit and loss account of the FZE are in compliance with the requirements of these Regulations.

(2) A FZE shall permit the inspection of such books and records by the Zone Management and the Authority as may be required, from time to time.

(3) Supplementary ledgers shall be kept to provide daily entries of detailed postings on the receipt and issuance of raw-materials, finished products, waste and scraps.

(4) The annual accounts of FZEs may be prepared either in United States dollars or Naira, provided that the earnings of every FZE shall be reported in United States dollars.

(5) The accounting records shall in particular contain a record of the assets and liabilities of the FZE and entries from day to day of all sums of money received and expended by the FZE and the matters in respect of which the receipt and expenditure took place.

(6) The accounting records of each FZE shall be kept at its registered office in the Free Zone and shall at all times be open for inspection by its owners, the officers of Zone Management, the Authority or their representatives.

(7) The first "financial year" of each FZE shall commence on the date of its registration as specified in its Certificate of Registration.

(8) The Owner may determine the length of the financial year of its FZE by Declaration (a copy of which shall be delivered to the FZ registry within seven days of being made and details thereof promptly entered in the FZE Register) provided that no first financial year may exceed eighteen months or be for less than six months and successive financial years shall be of twelve months duration beginning after the end of the previous financial year.

(9) The Owner of a FZE may alter the financial year of its FZE by Declaration, a copy of which shall be delivered to the Zone Management and details thereof promptly entered in the FZ Register, except that in no circumstance may the financial year of a FZE exceed fifteen months or be shorter than six months.

(10) The directors of every FZE shall prepare or cause to be prepared for each financial year of the FZE a balance sheet as at the last day of its financial year and a profit and loss account for the financial year.

(11) The balance sheet referred to under sub-regulation (8) of this regulation shall give a true view of the state of affairs of the FZE as at the end of the financial year and the profit and loss account shall give a true and fair view of the profit and loss of the FZE for the financial year.

(12) The Authority or Zone Management reserves the right to require that the balance sheet and profit and loss account of each FZE to be in compliance with provisions set down by it from time to time.

(13) Where a FZE owns any other FZE or owns more than half the shares in or otherwise controls any other company or enterprise, that FZE shall also prepare group accounts on a consolidated basis.

(14) Where a FZE neither owns less than half of the shares in a company or other enterprises, not being a FZE, nor control such company or enterprise but nevertheless is in a position to exercise a significant influence over such company or other enterprise, then such company or other enterprise shall be treated as an associated company of the FZE for accounting purposes.

(15). The annual accounts of each FZE shall be approved and signed by its directors and at least one director shall sign the balance sheet and profit and loss account of the FZE.

(16) A copy of the annual accounts of each FZE shall be delivered to the Zone Management within three months of the end of the financial year of the FZE or such period as the Authority or Zone Management may determine.

**Appointment
of Auditors.**

23.—(1) A FZE shall have its accounts duly audited in line with applicable laws and regulations and submitted to the Zone Management and the Authority not later than thirty days after its adoption.

(2) Each FZE shall appoint auditors from among those approved by the Authority to make a report to it or the Zone Management on all annual accounts of the FZE and state whether, in the auditor's opinion, such annual accounts have been properly prepared in accordance with these Regulations and present a true view of the FZE affairs in case of—

(a) the balance sheet of the FZE, of the state of affairs of the FZE at the end of its financial year ;

(b) the profit and loss account of the FZE, of the profit and loss of the FZE for the financial year ; and

(c) annual accounts of the FZE prepared on a consolidated basis, of the state of affairs as at the end of the financial year and the profit or loss for the financial year of the undertakings included in the consolidation.

(3) The FZE shall deliver a copy of the duly signed auditor's report to the FZ Registry, together with the annual accounts.

(4) Where the total net assets of a FZE falls below 75 percent of its share capital, the directors shall, not later than fifteen days from the earliest day on which that fact is known to a director, duly notify the Zone Management which shall, within seven days of such notification take such steps as may be appropriate to remedy the situation so as to ensure that the net assets of such FZE are restored to at least 75 percent of its share capital as soon as reasonably practicable.

**Quarterly
Returns and
Reports.**

24.—(1) A FZE shall render quarterly returns on its operations in a manner and format prescribed by the Zone Management on—

(a) volume of production ;

(b) volume of sales ;

(c) flow of goods ; and

(d) raw materials.

(2) The returns referred to under sub-regulation (1) of this regulation shall be provided to the Zone Management on or before the last working day of the month.

(3) The Zone Management shall in turn provide quarterly returns to the Authority.

25.—(1) A FZE shall not make a distribution whether in cash or otherwise to its Owners except out of its profits available for that purpose or where the share capital of the FZE is reduced in accordance with the provisions of these Regulations or where the Free Zone is deregistered and its assets distributed to its Owners.

Distributions.

(2) The profits of a FZE available for distribution are its accumulated realized profits less its accumulated realized losses and after full provision must have been made for all of its debt.

(3) No distribution shall be made other than pursuant to an Owner's Declaration, a copy of which shall be delivered to the FZ Registry within seven days of being made and details of which shall promptly be entered in the FZE Register.

26.—(1) Every FZE shall keep a register in which details shall be entered as regards the ultimate Ownership of the FZE and the FZ Registry shall be notified of any changes within seven days after it is made for prompt entry into the FZ Register.

Ownership.

(2) A Management Operating Officer or Chief Executive Officer shall be appointed by the FZE without prior approval of the Authority.

(3) The Management Operating Officer or Chief Executive Officer shall present to the Authority the following documents—

- (a) a passport photograph ;
- (b) letter of appointment, stating the terms and conditions of appointment ;
- (c) specimen signature ; and
- (d) any other document as may be required by the Authority, from time to time.

27. A copy of every Owner's Declaration shall be provided to the FZE Registry within fourteen days after it is made and details thereof shall be promptly entered in the FZ Register.

Ownership's Declaration.

28.—(1) A shareholder of an approved Enterprise may pledge or otherwise charge all (not some) of its shares in its FZE to any creditor as security for any debt or other obligation incurred or to be incurred by or binding upon the FZE provided that such pledge or charge shall be void if details thereof in the prescribed form are not delivered to the FZ Registry within seven days of such pledge or other charge.

Security Interests.

(2) Details of any such pledge or other charge received shall be entered promptly in the FZE Register.

(3) Every Owner of a FZE shall cause its FZE to keep at its registered office a register of charges and to enter in it details of any pledge or other charge of the Owner's shares in the FZE.

(4) A FZE may grant any security interest permitted under the laws of Nigeria from time to time to any creditor as security for any debt or other obligation incurred or to be incurred by or binding upon the FZE or any other person and any such security interest shall be void if details in the prescribed form are not delivered to the FZ Registry within seven days of the date of such security interest and the details of any such security shall be entered promptly in the FZE Register.

(5) Upon any pledge, charge or other security interest being discharged or upon any alteration in the name of the creditor or creditors in whose favour such pledge, charge or other security interest operates, details thereof shall be notified to Zone Management within seven days and entered promptly in the FZE Register.

Power to
investigate
the affairs of
FZE.

29.—(1) The Zone Management or the Authority may appoint one or more competent persons as inspectors to investigate the affairs of any FZE which may be made on the application of the Owner of the FZE or by any creditor of the Owner or by the Authority acting unilaterally or by any other person provided that the Zone Management is satisfied that good reason has been shown or circumstances exists requiring the investigation.

(2) Any inspector appointed by the Zone Management or the Authority pursuant to sub-regulation (1) of this regulation shall have such powers of investigation as the Zone Management may vest in him.

(3) Where the Zone Management or Free Zone Registrar has reasonable cause to believe that any FZE is not carrying on business or is not in operation, it may deregister the Free Zone Enterprise after—

(a) making enquiries in writing to the FZE to ascertain whether the FZE is carrying on business or in operation ; and

(b) the FZE either failing to respond to such enquiry within seven days thereof or failed to demonstrate to the satisfaction of the Zone Management that it is carrying on business or in operation.

(4) When a FZE is deregistered, all the property and rights vested in it and not owned by the Zone Management or any person but are deemed to be held by its Owner, shall be forfeited to and vested in the Zone Management without compensation.

(5) Without prejudice to the provisions of sub-regulation (4) of this regulation, where a FZE is deregistered as a consequence of any breach of these regulations, a FZ Circular or the terms of the Licence relating to the

FZE, the FZE shall pay such compensation as may be determined by the Zone Management and approved by the Authority.

30.—(1) A FZE shall be deregistered from the FZ Register by the Authority upon the recommendation of the Zone Management. Deregistration.

(2) A FZE shall be deregistered upon the revocation of its licence and any other circumstances as may be determined, from time to time, by the Zone Management upon the approval of the Authority.

(3) Upon the deregistration of a FZE, all trading and other business operations of the deregistered FZE shall cease and the Owner shall ensure that the FZE's affairs are wound up under the supervision of a liquidator or receiver, so as to—

(a) ensure that the winding-up is conducted in a timely and organized manner, taking into account of the assets of the FZE and the claims of all creditors and employees thereof ;

(b) ensure the payment or provision for payment of or the discharge of all claims, debts, liabilities and obligations of the FZE subject to the limitation of liability of the owner specified in these Regulations ;

(c) distribute any surplus assets of the FZE to the Owner ;

(d) cause to be prepared by the liquidator a statement of account in respect of his actions and transactions ; and

(e) ensure that a copy of the report of the winding-up is delivered to the FZE Registrar within seven days of such report being made.

(4) Details of the report filed pursuant to paragraph (e) of sub-regulation (3) of this regulation shall be promptly entered into the FZ Register by the Zone Registrar.

31.—(1) The FZ Registry shall compile and maintain a register of Zone Management's and Licensee's vehicles. Registration
of Free Zone
Vehicles.

(2) Zone Management shall apply to and receive from the Authority, appropriate number plates for vehicles to be registered.

(3) Registration of vehicles in the Zone shall be in accordance with the Rules and Guidelines issued by Authority in consultation with the Federal Road Safety Commission.

(4) A driver of a vehicle in the Zone must be in possession of a valid driving licence issued by the Federal Road Safety Commission (FRSC) or an international driving licence issued by an appropriate authority which must be appropriate for the class of vehicle being driven.

PART III—LICENSING PROCEDURES AND REGULATIONS

Application
for Licence.

32.—(1) Upon successful registration, every FZE shall make an application for operation licence in line with the approved activities within LFTZ which include trading, services, warehousing, packaging, manufacturing etc.

(2) Application for an operation licence shall be made to the Zone Management by completing the prescribed forms which shall be accompanied with relevant documents.

Types of
Licence.

33. The Zone Management may grant a Free Zone Enterprise Licence which allows a Free Zone Enterprise to undertake any of the following approved activities—

- (a) trading ;
- (b) services ;
- (c) warehousing ;
- (d) manufacturing ;
- (e) packaging ;
- (f) approved activities as set out under the Twelfth Schedule to these Regulations ; and
- (g) any other activity as may be approved by the Zone Management, from time to time.

Eligibility
for a
Licence.

34. In determining eligibility for a licence, the Zone Management may consider the technical, financial and managerial capabilities of the applicant and whether the—

- (a) activities in which the applicant proposes to engage is in line with the approved activities within LFTZ ; and
- (b) proposed activities to be carried out will add value to and consistent with the development programme of the Zone.

Annual
Licensing
Fees.

35.—(1) An annual licensing fee shall be paid by all FZEs upon initial licensing and annual renewal of licences as follows—

- (a) Manufacturing – US\$5,000 (Five Thousand United States Dollars) ;
- (b) Trading or Bonded warehouse – US\$10,000 (Ten Thousand United States Dollars) ;
- (c) Services and Logistics – US\$10,000 (Ten Thousand United States Dollars) ; and
- (d) Oil and Gas – US\$20,000 (Twenty Thousand United States Dollars).

(2) Annual licensing fee shall be subject to periodic review by Zone management upon the issuance of a 3 month notice to all FZEs.

(3) The initial licensing fee shall be waived by the Zone Management for all FZE applying for operational licence within the first twelve months of commissioning of LFTZC.

36.—(1) A licence shall only be issued to an applicant who has satisfied the requirements of Zone Management in all respects.

Issuance of Licence.

(2) A licence shall be considered personal to the Licensee who shall not transfer assign, or purport to transfer or assign the licence in whole or in part without the prior written consent of the Zone Management.

37. A licensee shall at all times—

Continuing Obligations.

(a) comply in all respects with the terms and conditions of licence and lease agreement ;

(b) comply with the Act, regulations, guidelines and directives issued by the Zone management or the Authority ;

(c) comply in all respects with the laws of the State to the extent that the same are applicable in the Zone ; and

(d) submit to Zone Management such statistical data, information and returns such as the returns on sales volume, flow of goods and audited accounts on a quarterly basis or at such intervals that may be prescribed from time to time by Zone Management.

38. A licence shall be valid for one year and renewable annually on the —

Renewal of Licence.

(a) payment of approved licence renewal fees ;

(b) submission of documents, returns or information which the Zone Management may require or request for ; and

(c) payment of all outstanding amounts, if any, to the Zone Management.

39. FZ Status may be extended to property and assets used by a FZE outside the Zone upon a formal application to Zone Management, subject to the approval of the Authority.

Operations outside the Free Zone.

40. A Licensee shall enter into a separate lease agreement with Zone Management in respect of each parcel of land which the Licensee proposes to occupy within the Zone.

Lease Agreement with the Zone Management.

41.—(1) A Licence shall not be transferred, assigned or purported to be transferred or assigned in whole or in part without prior written consent of the Zone Management and acceptance of such assignment by the Authority.

Revocation of Licence.

(2) The Licence of a Licensee may be revoked where it is—

(a) confirmed through a written report that there has been an act contrary to the provisions of any law, regulation, circulars, written

instructions or directives of Zone Management and that the action is to the detriment of order in the Zone ;

(b) established that tax evasion has taken place with revenues and earnings accruing from activities conducted outside the Zone being declared as income earned in the Zone or through the presentation of counterfeit or misleading documents for this purpose ;

(c) confirmed by investigations and deliberations, that the conditions and qualifications declared in the Application Form or Operational Licence are not fulfilled or have proven false ;

(d) established that fundamental changes in the information declared in the Application Form for Operational licence have not been reported to the Zone Management ;

(e) established through a written report that construction work has not started within sixty days from the date of approval of construction projects by Zone Management or in the case of leased premises, that the operation has not been launched, except where the existence of a state of force majeure is verified by the relevant authority ; and

(f) established through a written report of the Zone Management that the Licensee or his authorized representative or employees have caused damage to facilities, machinery and equipment in the Zone or to third parties and that this has been repeated despite the issue of a written warning ;

(3) In addition to the provisions of sub-regulation (2) of this regulation, the Licence of a Licensee may be revoked where the Zone Management has twice been denied information or has not received a response within the specified period or has been supplied with misleading or false information regarding activities in the Zone, which it has requested for in writing.

(4) The Licensing fee shall be forfeited to Zone Management and will not be reimbursed in cases of revocation of licence.

(5) Any enterprise attempting to continue its activities in LFTZC despite the fact that its operational licence has expired or has been revoked for the above reasons, shall be expelled from the Zone by the Police or other appropriate regulatory authority upon the request of Zone Management and the possessions of such enterprises in the Zone shall be subject to liquidation in accordance with applicable Regulations.

PART IV—GENERAL REGULATIONS

42.—(1) Approved enterprises operating within a Zone shall be exempted from all Federal, State and local Government taxes, levies and rates as provided for under section 8 of the Act.

Incentives
and
Concessions.

(2) Legislative provisions pertaining to taxes, levies, duties and foreign exchange regulations shall not apply within the Zones in line with the provisions of section 18 (1) of the Act.

(3) FZEs within the LFTZC shall be entitled to the following incentives and concessions—

(a) repatriation of foreign capital investment in the Zone at any time with capital appreciation of the investment ;

(b) remittance of profits and dividends earned by foreign investors in the Zone ;

(c) no import or export licences shall be required ;

(d) up to 100 percent goods may be exported into the Nigerian Customs Territory against a valid licence permit and on payment of appropriate duties, subject to extent fiscal guidelines of Government ;

(e) allocation of land and space at a rent as determined by Zone Management ;

(f) up to 100 percent foreign ownership of business in the Zone allowable ;

(g) foreign managers and qualified personnel may be employed by companies operating in the Zone ;

(h) the import duty on goods in commercial quantity exported into the Nigerian Customs Territory, shall be the rate applicable in the Nigerian Customs Territory (in the state in which they are originally introduced from the Zone) ; and

(i) any special product imported into the Zone under this Scheme on which value has been added without changing the essential character of the product after processing in the Zone; and intended for the Nigerian Customs Territory shall be granted 75 percent of the chargeable import duty as tariff rebate.

43.—(1) The Zone Management may approve any banking institution duly licensed under the Banks and other Financial Institutions Act or other relevant legislation and licensed foreign banks to establish a branch in the Zone for the purpose of providing banking services.

Approval to
establish
Banks in the
Free Zone.

(2) Any approved banking institution shall abide by the laws governing offshore banking in the Zone.

Retail Trade activities.

44.—(1) Retail trade activities shall not be conducted within the Zone without the prior approval of the Authority.

(2) Retail trade activities may be carried out in the Zone subject to such terms and conditions as the Authority may impose.

Abandoned Goods or Property.

45.—(1) The Zone Management shall have power to take over goods abandoned in the Zone and dispose of them in a manner it may deem fit.

(2) The power of the Zone Management under sub-regulation (1) of this regulation includes power to sell any goods which it deems appropriate to sell.

(3) Under this regulation, goods or property are declared abandoned where the owner or person in possession has left it without supervision or instruction and gives no reasonable instructions regarding it after he is issued with a notice of abandonment specifying a time frame for reclamation upon which expiry, the goods shall be liable to be sold.

(4) Any cost incurred by the Zone Management in removing abandoned goods shall be reimbursed on demand by the Licensee or owner of the abandoned goods or property, or withhold an equivalent amount as a set-off against the proceeds of sale of such goods.

Authorised Activities.

46. Goods brought into the Zone by a Licensee shall unless otherwise directed by the Zone Management, be—

(a) stored, sold, exhibited, broken up, cleaned, marked, remarked, branded, loaded, unloaded, reloaded, divided, mixed, separated or otherwise manipulated ;

(b) worked, processed, reprocessed or otherwise manipulated or manufactured ; or

(c) separated from the goods that are meant for consumption in the Zone ;

Removal of goods from the Zone.

47. Goods brought into the Zone by a Licensee shall unless otherwise directed by the Zone Management, be removed from the zone or sent into the custom territory, whether as originally packed or otherwise subject to the—

(a) payment of appropriate duties ; and

(b) provisions of the Customs, Excise Tariff, etc. (Consolidation) Act.

Free Zone Customs, Police and Immigration.

48.—(1) Dedicated Free Zone Customs, Police and Immigration Command shall be established to deal with aspects of movement of goods and persons into and out of the Zone.

(2) It shall be the primary responsibility of the Authority to co-ordinate the allocation of appropriate manpower with the relevant statutory bodies within the Zone.

(3) It shall be the primary responsibility of the Zone Management to provide and maintain appropriate working facilities within the Free Zone for relevant statutory bodies.

(4) It shall be the primary responsibility of the statutory bodies occupying the provided facilities to repair any damage to such facility at its sole cost where such damage is occasioned by the act of officers and agents of such statutory body.

49.—(1) The procedure for importing goods into the Zone is as set out in the First Schedule to these Regulations.

Custom
Procedures.
etc.

(2) The procedure for exporting goods from the Zone into the Nigerian Customs Territory is as set out in the Second Schedule to these Regulations.

(3) The procedure for handling goods, that require repair and maintenance which require repairs and maintenance, is as set out under the Third Schedule to these Regulations.

(4) The procedure for transferring goods is as set out under the Fourth Schedule to these Regulations.

(5) Personal Duty Free Allowance for a Nigeria Visitor or Tourist is as set out under the Fifth Schedule to these Regulations.

(6) The Lagos Market Categorization for Customs Duty Consideration is as set out under the Sixth Schedule to these Regulations.

(7) The Organization of LFTZ for Customs Purpose is as set out under the Seventh Schedule to these Regulations.

(8) The Customs Procedures within the LFTZ is as set out under the Eighth Schedule to these Regulations.

(9) The Approved Activities is as set out under the *Tenth* Schedule to these Regulations.

(10) The List of Other Relevant Laws and Regulations is as set out under the Eleventh Schedule to these Regulations.

(11) Without prejudice to the Act, equipment and consumables to be used in the construction of facilities may be imported into the Zone by a Licensee free of any taxes, duties or levies.

50.—(1) A FZE may, on the execution of lease agreement with Zone Management for built-up leased space or land for development, apply to the Authority through the Zone Management for work permits for its alien workers in such form as the Nigeria Immigration Service may stipulate.

Work
Permit.

(2) Work permit for foreign nationals shall be issued upon the request of the Zone Management to the relevant government agency.

(3) Application for work permits for aliens shall be accepted by the Zone Management if it is in conformity with Guidelines issued by the Authority.

(4) On acceptance of an application for work permit for aliens, made pursuant to sub-regulation (3) of this regulation, the Zone Management on behalf of the Authority shall acknowledge receipt of same.

(5) The Authority shall process an application for work permit for aliens and notify the applicant of the grant or refusal of the permit within fourteen days from the date of submission of the application.

(6) A FZE shall forward to the Zone Management at the end of each quarter such information on the use of its permit to employ aliens as it may stipulate in writing.

(7) Whenever a foreign contract of employment comes to an end, either the employer or the foreign national whose contract has reached its term must inform the Zone Management and other agencies concerned with employment of foreign nationals of the termination of the employment contract

Provision of
Security.

51. Zone Management shall provide security over the premises, property and facilities within the Zone.

Applicable
Laws.

52. Except as provided under the Act, an enactment applicable in the Customs Territory including the laws and Regulations listed under the Eleventh Schedule to these Regulations shall apply within the Zone.

Dispute
resolution.

53.—(1) Where any dispute arises between a Licensee and another in the Zone which cannot be amicably settled between the parties, the matter shall be referred to the Authority through the Zone Management by either of the parties concerned and the Authority shall take all necessary steps to reach a settlement between the parties.

(2) Notwithstanding the provisions of sub-regulation (1) of this regulation, the Authority shall at all times take reasonable steps towards the protection, preservation and safeguard of interests and rights of Free Zone Enterprises especially in any interaction with any other agency of Government in the course of their businesses.

(3) Where any dispute arises and the Zone Management or Authority has taken all necessary steps towards resolving same but a party is not satisfied with the outcome of the dispute settlement process, the dissatisfied party shall have the right to seek remedies through negotiation, mediation, conciliation or arbitration and the provisions of the Arbitration and Conciliation Act shall apply.

(4) Where any dispute arises between officials of the Government agencies operating from within the Zone, the matter shall be referred to the Authority through the Zone Management by either of the parties concerned, which shall take all necessary steps to reach settlement between the parties.

(5) Where any dispute arises between Licensees and their employees which cannot be amicable settled between the parties, the matter shall be referred to the Zone Management which shall take all necessary steps to reach settlement between the parties.

(6) Notwithstanding the provisions of this regulation, the Zone Management and the Authority reserves the right to intervene at any dispute in order to maintain industrial peace in the Zone.

54. In all cases involving litigation in the Zone, the appropriate law in the Customs territory shall apply. Litigation.

55. No expatriate employee of any Licensee shall accept employment outside the Zone or offer the same services outside the Zone without the consent and approval of the Zone Management and the Authority in collaboration with relevant regulatory agencies. Employment of Expatriates outside the Free Zone.

56.—(1) All Licensees shall observe the relevant measures necessary for the protection and preservation of the Free Zone environment and the immediate host community. Environmental Protection.

(2) FZE shall abide with applicable environmental pollution laws and regulations, and shall ensure that pollution treatment facilities or other suitable devices are used to ensure that wastes and pollution caused by their production processes are kept within tolerable limits as prescribed by applicable laws and regulations.

(3) The Authority in partnership with the Zone Management shall inspect and monitor the operations of anti-pollution devices and measures in the Zone in conjunction with relevant Government Agencies and shall apply appropriate sanctions for breach as provided by the relevant laws and regulations.

57. Maintenance work executed by the Zone Management at the instance of an investor or FZE shall be paid for by the investor or the FZE. Maintenance Works.

58. Connection of leased space to power, water supply, sewage lines, firefighting system and telecommunication lines shall be at the approved rates and thereafter, payments for utilities consumed shall be paid for at prevailing rates. Payment for utilities.

59.—(1) The Zone Management shall publish guidelines as to the tax implication of transactions between LFTZC and FZEs with entities within the customs territory. Taxation procedures and regulations.

(2) Tax implication of specified transactions shall be as specified in the Ninth Schedule to these Regulations.

Penalties for non-compliance with extant rules and regulations.

60.—(1) The Zone Management, the Authority or any other regulatory entity may impose administrative penalties on any FZE in the case of any failure at any time to pay fees or other charges payable or submit information due to be provided to the Zone Management, the Authority or any other regulatory entity within the Free Zone, as may be prescribed in a Guideline issued by the Authority.

(2) Until the Guidelines are issued by the Zone Management on administrative penalties, the following shall apply—

(a) for each instance of failure to submit information required by the terms of these Regulations, USD500.00 ;

(b) for each instance of failure to submit information specifically required in writing by the Zone Management or regulatory entity but which information was not specified under these Regulations, USD 250.00 on each occasion ; and

(c) for each instance of failure to make a payment when due to any zone the Zone Management or regulatory entity pursuant to these Regulations, an amount (the "Late Surcharge") equivalent to two times the amount of the payment which is late, for every six months for which such payment is due but not paid.

(3) The Late Surcharge under sub-regulation (4) (c) of this regulation shall accrue as from the date seven days after the date on which the payment became due but not discharged.

(4) Any amounts at that time paid by the FZE which is not the whole of the payment due which is late plus the full amount of the Late Surcharge shall be applied first towards settlement of the Late Surcharge.

(5) References in this regulation to a "zone management or regulatory entity within the Free Zone" or a "zone management entity" shall include the agents, representatives or contractors of the zone management or regulatory entity within the LZP.

(6) Where a FZE is in default for six months, the Zone Management may, by notice in writing to the FZE,—

(a) impose a suspension of the operating licence of the FZE, during which suspension the FZE shall be prohibited from undertaking any activity within the Zone ; or

(b) prohibit the FZE from entering into the Zone for any reason whatsoever.

(7) The licence of the FZE and its right of access to the Zone may only be reinstated upon—

(a) cure of the failure referred to in regulation 60(6)(a) and (b) of these Regulations ; and

(b) payment of any applicable fine including Late Surcharge to the satisfaction of the Zone Management.

PART V—BANKING PROCEDURES AND INCENTIVES

61.—(1) The objectives of this Part of these Regulations include, to—

Objective of this Part.

(a) complement and enhance the provisions of the NEPZ Act in respect of banks operating within the Lagos Free Trade Zone ;

(b) provide details of regulatory and supervisory requirements necessary to promote efficient and profitable banking services in the LFTZ ;

(c) spell out details of permissible and prohibited activities of banks in the LFTZ ;

(d) provide details of incentives available to banks in the LFTZ ; and

(e) facilitate the attainment of the goals for which the Lagos Free Trade Zones is established.

(2) The Guidelines for Banking Operations in the Free Zones in Nigeria issued by the Central Bank of Nigeria shall guide banking operations in the LADOL Free Zone.

(3) Guidelines issued by the CBN in line with sub-regulation (2) of this regulation shall be read with such modifications as are necessary to bring it in conformity with the provisions of this Part and where the provisions of this Part are inconsistent with the provisions of the Guidelines issued by the CBN, the provisions of the Guidelines issued by the CBN shall prevail.

62.—(1) Banks in LFTZ shall be granted approval under the Nigeria Free Trade Zone Act by the Authority.

Banks in LFTZ to be granted approval by the Authority.

(2) Only a bank Licensed under BOFIA or other relevant legislations or a Licensed foreign bank shall qualify to apply to the Authority for approval to establish a bank to carry on banking business in LFTZ.

63.—(1) FZEs may source funds from any of the following sources—

Sources and uses of Funds

(a) multinational corporations ;

(b) international corporations ;

(c) non-resident individuals ;

(d) FZEs in LFTZ ;

(e) regional financial agencies or institutions ;

(f) euro-money markets ;

(g) inter-bank borrowing within banks in FTZs or with foreign banks ;

(h) export proceeds ; and

(i) equity capital, etc.

(2) FZEs may put funds sourced pursuant to sub-regulation (1) of this regulation into any of the following uses—

- (a) the grant of foreign exchange loans and advances to non-residents and residents ;
- (b) investments in International Securities Markets ;
- (c) operational expenses ;
- (d) payments of dividends ;
- (e) interests on deposits ;
- (f) payments for imports ; or
- (g) any other legitimate use subject to the provisions of these Regulations.

Participation
of Free Zone
Enterprises
in the
Nigerian
Foreign
Exchange
Market.

64.—(1) The Central Bank of Nigeria (herein after referred to as “CBN”) shall issue guidelines for the participation of Free Zone Enterprises in the Nigerian Foreign Exchange Market.

(2) The Guidelines issued by the CBN through the CBN’s Circular dated 11th August, 2005 shall apply as may be amended, from time to time.

(3) Application for foreign exchange for visible and invisible trade transactions by FZEs shall not qualify to be financed from the Nigerian foreign exchange market.

(4) All visible and invisible trade transactions from FTZs to the Nigerian Customs Territory are eligible for payment in foreign exchange, using funds purchased from the Nigerian foreign exchange market provided that where the FTZ operator opts for payment in Naira, the proceeds there from shall not qualify for repatriation in foreign exchange sourced from the foreign exchange market of the Nigerian Customs Territory.

(5) Exports from the Nigerian Customs Territory to the FTZs shall attract payment in foreign exchange and be subject to mandatory repatriation of proceeds.

(6) For visible and invisible trade transactions from the Zone and exports into the Zone, the relevant existing processes, documentation requirements and procedures applicable in Nigeria, including any form of inspection, shall also apply.

(7) A FZE shall render the following Returns to the CBN through the Authority—

- (a) remittances for imports which shall be rendered monthly ;
- (b) Naira transactions (external accounts) which shall be rendered monthly ;
- (c) statements of assets and liabilities which shall be rendered monthly ;
- (d) other foreign exchange payments which shall be rendered quarterly ;

- (e) total credits (loans and advances) which shall be rendered quarterly ;
- (f) foreign exchange investments which shall be rendered quarterly ;
- (g) audited annual financial statements which shall be rendered not later than three months after the end of the financial year ; and
- (h) any other returns that may be required by the Authority or as may be specified by the CBN.

(8) Any return required to be rendered monthly or quarterly under sub-regulation (7) of this regulation must reach the CBN not later than the 10th day after the month in which they are due.

65.—(1) The CBN may, from time to time, examine, through its officers or persons appointed by it under conditions of confidentiality, the books or other documents, accounts and transactions of any bank branch carrying on banking business in Lagos Free Trade Zones.

Examination
of Banks.

(2) The banks are required to provide information in accordance with the relevant provisions of the BOFIA.

(3) The officers so appointed by the CBN may, in the course of their examination, seek for the directors, managers and officers of any bank in LFTZ such information and explanation as they deem necessary to carry out the examination of the bank.

(4) The CBN may, when deemed necessary, order a special examination or investigation of the books and affairs of a bank in LFTZ.

66.—(1) A bank in LFTZ shall have its books of accounts and records audited by an auditor approved by the CBN.

Auditing of
Accounts.

(2) The auditor so appointed shall prepare a report on the annual balance sheet and the profit and loss account of the bank such other information as may be prescribed by the CBN and the report shall be submitted to the CBN not later than three months after the end of the bank's financial year.

(3) The auditor shall submit to the CBN such clarifications in relation to its audit as the CBN may demand.

(4) The CBN may order the removal of an auditor for professional misconduct including compromising independence with regards to the bank.

(5) A bank in LFTZ shall have an internal audit or inspection unit, which shall ensure that the operations of the bank comply with statutory provisions as well as with its internal control regulations.

67. A bank operating in LFTZ shall enjoy the following incentives—

Incentives.

- (a) freedom to move funds in and out of the Zone ;
- (b) exemption from the payment of stamp duties ;

(c) exemption from withholding tax requirements on interest payable on deposit, dividends and royalties ;

(d) exemption from estate duty, inheritance or capital gains tax on inheritance or capital gains tax on inheritance of its shares or property ;

(e) interest rates on loans and deposits are free from domestic monetary controls ; and

(f) exemption from payments of duties on imports of furniture, office equipment, vehicles and other facilities necessary for its operations.

Accounts
permissible.

68.—(1) A FZE (including a Free Zone Licensed bank) is allowed to open "External Accounts" with Licensed commercial banks in the customs territory solely for the purpose of defraying its statutory, operational, administrative and salary expenses.

(2) External account and the cheques issued for its operations shall be clearly marked "External Account" with the country of permanent resident of the account holder, such as "External Account-Ghana" or "External Account-Japan".

(3) The External Account shall be funded from the sale of foreign currencies for Naira and shall not be funded with Naira from any other source in Nigeria without the prior approval of the CBN.

(4) Payments (credits) by residents into an "External Account" shall not be allowed except with prior written approval of the CBN provided that transfers from other External Accounts maintained by the account holder shall be allowed.

(5) Except as the CBN may direct from time to time, no non-resident person in LFTZ shall be allowed to maintain both an External Account and a "Residents Accounts" in any Licensed bank in the customs territory.

Permissible
activities.

69. A Licensed bank in LFTZ is permitted to—

(a) accept foreign currency deposits ;

(b) grant to any person any advance, loans or credit facility, or give any financial guarantee, incur any other liability on behalf of any person so that the total value of the advance, loan, credit facility, financial guarantee to any resident is not more than 20 per cent of shareholder's fund unimpaired by losses ;

(c) grant foreign currency loans exceeding 10 per cent of its paid up capital to any resident without the CBN's prior approval ;

(d) make remittances to funds abroad or to Nigeria on behalf of any non-resident ; and

(e) undertake any other foreign exchange transaction as the CBN may from time to time prescribe.

Prohibited
activities.

70. A Licensed bank in LFTZ is prohibited from—

- (a) accepting foreign currency deposits from non-residents ;
- (b) accepting Naira deposits accounts from any residents or non-residents ;
- (c) granting Naira loans to or raising any Naira loans on behalf of residents or non-residents ;
- (d) opening any Naira account with any resident bank except External Account ;
- (e) borrowing in Naira from any resident, including authorized dealer banks, except with approval of the CBN ;
- (f) sourcing foreign exchange in the foreign exchange market for the customs territory ;
- (g) opening an account for a customer whose identity is unknown to it; without compliance with the Know Your Customer (KYC) principle under regulation 71 of these Regulations ; and
- (h) undertaking any other transactions which are inimical to national interest.

71. Financial Institutions within LFTZ are required to—

Know Your
Customer
(KYC)
directive.

- (a) record all complex, unusual or suspicious transactions ;
- (b) report any single transaction, lodgment or transfer of funds in excess of ₦1,000,000 (One Million Naira) or its equivalent in the case of an individual or ₦5,000,000 (five Million Naira) or its equivalent in the case of body corporate ;
- (c) develop programmes to combat the laundering of proceeds of a crime or other illegal acts through the Institution including—
 - (i) the designation of compliance officers at the management level,
 - (ii) internal audit unit for scrutinizing and ensuring that records are well kept,
 - (iii) on-going training and retraining for all the staff of the institution, and
 - (iv) display of notice in a conspicuous place directing the attention of customers and the general public to the dangers associated with money laundering and other financial crimes ;
- (d) forward all suspicious transaction and other related reports to the Nigeria Financial Intelligence Unit of the Economic and Financial Crimes Commission (EFCC) or to its successor institution within seven days ;
- (e) document copies of reports forwarded under paragraph (d) of this regulation for on-site investigation by CBN's examiners ; and

(f) ensure strict adherence to the provisions of the Money Laundering (Prohibition) Act (as amended) and its successor legislation.

PART VI—HEALTH, SAFETY AND ENVIRONMENT

Access to Zones.	72. Access to the zone shall be subject to such conditions as Zone Management may stipulate from time to time in writing.
Reporting.	73. All incidents involving loss and material damage or physical injury must be reported to the Zone Management as soon as practicable after any such incident.
Aesthetics.	74. Enterprise owners shall be responsible for the beautification of the immediate surroundings of their factories and the Zone Management shall be responsible for the general beautification of the Zone.
Maintenance of Facilities.	75. Zone Management shall be responsible for the maintenance of facilities such as roads, drainage, street lightening, water supply line, sewage line, firefighting facilities, etc.
FZE management responsibilities.	<p>76. The management of a FZE within LFTZ has the responsibility to—</p> <p>(a) ensure that competent persons are made to supervise all facets of its operations ;</p> <p>(b) provide all necessary Health, Safety and Environment (HSE) equipment and facilities at sites and ensure their appropriate use ;</p> <p>(c) provide suitable Personal Protective Equipment (PPE) and ensure their use ;</p> <p>(d) assess negative impacts of its activities on the environment and where necessary adequately mitigate the risk of losses or damage arising from them ;</p> <p>(e) make conscious efforts to restore any negatively impacted environment ;</p> <p>(f) inform employees, service providers and the general public, when necessary, of any known or identified potential hazards arising from its activities ;</p> <p>(g) monitor all activities regularly to ensure strict compliance with all HSE guidelines, laws, rules and regulations ; and</p> <p>(h) recognize and reward performance improvement initiatives with regard to HSE rules and regulations.</p>
Responsibilities of Site Managers and Supervisors.	<p>77.—(1) Site managers and supervisors shall be responsible for effective and efficient HSE oriented operations and must recognize that HSE is an integral part of each site.</p> <p>(2) Site managers and supervisors shall—</p> <p>(a) implement comprehensive HSE Procedures and programmes ;</p>

(b) set a safe and good example for other employees and service providers as well as clients to follow ;

(c) ensure that proper work procedures are followed and complied with at all times ;

(d) induct new employees on hazards associated with his job ;

(e) have in-depth knowledge of the hazard associated with each operation ;

(f) ensure that all employees and service provider staff members use their PPE where applicable ;

(g) communicate safe work procedures to each employee ;

(h) observe other staff and service providers' staff members' work practice and procedure where necessary ;

(i) ensure that facilities and work environments are in an acceptable condition to ensure application of sound HSE practices ;

(j) investigate and report all accidents and near accidents ;

(k) recommend and implement corrective measures ;

(l) carry out periodic HSE inspections ;

(m) counsel employees and recommend erring employees for discipline ; and

(n) ensure that first aid and firefighting facilities receive adequate maintenance and are in good working condition.

78.—(1) Every employee has a personal responsibility to contribute to safe work performance through co-operation with managers, supervisors and other employees.

Employee
Responsibilities.

(2) Each employee shall—

(a) work safely and efficiently using the PPE ;

(b) provide and comply with all relevant company's HSE Policy as well as other rules and operating procedures ;

(c) comply with relevant extant laws, regulations and guidelines ;

(d) seek guidance from managers or supervisor when in doubt about correct work procedures ;

(e) report to the supervisor every accident or near accidents as well as unsafe work practice or unsafe conditions that may lead to injury or damage ;

(f) assist in the implementation of immediate counter measures as stipulated in Emergency Plans ; and

(g) be disciplined.

Responsibilities
of Service
Providers.

79.—(1) Service providers shall—

(a) comply with the HSE Procedure under these Regulations, as well as laws, regulations and standards related to the scope of the services provided during the performance of their contractual obligations ;

(b) report every accident or near accidents as well as unsafe work practices or unsafe conditions that may lead to injury or damage to the Zone Management ;

(c) co-operate with the Zone Management in identifying HSE issues during the planning, designing and execution of work programs ;

(d) ensure that lines of communication are open at all levels of supervision, to ensure that safe work practices are understood and implemented by all parties ;

(e) provide employees with induction, training and PPE to execute their specified work safely and to meet policy and regulatory requirements ;

(f) make available to Zone Management for evaluation, records of its past safety performance, present procedures or programmes, and projected capability to achieve an acceptable HSE performance and its compliance with applicable HSE laws, regulations and standards ; and

(g) indemnify the Zone Management for any negligence on their part relating to HSE.

(2) Where service providers fail to meet their obligations to adequately advice, train, equip and protect their employees in the performance of their assigned duties, the Zone Management shall reserve the right to intervene and take any steps necessary to avert HSE risks.

HSE
induction
Training.

80. Induction training shall be conducted by facility managers or supervisors when—

(a) a new employee begins work ;

(b) service provider staff begins working on a site for the first time ;

(c) new plant or equipment is introduced ;

(d) policies or procedures are updated ; or

(e) ever it is discovered that any of the employees of the zone or staff of the service provider is not sufficiently grounded or has insufficient knowledge in the use of assigned PPE and other safety equipment indicating that employee has not retained the requisite understanding or skill.

Occupational
Health and
Safety
practices.

81.—(1) All sites are required to have an equipped First-Aid Box and site managers or supervisors shall be trained in application of First Aid.

(2) Staff shall ensure that they report to their relevant supervisors whenever they are not in good state of health.

(3) Any employee under the influence of alcohol, narcotics or any other intoxicant whether prescribed or otherwise shall not be allowed on the job.

(4) Horse play, practical jokes and provocation shall not be allowed under any circumstances.

(5) Sexual harassment is prohibited at all sites within the Zone.

82.—(1) All employers of the zone and service providers within LFTZ and their staff shall comply with any statutory regulations and guidelines set out for the control of hazardous substances using the manufacturers' and suppliers' HSE guide and their own knowledge of the work processes.

Control of hazardous substances.

(2) All employers of the zone and service providers and their staff shall ensure that exposure of workers to hazardous substances are mitigated through adequate training and information on the HSE issues relating to such type of work and it shall be mandatory for such workers to undergo periodic medical checks.

(3) All waste materials shall be disposed of carefully and in such a manner that they do not constitute any hazard to employees, clients, the general public and the environment.

83.—(1) All persons within the Free Zone shall conduct their activities in such a manner as to remove the risk of fire and "No Smoking" signs shall be strictly obeyed.

Fire prevention.

(2) Combustible materials shall not be kept in the offices or near any source of ignition.

(3) All site managers and supervisors shall be responsible for keeping their activities and operational areas safe from fire.

(4) All employees of the zone and staff of the service providers shall undergo induction training in fire prevention practices, use of fire extinguishers and emergency procedures.

(5) It shall be the duty of every individual and entities in the Zone to prevent the outbreak of fire.

84.—(1) Firefighting equipment shall be provided at strategic locations on all sites.

Fire Fighting Guidelines

(2) All employees of the zone and staff of service providers shall familiarize themselves with their areas of operation and shall—

(a) give special attention to the locations of fire extinguishers and other firefighting equipment; and

(b) use firefighting equipment promptly in response to an outbreak of fire.

(3) Firefighting facilities shall not be blocked from easy access, removed or used for purposes other than firefighting.

(4) In case of any defect or discharge of extinguisher, report shall be made to the immediate supervisor and no disciplinary action shall be taken for reporting such incidents.

Fire Exits.

85.—(1) Fire exits shall be provided at strategic locations and shall not be blocked or used as temporary stores, and where the exits are locked, keys shall be provided inside boxes with glass cover which can be broken to access keys for use in case of an emergency.

(2) Automatic lighting shall be provided in exit corridors, walkways and above exit doors.

(3) Muster points shall be identified and made known to all employees of the zone and staff of the service providers.

Emergency
Evacuation
procedure.

86. Each FZE shall have an Emergency evacuation plan which shall be based on the following procedures—

(a) if a fire or other emergency is noticed, raise an alarm ;

(b) operate any manual or automatic danger alarm system, where applicable ;

(c) attack the fire with available fire-fighting equipment ;

(d) call for help by phoning the fire brigade and the Nigerian Police whose contact details shall be provided at each site ;

(e) close all windows and doors to prevent easy spread of the fire ;

(f) escape to designated safe place or muster point ; and

(g) fire marshals shall give further directives to all occupants.

Personal
Protective
Equipment
(PPE).

87.—(1) Employees of the zone and staff of service providers shall be provided with PPE when and where applicable and necessary.

(2) It is mandatory for all employees to wear their PPE while executing their functions.

(3) Employees of the Zone and staff of service providers provided with PPE shall receive adequate training on the use and maintenance of PPE.

(4) All PPE provided shall be maintained in good working order.

(5) Failure on the part of the employees to comply with these instructions will attract appropriate disciplinary actions.

Uniform or
Overall.

88.—(1) All employees and services provider staff requiring protective garments shall be provided with protective garments by their respective employer which shall be worn at every occasion when the employees are carrying out their official assignment.

(2) Soiled garments shall be washed thoroughly in order to prevent fire and skin diseases.

(3) Rings, bangles, neck chains or loose dresses shall not be worn during working hours.

89.—(1) Safety shoes shall be worn at all work areas identified as having risk of foot injury.

Safety shoes.

(2) Walking bare footed as well as the wearing of slippers and sandals are prohibited in these areas.

90.—(1) Appropriate dust masks or breathing apparatus shall be worn at all times where air contamination exists.

Breathing apparatus, ear protection and gloves.

(2) Gloves shall be worn at work areas identified as having risk of hand injury or contamination.

(3) Ear plugs shall be worn when exposed to high noise level for a considerable length of time.

91.—(1) Employees of the zone and staff of service providers shall obey safety rules at all times.

Work practices.

(2) Where any unsafe condition or practice is noticed, it shall be brought to the immediate attention of their supervisor.

(3) When an Employee is uncertain about the safe practice or procedure for performing any job, he should advice from his immediate supervisor or safety representative.

(4) All work practices shall be assessed periodically with a view to removing hazards and promoting good occupational health of the workforce and environment.

92.—(1) Only employees of the zone and staff of service providers who are dully and properly authorized may be allowed access to restricted areas.

Authorized access to restricted areas.

(2) Where areas of work have an impact on other components of a facility or in which other work is underway, permits to work in the area must be sought from the site manager or supervisor to ensure co-ordination of activities.

93.—(1) Prior to performing work on electrically driven equipment or other energy sources, the circuit shall be de-energized and the startup switch shall be tagged with a "Danger! Do Not Operate" tag.

Tag In and Out.

(2) The technician shall personally lock out the board to prevent electrocution or outbreak of fire.

(3) No one is allowed to remove the tag except the technician or qualified officer.

Hot Work Permit.

94.—(1) A Hot Work Permit (HWP) shall be obtained from Zone Management before carrying out any work on any site such as welding, grinding and flame cutting.

(2) Appropriate firefighting equipment shall be positioned and manned before carrying out such hot work.

Machinery and Hand tools.

95.—(1) The right tool for the job shall always be used.

(2) Only tools in sound, safe condition may be used.

(3) All equipment on all sites shall be maintained in good working condition.

(4) Only employees of the zone and staff of service providers who are adequately trained may use or work with machine in the course of their duties.

(5) Any equipment that could pose a risk to the well-being of persons in and around the work place shall be restricted to authorized persons only and shall be clearly marked "AUTHORISED PERSONS ONLY".

(6) A permit to work must be obtained prior to working on machine.

Walkways, platforms and passageways.

96.—(1) All passageways and aisles shall be kept clear of debris and electric cables and not be used as floor storage.

(2) Wet surfaces shall be either clearly marked with warning signs or covered with suitable non-slippery materials.

(3) Where forklifts or other moving machinery must use the same passageway with pedestrians, adequate warning signs shall be prominently displayed and both pedestrians and equipment operator must exercise extreme caution.

(4) Equipment shall be properly positioned to avoid any obstruction to the walkways.

(5) Changes in floor elevation and ceiling heights shall be clearly marked.

(6) Passageways near dangerous operations such as heavy materials lifting, machinery operation or welding shall be clearly marked.

(7) Raised walkways and platforms shall have handrails.

Working locations.

97.—(1) All working locations shall be kept clean and orderly.

(2) Walking surfaces shall be kept dry and appropriate steps taken to ensure that the surfaces are kept clean and slip-resistant.

(3) Spills shall be cleaned up immediately.

(4) All off-cuts, scrap, waste and debris shall be promptly removed and safely disposed.

(5) All sites and premises shall be kept clean and free of weeds and vegetation.

(6) All manholes, pits and floor openings shall be covered when not in use and clearly marked when opened.

(7) All oil and gas fired devices shall be equipped with flame failure controls which will prevent the flow of fuel if pilots or main burners are not working.

(8) Combustible substances shall be stored in special storage areas, not in the office and access to these areas shall be prohibited in these storage areas.

98.—(1) Stairways or ladders shall be strictly for the use of qualified and trained employees whose schedules of duty include the use of them.

Stairways
and Ladders.

(2) Stairways or ladders shall be kept clean, dry and non-slippery at all times.

(3) The maximum load the equipment can carry shall be clearly indicated on it.

99.—(1) Lifting and moving devices shall only be operated by employees trained, qualified and authorized to operate them.

Mechanical
and Manual
Handling.

(2) Every load shall be inspected for sharp edges, wet or greasy patches.

(3) Hand gloves must be worn when lifting or moving any load with sharp or splintered edges.

(4) Hand gloves must be free of oil, grease or agents which might impair good grip.

(5) The route must be inspected to ensure that it is free from obstruction or spillage, which might cause tripping or slipping.

(6) No employee or service provider staff or member must attempt to lift or move a load considered too heavy to manage comfortably.

(7) As a guide, no individual should attempt to lift more than 36kg without assistance.

(8) Where team lifting or moving is necessary, one person must act as co-ordinator, giving orders to lift or lower as the case may be.

100.—(1) All vehicles are to be driven carefully and with due care.

Travel and
Transportation.

(2) Reckless or unsafe driving practices shall attract disciplinary action.

(3) Drivers shall be in the possession of valid and current driving licences.

(4) Vehicles shall be used for authorized purposes only.

(5) Accidents and near accidents shall be reported to Zone Management.

(6) All vehicles shall be properly maintained and kept clean and tidy.

Job hazard
analysis and
registration.

101.—(1) Prior to the commencement of any work activity, managers and supervisors shall be required to carry out a hazard analysis to identify and assess if there are any hazards or risks involved in carrying out the activity.

(2) Where hazards are identified, procedures shall be put in place to control such hazards through elimination, isolation and minimization.

(3) The results of these findings shall be documented in the job hazard register.

Waste
management.

102.—(1) All FZEs and other Licensed operators within LFTZ have a duty of care to ensure that wastes generated from their business activities either directly or indirectly by outsourced contractors are disposed of in a manner not hazardous to the health, wellbeing of individuals and the environment.

(2) Waste management procedure shall ensure that any waste generated from facilities are—

(i) correctly identified in terms of their potential hazard to the environment and people handling them ;

(ii) stored in a manner which ensures not only-spillage but prohibits access to non-authorized persons ; and

(iii) transported according to legislation and disposed of in accordance with relevant government policy and best practice.

HSE
awareness
programme.

103.—(1) HSE awareness programmes and activities shall be undertaken on a regular basis.

(2) The FZEs and other Licensed operators in LFTZ shall show their commitment to the HSE procedure by maintaining good communication systems.

Disciplinary
and
Corrective
action.

104.—(1) All employees and service providers and their staff shall comply with the established HSE rules, standards, regulations and practices.

(2) A person who fails to comply with HSE rules, standards, regulations or practices shall face disciplinary or contractual action, commensurate with the seriousness of the non-compliance.

PART VII—IMMIGRATION PROCEDURES AND REGULATIONS

Guidelines.
procedures
and
regulations
for
processing
immigration
applications.

105.—(1) The Authority shall work in consultation with the Nigeria Immigration Service (NIS) for the issuance of guidelines, procedures or regulations for processing immigration applications.

(2) Fees for immigration services shall be levied in United States Dollar (US\$) and shall be as prescribed by the Authority in consultation with the NIS.

(3) All FZEs are exempted from Expatriate quota.

106.—(1) A Foreigner seeking entry into Nigeria, except ECOWAS nationals or nationals of countries with which Nigeria has entered into a Visa abolition agreement, shall acquire entry Visa from Nigeria's Missions abroad prior to entry into Nigeria.

Entry Visas
for
Foreigners
seeking
entry into
the Zone.

(2) The following class of ordinary entry visas may be granted—

- (a) Business Visa ;
- (b) Tourist Visa ;
- (c) Visitors Visa ;
- (d) Transit Visa ;
- (e) Temporary Work Permit (TWP) ;
- (f) residence Visa ; and
- (g) Subject To Regularisation for Residence Work Permit (STR) Visa.

107.—(1) A Foreigner seeking entry into Nigeria shall possess one of the Visas stipulated in regulation 106 (2) of these regulations as appropriate at the Nigerian Mission closest to the foreigner's normal place of abode.

Business,
Tourist and
Visitors
Visas.

(2) An application for Short Visit Visa shall be accompanied by—

- (a) completed application forms with affixed passport photographs of the applicant ;
- (b) return air tickets ;
- (c) evidence of financial sustainability ;
- (d) valid travel document ;
- (e) evidence of payment of an approved visa fee where applicable ; and
- (f) any other valid travel documents that may be required by the Nigerian Mission.

108.—(1) Temporary Work Permit (TWP) visa shall be issued to foreigners coming into Nigeria to perform specialized duties for a short duration such as installation or repairs of machinery, feasibility studies, auditing of accounts, training, commissioning of projects, erection of drilling equipment, control of natural disaster, oil spillage, attending board meetings by non-resident company executive.

Temporary
Work Permit
Visa (TWP).

(2) The requirements for the issuance of TWP Visa are—

- (a) an application to the Comptroller-General of Immigration stating passport particulars of the expatriate, purpose of visit and confirmation of acceptance of immigration responsibilities by sponsor ;
- (b) evidence of company registration ;
- (c) evidence of purchase of equipment, contract award, etc ;
- (d) approval from the Comptroller-General of immigration ;
- (e) valid travel document with a minimum of six months validity ;

- (f) return air tickets ;
- (g) completed application forms with passport photographs of the applicant affixed ; and
- (h) payment of approved visa fee where applicable.

Residence
subject to
regularization
Visa.

109.—(1) A Foreigner intending to reside in Nigeria to work, study, accompanying spouses or parents shall arrive the country with an STR (Subject to Regulation) visa obtainable at Nigeria Missions abroad.

(2) The requirements for issuance of STR Visa to Employees are—

- (a) an application for STR Visa made by the Employer to the Nigerian Mission abroad closest to the employer ;
- (b) copies of Offer or Acceptance of employment, credentials of the employee, copies of free Zone operational licence of employer ;
- (c) valid passport of the employee with at least 6 months validity ; and
- (d) five passport size photographs of the employee.

Regularization
of Stay.

110.—(1) An expatriate who intends to stay in Nigeria beyond fifty-six days shall regularize his stay with the procurement of Combined Residence Permit and Aliens Card (CERPAC).

(2) The requirements for the procurement of CERPAC are—

(a) an application made to the Free Zone Nigeria Immigration Service within three months from the date of arrival into the country stating the post to be occupied, nationality and acceptance of immigration responsibilities which shall be accompanied with a valid STR Visa ;

(b) letter of employment ;

(c) letter of acceptance of offer ;

(d) completed application form duly vetted at the mission abroad where the Visa was issued ;

(e) photocopies of credential duly vetted at the mission abroad where visa was issued ;

(f) applicant's National Passport accompanied with photocopies of all the pages of the passport and the page on which Visa was stamped ;

(g) resolution of the Board of Directors of the requesting FZE duly endorsed by appropriate officers in top managerial positions ; and

(h) evidence of payment for the purchase of CERPAC form.

(3) For the purpose of paragraph (g) of sub-regulation (2) of this regulation, "appropriate officer" of the FZE include Members of the Board of Directors, Managing Directors, General Managers, Finance Controllers, etc.

(4) Requirements for CERPAC for Dependants above Sixteen Years of Age joining the Principal Immigrants shall be—

- (a) a formal application from the principal immigrant accepting immigration responsibilities ;
- (b) photocopy of husband's or father's residence permit (if already regularized) ;
- (c) photocopy of marriage certificate for married women and birth certificate for children ;
- (d) letter of admission or photocopy of school identity card where applicable ;
- (e) completed and vetted application form ; and
- (f) payment of approved fee where applicable.

111.—(1) Change of employment by Resident Expatriate already in Nigeria may be permitted subject to—

Permit for change of employment by resident expatriate.

- (a) formal application to NIS through Zone Management requesting for change of employment and acceptance of immigration responsibilities ;
- (b) letter of no objection from former employer ;
- (c) letter of offer of employment from FZE ;
- (d) letter of acceptance of offer ;
- (e) Board of Directors' resolution (where applicable) ;
- (f) resident permit with former employer ;
- (g) approved residence with former employer ; and
- (h) approved residence permit fee.

(2) The provision of employment with a company in another Free Zone in Nigeria.

112.—(1) Free Zone Expatriates' Register shall be maintained for all Free Zone Expatriates working or residing in the Free Zones.

Free Zone Expatriates' Register.

(2) The Register shall contain the—

- (a) name ;
- (b) nationality ;
- (c) employer ;
- (d) CERPAC number and validity period ; and
- (e) place of residence.

(3) The Free Zone Management shall render a monthly return of expatriates working or living in the Zone in the format provided by the Authority.

Requirement
to Re-Entry
Visa.

113. The Requirement for Re-Entry Visa shall be—

- (a) application to Zone Management and NIS by employer or sponsor accepting immigration responsibilities;
- (b) completed Re-entry Visa application Form; and
- (c) approved fee where applicable.

PART VIII—INVESTMENT AND APPLICATION PROCEDURES

Request for
Information.

114.—(1) A Company wishing to obtain information regarding LFTZ shall apply to the Zone Management office for an information pamphlet and an application for an information pamphlet can be made in writing, by telephone or in person.

(2) The contact details of the Free Zone Management office are—

Lagos Free Trade Zone Company

Lagoon View Plaza, Plot A4,

Ozumba Mbadiwe Street,

Victoria Island, Lagos Nigeria.

Tel : (01)-4631328-29

Fax : (01)-4615908

E-mail : *lekkiftz@aol.com*

Site Office : Itoke Village, Ibeju Lekki Area, Lagos.

Expression
of Interest.

115.—(1) A company intending to register as an enterprise within LFTZ shall apply in writing to the Zone Management stating —

- (a) the name and address of the applicant's business;
- (b) the nature of proposed business;
- (c) the name and position of the applicant; and
- (d) any other information that the applicant may consider relevant.

(2) Expression of interest shall be considered for suitability by the Zone Management and an applicant whose proposed business does not meet the Free Zone's requirements shall be informed in writing.

Application
Pack.

116. Applicants whose expression of interest is successful shall be sent an application pack which shall comprise the following documents—

- (a) an application form with relevant annexes; and
- (b) LFTZ Procedures and Operational Guidelines.

117. The LFTZ application process shall be followed correctly with the required information being provided in full and any incomplete application shall be returned to the applicant on ground of improper completion.

Incomplete Application to be returned to the Applicant.

118.—(1) Application to undertake approved activity in a Zone shall be made in the Forms provided by the Zone Management and the forms shall state the application fee and such other details as Zone Management may stipulate from time to time.

Submission, receipt and approval of application.

(2) The Zone Management shall acknowledge receipt of the completed application form and fee to the applicant in writing.

(3) Application to undertake an approved activity shall be considered by a Screening Committee consisting of the officials of the Authority within the Zone and the Zone Management within a period not exceeding five working days of receipt of the application.

(4) The application referred to under sub-regulation (1) of this regulation shall be considered on the basis that the—

(a) activities which an applicant intends to undertake in the Zone are approved activities within the Zone ;

(b) proposed activities will add value to and be consistent with the development programme of LFTZ ;

(c) application complies with the provisions of the Nigeria Export Processing Zones Act and applicable rules and regulations that may be put in place by Zone Management and the Authority from time to time ; and

(d) technical, financial, managerial capabilities, experience and track record of the applicant are satisfactory.

(5) The Zone Management shall notify the applicant of the approval of application or otherwise.

119.—(1) Upon receipt of approval to undertake approved activity in the Zone, an applicant shall apply to the Zone Management for licensing as an approved enterprise as provided for by the Act.

Application for and grant of Licence.

(2) A successful applicant shall be granted a licence to undertake an approved activity within the Zone on payment of the appropriate fee payable to "Lagos Free Trade Zone".

120.—(1) The applicant's request for serviced land or factory space within the Zone, submitted as part of the application process, shall be assessed by the Zone Management.

Request for serviced land or factory space.

(2) Where the Zone Management is unable to meet the applicant's land and premises requirements, contact shall be made with the applicant to further discuss and refine the requirements.

Building and structure.

121.—(1) Buildings and structures to be constructed by or on behalf of a FZE shall be permanent structures built with fire resistant materials in accordance with building, public health and fire regulations adopted by the Zone Management from time to time.

(2) The Zone Management shall consider and grant building permit in line with sub-regulation (1) of this regulation within four working days of the receipt of the said application and any modification or correction required by the Zone Management shall be incorporated into the approved building plan.

(3) Development of land leased to a FZE by Zone Management shall be in accordance with the terms and conditions of the approved building permit issued by Zone Management

(4) Applicants shall consult with the Zone Management regarding the appointment of building contractors and only building contractors approved by the Zone Management shall be authorised to carry out construction and installation works within the Zone.

Machinery Installation.

122. Prior to the commencement of installation of machineries, the approved enterprise shall apply for power, water supply and electrical inspection tests and shall submit its waste management and pollution control measures to the Zone Management for approval before commencement of machine installations.

Grant of Permit to commence operations by the Zonal Management.

123.—(1) An approved enterprise shall prior to the commencement of operations apply to the Zone Management for permit to commence operations and the Zone Management shall within twenty-four hours of the receipt of the application—

(a) complete the inspection of the factory site to ensure compliance with relevant building, factory and public health laws and regulations ; and

(b) permit the FZE to commence operations within twenty-four hours of completion of the inspection where there is no breach of applicable laws and regulations.

(2) Where an approved enterprise has not complied with relevant regulations, the Zone Management shall in writing within twenty-four hours after the completion of inspection notify the approved enterprise of the non-compliance and directs that it be remedied within a stipulated period of time.

124.—(1) An approved enterprise that has secured a lease of built-up factory space from Zone Management shall commence its operations within six months from the date of execution of the lease agreement.

Commence-
ment of
Operations
in a leased
built up
factory
space.

(2) Notwithstanding the provisions of sub-regulation (1) of this regulation, the Zone Management may in appropriate cases, grant an extension for a period not longer than three months.

(3) Where an approved enterprise that has secured a lease of built-up factory space fails to commence operations within six months after the execution of the lease agreement or such other extension as Zone management may grant, the licence of the enterprise to carry on business in the Zone shall be revoked and be required to return the licence and the registration certificate to the Zone Management without delay.

(4) An approved enterprise that has secured a lease of land from the Zone Management shall commence development within three months and operations within eighteen months of the date of execution of lease agreement.

(5) On application, the Zone Management may grant an extension for a period not longer than three months and six months respectively, on such terms and conditions as it deems fit.

(6) Where an approved enterprise that has secured a lease of land fails to commence development or operations within three months and eighteen months respectively after the execution of the lease agreement or such other extension as the Zone Management may grant, the licence of the approved enterprise shall be revoked without any recourse to the Authority.

125. An approved enterprise can engage in approved activities as stipulated by the Act and for which Zone Management has granted it permission to engage in the Zone provided the approved enterprise's operation of the approved activities does not cause damage to human life and property, harm the environment, constitute a threat to public peace and order or national security.

Assignment.
property use
and
alteration.

126.—(1) A real property or any part thereof whether developed or not, shall not be sub - demised or demised in any form in the Zone without the prior written approval of the Zone Management.

Rent.

(2) A lessee wishing to alter, expand or demolish any part of a leased factory building shall seek the prior approval of the Zone Management before carrying out such activity.

(3) All lessees in the Zone shall be required to pay applicable ground rent at the prevailing rate to Zone Management calculated on monthly basis.

(4) In the event of failure to make full and timely payment, the lessee shall be deemed to be in breach of agreement for which the Zone Management at its discretion shall withdraw its approval to the lessee to carry on activity in the Zone.

Cessation of operations.

127.—(1) An approved enterprise shall pay the applicable rates per annum to the Zone Management as service charge and marketing or promotion fees for services provided.

(2) In the event of failure to make full and timely payment, the Zone Management at its discretion shall withdraw its approval to the investor to carry on activity in the Zone and shall notify the Authority of the cessation of the approval.

(3) In the event that an investor wishes to disinvest for any reason, the Zone Management shall take over the building without any form of compensation to the investor.

(4) Zone Management shall retain the right to charge the investor in full, all cost incurred by Zone Management in repairing or restoring the same land or buildings.

Investment process flow.

128. The Investment Process Flow shall be as may be prescribed by Guidelines issued by the Authority in collaboration with relevant regulatory institutions

PART IX—PLANNING AND CONSTRUCTION PROCEDURES AND REGULATIONS

Payment of deposit for lease of land or pre-built factory.

129.—(1) An approved enterprise may apply to the Authority for land or factory space in the Zone to enable it undertake the approved activity for which approval is granted by the Authority and Zone Management.

(2) On submission of the application referred to under sub-regulation (1) of this regulation, the Licensee may be required to pay to Zone Management such deposit as the Zone Management may from time to time stipulate as consideration due for the lease being applied for.

(3) The Zone Management shall on receipt of an application for land or built-up factory space consider and allocate land for built-up factory space or otherwise as the case may be to the approved enterprises.

(4) Where the Zone Management refuses the application or fails to allocate land or built-up factory space within fourteen working days after the receipt of the application or the applicant rejects the allocation within seven days of the notification of the allocation, the Zone Management shall refund the deposit paid without any deduction or interest.

130.—(1) The deposit paid in respect of a lease for built-up factory space by an approved enterprise shall be applied towards the payment of rent for the built-up factory space provided the approved enterprise occupies the space within three months of the date of the execution of the agreement.

Forfeiture of deposit for Lease.

(2) Where the approved enterprise fail to occupy the leased built-up factory space within the stipulated period, the deposit paid for the lease shall be forfeited to Zone Management.

(3) The deposit paid in respect of a lease for land by an approved enterprise shall be applied towards the payment of consideration for the lease of the land provided the approved enterprise occupies the land and commences development of said property within six months of the execution of the lease agreement.

(4) Where the approved enterprise fail to occupy the leased land or commence its development within the time stipulated herein, the deposit paid shall be forfeited to the Zone Management.

131.—(1) The applicant shall submit an application for a building permit to the Zone Management after the execution of the lease agreement.

Application for building permit.

(2) The application referred to in sub-regulation (1) of this regulation, shall be submitted together with two copies of a building plan and design which shall conform to the following—

- (a) self-designed factory building may be one story type or more ;
- (b) the design shall conform to Nigeria Building standards for factories ;
- and
- (c) area to be covered shall be between 50 per cent of the land leased.

(3) The buildings shall be at least 25 meter from the center of the road to allow for parking and landscaping ; and shall provide not more than two access to the premises.

(4) Any modification or correction required by the Zone Management shall be incorporated in the approved building plan and complied with by the applicant.

(5) Development of land leased to an approved enterprise by the Zone Management shall be in the accordance with the terms and conditions of the approved building permit issued by the Zone Management.

132.—(1) Any structure to be constructed by an approved enterprise shall be in accordance with the terms and conditions of the approved building permit issued by the Zone Management.

Constructions to comply with building regulations

(2) The Zone Management shall be notified before commencement of construction in order to check the setting-out of building.

(3) During construction, the Zone Management's Engineers shall monitor construction activities to ensure quality and conformity with specifications.

Commence-
ment of
development.

133.—(1) An approved enterprise that has secured a lease of land from Zone Management shall commence development of its factory site within three months of the date of execution of the lease agreement.

(2) On application, the Zone Management may grant an extension for a period not longer than three months on such terms and conditions as it may deem fit.

(3) For leased land not used within the specified period, the Zone Management shall take over such land; and the rentals and infrastructure development charges already paid shall not be subject to refund.

(4) Where there are practical reasons that could justify the delay in implementing the project, the investor shall apply for extension before the expiration of the deadline as specified in this regulation.

Failure to
commence
development
within
stipulated
time.

134.—(1) An Approved Enterprise that has secured a lease of land space from the Zone Management shall commence development operation within eighteen months of the date of execution of the lease agreement; provided that on application, the Zone Management may grant an extension for a period not exceeding six months on such terms and conditions as it may deemed fit.

(2) An Approved Enterprise that has secured a lease of built-up factory space from the Zone Management shall commence development operations in the Zone within six months of the date of execution of the lease agreement; provided that on application, Zone Management may grant an extension for a period not longer than three months on such terms and conditions as it may deemed fit.

(3) Where an approved enterprise that has secured a lease of land for development of its factory site fails to commence operations in the Zone within eighteen months after the execution of the lease agreement or such other extension as Zone Management may grant, the permit of the approved enterprise to carry on business in the Zone shall be revoked without any recourse to the Zone Management.

(4) Where an approved enterprise that has secured a lease of built-up factory space for development of its factory site fails to commence operations in the Zone within six months after the execution of the lease agreement or such other extension as Zone Management may grant, the permit of the approved enterprise to carry on business in the Zone shall be revoked without any recourse to the Zone Management

135.—(1) Prior to the commencement of installation of machinery, an approved enterprise shall apply for power, water supply and electrical inspection test.

Application
for utility
inspection.

(2) Connection of factory buildings to power, water supply, sewage lines, fire-fighting system and telecommunication lines shall be at approved rates.

(3) Payments for facilities consumed shall be paid for at prevailing rates.

(4) The waste management and pollution control plan of the approval enterprise shall be submitted for approval at this stage.

136.—(1) An approved enterprise shall prior to the commencement of operations apply to the Authority for permit to commence operations.

Application
for Permit to
commence
operations.

(2) The Zone Management shall within twenty - four hours of the receipt of the application complete inspection of the factory site to ensure compliance with relevant building, factory and public health laws and regulations.

(3) The Zone Management shall grant permit to commence operation within twenty-four hours of completion of the inspection if there is no breach of applicable laws and regulations.

(4) Where an approved enterprise has not complied with relevant laws and regulations, the Authority shall in writing within twenty - four hours after the completion of inspection notify the approved enterprise of the non-compliance and directs that it be remedied within a stipulated period.

(5) On completion of the required remedial action, the approved enterprise shall invite the Zone Management for inspection and issuance of compliance certificate.

(6) The Zone Management shall within twenty - four hours of receipt of the invitation inspect and issue a certificate of compliance if there is no breach on the part of the approved enterprise.

137.—(1) An Investor wishing to alter, expand or demolish any part of the purchased built-up factory space shall obtain the prior approval of the Authority before carrying out such activity and the cost involved shall be borne by the investor.

Alteration,
expansion
and
demolition
of built-up
factory
space.

(2) In the event that an investor decides to disinvest before the expiration of fifteen years, the Zone Management shall take over the building at a negotiated and agreed cost and payment terms.

(3) Alteration of a building under rent or lease can only be carried out with the prior approval of the type of service to be rendered.

138. A real property or any part thereof whether developed or not shall not be sub-demised or demised in any form in the Zone without the written approval of the Zone Management.

Sub-demise
or demise
property.

Payment of
Ground
Rent.

139. All investors in the Zone shall be required to pay applicable ground rent at the prevailing rate to Zone Management which shall be calculated on a monthly basis.

PART X—HUMAN RESOURCES AND LABOUR RELATED MATTERS, ETC

Regulation
of the labour
market and
related
matters.

140.—(1) The Zone Management shall in collaboration with the Authority, establish a labour and employment service department in the Zone and the said department shall regulate labour and supervise matters relating to the terms and conditions of employment, safety, health and welfare of workers in the Zone.

(2) An employment contract within the Free Zone shall contain—

(a) the name of the employer or the group of employers and where appropriate, the name of the undertaking by which the worker is employed ;

(b) the name and address of the worker and the place and date of his engagement ;

(c) the nature of the employment contract ;

(d) working hours, holidays and leave of absence ;

(e) the date of execution of the employment contract ;

(f) the duration of the contract if the duration is temporary ;

(g) if the contract is for a fixed term, the date when the contract expires ;

(h) the rates of wages and method of calculation thereof and the manner and periodicity of payment of wages ;

(i) the welfare benefits and house given to the employee ; and

(j) the period of notice to be given by the party wishing to terminate the contract, in the light of the conditions and circumstances of the contract.

Provisional
employment
contracts
and
apprentice-
ships.

141.—(1) The employer may fix a period of time called the apprenticeship period, during the course of which either party may, without prior notice or notice of payment of an indemnity, terminate the work relationship.

(2) The relationship period shall be mutually agreed by the parties and stipulated in the contract.

(3) The wages and employee's work benefits for work ending, during the course or at the end of the apprenticeship period shall be paid for at the period during which work was performed.

(4) An apprenticeship contract may be entered only once between an employer and an employee for a specific job.

Termination
of contract
of
employment.

142.—(1) Employment contracts may be terminated by—

- (a) the expiration of the period for which it was made ;
- (b) the death of the worker before the expiration of the contract ;
- (c) total disability of the employee ;
- (d) the retirement of the employee ;
- (e) the completion of the contract for specific work ;
- (f) the termination of the employment contract by the employer and the employee in instances stipulated in the employment contract in compliance with regulations ; or
- (g) the resignation of the employee.

(2) Whenever the termination of an employee is grounded on non-compliance with disciplinary regulations, the employee may complain to the Zone Management, which shall in consultation with the Federal Ministry of Labour and Productivity make the necessary decision based on these Regulations and the disciplinary regulations applicable in the work place.

143. Whenever an employer, without due consideration to the employment contract and without the consent of the employee, modifies the employment conditions of an employee resulting in a reduction in the amount of the employee's wages or impairment of his dignity, the employee may lodge a complaint with Zone Management for redress..

Unilateral
modification
in
employment
conditions

144.—(1) The minimum wages in LFTZ shall not be less than the minimum legal wage of the country and any overtime work performed by an employee in excess of 8 hours per day shall be paid for as overtime allowances.

Minimum
wage.
overtime
pay and
holidays.

(2) The taking of weekly holiday, annual paid leave and official holiday shall be subject to both parties agreement and whenever with the agreement of the employee, leaves are postponed to another date or are not taken, the benefits shall be as previously agreed by the parties.

(3) Every employee shall be entitled after twelve months continuous service to a holiday with full pay of—

- (a) at least six working days ; or
- (b) in the case of a person under the age of sixteen years, including apprentices, at least twelve working days ;
- (c) in cases where work is performed for less than twelve months, but not less than six months within the period of employment, an employer shall pay an employee an amount bearing the same proportion to full pay for one week at the employee's normal rate.

Resolution
of disputes.

145.—(1) Any dispute between an employee and an employer arising from the work place or the contract of employment shall first be settled amicably by the agreed grievance procedure and whenever disputes are not settled amicably, the matter may be referred by either party to the Zone Management for settlement.

(2) The Zone Management shall with the approval of the Authority constitute a Dispute Resolution Board to settle the dispute which shall be composed of—

- (a) a representative of the Zone Management who shall be the Chairman ;
- (b) the employer in question, or his authorised representative ;
- (c) the employee in question, or his authorised representative ; and
- (d) the head of the labour and employment services department or his representative.

(3) Except where there is an objection, the decision of the Dispute Resolution Board shall be enforceable within ten days after the date of service to the parties.

(4) Every employer in the Zone shall prepare labour disciplinary regulations for the employer's work place and implement them after confirmation thereof from the Zone Management.

(5) Where a dispute is not settled by the Dispute Resolution Board, either party shall be at liberty to report the dispute to the head of labour and employment services department in the Zone and pursuant to the provisions of the Trade Disputes Act with a view to settling the dispute.

Employment
Benefits.

146.—(1) Each employee shall establish a Retirement Savings Account (RSA) with a Pension Fund Administrator of his choice in line with the Pension Reform Act for the purpose of monthly remission of the employee's retirement benefits.

(2) All employers shall remit to their employees' RSAs—

(a) a minimum of *ten per cent* of the employees' total emolument on behalf of the employer ; and

(b) a minimum of *eight per cent* of the employees total emolument on behalf of the employee not later than seven days from the day the employee was paid salary.

(3) Rules and directives concerning the determination of other retirement benefits of the employee shall be in line with the provisions of the Pension Reform Act and other relevant laws and regulations in the country.

147. The following facilities shall be made available within the LFTZ—
- (a) good security network ;
 - (b) administrative building ;
 - (c) separate administrative offices for different regulatory agencies in the Zone ;
 - (d) adequate supply of clean water ;
 - (e) adequate power supply ;
 - (f) good drainage system ;
 - (g) good sewage system ;
 - (h) efficient telecommunication system ;
 - (i) good internal road network ;
 - (j) warehouses ;
 - (k) logistics system ;
 - (l) banking facilities ;
 - (m) standard health clinic ;
 - (n) fire service building with fire-fighting equipment ; and
 - (o) parking lots.

Facilities
within the
LFTZ.

PART XI—MISCELLANEOUS

148.—(1) The organizational structure of the Zone Management shall be as may be prescribed by the Authority from time to time.

Organizational
structure and
management.

(2) The Lagos Free Trade Zone Company ("LFTZC") shall be responsible for the day to day operations and management of the Free Zone.

(3) The Chief Executive Officer of the LFTZC and the Board of Directors shall provide strategic and policy direction to all activities within the Zone.

149.—(1) The Lagos Free Trade Zone Regulations, published as Statutory Instrument No. 56, Volume 96 of 7th August, 2009 is revoked.

Revocation
and savings
provision.

(2) Without prejudice to section 6 of the Interpretation Act, the revocation of the Regulations specified in sub-regulation (1) of this regulation shall not affect anything done or purported to be done under or pursuant to the revoked Regulations.

(3) Subject to the provisions of the Act, the Authority may, from time to time, amend or revoke the provisions of these Regulations.

150. In these Regulations—

Interpretation.

"Act" means the Nigeria Export Processing Zone CAP N 107, Laws of the Federation of Nigeria, 2004 ;

"Application Form" means application for free zone registration and licensing ;

"Approved Activity" means any of the activities specified in the Third Schedule to the Nigeria Export Processing Zones Act, CAP N 107, Laws of the Federation of Nigeria, 2004 and in the Tenth Schedule to these Regulations ;

"Authorized Banks" means banks Licensed under BOFIA, 1991 and authorized to deal in foreign exchange in the customs territory in Nigeria ;

"Authority" means the Nigeria Export Processing Zones Authority established pursuant to the Nigeria Export Processing Zones Act, CAP N 107, Laws of the Federation of Nigeria, 2004 ;

"Country Free Zone Guarantee" means in the case of a foreign entity, a jurisdiction other than the State and in the case of a domestic entity, the State ;

"Custom Free Zone Guarantee" means a bond or guarantee issued by bank or other financial institution acceptable to the Free Zone Customs on behalf of a Licensee on terms and in a form approved by the Authority ;

"Customs Territory" means the Federal Republic of Nigeria excluding any area designated as a Free Zone ;

"Employee" means a person who works in any capacity under the instruction of an employer for wages or a salary ;

"Enactment" means a law of the state whether issued by the Federal, State or Local Government but excluding circulars and regulations of the Free Zone ;

"Expiry Date" means the date specified on the licence as the date upon which the licence will expire ;

"Exporter" in relation to goods for exportation includes the shipper of the goods and in the case of an aircraft, any person performing the functions corresponding to those of the shipper ;

"External Account" means an account opened for non-residents by banks licensed under BOFIA, 1991 or any other legislation to operate in the Customs Territory of Nigeria, solely for defraying statutory, operational, administrative and salary expenses of non- residents. If funded only from the sale of foreign currencies for Naira, it cannot be funded with Naira from any other source without the CBN's approval ;

"Free Zones" means Export Processing Zones, Border Free Zones, Free Trade Zone, Export Processing Factories and Export Processing Farms established pursuant to the provisions of the Nigeria Export Processing Zones Act, CAP N 107, Laws of the Federation of Nigeria, 2004 ;

"Free Zones Circular" means notices or any periodic information from the Authority or Zone Management ;

"Free Zone Customs" refers to a person who is an officer of the Nigeria Customs Service within the Zone, a person acting on the instruction of any such officer or any person appointed by the Federal Government who for the time being is empowered to carry out all functions related to customs in the Zone ;

"Free Zone Immigration" means a person being an officer of the Nigeria immigration Service within the Zone, a person acting on the instruction of any such officer or any person appointed by the Federal Government who for the time being is employed to carry functions related to immigration in the Zone ;

"Import Duty" means customs duties chargeable on imports ;

"Import" means in relation to any goods at anytime between their importation and the time when they are cleared ;

"Importer" means any owner or other person for the time being possessed of, or beneficially interested in the goods ;

"Lease Agreement" means the licence issued or to be issued by the Authority Zone Management to a Licensee ;

"Licence" means the licence issued or to be issued by the Authority or Zone Management to a Licensee ;

"Licensee" means the holder of a valid and current licence ;

"Minister" means the Minister charged with responsibility for matters relating to trade ;

"Non-Resident" means any person who is resident outside the customs Territory of Nigeria and includes expatriate staff in the Zone or any business enterprise or institution registered or incorporated from outside the customs territory of Nigeria, such as approved enterprise and licensed banks in Nigeria's free zones ;

"Order" means an order issued by the Minister pursuant to section 24 (2) of the Act ;

"Regulations" mean the rules and regulations issued by the Authority or the Zone Management pursuant to the provisions of the Act ;

"Resident" means a citizen of Nigeria or a person granted permission to reside permanently in Nigeria or a business enterprise or institution registered or incorporated and operating in the Customs Territory of Nigeria ;

"Resident Account" means any account opened for a resident or a temporary visitor to Nigeria by Banks Licensed under BOFIA to operate in the customs territory of Nigeria ;

"Restricted Areas" means any area where a risk of personal or property safety exists ;

"Salary" means wages set and paid on a monthly basis ;

"State" means a State in the Federal Republic of Nigeria ;

"Terminal Operator" means the Authorised Operators of any terminal at the seaports ;

"USS" means the currency of the United State of America ;

"Wages" means remuneration or earnings capable of being expressed in terms of money and fixed by virtue of a contract by an employer to a worker for work done or to be done or services rendered or to be rendered.

"Work Period" means a period during which an employee places his energy or time at the disposal of the employer ;

“Zone Management” means the management team of the Zone inclusive of the representatives of the Authority ; and

“Zone Management Company” means Lagos Free Trade Zone Company or any agents and third parties appointed by Lagos Free Trade Zone Company for the purpose of discharging its functions.

List of
abbrevia-
tions.

151. In these Regulations—

BOFIA	—	Banks and Other Financial Institutions Act
CBN	—	Central Bank of Nigeria
CERPAC	—	Combined Expatriate Residence Permit and Aliens Card
CITA	—	Companies Income Tax Act
CPC	—	Customs Processing Centre
DIA	—	Destination Inspection Agent
ECOWAS	—	Economic Community of West African States
EFCC	—	Economic and Financial Crimes Commission
EPZ	—	Export Processing Zone
FGN	—	Federal Government of Nigeria
FRSC	—	Federal Road Safety Commission
FOB	—	Free On Board
FTZ	—	Free Trade Zone
FZ	—	Free Zone Enterprise
FZE	—	Free Zone Enterprise
HSE	—	Health, Safety and Environment
KYC	—	Know –Your – Customer
NAHCO	—	Nigerian Airport Handling Company
NCT	—	Nigeria Customs Territory
NEPZ	—	Nigerian Export Processing Zone
NEPZA	—	Nigerian Export Processing Zone Authority
NIS	—	Nigeria Immigration Service
NPA	—	Nigerian Port Authority
PPTA	—	Petroleum Profits Tax Act
RAR	—	Risk Assessment Report
RSA	—	Retirement Savings Account
SGD	—	Single Goods Declaration
STR	—	Subject to Regularization
KFTZ	—	Kano Free Trade Zone
TWP	—	Temporary Work Permit
VAT	—	Value Added Tax
WHT	—	Withholding Tax

Citation.

152. These Regulations may be cited as the Lagos Free Trade Zone Regulations, 2016.

FIRST SCHEDULE [Regulation 49 (1)]
CUSTOMS PROCEDURES

PROCEDURES FOR IMPORTING GOODS INTO LAGOS FREE TRADE ZONE

This deals with the general procedures for importing goods into the Zone and gives specific details for importing goods by sea, air and road.

1.—(1) The Licensee shall ensure that the consignor or supplier of the goods forwards the Bill of Lading or Air Waybill, the Invoices and Packing List and the vessel/aircraft's manifest relating to such goods are to be clearly marked with a statement that "Free Zone Status shall apply" ; and

General
Procedure
for
Importing
Goods into
Lagos Free
Trade Zone.

(2) The Licensee shall comply with the following requirements in relation to the Bill of Lading or Air Waybill ("the Bill")—

(a) the Bill shall indicate that the consignee of the goods is the Licensee and specify the Licensee's address as being "Lagos Free Trade Zone" ; and

(b) if for banking or other reasons the identification of the "Consignee" has to be completed differently , the above information must appear prominently in the "Marks and Numbers" section of the Bill ;

(3) The "Notify Party" shall be the Free Zone Licensee and the Zone Management shall be notified to this effect.

(4) In relation to sea shipments, the "Port of Discharge" shall be clearly specified.

(5) In relation to air shipments, the "Airport of Final Destination" shall be clearly specified.

(6) The Zone Management shall require the Shipping Line or airline to have a separate manifest (in hard and soft copies) for goods to be delivered to the Zone.

(7) The Shipping Company shall provide to the Customs and the Zone Management an advance manifest seven days before arrival of the vessel.

(8) Prior to the arrival of the goods or upon shipment, the licensee shall provide to the Zone Management certified copies of invoices, packing list, bills of lading and other relevant documents and this shall be considered to be a "Transaction Request Order" by the zone management.

(9) On receipt of the "transaction request order" with the specific documents, the Zone Management shall prepare a "request to transfer under customs escort" or "transfer request" authorizing the goods to be transferred from the point of discharge to LFTZC ; and

(10) The duly authorised and endorsed "*transfer request*" shall be delivered to the relevant terminal operator or aviation handling company who shall transfer the goods from the quayside or cargo shed to the appropriate stacking area. upon completion of stacking, the transfer request shall be signed by the terminal operator or aviation handling company and returned to the zone.

Specific
procedures
for
importing
goods into
the Free
Zone by Sea.

2.—(1) For delivery by sea, the invoice relating to the goods shall indicate the amount ascribed to insurance of the goods during the voyage, even if the terms of sale are EX Works, Free On Board (FOB), C and S or otherwise.

(2) Upon receipt of dispatch shipping documents from the supplier, the Licensee shall provide to the Zone Management certified copies of Invoices, Packing List, Bills of Lading and other relevant documents and this will be considered to be a "*Transaction Request Order*" by the Zone Management.

(3) Upon receipt of the documents specified in sub-paragraph (2) of this Paragraph ("*Transaction Request Order*"), the Zone Management shall prepare a "*Transfer Request*" authorizing the goods to be transferred directly from the vessel to the Zone upon arrival; the Transfer Request shall first be endorsed by the Free Zone Customs, the Shipping Agent and the Terminal Operators.

(4) The "*Transfer Request*" shall be noted with the stack address of the cargo and a stock reference number; the Licensee shall give a blanket authority to Zone Management to transfer the goods upon.

(5) After paying all applicable charges, the Shipping Agent will issue a Delivery Order to the Licensee, a copy of which shall be made available to Zone Management.

(6) The duly authorized and endorsed "*Transfer Request or Request to Transfer under Customs Escorts*" shall be delivered to the Terminal Operator who shall transfer the goods from the quayside to the appropriate stacking area and upon completion of signed by the Terminal Operator and returned to the Zone.

(7) With the Delivery Order and the "*Transfer Request*" the Licensee or the Zone Management (on request) takes delivery of the cargo from the quayside or staking area and transports same under Customs Escort to the Zone.

(8) Receipted copies of the Transfer Request shall be sent to the Licensee, Nigeria Customs Service, the Terminal Operator and NPA.

Specific
procedures
for
importing
goods into
the Zone by
Air Freight.

3.—(1) The Nigerian Aviation Handling Company Plc (NAHCO) or appropriate aviation handling company shall discharge the aircraft. the cargo is them tallied, reconciled to the manifest and transferred to the cargo arrival shed.

(2) On receipt of an advice from NAHCO or appropriate handling company, the Licensee shall collect the documentation relating to the goods from the airline, after paying all applicable charges, the airline will issue a "delivery order" to the Licensee, a copy of which shall be made available to the Zone Management.

(3) On receipt of the relevant invoice, air waybill, packing list and other relevant documents, which shall be considered to be the "transaction request order" the zone management shall issue a "request to transfer under customs escort" duly endorsed by the Free Zone customs and airport customs.

(4) The airline shall make available a separate manifest of all free zone cargo on-board the flight, the manifest shall be made available to the zone management prior or upon arrival of the flight duly sealed by the airline's agents.

(5) With the delivery order and the "transfer request", the Licensee or the Zone Management on request takes delivery of the cargo and transport it under customs escort from the airport to the Zone.

(6) On arrival at the Zone, the consignment is then written off the incoming aircraft manifest and a copy of the receipted "transfer request" is forwarded to nahco or appropriate handling company through the free zone customs.

4.—(1) Where the licensee require goods to be delivered to the Zone by Road Freight, the Licensee shall apply in writing to Zone Management for permission for the transfer. Such application shall be supported by all relevant commercial documents.

Specific
procedures
for
importing
goods into
the Zone by
Road
Freight.

(2) Where goods require transfer by road freight because they have been misdirected in the original delivery process, the licensee shall support the application with a report stating how the goods were misdirected.

(3) If Zone management and Free Zone Customs consent to the application, Zone management shall issue a "Request to Transfer Goods" and arrange Customs Escort. The "Transfer Request" shall be endorsed by Zone Management and Free Zone Customs.

(4) Upon receipt of the "Transfer Request" by the Boarder post customs where the goods are being held, the goods shall be delivered to the Zone under Customs Escort.

(5) On arrival at the Zone, the duly authorized and endorsed "transfer request" shall be forwarded to the customs command at the point of discharge for use by them to close the record.

5.—(1) All deliveries of goods to LFTZC shall be entered into the Zone's "Cargo track" tracking and inventory system.

Cargo track
Inventory
System.

(2) Zone Management shall issue stock reports showing the Licensee's goods movement at intervals agreed by the Licensee and Zone ; the Free Zone Customs shall have access to the stock control elements of the track system.

(3) A Zone Licensee shall on request of Zone Management or Free Zone Customs provide statistical data, delivery and receipt returns and any other information that may be called upon from time to time.

(4) Zone Management and the Free Zone Customs shall inspect the records and books of account of the Licensee from time to time after reasonable notice.

(5) The Licensee shall permit Zone Management and the Free Zone Customs access into the factory, warehouse, assembly plant or any other premises of the Licensee for the purposes of examining any good to ensure the accuracy of the particulars entered in the records and books of account of the Licensee.

(6) The Zone Management or Free Zone Customs may require that its officers be stationed on the premises of the Licensee for the purposes of inspection.

SECOND SCHEDULE [Regulation 49(2)]

PROCEDURES FOR EXPORTING GOODS FROM THE FREE ZONE

Exporting of Goods from the Free Zone into the Nigerian Customs Territory

Exporting of
goods from
the Free
Zone into
the Nigerian
Customs
Territory.

1.—(1) These procedures apply to importers who desire to export goods from the Free Zone into the Nigerian Customs Territory (NCT) in the normal course of trading activities in commercial quantity.

(2) The goods shall be subject to extant fiscal policy regulations pertaining to importation of goods in commercial quantity into the NCT and such goods shall be deposited at the bonded warehouse located in the buffer zone and operated by the Authority.

(3) Without prejudice to the foregoing, goods declared as personal effects but in excess of the passenger concessions shall be treated in line with provisions of the customs baggage code.

(4) For non-prohibitions the importer shall first submit a completed "Form M" to his bank.

(5) The "Country of Origin" and the "Country of Supply" shall be marked as "Lagos Free Trade Zone Company" and the service providers shall issue the RAR upon satisfaction with the submitted documents.

(6) The Authority shall issue a Delivery Order upon receipt of the customs Release Order.

2.—(1) Pre-releases shall be restricted to perishable goods only.

Pre-Release.

(2) The importer shall apply to the Customs Area Comptroller who upon the receipt of the application shall convey approval thereto.

(3) However, perfection of such pre-releases shall be a condition for granting subsequent pre-release concessions to such beneficiaries.

(4) These rules shall apply where the Licensee intends to implement a duty scheduling system ("the System") whereby goods required for use on an urgent basis in the NCT can be imported from the Free Zone with payment of customs duty deferred to a later time.

(5) To qualify for the System, the Licensee must comply with the following—

(a) the Licensee shall establish and provide an acceptable guarantee from the Licensee's bank for an amount sufficient to cover the amount of customs duty that is expected to be outstanding at any one time ; and

(b) the Licensee shall submit an application for regulation under the System to Zone Management and where acceptable, Zone Management shall countersign the application and forward it to the Free Zone Customs for approval and if approved, Zone Management shall open a separate "Cargo track" system to record the Licensee's release of goods under the System.

3. Specific procedures for exporting goods from the Zone by sea are, the—

Specific procedures for exporting goods from the Zone by sea.

(a) Licensee shall send to the Zone Management copies of the following documents as attested by the Bank—

(i) Bill of Lading ;

(ii) Invoices ;

(iii) Packing List ; and

(v) Export Declaration documents ;

which shall be considered to be a "Transaction Request Order" by the Zone Management ;

(b) Zone Management shall issue a request to the Customs for examination of the goods, the application shall be authorized by the Free Zone Customs and an examination of the goods against the documents submitted shall be physically carried out ;

(c) approval to release goods and endorsement of the Export Declaration for export is raised to the Licensee or Agent ;

(d) Licensee or his agent shall forward the Customs Release Documents and Export Declaration documents to the Terminal Operators for release and endorsement ;

(e) Zone Management shall request the Terminal Operators to deliver the goods to the relevant vessel and the Terminal Operators shall carry out the delivery of the goods upon payment by the Licensee of all storage and handling charges ;

(f) goods delivered on board the vessel shall tally or correspond with the vessel's manifest by Terminal Operators and on completion, the Captain of the vessel shall endorse the Export Declaration Form for the Free Zone Customs as evidence of shipment ;

(g) Licensee shall then receive a Bill of Lading and evidence the shipment of the goods on payment of all freight charges ; and

(h) the Licensee shall then perfect an Export SGD with the Customs at the CPC and present the same together with copies of the endorsed Export Declaration for final release by Customs.

Exporting
goods to a
foreign
territory by
air Freight.

4. Specific procedures for exporting goods from the Free Zone by air are—

(a) Licensee shall submit to the Free Zone Management copies of the following documents as attested by the Banks—

- (i) Invoices,
- (ii) Form M,
- (iii) Airway Bill, and
- (iv) Packing List ;

which will be considered as a "Transaction Request Order" by the Zone Management ;

(b) Zone Management shall complete the same procedures as exporting of goods by sea ;

(c) Zone Management shall submit the Free Zone Customs Release, Export Declaration duly endorsed by Customs and NAHCO or appropriate handling company together with other cargo documents with an application to export goods to the Airport Customs for approval ;

(d) airport Customs approves and the Licensee or his agents submit release documents to NAHCO or appropriate handling company for payment or statutory handling charges ;

(e) the goods shall be released by the Free Zone Customs and transportedExporting Goods to a Foreign Territory by Air Freight to the airport under Customs escort and the Export Declaration shall accompany the goods ;

(f) the goods together with the Export Declaration shall be handed over to the Airport Customs and NAHCO officials, who shall tally the goods, load them unto the aircraft, sign and stamp the Export Declaration and the pilot of the aircraft shall endorse the Export Declaration documents ; and

(g) the Licensee shall prepare an Export SGD attaching a copy of the stamped Export Declaration and other documents and submit them to the Free Zone Customs.

THIRD SCHEDULE [Regulation 49 (3)]

PROCEDURES FOR HANDLING GOODS THAT REQUIRE REPAIR AND MAINTENANCE

(1) The Licensee may apply to the Zone Management requesting repair of goods situated within the Customs Territory in the Zone.

(2) The Licensee shall submit all relevant Import, Commercial documents and all relevant documents as may be required by the Zone Management like contract or acceptance to repairs or maintain the equipment correspondence between the two companies doing the business and duration of maintenance, stating clearly the reason for repair and duration of maintenance and this will be considered to be a "*Transaction Request*".

(3) The Zone Management raises a Transaction Request Order and issues a request to the Free Zone Customs and the DIA for examination of the Free Zone items to be consumed during the repair.

(4) The Zone Management shall apply to Free Zone Customs DIA for examination of the item to be consumed during the process of maintenance where goods shall be returned to the Customs Territory after repairs.

(5) The DIA shall issue a RAR on the goods utilized on the repairs and the necessary duties, levies shall be paid, and the Licensee or Agents shall perfect the entries accordingly.

(6) For repairs and export to other countries, only Customs examination shall be carried out on the goods and other procedures for export shall follow on the utilized goods as prescribed in this Schedule.

(7) The Licensee shall submit all relevant documents, stating clearly the reason for repair and duration of maintenance and this will be a "Transaction Request".

(8) The Zone Management shall raise a Transaction request Order and issue a request to the Free Zone Customs for examination of the goods requiring repair.

(9) The Free Zone Customs shall then examine the goods, endorse the Transaction request Order and release the goods for repairs.

(10) Goods will then be released from the Zone with the approval documents.

(11) The Licensee transfer goods to the Customs Territory for repair.

(12) The Licensee shall notify the Zone Management and the Free Zone Customs on return of goods.

(13) On completion of repairs and the delivery of the goods into the Free Zone, the goods will be examined against the original "Request for Repair".

FOURTH SCHEDULE [Regulation 49 (4)]

PROCEDURES FOR TRANSFERRING GOODS

(1) The Licensee shall submit to Zone Management copies of the Bill of Lading, Invoice and the Packing List which shall be considered to be a "Transaction Request".

(2) The Zone Management shall issue a Transaction Request Order to the Free Zone Customs for examination of the goods.

(3) The Free Zone Customs shall authorize the Transaction Request Order and carries out an examination of the goods against the documents submitted.

(4) The Free Zone Customs shall have approval for the release of the goods.

(5) The Zone Management shall issue a request to the NPA to deliver the goods to the relevant Vessel upon payment of handling and freight charges by the Licensee (if goods are to be delivered by sea) or release the goods to the road hauler under Customs escort if the goods are to be transferred by road.

(6) The Free Zone Customs Escort shall return to the Free Zone with endorsed Landing certificate from the carrier.

(7) The Licensee (seller) shall raise an Invoice and notify Zone Management which shall be considered to be a Transaction Request.

(8) The Licensee (Buyer) shall submit a copy of the original Invoice covering the importation and the new Invoice to Zone Management and this shall be considered to be a Transaction Request; the Licensee (seller) completes Form M with the Bank.

(9) The Zone Management shall raise a Transaction Request Order and shall issue a request to the Free Zone Customs and DIA for examination of the goods.

(10) The Free Zone Customs shall authorize the Transaction request Order and shall conduct a joint examination of the goods with the DIA.

(11) The DIA shall issue the RAR and dispatch it to the designated Bank.

(12) The Licensee (Buyer) shall submit the SGD at the CPC for processing, attaching all commercial documents including the import duty receipt.

(13) The Free Zone Customs shall endorse the Transfer Request and the SGD and shall release the goods on confirmation of the import duty payment.

FIFTH SCHEDULE [Regulation 49 (5)]

PERSONAL DUTY-FREE ALLOWANCE

Personal Duty Free Allowance for a Nigeria Visitor or tourist shall be guided by the provisions of concessions as published by Nigerian Customs Service.

LAGOS MARKET CATEGORIZATION FOR CUSTOMS DUTY CONSIDERATION

Goods
imported
into the
NCT for Re-
sale.

1. The target market for this category of goods includes Nigeria's business community comprising traders involved in import or export activities, wholesalers and retailers.

2. A large proportion of this target market for LFTZC currently import their goods from Europe, Asia and Middle-East and it is expected that the volume of trade within the Zone will provide a large enough market to serve the needs of this target market, resulting in substantial foreign exchange savings in travel expenses and hotel accommodation costs.

3. For Goods purchased in commercial quantities, the following shall apply—

(a) only the categories of goods that are not banned or prohibited by the Federal Government of Nigeria (FGN) will fall under this category ;

(b) Nigerian importers shall be required to process a Form 'M' through any authorized dealer bank, whether or not payment is involved ; and

(c) Customs Duty shall be levied on the goods at the appropriate rate by the Nigerian Customs Service (NCS), at the point of exit from the Zone, unless there is an express exemption of duty on such goods.

4. It is anticipated that a significant portion of trade from LFTZC will boost exports and trading activities with traders along the West Africa coast who traditionally source their imports for their respective countries from the Middle-East and Far East and Far East Asia and this category of traders will constitute a large potential market for LFTZC, with large or wholesale consignments being purchased from LFTZC for export to destinations outside Nigeria.

5. For the categories of goods for export to destinations outside Nigeria, the following conditions shall apply—

(a) all the categories of goods traded in LFTZC, whether or not the goods are banned or prohibited by FGN will under this category ; and

(b) customs duty shall not be levied on the goods by NCS at the point of exit from the Zone.

Goods
purchased
for personal
consumption.

6. For the categories to be purchased for consumption within the LFTZC, imported into the NCT or exported out of the NCT for personal consumption and its target market shall include the following—

(a) West African shoppers and leisure seekers ;

(b) Nigerians ;

(c) expatriate resident in Nigeria ; and

(d) International.

7. For the categories of goods purchased for personal consumption purposes only, the following shall apply—

(a) all the categories of goods traded in LFTZ, whether or not the goods are banned or prohibited by FGN shall fall under this category ;

(b) the value of category of goods under this Paragraph (imported into the NCT) shall be guided by free zone passenger concession as published by the Nigeria Customs Service ;

(c) customs duty shall not be levied on such goods by NCS at the point of exit from the Zone ; and

(d) all other customs and licensing requirements that apply to goods imported into the NCT from other countries shall not apply to category of goods under this paragraph including the processing of form M.

SEVENTH SCHEDULE [Regulation 49(7)]

ORGANIZATION OF LFTZ FOR CUSTOMS PURPOSE

(1) For proper administration of Customs functions in LFTZ, a customs processing Centre (CPC) shall be established outside the Zone. The CPC shall be managed by designated officials of the NCS under the control of an Area command.

(2) The functions of the CPC, aside from day-to-day management of the CPC facilities shall include the following—

(a) liaise with officials of LFTZ on a continuous basic to establish and implement effective and efficient customs procedures to be adopted for the Zone ;

(b) process the relevant Customs documents for goods entering and exiting LFTZ ;

(c) advise on the proper classification of goods, with LFTZ for Customs purpose only ;

(d) determine the duty payable on goods other than goods for personal consumption ; and

(e) collect duty on behalf of Government as appropriate.

(3) The perimeter of LFTZ shall be fenced to prevent unapproved entry or exit of goods from the Zone. The perimeter of the Zone shall also be monitored regularly by the officials of the NCS attached to the CPC.

(4) Goods shall be entered in the CCVO, which is very important for the administration of customs duty within the Zone because of the peculiar nature of the Zone which is designed to provide a mix of services and goods to tourists and customers.

(5) Goods purchased within the Zone must be invoiced separately from services to avoid subjecting the services to customs duty.

(6) The standardized invoices will also be easily recognized and authenticated by the CPC.

(7) The invoices shall have special features as advised by the CPC which may include—

- (a) HS Code for the goods,
- (b) the quantity of goods sold,
- (c) the destination of the goods ; and
- (d) whether or not the purchase qualifies as items for personal consumption or effects.

EIGHTH SCHEDULE [Regulation 49(8)]

CUSTOMS PROCEDURES WITH LFTZ

Goods
Imported
into LFTZ.

1.—(1) All items imported into LFTZ must be entered by the CPC.

(2) The goods are not subject to import duty, at this point, due to the free zone status of LFTZ.

(3) Upon entry of the goods, the appropriate HS Codes for the items must be determined by the CPC and communicated to every importer together with the appropriate customs duty rate.

(4) This code must be stated on every invoices/receipts issued by the importer/seller of the goods to the buyers at the point of sale.

(5) The CPC must also have a record of the quantity of goods imported by each importer into the Zone for the purpose of reconciling with the total quantity claimed to have been sold.

(6) All the above information must promptly enter into a database designed for such purpose.

(7) All goods, including goods that are banned or prohibited for importation into the NCT shall be allowed for importation into the Zone's due to the free zone status of LFTZ.

(8) Goods that are expressly prohibited from being exported out of the country may not be allowed into LFTZ from the NCT. The exception to this prohibition may be items which are designated for input as raw materials for the production of a final product (which in itself is not prohibited). The CPC will be responsible for monitoring the movement of these prohibited goods.

2. Goods manufactured within LFTZ must be accounted to the CPC in terms of quantity and materials used for the production, and where inputs into the production of the goods include items that have been previously imported into LFTZ, the CPC must be promptly informed.

Goods manufactured within LFTZ.

3. After inspection of the goods produced, the CPC must delete the inputs from its records and allocate appropriate HS code to the final product.

4. Goods which became expired, damaged or destroyed after being delivered to LFTZ must be reported and accounted for to the CPC for the purpose of its records, and such items must be immediately deleted by the CPC from its records upon confirmation of their status.

Damaged, expired or destroyed goods.

5. The sellers within LFTZ must be familiar with sales that constitute personal effects and indicates such fact on the invoices or receipts issued for goods sold which qualify under this category.

Personal effects and goods consumed in LFTZ.

6. The receipts or invoices for items consumed within the territory must also be appropriately denoted. Copies of the receipts or invoices for goods consumed within LFTZ and for personal effects must be forwarded to the CPC on a regular basis or as agreed for updating its records.

7.—(1) The sellers within LFTZ must be familiar with sales that constitute personal effects and indicate this fact on the invoices or receipts issued for goods sold.

Personal effects and goods exported into the NCT.

(2) The receipts or invoices for items being exported by buyers into the NCT must also be appropriately denoted.

(3) Copies of the receipts or invoices must also be forwarded to the CPC on a regular basis or as agreed for the purpose of updating its records.

(4) The value of this category of goods shall be guided by free passenger concession as published by the Nigeria Customs Service.

8.—(1) Goods which are purchased in large quantities from LFTZ and destined for exportation to a country other than Nigeria would qualify under this category and invoices for such goods must be appropriately marked. The country of destination must also be indicated.

Goods for Export.

(2) Goods that are deemed for "personal consumption" will not fall under the "goods for export" category.

(3) At the point of purchase of the goods, the sellers would request for evidence of the goods outside Nigeria, which may be in the form of air waybill, ocean bill of lading, inland bill of lading or a letter of commitment from the transporters, depending on the means of transportation.

(4) The details of the goods purchased for export shall be entered into a database immediately after the purchase, as this would form the basis of inspection by CPC at the point of exit.

(5) The customs invoice shall be provided in quadruplicate, the original copy would be retained by the customer, a second copy would be kept by the trader, a third copy would be sent to the CPC and the fourth copy to Zone management.

(6) The CPC shall perform the requisite inspection of goods, at the time of exit from LFTZ to ensure that the description and quantity agree with the customs invoice issued by the seller and after the inspection, a customs clearance shall be issued to the exporter by the CPC.

(7) The CPC shall also be responsible for monitoring the movement of the goods up to the port of exit from Nigeria to ensure that the goods are not diverted for resale within the NCT and the exported goods shall be deleted from the CPC records.

(8) To properly monitor the movement of the goods from LFTZ without the buyers diverting the goods into the NCT, the CPC may arrange for the use of bonded warehouses both at LFTZ and at the port of exit before the goods are taken out of the country.

(9) For goods to be transported out of the country by road and the buyers are to be encouraged to have their means of transportation ready to transport the goods from LFTZ.

Goods
imported
into Nigeria.

9.—(1) Goods purchased within LFTZ for resale with the NCT qualify under this category. This shall represent large or wholesale quantities as agreed between LFTZ and the CPC which are destined for other parts of the Nigerian territory outside LFTZ and other free zones in the country, such imports into the NCT are subject to customs duty as appropriate unless there is an express exemption of duty on such goods.

(2) Goods that are deemed for "personal consumption" will not fall under the "goods imported into the NCT" category.

(3) Under this category, on the basis of the HS Code of the goods being sold and the appropriate duty rate the traders at LFTZ shall calculate the customs duty on the goods sold to their customers.

(4) The duty shall be collected on behalf of the NCS together with the prices of the goods.

(5) The sellers shall then on a periodic basis, as may be agreed with the CPC, reconcile its records with that of the CPC and remit all the collected duty to the CPC in a manner to be agreeable to both parties.

(6) It is the sellers' responsibility to ensure that the duty on invoices marked for entry into the NCT is collected on behalf of the Customs.

(7) Once the goods are to exit from LFTZ, the CPC shall inspect the customs invoice, the receipt of payment for the goods and customs duty to ensure consistency and correctness.

(8) The CPC shall also inspect the goods to be imported into the NCT and ensure that they conform to the quantity stated in the customs invoice and any discrepancies shall be resolved before the release of the goods by CPC to the importer.

(9) Upon inspection to the satisfaction of the CPC, a customs clearance shall be issued to the importer and the CPC shall also delete the imported items from its records.

NINTH SCHEDULE
TAXATION PROCEDURES

[Regulation 59(1)]

<i>Serial No.</i>	<i>Subject Matter</i>	<i>Tax Implication</i>	<i>Basis of the Position</i>
1.	Purchases made by FZEs within LFTZ from companies operating in the customs territory.	No VAT No WHT	This is in line with Sections 11(2) and 12(9) of the Act which made rules for export from Nigeria applicable.
2.	Sales made by FZEs to companies operating in the customs territory.	VAT payable by purchaser No WHT	This is in line with Sections 11(1) and 12(7) of the Act which made rules for import into Nigeria applicable.
3.	Purchases or sales from customs territory by unapproved enterprises.	VAT and WHT applicable.	Section 8 and 18(1) of the Act, which granted tax exemption, did not operate within the Zone cover unapproved enterprises operating within the Zones.
4.	Imported goods conveyed through other Ports outside the Zones but consigned to the Zone.	No VAT No WHT (Provided the goods are escorted from the Port of entry to the Free Zone by the Nigeria customs Service).	This is in line with Section 12(1) and 18 of the Act.
5.	Business activities of head offices or branch offices of FZEs located in customs territory dealing with approved enterprises.	VAT and WHT applicable.	This is in line with Section 51A of the Petroleum Profits Tax Act (PPTA) and Sections 8 of CITA dealing with derivation of income is also relevant.
6.	Property or assets of FZEs	No. VAT No. WHT	This is in line with the Act.

TENTH SCHEDULE [Regulation 49(10)]

APPROVED ACTIVITIES

1. Manufacturing of goods for export.
2. Warehousing freight forwarding and customs clearance.
3. Handling of duty free goods (transshipment, sorting, marketing, packaging, etc.).
4. Banking, stock exchange and other financial services; insurance and re-insurance.
5. Import of goods for special services, exhibitions and publicity.
6. International Commercial Arbitration Services.
7. Activities relating to integrated zones.
8. Petrochemical Industries.
9. Oil and gas Industries.
10. Development and Operation of Ports.
11. Other activities deemed appropriate by Nigeria Export Processing Zones Authority.

ELEVENTH SCHEDULE [Regulation 49(11)]

LIST OF RELEVANT LAWS AND REGULATIONS

Arbitration and Conciliation Act.
Banks and Other Allied Financial Institutions Act.
Companies Income Tax Act.
Customs, Excise Tariff, etc (Consolidation) Act.
Nigeria Export Processing Zones Act.
Pension Reform Act.
Petroleum Profits Tax Act.
Trade Dispute Act.

MADE at Abuja this 23rd day of May, 2016.

OLLUGBENGA KUYE
Managing Director,
Nigeria Export Processing Zones Authority

EXPLANATORY NOTE

*(This note does not form part of these Regulations
but is intended to explain its purport)*

These Regulations seeks to revoke the Lagos Free Trade Zone Regulations, 2009 (published as Statutory Instrument No. 56, Volume 96 of 7th August, 2009) ; provide details of regulatory and supervisory requirements necessary to promote efficient and profitable operations in the Lagos Free Trade Zones to facilitate the attainment of the goals for which the Lagos Free Trade Zone is established and to enable the Free Zone to carry out additional activities to to wit : Petrochemical, Oil and gas, Development and Operations of Ports.