



Federal Republic of Nigeria

Official Gazette

No. 182

Lagos— 3rd December, 2019

Vol. 106

Government Notice No. 99

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

<i>S. I. No.</i>	<i>Short Title</i>	<i>Page</i>
45	Eko Atlantic Free Zone Regulations, 2019	B1129-1241

Printed and Published by The Federal Government Printer, Lagos, Nigeria
FGP 10/012020/650

Annual Subscription from 1st January, 2020 is Local : ₦45,000.00 Overseas : ₦60,500.00 [Surface Mail]
₦75,000.00 [Second Class Air Mail]. Present issue ₦2,500 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)

EKO ATLANTIC FREE ZONE REGULATIONS, 2019



ARRANGEMENT OF REGULATIONS

PART I—OBJECTIVES AND APPLICATION

1. Objectives.
2. Application.

PART II—DESIGNATION AND MANAGEMENT

3. Designation of Eko Atlantic Free Zone as a Free Zone.
4. Management of the Zone.

PART III—ZONE MANAGEMENT

5. Appointment of Chief Executive Officer for the Zone Management.
6. Documentation of appointment.
7. Functions of the Zone Management.

PART IV—FREE ZONE REGISTRY AND REGISTRATION OF FREE ZONE ENTERPRISE

8. Establishment of a Free Zone Registry.
9. The Free Zone Register.
10. Disclosure of information.
11. Procedure for registration of Free Zone Enterprise.
12. Memorandum and Articles of Association.
13. Statement of compliance.
14. Approval and issuance of certificate of registration and incorporation.
15. Refusal of registration of an enterprise.
16. Limited liability for a Free Zone Enterprise.
17. Objects of a Free Zone Enterprise.
18. Powers of a Free Zone Enterprise.
19. Status of a Free Zone Enterprise.
20. Duty to comply with Regulations 21 to 74.
21. Name.
22. Registered Address.
23. Sign-Name Plate.
24. Correspondence and official documents.
25. Definition of a shareholder.
26. Share Capital.
27. Alteration of Share Capital.
28. Issue and registration of Shares.

29. Share Transfer.
30. Shareholders' register.
31. Distributions.
32. Security interests.
33. General meeting of a Free Zone Enterprise.
34. Resolutions.
35. Written Resolutions.
36. Submission of Resolutions to Zone Management.
37. Directors.
38. Directors' meetings.
39. Secretaries.
40. Register of Directors and Secretary.
41. Notification of Appointment of the Chief Executive Officer of a Free Zone Enterprise.
42. Directors' duties.
43. Loans to directors.
44. Directors' service contracts.
45. Substantial property transaction requiring shareholder approval.
46. Ratification of acts of directors.
47. Seal.
48. Pre-incorporation contracts.
49. Contracts.
50. Accounts books and records.
51. Financial year, etc.
52. Financial Statements.
53. Annual accounts.
54. Appointment of auditors.
55. Audited accounts.
56. Power to investigate the affairs of a Free Zone Enterprise.
57. Power to deregister.
58. Grounds for deregistration.
59. Voluntary winding up and deregistration.
60. Creditor's winding up and deregistration.
61. Commencement of winding up and deregistration procedure by the Zone Management.
62. Priority of Distribution upon winding up.
63. Consequences of deregistration.

PART V—INVESTMENT AND LICENSING PROCEDURES

64. General Licence provisions.
65. Approved Activities.
66. Application for a Licence to undertake Approved Activities in the Zone.
67. Payment of fees.
68. Screening and due diligence compliance.
69. Issuance of Licence.
70. Renewal of Licence.

- 71. Obligations of a Licensee.
- 72. Withdrawal from Approved Activity.
- 73. Revocation of Licence.
- 74. Reinstatement of Licence.

PART VI—GENERAL REGULATIONS

- 75. Compliance with the Regulations.
- 76. Penalties for non-compliance with these Regulations.
- 77. Incentives and Concessions.
- 78. Retail activities.
- 79. Authorisation of movement within the Zone.
- 80. Abandoned goods or property.
- 81. Handling of goods brought into the Zone.
- 82. Register of Vehicles in the Zone.
- 83. Registration of vehicles.
- 84. Issuance of driving licences.
- 85. Provision of security in the Zone.
- 86. Payment of fees to Zone Management.
- 87. Insurance.
- 88. Dedicated Zone Customs, Police and Immigration.
- 89. Criminal procedures.
- 90. Zone Customs Processing Centre.
- 91. Customs procedures.
- 92. Work permits.
- 93. Returns on Work Permits issued.
- 94. Restrictions on employment of expatriate staff outside the Zone.
- 95. Fees, charges and tariffs for Zone Management services.
- 96. Inspection of books and records.
- 97. Facilities within the Zone.
- 98. Settlement of disputes within the Zone.
- 99. Applicable Laws.
- 100. Dispute resolution laws.
- 101. Publication of Zone guidelines.
- 102. Application of the Zone guidelines.
- 103. Penalties for non-compliance with extant rules and regulations.

PART VII—PLANNING, CONSTRUCTION AND COMMENCEMENT OF OPERATIONS

- 104. Publication of Planning and Construction Guidelines.

PART VIII—TAXATION PROCEDURES

- 105. Publication of tax guidelines.
- 106. Tax and other exemptions.

PART IX—BANKING PROCEDURES AND INCENTIVES

- 107. Objectives of this Part.
- 108. Guidelines for Banking Operations.
- 109. Permissible Banks in the Zone.

- 110. Licensing requirements for banks in the Zone.
- 111. Zone financial activities.
- 112. Compliance with international agreements.

PART X—HEALTH, SAFETY AND ENVIRONMENT

- 113. Access to the Zone.
- 114. Report of incidents or accidents in the Zone.
- 115. Beautification of the environment.
- 116. Maintenance of Facilities.
- 117. Responsibilities of a FZE on Health, Safety and Environment.
- 118. Responsibilities of Site Managers and Supervisors.
- 119. Responsibilities of employees.
- 120. Responsibilities of service providers.
- 121. Power to mitigate HSE risks by the Zone Management.
- 122. Compliance with environmental Protection laws.
- 123. HSE induction training.
- 124. Occupational health and safety.
- 125. Control of hazardous substances.
- 126. Fire Prevention.
- 127. Fire Fighting Guidelines.
- 128. Fire exits.
- 129. Emergency Evacuation Procedures.
- 130. Personal Protective Equipment.
- 131. Prohibition of firearms and other dangerous weapons.
- 132. Safety gear.
- 133. Breathing apparatus, ear protection and gloves.
- 134. Work practices.
- 135. Authorized access to restricted areas.
- 136. Tag in and out.
- 137. Permit for Hot work.
- 138. Machinery and hand tools.
- 139. Walkways, platforms and passageways.
- 140. Stairways and Ladders.
- 141. Working locations.
- 142. Mechanical and manual handling.
- 143. Travels and Transportation.
- 144. Job hazard analysis, control and registration.
- 145. Waste Management.
- 146. HSE Awareness Programme.
- 147. Compliance and disciplinary action for non-compliance.
- 148. Environmental protection guidelines.

PART XI—IMMIGRATION PROCEDURES

- 149. Guidelines for processing immigration applications.
- 150. Zone Immigration Centre.
- 151. Visa requirements.

152. Types of ordinary Visas.
153. Business, Tourist and Visitors Visa.
154. Temporary Work Permit (TWP) Visa.
155. Subject to Regularisation (STR) Visa.
156. Regularisation of stay.
157. Requirements for issuance of Combined Expatriate Residence Permit and Aliens Card (CERPAC).
158. Requirements for CERPAC for dependents above 16 years of age joining an expatriate employee.
159. Change of employment by resident expatriate already in Nigeria.
160. Establishment of the Free Zone Expatriates' Register.
161. Rendering of returns on expatriates.
162. Requirements for re-entry visa.

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

163. Application of this Part to contract of employment in the Zone.
164. Compliance with Labour laws.
165. Responsibilities of the Zone Management under this Part.
166. Establishment of Labour and Employment Services Office.
167. Disciplinary procedures.
168. Welfare of employees.
169. Employment contract.
170. Work period.
171. Provisional employment contracts or apprenticeship.
172. Unilateral modification in employment conditions.
173. Termination of contract of employment.
174. Consequences of termination of contract of employment.
175. Labour disciplinary rules and regulations.
176. Prohibition of employment of under-aged persons.
177. Types of work and working hours.
178. Holidays.
179. Minimum wage.
180. Overtime allowances.
181. Prohibition of child and compulsory labour.
182. Prohibition of gender and other discriminations.
183. Resolution of labour disputes.
184. Freedom on employment of labour.
185. Work permit for expatriates.
186. Rendition of returns on employees.
187. Employment benefits.

PART XIII—MISCELLANEOUS

188. Amendment and revocation.
189. Revocation of Nigeria International Commerce City Free Zone Regulations, 2015.
190. Savings.

- 191. Implementation of these Regulations.
- 192. Interpretation.
- 193. List of abbreviations.
- 194. Citation.

SCHEDULES

S. I. No. 45 of 2019

NIGERIA EXPORT PROCESSING ZONES ACT
 (CAP. N107, LAWS OF THE FEDERATION OF NIGERIA, 2004)
EKO ATLANTIC FREE ZONE REGULATIONS, 2019

[20th Day of November, 2019]

Commence
ment.

In exercise of the powers conferred on it by section 27 of the Nigeria 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 Minister, makes the following Regulations—

PART I—OBJECTIVES AND APPLICATION

1. The objectives of these Regulations include, to—

Objectives.

(a) complement and enhance the application of the provisions of the Act as it relates to the Eko Atlantic Free Zone (the "Zone") ;

(b) provide details of regulatory and supervisory requirements necessary to promote efficient and profitable operations in the Zone ; and

(c) facilitate the attainment of the goals for which the Free Zones are established in Nigeria.

2. These Regulations shall apply to all operations and activities carried out in the Zone.

Application.

PART II—DESIGNATION AND MANAGEMENT

3.—(1) The Eko Atlantic Free Zone ("the Zone"), previously known and registered as the Nigeria International Commerce City Free Zone, was designated and approved as a Free Zone by the President of the Federal Republic of Nigeria and a Certificate of registration was issued by the Nigeria Export Processing Zones Authority ("the Authority") on the 4th of September, 2014.

Designation
of Eko
Atlantic Free
Zone as a
Free Zone.

(2) The Zone changed its name from the Nigeria International Commerce City Free Zone to Eko Atlantic Free Zone *vide* a Certificate of registration issued by the Authority on the 15th of October, 2019.

4.—(1) The Zone is under the management and supervision of Eko Atlantic Free Zone Management Company (the "Zone Management") licensed by the Authority to operate and administer the Zone on the 15th of October, 2019.

Management
of the Zone.

(2) Subject to the provisions of the Act and these Regulations, the Authority delegates the responsibility to develop, manage, operate, oversee, supervise and administer the Zone to the Zone Management.

PART III—ZONE MANAGEMENT

5.—(1) A Chief Executive Officer ("the CEO") shall be appointed by the Board of Directors of the Zone Management in accordance with the terms of any agreement applicable to the appointment.

Appointment
of Chief
Executive
Officer for
the Zone
Management.

(2) The CEO shall be responsible for the day to day management of the Zone.

Documentation of appointment.

6. The Zone Management shall on the appointment of its CEO transmit the following documents to the Authority—

- (a) recent passport photograph ;
- (b) letter of appointment ;
- (c) means of identification ;
- (d) specimen signature ; and
- (e) any other document as may be required by the Authority from time to time in respect of the appointment.

Functions of the Zone Management.

7.—(1) The functions of the Zone Management shall include, to—

- (a) administer, manage and develop the Zone ;
- (b) grant and issue Licences to Free Zone Enterprises ("FZEs"), with the consent of the Authority, to carry on approved activities in the Zone ;
- (c) grant and issue permits and other forms of approvals, with the consent of the Authority, to any other business entities or persons having legitimate reasons or business concerns to enter or remain in the Zone ;
- (d) promote, market and attract investors into the Zone ;
- (e) formulate investment promotion policies and strategies in the Zone ;
- (f) recommend additional incentives and measures to the Authority for consideration in accordance with the provisions of the Act ;
- (g) co-ordinate, regulate and monitor all Free Zone operations and activities within the Zone ;
- (h) maintain a Free Zone Registry for the purposes of receiving, keeping and maintaining records of all approved FZEs, Licensees and other entities operating within the Zone including other records considered necessary to these Regulations or the Zone's operations from time to time ;
- (i) act as liaison between the Authority and the FZEs ;
- (j) impose with the approval of the Authority and collect Fees as may be approved by the Authority from time to time for the provision of services in the Zone ;
- (k) issue, review and publish the Schedule of Fees applicable in the Zone as approved by the Authority from time to time ;
- (l) provide adequate measures for security of lives, properties and facilities in the Zone and any services incidental to the Zone Services ;
- (m) take all necessary measures aimed at providing suitable and conducive business environment in the Zone ;
- (n) discharge such duties and functions as may be delegated to it by the Authority ;
- (o) implement and supervise—
 - (i) Part XII of these Regulations,
 - (ii) the enforcement of the rights of Free Zone Residents ('FZR's'),
 - (iii) the enforcement of the rights of employees, and

- (iv) the performance of undertakings contained in employment contracts ;
 - (p) resolve trade disputes between FZEs and other persons in the Zone ;
 - (q) serve as logistics co-ordinator and, where appropriate, act as a logistics provider for import or export transactions within the Zone that qualify ;
 - (r) verify applications to register FZEs and other entities within the Zone and make recommendations to the Authority on the eligibility of such applicants ; and
 - (s) perform such other functions that will give effect to the provisions of these Regulations and the Act.
- (2) The Zone Management shall ensure that all FZEs pay all applicable fees listed in the Schedule of Fees in such manner as the Zone Management may direct.

PART IV—FREE ZONE REGISTRY AND REGISTRATION OF FREE ZONE ENTERPRISE

8.—(1) The Zone Management shall with the approval of the Authority—

Establishment
of a Free
Zone
Registry.

- (a) establish a Free Zone Registry for the purposes of the Free Zone Register set out in regulation 9 ; and
- (b) appoint a Zone Registrar (the 'Registrar') to administer and manage the Free Zone Registry.

(2) The Free Zone Registry shall maintain registers and keep records of all documentation relating to the registration, licensing and administration of all FZEs and Approved Activities within the Zone.

9. The Registrar shall compile, maintain and keep a register of all—

The Free
Zone
Register.

- (a) FZEs within the Zone ;
- (b) Approved Activities within the Zone ;
- (c) foreign residents living or working within the Zone ;
- (d) Licensees operating within the Zone ;
- (e) declarations or documentation made pursuant to these Regulations ;
- (f) other entities operating within the Zone ;
- (g) other records as are referred to in these Regulations or as may be considered necessary from time to time ;
- (h) information relating to the winding up of a FZE in accordance with these Regulations ; and
- (i) other information as may be required by the Zone Management in accordance with the provisions of the Act and these Regulations.

10.—(1) The Zone Management shall, after consultation with the Authority, disclose through the Registrar such information in relation to FZEs, FZR, Licensees and other entities, and activities in the Zone as may be required by any government institution, agency, authority or person.

Disclosure of
information.

(2) A FZE shall furnish all information required of it including information on its audited accounts in such details and number of copies as the Zone Management may require from time to time.

(3) The information to be furnished by the FZE will also include such information as is required for the exchange of information under the bilateral and multilateral agreements to which Nigeria is a signatory.

(4) Entities operating within the Zone other than FZEs shall be required to file and submit information to government institutions as may be required.

Procedure
for
registration
of Free Zone
Enterprise.

11.—(1) An entity proposing to operate in the Zone shall be registered as an enterprise within the Zone prior to applying for a Licence to undertake an Approved Activity in accordance with the provisions of section 9 (1) of the Act.

(2) Application for registration as an enterprise within the Zone (a 'proposed enterprise') shall be made to the Authority through the Zone Management in the prescribed form as set out by the Authority through the Zone Management and shall include—

(a) proof of incorporation, which shall apply as follows :

(i) where the Applicant is a company, that company's certificate of incorporation, as verified by the relevant company registry, shall be proof of its incorporation, and

(ii) where the Applicant is not a company, the registration to operate in the Zone shall be proof of its incorporation

(b) the memorandum and Articles of Association of the proposed enterprise which shall be in a form that is compliant with regulation 12 ;

(c) written authorisation by—

(i) the Applicant where the Applicant is a natural person,

(ii) a copy of the board resolution of the Applicant permitting the establishment of the proposed FZE where the Applicant is a Company, or

(iii) the management team of the Applicant where the Applicant is a legal entity other than a company ;

(d) proof of identification of the directors, senior management, and shareholders of the proposed enterprise, including—

(i) full names,

(ii) correspondence address, and

(iii) nationality ;

(e) a business plan showing the objectives of the proposed enterprise within the Zone, which shall contain—

(i) investment and financial projections,

(ii) funding proposals,

(iii) target markets and customers,

(iv) staffing plans,

(v) environmental impact statement, and

(vi) such other details as may be prescribed by the Authority through the Zone Management from time to time ;

- (f) the completed Know Your Customer documents ; and
- (g) information as to whether the proposed enterprise is a subsidiary of a parent company, and where the proposed enterprise is a subsidiary of a parent company, the board resolution of that parent company authorising the incorporation of the proposed enterprise.

(3) Payments for registration, licensing and such other matters related to the incorporation of an enterprise shall be as set out in the Schedule of Fees and shall be made in favour of the Zone Management.

12.—(1) The administration of every FZE shall be regulated by its Memorandum and Articles of Association.

Memoran-
dum and
Articles of
Association.

(2) The FZE shall adopt the form of the memorandum and Articles of Association of a FZE as set out in the Table A ("Model Memorandum of Association") and Table B ('Model Articles of Association') of the First Schedule to these Regulations with such additions, omissions or alterations to the content as may be required in the circumstances of the FZE, and which do not conflict with the provisions of these Regulations or any other applicable laws.

(3) A FZE's Memorandum of Association shall be in English and shall state—

(a) the name of the FZE which in all cases shall end with the acronym 'FZE' ;

(b) that the liability of its shareholders is limited ;

(c) the objects of the company set out with such degree of specificity as the Authority may from time to time require ;

(d) the names, addresses and nationalities of the persons who subscribe their names to the Memorandum of Association ;

(e) the amount of issued share capital with which the FZE proposes to be registered, which shall be in Nigerian Naira or United States Dollars, and the division thereof into shares of a fixed amount ; and

(f) that the persons who subscribe their names to the Memorandum of Association agree to take such number of shares of the FZE as may be allotted to them respectively not exceeding the number of shares for which they respectively subscribe, and that they agree to satisfy such calls as may be made on them by the director of the FZE in respect of the shares allotted to them.

(4) A FZE's Articles of Association shall be in English and shall provide for—

(a) the transfer of shares and the registration of personal representatives of deceased shareholders ;

(b) a general meeting of the FZE at least once in every calendar year ;

(c) the keeping of its accounts and the laying of financial statements before general meetings of the FZE ;

(d) an audit of the accounts of the FZE for each financial year by an auditor appointed by the general meeting ;

(e) the number of shareholders required to constitute a quorum at any general meeting ;

(f) the appointment of a chairman of any general meeting ;

(g) the directors' general authority ;

(h) the procedure for calling a board meeting ; and

(i) the quorum for a board meeting.

(5) Subject to these Regulations, the Memorandum and Articles of Association shall, upon registration in accordance with regulation 14, bind the FZE and its shareholders to the same extent as if they respectively had been signed by each shareholder and contained covenants on the part of each shareholder to observe all the provisions of the Memorandum and Articles of Association.

(6) A FZE may amend its Memorandum and Articles of Association by special resolution.

(7) If any FZE fails to file—

(a) its Memorandum and Articles of Association ; or

(b) any amendments to its Memorandum and Articles of Association within 15 days from the date of adoption,

in accordance with these Regulations, the FZE may be required to pay a fine in accordance with the Schedule of Fees as prescribed by the Zone Management and approved by the Authority from time to time.

(8) On the formation of a FZE, in so far as the FZE's Articles do not exclude or alter the Model Articles of Association, the Model Articles of Association shall (so far as applicable) form part of the FZE's Articles in the same manner and to the same extent as if Articles in the form of the Model Articles of Association had been duly registered.

Statement of
compliance.

13.—(1) After all requirements for registration have been complied with, the FZE shall submit in the prescribed form a Statement of Compliance to the Zone Management stating that all the requirements for registration have been complied with.

(2) Where all the requirements for registration have not been complied with, the Zone Management shall—

(a) notify the FZE of the non-compliance ; and

(b) request the FZE to remedy the default within 21 days of the notification.

Approval and
issuance of
certificate of
registration
and incorpora-
tion.

14.—(1) Subject to the provisions of the Act and these Regulations, the Authority may approve, register and issue a certificate of registration to the Applicant as a FZE or other entity within the Zone on such terms and conditions as it thinks fit.

(2) Upon registration as a FZE the Zone Management shall cause all relevant details concerning the FZE to be entered in the Free Zone Register.

(3) Upon registration as an entity other than a FZE, the Zone Management shall cause all relevant details concerning such entity to be entered into the Free Zone Register and shall direct that a corresponding advice be printed for such entity designating its status as not benefitting from the Free Zone Incentives, and the entity shall be subject to all applicable Nigerian laws.

(4) A FZE shall be considered formed and operational only upon its name and FZE number being entered into the Free Zone Register.

15. The Authority may, in accordance with the provisions of the Act, refuse to grant its consent for the registration of an enterprise within the Zone.

Refusal of registration of an enterprise.

16. The liability of members of a FZE for any liability of the FZE shall be limited to the amount, if any, unpaid on the shares respectively held by them.

Limited liability for a Free Zone Enterprise.

17. The objects of a FZE shall include such business in the Zone as may be approved by the Zone Management, with the consent of the Authority, under the terms of the Licence issued to the FZE, the terms of which may be amended from time to time by the Zone Management at the request of the FZE, and such business shall be limited to the Approved Activities stated in its Licence.

Objects of a Free Zone Enterprise.

18. A FZE shall have power to—

- (a) undertake the Approved Activities specified in its Licence ;
- (b) borrow, grant security, guarantee an obligation of any person, or indemnify any person ;
- (c) enter into banking and financial transactions ;
- (d) issue, make, endorse or draw any negotiable instruments including but not limited to cheques, bills of exchange, promissory notes or bills of lading in relation to its business ; and
- (e) make, alter or dispose of any investments, whether or not within Nigeria, in relation to its business.

Powers of a Free Zone Enterprise.

19. A FZE shall be a body corporate with perpetual succession, and may sue and be sued in its corporate name and shall be capable of exercising all powers and functions of a juristic person including the power to acquire, hold or dispose of any assets or liabilities, but with such liability on the part of its members to contribute to the assets of the FZE in the event of it being wound up or deregistered as is provided in these Regulations.

Status of a Free Zone Enterprise.

20. All FZEs must comply with the provisions of Regulations 21 to 70 of these Regulations except where such provisions have no application on the grounds that the business concern will operate otherwise than as a FZE.

Duty to comply with Regulations 21 to 74.

Name.

21.—(1) The Authority shall, on the recommendation of the Zone Management, approve the name proposed to be used by a FZE before such name is registered in the Free Zone Register.

(2) A FZE may change its name by—

(a) special resolution for the adoption of a new name ; and

(b) approval of the proposed new name by the Zone Management and Authority.

(3) The new name of the FZE shall be entered in the Free Zone Register and a certificate of change of name shall be issued.

(4) A certificate of change of name issued pursuant to sub-regulation (3) of this regulation shall specify the date of registration of the new name in the Free Zone Register, and the date upon which such new name shall take effect.

(5) The change of name of a FZE shall not affect any rights or obligations of the FZE or render defective any legal proceedings by or against the enterprise, and any legal proceedings that could have been continued or commenced against it or by it in its former name may be continued or commenced against or by it in its new name.

Registered
Address.

22.—(1) A FZE operating in the Zone shall at all times have an address which shall be its registered address in the Zone, to which all communications and notices may be addressed.

(2) Details of the registered address and of any changes to the address shall be—

(a) communicated within 14 days to the Zone Management ; and

(b) entered into the Free Zone Register.

Sign-Name
Plate.

23. A FZE shall affix, and keep affixed its name—

(a) on the outside of every office or place in which its business is carried on ;

(b) in a conspicuous position ; and

(c) in letters easily legible in accordance with the requirements of the Zone Management.

Correspon-
dence and
official
documents.

24.—(1) A FZE shall have its name written in legible characters—

(a) in all of its official documents, correspondence, notices and other official publications ;

(b) on all promissory notes, cheques and other bills of exchange and money orders, orders for goods or services signed by or on behalf of the FZE ; and

(c) on all its parcels, invoices, receipts, letters of credit and guarantees.

(2) A FZE shall state its registered address in legible characters in all of its official documents, letters and order forms.

(3) Any document requiring authentication by a FZE may be authorised by—

- (a) the signature of two directors ; or
- (b) the signature of one director and one FZE secretary ; or
- (c) where the FZE's Articles so permit, the signature of one director.

25.—(1) The subscribers to the Memorandum and Articles of Association of a FZE shall be deemed to have agreed to become shareholders of the FZE and on its registration with the Zone Management shall be entered as shareholders in the Free Zone Register.

Definition of
a share-
holder.

(2) Every other person who agrees to become a shareholder of a FZE, and whose name is entered in shareholders' register, shall be a shareholder of the FZE.

(3) All FZEs are permitted to have a minimum of one shareholder and a maximum of 50 shareholders.

26.—(1) The share capital of a FZE shall be denominated in the Nigerian Naira or the United States Dollars.

Share
Capital.

(2) The minimum issued share capital of a FZE shall be as prescribed by the Zone Management with the approval of the Authority from time to time.

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

(4) The share capital of a FZE may be paid in cash or by contribution in kind or by a combination of cash and contribution in kind and any authorisation for contribution in cash or kind shall be subject to such conditions as the Zone Management may require.

27.—(1) The share capital of a FZE may be increased by ordinary resolution subject to regulation 28 (6)-(10).

Alteration of
Share
Capital.

(2) A FZE shall not create a share capital denominated in a currency other than those specified in regulation 26(1).

(3) A FZE may reduce its share capital by special resolution.

(4) A FZE shall not reduce its share capital under sub-regulation (3) if as a result of the reduction there would no longer be any shareholder holding any shares.

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

(6) A FZE shall notify the Zone Management of any purchase, assignment or transfer of shares in the FZE, except where its shares are quoted and are freely transferable on any stock exchange.

28.—(1) Shares in a FZE shall not be issued unless fully paid.

(2) A FZE shall not issue shares in bearer form.

(3) A FZE may not acquire its own shares but may own all or some of the shares in any other FZE or other enterprises subject to compliance with applicable laws and regulations.

(4) A FZE shall complete and issue share certificates to its shareholders in respect of all shares held and duly paid for or contributed in accordance with these Regulations.

(5) The FZE shall enter in its register, the details concerning the number, amount and owner of all shares issued by the FZE.

(6) A FZE that seeks to issue new shares must pass a prior ordinary resolution approving the issuance of those new shares.

(7) The ordinary resolution must stipulate the number of shares to be issued and the deadline by which the offer of shares will lapse.

(8) The shareholders of the FZE will have the right of pre-emption for any new shares issued that are—

(a) ordinary shares ; or

(b) shares that carry the same rights as ordinary shares ; or

(c) any shares that confer—

(i) voting rights over the FZE, and

(ii) an entitlement to any assets after the FZE has gone insolvent.

(9) A shareholder may not exercise a right of pre-emption by—

(a) notice in writing to the FZE, if a natural person ; or

(b) special resolution issued by the shareholders of that FZE, in the case of a FZE ; or

(c) any instrument of approval used by that legal entity, subject to that legal entity's Country of Origin and jurisdiction, if a legal entity.

(10) A share issued in excess of the amount stipulated after the ordinary resolution in sub-regulations (6) and (7) has lapsed will be void.

Share
Transfer.

29.—(1) A transfer of shares in a FZE shall be effected by an instrument of transfer in the form prescribed by the Authority.

(2) On presentation of the instrument of transfer by the transferor, the FZE shall submit the instrument of transfer to the Zone Management for onward transmission to the Authority for registration, and a share transfer shall not be valid unless registered by the Authority.

(3) The FZE shall enter in its shareholders' register, the name of the transferee and other such details as may be deemed necessary and until the name of the transferee is entered in the shareholders' register, the transferor shall, so far as concerns the FZE, be deemed to remain the holder of the shares.

30.—(1) A FZE shall keep at its registered address, a register of its shareholders in which details of its shareholders and any change shall be entered.

Shareholders'
register.

(2) The shareholders' register shall contain details of—

- (a) the identity of each shareholder ;
- (b) the address of each shareholder ; and
- (c) the number of shares owned by each shareholder.

(3) Any changes to the shareholders' register must be forwarded to the Zone Management within 14 days of making the change.

(4) Upon receipt of the shareholders' register, the Zone Management shall update those changes in the Free Zone Register.

(5) The shareholders' register shall be evidence of the title of those shares allotted to the respective shareholders.

31.—(1) A FZE shall not declare or pay a dividend, or make a distribution out of its distributable profits if there are reasonable grounds for believing that—

Distributions.

(a) the FZE is, or would after having made the payment be, unable to pay its liabilities as they become due ; or

(b) the value of the FZE's assets would thereby be less than the aggregate of its liabilities and its share capital.

(2) A distribution of profit shall not be made except in line with a board resolution which shall be delivered to the Free Zone Registry within 14 days of it being executed, the details of which shall be entered in the Free Zone Register.

32.—(1) A shareholder of a FZE may, subject to its Articles of Association, pledge or otherwise charge all of its shares in the FZE to any creditor as security for any debt or other obligation incurred or to be incurred by or binding upon the shareholder.

Security
interests.

(2) A pledge, charge or other security interest made under sub-regulation (1) shall be voidable if its details, in the prescribed form, are not delivered to the Zone Management within 21 days of the date of such pledge or charge.

(3) A FZE shall keep at its registered office a register of charges and shall enter details of any pledge or charge of the shareholder's shares in the FZE.

(4) A FZE may, from time to time, grant a security interest on its assets as security for a debt, obligation incurred or to be incurred by or binding upon the FZE to—

- (a) its creditor, or
- (b) any other person,

and any such security interest shall be void if details of it are not delivered to the Free Zone Registry for entry into the Charge Register within 21 days of the date of such security interest.

(5) The Zone Registrar shall register the pledge, charge or other security interest charge in the Charge Register.

(6) Where a pledge, charge or other security interest is discharged or upon any alteration in the name of any creditor in whose favour such pledge, charge or other security interest operates, details of the discharge or alteration shall be notified to the Zone Registrar within 7 days and entered in the Charge Register.

General
meeting of a
Free Zone
Enterprise.

33.—(1) Either the directors or the shareholders of a FZE may call for a general meeting of the FZE.

(2) A general meeting of a FZE shall, unless otherwise specified in the Articles of Association, be convened by at least a 14 days' notice.

(3) A notice of a general meeting of a FZE shall—

(a) contain details of the motion for which the general meeting is called ;
and

(b) be given to all shareholders—

(i) in hard or soft copies,

(ii) by publication on the FZE's website, or

(iii) by a combination of both methods listed under this sub-regulation.

(4) A general meeting may be called by shorter notice than that required under sub-regulation (2) if a shorter notice is agreed by the shareholders of the FZE.

(5) The shorter notice shall be agreed to by a majority of not less than 75% of the shareholders of the FZE that are present and able to vote.

(6) Unless provided otherwise in the Articles of Association, the quorum for a general meeting is—

(a) where the FZE has at least two shareholders, then the quorum for a general meeting shall be at least two shareholders ; and

(b) where the FZE has only one shareholder, then the quorum for a general meeting shall be one shareholder.

(7) A shareholder may appoint a representative to function as proxy in any general meeting, and such appointment shall be in writing and authenticated by the shareholder.

Resolutions.

34.—(1) A resolution of the shareholders of a FZE shall be passed—

(a) at a general meeting ; or

(b) as a written resolution in accordance with regulation 35.

(2) An 'ordinary resolution' of the shareholders of a FZE means a resolution passed by a simple majority at a general meeting or as a written resolution.

(3) A "simple majority" at a general meeting means the approval of—

(a) over 50% of those shareholders present and able to vote by a show of hands ; or

(b) the shareholders present and holding over 50% of all shares carrying a voting right in the FZE, if on a poll.

(4) A "simple majority" as a written resolution means the approval of shareholders holding over 50% of all shares carrying a voting right in the FZE.

(5) A 'special resolution' of the shareholders of a FZE means a resolution passed—

(a) at a general meeting by—

(i) not less than 75% of the shareholders present and able to vote on a show of hands, or

(ii) the shareholders holding not less than 75% of shares carrying a voting right in the FZE, if on a poll ;

(b) as a written resolution, by the shareholders holding not less than 75% of shares carrying a voting right in the FZE.

(6) Anything that may be done by ordinary resolution may also be done by special resolution.

(7) Where the Regulations state either "ordinary resolution" or "special resolution", they are referring to resolutions of the shareholders.

(8) Subject to the Articles of Association of a FZE, all shareholders' resolutions may be voted on by a show of hands, unless a poll is called by any shareholder that—

(a) is present at the meeting ; and

(b) holds not less than 10% of shares carrying a voting right in the FZE.

35.—(1) A written resolution may be proposed by the directors or shareholders of a FZE.

Written
Resolutions.

(2) A written resolution of a FZE has effect as if passed by the FZE in a general meeting.

(3) A FZE shall—

(a) circulate a proposed written resolution to every qualified shareholder of the FZE ;

(b) specify how a shareholder may signify agreement to the written resolution ;

(c) give notice of the proposed written resolution to the qualified shareholders not more than 21 days after it is proposed ; and

(d) specify the date by which the proposed written resolution must be passed, if it is not to lapse.

(4) A shareholder of a FZE shall signify his or her agreement to a proposed written resolution by forwarding an authenticated document—

- (a) identifying the proposed resolution ; and
- (b) indicating his or her agreement to the proposed resolution.

(5) A written resolution is passed when the required majority of shareholders have signified their agreement and the FZE has received the authenticated document under sub-regulation (4) of this regulation.

Submission
of
Resolutions
to Zone
Management.

36.—(1) A copy of every FZE resolution shall be submitted to the Free Zone Registry within 14 days after it is made, and the details shall be promptly entered in the Free Zone Register.

(2) A failure by the FZE to comply with sub-regulation (1) of this regulation may result in a penalty payable under the Schedule of Fees as prescribed by the Zone Management from time to time.

Directors.

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

(2) A director may be appointed by—

- (a) a board resolution ; or
- (b) an ordinary resolution subject to the provisions of the FZE's Articles of Association.

(3) Unless otherwise specified in the FZE's Articles of Association, a director may be removed by—

- (a) formal resignation ;
- (b) retirement ; or
- (c) an ordinary resolution.

(4) The directors of a FZE may be employees or servants of the FZE and in respect of vicarious liability for negligence, such employees or servants of a FZE shall be recognised and treated as officers of the FZE.

Directors'
meetings.

38.—(1) The directors of a FZE may call for a board meeting of the FZE.

(2) Unless otherwise specified in the Articles of Association, the notice required for a directors' meeting shall be that amount of time that is reasonable and usual for the FZE.

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

(4) The directors may elect a chairperson who may be vested with a casting vote.

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

(6) Unless provided otherwise in the FZE's Articles of Association, a written board resolution passed by unanimous decision of all directors shall be as valid and effectual as if passed at a valid board meeting and may consist of several documents in like form, each signed by a director of the FZE.

(7) The quorum for a board meeting of a FZE shall be as provided in the Articles of Association of the FZE.

(8) A director shall not vote or be counted as part of the quorum of a board meeting in relation to a board resolution on a matter in which he has an interest which conflicts or may conflict with the interests of the FZE unless—

(a) his interest has been disclosed in writing to the other directors in detail to provide an accurate explanation of his interest ; and

(b) the other directors or a majority of them resolve that the disclosing director may be entitled to vote and be counted as part of the quorum.

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

Secretaries.

(2) The FZE secretary shall—

(a) cause minutes to be recorded in books kept for the purpose of each board meeting and the appointments of all directors and secretary ;

(b) make all entries required under these Regulations in the FZE's registers kept with the FZE ;

(c) render all proper returns to the Zone Management as required under these Regulations ; and

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

(3) A Secretary may be appointed or removed by a FZE subject to the provisions of its Articles of Association.

40.—(1) A FZE shall keep at its registered address a register of directors and secretary of the FZE ("the Management Register").

Register of
Directors
and
Secretary.

(2) The Management Register shall contain the name and correspondence address of the directors and secretary, and any changes thereof.

(3) Any changes to the Management Register shall be forwarded to the Registrar within 14 days of making the change in the form prescribed by the Zone Management.

(4) Upon receipt of the form referred to in sub-Regulation (3) above, the Zone Management shall update those changes in the Free Zone Register.

B 1150

Notification
of
Appointment
of the Chief
Executive
Officer of a
Free Zone
Enterprise.

41.—(1) The Zone Management shall be notified of the appointment of the chief executive officer of a FZE ("FZE CEO") within 15 days from the date of appointment.

(2) The FZE shall present to the Zone Management the FZE CEO's—

- (a) recent 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 Zone Management from time to time in respect of his or her appointment.

Directors'
duties.

42.—(1) A director of a FZE shall act in accordance with the FZE's Articles of Association and only exercise those powers conferred by the articles.

(2) A director of a FZE shall promote the success of the FZE by acting in the way he considers, in good faith, would most likely promote the success of the FZE.

(3) A director of a FZE must exercise reasonable care, skill and diligence as expected from—

(a) a reasonably diligent person with the general knowledge, skill and experience reasonably expected of a person carrying out the functions of a director ; and

(b) the actual knowledge, skill and experience of that director.

(4) A director of a FZE shall avoid conflicts of interest.

(5) A director of a FZE shall declare his interest in a proposed transaction or arrangement.

(6) Failure to observe the directors' duties will result in a penalty on that director at such rate as prescribed by Zone Management from time to time.

Loans to
directors.

43.—(1) Any loan, quasi-loan, or credit transaction by a FZE to a director shall be approved by special resolution.

(2) Any guarantee or security on a loan, quasi-loan or credit transaction by a FZE on behalf of a director must be approved by special resolution.

(3) Any transaction under sub-regulations (1) and (2) of this regulation shall be deemed to be made to a director if such transactions are made to—

(a) the spouse or children of that director ; or

(b) any entity which a director, his spouse or children own or control directly or indirectly more than 20% of the capital, shares, or general ownership.

(4) Failure to comply with this regulation will render any such transaction void.

44. The terms of any service or employment contract for a director that is for a fixed term in excess of one year must be approved by an ordinary resolution.

Directors' service contracts.

45.—(1) A FZE may not enter into an arrangement under which—

(a) a director, or a person connected with such director, acquires from the FZE a substantial non-cash asset ; or

(b) the FZE acquires a substantial non-cash asset from such a director or a person connected with such director,

Substantial property transaction requiring shareholder approval.

unless the arrangement has been approved by ordinary resolution.

(2) This regulation does not apply to a transaction in so far as it relates to anything to which a director of a FZE is entitled under his service contract.

(3) a 'substantial non-cash asset' means an asset with a value—

(a) exceeding ten percent of the FZE's asset value and is more than \$5000 (Five Thousand United States Dollars) ; or

(b) exceeding \$100,000 (One Hundred Thousand United States Dollars).

(4) A FZE's 'asset value' means—

(a) the value of the FZE's net assets determined by reference to its most recent Financial Statements ; or

(b) where no Financial Statements have yet been made, the amount of the FZE's called-up share capital.

(5) This regulation shall not apply where there is a transaction between a FZE and a shareholder of that FZE.

(6) A 'person connected' to a director means his or her—

(a) wife, husband or civil partner ;

(b) children or step children ;

(c) parents or step parents ; and

(d) trustees of any trust instrument to which that director is a beneficiary.

46.—(1) An FZE may by ordinary resolution, ratify an act or omission of a director which amounts to negligence, default, breach of directors' duty under regulation 42 or breach of trust in relation to the FZE provided such act or omission does not exceed the powers of the FZE.

Ratification of acts of directors.

(2) Where the ordinary resolution is proposed, and the director is also a shareholder, neither the director nor any shareholder connected with him shall be an eligible shareholder where the resolution is presented—

(a) as a written resolution ; or

(b) at a general meeting, provided that the necessary majority is obtained for its passage and the director may still count towards the quorum.

(3) A “connected shareholder” referred to under sub-regulation (2) of this regulation means the director’s—

- (a) wife, husband or civil partner ;
- (b) children or step children ;
- (c) parents or step parents ; or
- (d) trustees of any trust instrument to which that director is a beneficiary.

Seal.

47. A FZE may have a seal for the purpose of entering into contracts or other forms of agreements and shall have its name engraved in legible characters on the seal.

Pre-incorporation contracts.

48.—(1) Where a contract purports to be made by a FZE or by a person as agent for a FZE at a time when the FZE has not yet been incorporated, then—

- (a) subject to any agreement to the contrary, the contract shall have effect as a contract entered into by the person purporting to act for the FZE or to represent the FZE as an agent ; and
- (b) such person shall have personal liability for the contract.

(2) Unless otherwise provided by the Articles of Association, upon incorporation, the FZE may by ordinary resolution adopt any pre-incorporation contracts.

(3) Upon adoption, the FZE will become bound by the terms of the contract.

Contracts.

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

- (a) under its seal together with the signature of any of its directors ; or
- (b) in accordance with regulation 24(3).

(2) A contract may be entered into by a FZE in writing by any person acting under the authority of the FZE if such authority is actual or inferred.

(3) “*actual authority*” means authority actually conferred on a person based on his or her position within the FZE.

(4) “*inferred authority*” means authority assumed by a person based on his or her previous engagement with signing such particular contracts on behalf of the FZE.

(5) A 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 on the FZE.

(6) 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.

Accounts books and records.

50.—(1) A FZE shall prepare and keep proper and accurate books of accounts and accounting records in conformity with International Financial Reporting Standard (IFRS) implemented as at the date upon which the accounting records are issued, and sufficient to—

- (a) show and explain the transactions of such FZE ;
- (b) disclose with reasonable accuracy, at any time, the financial position of the FZE ; and
- (c) enable the directors to ensure that any balance sheet and profit and loss account of the FZE prepared under these Regulations complies with the requirements of these Regulations.

(2) The earnings of a FZE shall be reported in the United States Dollar or its equivalent in Naira at the prevailing official rate of exchange to the United States Dollar as at the date upon which the earnings are reported, and the annual accounts of the FZE shall be reported in the corresponding currency in which its earnings are reported.

(3) The accounting records must—

(a) disclose with reasonable accuracy, at any time, the financial position of the FZE at that time ;

(b) enable the directors to ensure that the Financial Statements of the FZE prepared under the requirements of these Regulations comply with regulation 52 ; and

(c) be approved and signed by or on behalf of the directors of a FZE.

(4) The accounting records shall contain—

(a) a record of the assets and liabilities of the FZE ;

(b) entries of everyday sums of money received and expended by the FZE ; and

(c) matters in respect of which the receipt and expenditure took place.

(5) The accounting records of each FZE shall be kept at its registered office in the Zone for a period of at least 10 years and shall at all times be open to inspection by the Authority, Zone Management, other relevant bodies, its shareholders and their representatives.

(6) 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.

51.—(1) The first financial year of each FZE shall commence on the date of its registration as disclosed in its certificate of registration and shall end on the 31st day of March of each year, irrespective of the date of such registration, provided that the first financial year shall not exceed 18 months.

Financial
year. etc.

(2) Successive financial years shall have a duration of 12 months beginning immediately after the end of the previous financial year.

(3) A FZE may change the end date of its financial year—

(a) by special resolution ; and

(b) with the consent of the Zone Management, such consent not to be unreasonably withheld,

a copy of which shall be delivered to the Free Zone Registry within 7 days of it being made and the details promptly entered in the Free Zone Register.

Financial
Statements.

52.—(1) The directors of a FZE shall have its Financial Statements for each financial year prepared by the end of that financial year.

(2) The Zone Management reserves the right to require that the Financial Statements of a FZE should comply with guidelines as may be set down by it from time to time.

(3) A FZE's Financial Statements must—

(a) be prepared in line with the International Financial Reporting Standards as amended as at the date upon which the Financial Statements are being prepared ; and

(b) give a true and fair view of the state of affairs and of the profits and losses of the FZE at the end of the financial year.

(4) Where a FZE is a Parent, it must prepare the group accounts on a consolidated basis.

(5) Where a FZE is the Associate, it must prepare its Financial Statements and annual accounts in association with the FZEs or Companies to which it is associated.

(6) For the purposes of this regulation 52, '*Associate*' means a FZE that owns less than 50% of the shares of another FZE and which is in a position to exercise a significant influence over such FZE or Company and '*Parent*' means a FZE that owns 50% or more of the shares of another FZE or Company.

Annual
accounts.

53.—(1) The annual accounts of a FZE shall comprise its Financial Statements.

(2) The annual accounts of each FZE shall be approved by its board and signed by each director, and at least one director shall sign the Financial Statements of the FZE.

(3) Copies of the annual accounts of a FZE must be delivered in hard and soft copies to the Free Zone Registry within 28 days from the end of the financial year of the FZE.

(4) The Registrar shall update the Free Zone Register with the copies of the annual accounts to reflect the new financial position of the FZE.

Appointment
of auditors.

54.—(1) A FZE shall appoint auditors from among auditors approved by the Authority to report to the shareholders of the FZE and the Zone Management on all its annual accounts and shall state—

(a) whether, in the auditor's opinion, such annual accounts have been properly prepared in accordance with these Regulations ; and

(b) whether the annual accounts give a true and fair view of the FZE's Financial Statements.

(2) The FZE shall deliver a signed copy of the auditor's report to the Authority and the Zone Management along with the annual accounts in accordance with regulation 53(3).

55.—(1) A FZE shall have its books of accounts duly audited as provided for by applicable laws and regulations and submit the auditor's report and the FZE's books of accounts to the Zone Management not later than 28 days from the end of the financial year of the FZE.

Audited
accounts.

(2) The auditors shall state whether in their opinion, the annual accounts have been properly prepared in accordance with these Regulations and represent a true and fair view of the state of affairs of the FZE, in case of—

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

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

(c) annual accounts of the FZE prepared on a consolidated basis, 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) Where the total net assets of a FZE falls below 75% of its share capital, the directors shall notify the Zone Management and the shareholders of the FZE.

(4) The directors shall take such steps as may be appropriate to remedy the situation by ensuring that the net assets of such FZE are restored to at least 75% of its share capital as soon practicable.

56.—(1) The Zone Management may appoint one or more competent persons as Inspectors to investigate the affairs of a FZE and furnish it with a report in such form and within such time as it may direct.

Power to
investigate
the affairs of
a Free Zone
Enterprise.

(2) Appointment of Inspectors may be made on the application of—

(a) the FZE ; or

(b) by any creditor of the FZE ;or

(c) by any shareholder of the FZE ; or

(d) by the Zone Management acting on its own ; or

(e) by any other authorised person,

provided that the Zone Management is satisfied that the application is made on reasonable grounds, and the circumstances indicate that the investigation is necessary.

(3) All fees and costs incurred as a result of the appointment of an inspector and the conduct of an investigation shall be borne by—

(a) the FZE ; or

(b) by the applicant creditor ; or

(c) by the applicant shareholder.

(4) An inspector appointed by the Zone Management under sub-regulation (1) of this regulation shall have such powers of investigation as the Zone Management may confer on him.

(5) Investigations carried out under this regulation shall not interfere with or inhibit the ongoing business or operations of a FZE.

(6) Where the Zone Management has reasonable grounds to believe that a FZE has—

(a) ceased to carry on business or is not in operation within the Zone ;

(b) abandoned its property and assets within the Zone ; or

(c) defaulted its creditors who have powers to apply for insolvency,

it may appoint an Inspector to investigate the affairs of the FZE in the manner prescribed under these Regulations.

Power to
deregister.

57. Upon the occurrence of any of the events referred to under regulations 58-61 of these Regulations, the Authority may on its own or on the recommendation of the Zone Management, deregister a FZE.

Grounds for
deregistration.

58.—(1) The deregistration of a FZE shall be made in accordance with these Regulations.

(2) A FZE shall be deregistered where—

(a) its Licence has been revoked as provided under regulation 73 of these Regulations ;

(b) a FZE submits a written request to the Zone Management for its deregistration pursuant to regulation 59 of these Regulations (“Voluntary winding up and deregistration”) ;

(c) a creditor of the FZE submits a written request to the Zone Management for its deregistration pursuant to regulation 60 of these Regulations (“Creditors’ winding up and deregistration”) ;

(d) the outcome of the investigations by the Inspectors confirms the occurrence of any of the events specified in regulation 61 of these Regulations (“Zone Management’s winding up and deregistration”) ; or

(e) as a result of any other circumstance, the Zone Management deems it appropriate to recommend that a FZE be deregistered by the Authority.

Voluntary
winding up
and
deregistra-
tion.

59.—(1) A FZE may voluntarily submit a formal written request or application for its deregistration stating that the FZE intends to wind up its assets and liabilities where the FZE has no liabilities or is able to discharge its liabilities in full within 6 months after the application for deregistration.

(2) To apply for a voluntary deregistration, a FZE shall submit to the Zone Management—

(a) a statement of solvency signed by every director and indicating that the FZE—

(i) has no assets and no liabilities,

(ii) has assets and no liabilities, or

(iii) will be able to discharge its liabilities in full within 6 months after the application for a winding up order is made ;

(b) a copy of the ordinary resolution stating that the FZE seeks to be voluntarily wound up ; and

(c) any other documents prescribed by the Zone Management as the case may require,

within 21 days after the ordinary resolution has been passed.

(3) Upon receipt of the documents in accordance with sub-regulation (2) of this regulation, the Authority shall deregister the FZE and the Zone Management shall strike-off the FZE from the Free Zone Register.

(4) A FZE may appoint a liquidator from a list of official liquidators approved by the Authority by ordinary resolution, whereby—

(a) all powers of the FZE's directors cease in so far as the ordinary resolution provides ; and

(b) all those powers shall be vested in the liquidator.

(5) If a liquidator is appointed under sub-regulation (4) of this Regulation and depending on the type of statement of solvency under sub-regulation 2(a) of this regulation—

(a) if sub-regulation (2)(a)(i) of this regulation applies, the Zone Management shall immediately strike-off the FZE from the Free Zone Register and shall notify the Authority to deregister the FZE ;

(b) if sub-regulation (2)(a)(ii) of this regulation applies, the liquidator shall proceed to distribute the assets of the FZE among its shareholders ; and

(c) if sub-regulation (2)(a)(iii) of this regulation applies, the liquidator shall distribute payment of the liabilities to the creditors of the FZE and any remaining assets in accordance with regulation 62.

(6) Upon completion of the winding up in accordance with sub-regulation (5)(b)-(c) of this regulation, the liquidator shall forward a statement of completion to the Zone Management.

(7) Upon receipt of the statement of completion, the Zone Management shall strike-off the FZE from the Free Zone Register and shall notify the Authority to deregister the FZE.

(8) A "statement of completion" must contain—

(a) the full list of assets and liabilities distributed ;

(b) the full list of creditors to which the liabilities were distributed ; and

(c) the full list of shareholders to which the assets were distributed.

(9) An "asset" means those assets that are not subject to liabilities and to which the shareholders of a FZE are entitled.

(10) A 'liability' means those assets that are subject to liabilities and to which the creditors of a FZE are entitled.

Creditor's
winding up
and
deregistration.

60.—(1) A creditor of a FZE may apply for a winding up of the FZE where the FZE has liabilities that it has been unable to discharge in full for at least 3 months.

(2) To apply for a creditor's deregistration, the creditor of the FZE must provide evidence that the—

(a) FZE has been unable to discharge its liabilities in full to that creditor for at least 3 months ; and

(b) amount of liabilities owed to that creditor is at least \$5,000 (Five Thousand United States Dollars) or its equivalent in Naira at the prevailing official rate of exchange to United States Dollar as at the date of the application.

(3) Upon receipt of the requirements in sub-regulation (2) of this regulation, the Zone Management must determine whether it is just and equitable to deregister the FZE, having due regard to all information relevant to that FZE.

(4) Upon receipt of the documents under sub-regulation (2) of this regulation and in accordance with sub-regulation (3) of this regulation, if the Zone Management deems it fair and equitable to deregister the FZE, the Zone Management shall strike-off the FZE from the Free Zone Register and shall notify the Authority to deregister the FZE.

(5) Where the Zone Management appoints a liquidator from a list of official liquidators approved by the Authority all powers conferred on the FZE and on the directors of the FZE shall cease and be vested in the liquidator.

(6) The liquidator shall proceed to distribute the—

(a) liabilities of the FZE among its creditors ; and

(b) assets of the FZE (if any) among its shareholders,
in accordance with regulation 62.

(7) Upon completion of the winding up in accordance with sub-regulation (6) of this regulation, the liquidator shall forward a statement of completion to the Zone Management and the Authority.

(8) A 'statement of completion' shall contain the full list of—

(a) assets and liabilities distributed ;

(b) creditors to which the liabilities were distributed ; and

(c) shareholders to which the assets were distributed.

(9) An "asset" means those assets that are not subject to liabilities and to which the shareholders of a FZE are entitled.

(10) A 'liability' means those assets that are subject to liabilities and to which the creditors of a FZE are entitled.

61.—(1) The Zone Management may commence the procedure for winding up and deregistration of a FZE where any of the conditions under sub-regulation (2) of this regulation is satisfied.

(2) The Zone Management may commence the procedure for deregistration—

(a) if the outcome of the investigations by the Inspector's confirms the occurrence of any of the events specified in regulation 56(6) of these Regulations ;

(b) if the FZE has committed or has been involved in the commission of fraud or fraudulent activity ;

(c) if the FZE has been unable or unwilling to pay the Zone Management its fees due under the Schedule of Fees for at least 3 months ;

(d) if the FZE has been operating in the Zone without a Licence for at least 3 months or its Licence has been revoked under regulation 73 of these Regulations ;

(e) if the FZE has breached any of the terms in its Licence, these Regulations, or any other applicable law for at least 3 months ;

(f) if the FZE ceases to carry on business or is not in operation within the Zone and has failed to respond to a written inquiry from the Zone Management within 10 days ; or

(g) for any other reason that the Zone Management may reasonably consider to be contrary to the integrity of the Zone as prescribed from time to time.

(3) If the Zone Management deems it necessary to commence the procedure for deregistration of a FZE, the Zone Management shall communicate its intention to the FZE by way of written notice within 21 days.

(4) If the FZE wishes to appeal the Zone Management's decision to commence the procedure for deregistration, the FZE shall inform the Zone Management of its objection to the decision by way of written notice—

(a) stating the grounds upon which the FZE objects to the decision ; or

(b) providing evidence that the FZE has not breached any of the conditions under sub-regulation (2) of this regulation ; or

(c) providing evidence that the FZE has remedied the breach,

within 7 days from the date upon which the FZE received the Zone Management's written notice under sub-regulation (3) of this regulation.

(5) If after receipt of the documents under sub-regulation (4), the Zone Management deems that it is no longer necessary to deregister the FZE, then the Zone Management shall notify the FZE that it shall no longer initiate deregistration procedure against the FZE within 14 days.

Commence-
ment of
winding up
and
deregistration
procedure by
the Zone
Management.

(6) Where—

(a) the FZE fails to comply with sub-regulation (4) of this regulation ; or

(b) after receipt of the documents under sub-regulation (4) of this regulation, the Zone Management still deems it necessary to commence the procedure for deregistration of the FZE, it shall take steps to initiate a winding-up of the FZE.

(7) The Zone Management shall appoint a liquidator from a list of official liquidators approved by the Authority and all powers conferred on the FZE and on the directors of the FZE shall cease and be vested in the liquidator.

(8) The liquidator shall proceed to distribute the—

(a) liabilities of the FZE among its creditors ; and

(b) assets of the FZE (if any) among its shareholders,

in accordance with regulation 62.

(9) Upon completion of the winding up in accordance with sub-regulation (8) of this regulation, the liquidator shall forward a statement of completion to the Zone Management and the Authority.

(10) A “statement of completion” shall contain the full list of—

(a) assets and liabilities distributed ;

(b) creditors to which the liabilities were distributed ; and

(c) shareholders to which the assets were distributed.

(11) An 'asset' means those assets that are not subject to liabilities and to which the shareholders of a FZE are entitled.

(12) A “liability” means those assets that are subject to liabilities and to which the creditors of a FZE are entitled.

(13) The Authority shall deregister the FZE and the Zone Management shall strike-off the FZE from the Free Zone Register within 2 months after the liquidator has submitted the statement of completion.

(14) The Zone Management and the FZE shall endeavour to resolve any dispute arising under this regulation, and the FZE may at any time refer such dispute to arbitration for resolution and the decision of the arbitral panel shall be binding on the parties.

(15) Where there is a breach of these Regulations—

(a) a person in breach of the provisions may be subject to proceedings before an arbitral panel ;

(b) the Zone Management, on the request of the board of the FZE in breach, may by notice, commence proceedings before an arbitral panel in relation to the breach ; and

(c) any dispute in respect of the breach, if not amicably settled through mutual discussions, may be submitted at the option of the aggrieved party to arbitration.

62.—(1) In distributing the remaining assets of a FZE, the liquidator shall distribute the assets in the following order—

- (a) the liquidator, for his fees ;
- (b) any remaining secured creditors ;
- (c) any fixed charge creditors ;
- (d) any floating charge creditors ;
- (e) any employees to—
 - (i) a pension, or
 - (ii) a salary payment in arrears ;
- (f) any unsecured creditors ; and
- (g) the shareholders.

(2) The Zone Management shall ensure that the winding up of the affairs of the FZE and the distribution of its assets is conducted in a timely and organised manner—

- (a) taking account of all assets of the FZE and the claims of all creditors and employees ; and
- (b) ensuring the timely payment, or provision for payment of, or to discharge all claims, debts, liabilities and obligations of the FZE.

(3) The Liquidator shall prepare a statement of account in respect of his actions and transactions and shall ensure that—

- (a) a copy of such report is delivered to the Registry within 7 days of the report being made ; and
- (b) the details of the report is promptly entered in the Free Zone Register.

(4) The Zone Management shall have the right of first refusal to acquire any physical structure erected by the liquidated FZE within the Zone that is not subject to—

- (a) a legal or equitable mortgage ;
- (b) a fixed or floating charge ; or
- (c) any other debt instrument that confers legal title on a debtor upon the winding up of the liquidated FZE,

at a purchase price to be determined by a valuer appointed by the liquidated FZE from a list approved by the Zone Management or as may be agreed by the parties ; provided that where the Zone Management declines to acquire the physical structures, any other person or legal entity may do so on the same terms originally made to the Zone Management.

(5) Where neither the Zone Management nor any other person or legal entity acquires the physical structures erected by the liquidated FZE under sub-regulation (4) of this regulation, the ownership of the physical structures shall revert to the Zone Management.

Consequences of
deregistration.

63. On deregistration of a FZE—

- (a) all incentives applicable to an enterprise related to trading and other business operations of such FZE shall no longer be applicable ;
- (b) The FZE shall cease operations within the Zone ;
- (c) all property and rights vested in it and not owned by the Zone Management or any other person are deemed to be held by its shareholders ; and
- (d) a FZE shall pay such compensation as may be determined by the Zone Management and approved by the Authority, where the deregistration is a consequence of a breach of any of the provisions of these Regulations.

PART V—INVESTMENT AND LICENSING PROCEDURES

General
Licence
provisions.

64.—(1) An initial licence fee and an annual licence renewal fee (the “Licence Fees”) shall be paid by a FZE to the Zone Management.

(2) The Licence Fees shall be published by the Zone Management in the Schedule of Fees and shall be subject to periodic review by the Zone Management with the approval of the Authority.

(3) The Zone Management shall issue a three months’ notice of its intention to review and update the Licence Fees.

Approved
Activities.

65.—(1) Approved Activities within the Zone are categorised into one or more of the following business clusters—

- (a) research and development ;
- (b) marketing services related to Approved Activities ;
- (c) technology services ;
- (d) customs clearance ;
- (e) handling of duty-free goods ;
- (f) consulting services ;
- (g) educational services and capacity development ;
- (h) banking, stock exchange and other financial services, insurance and reinsurance ;
- (i) import and export of goods and services, exhibitions and publicity relating to Approved Activities ;
- (j) legal services ;
- (k) international commercial arbitration services ;
- (l) non-governmental and aid agencies ;
- (m) health services ;
- (n) hotel, hospitality, entertainment and leisure services ;
- (o) retail ;
- (p) activities related to integrated Zones ; and

- (q) real estate development ;
- (r) financial services ;
- (s) building and construction ; and
- (t) other activities deemed appropriate and approved by the Authority, to meet the Zone's development and operational objectives from time to time.

(2) Proposals for business activities outside the list of Approved Activities will be evaluated on their individual merit subject to the provisions of the Act.

66.—(1) An Applicant must submit an application for a Licence to carry on one or more of the Approved Activities within the Zone as part of the initial registration process as a FZE.

Application
for a Licence
to undertake
Approved
Activities in
the Zone.

(2) Application for a Licence to undertake Approved Activities within the Zone shall be made to the Authority by submitting to the Zone Management such documents and information in support of the application as the Authority may require.

(3) An application to undertake an Approved Activity in the Zone shall be made in such form as may be provided by the Zone Management in accordance with the Second Schedule to these Regulations and the Act, and the form shall stipulate the application fees payable in addition to providing such other details as the Zone Management may prescribe from time to time.

(4) An application for a Licence shall contain—

- (a) the Applicant's name and address ;
- (b) the nature of the operation ;
- (c) the nature of the business that the Applicant is proposing to conduct ;
- (d) the name and position of the Applicant's contact person (where applicable) ;
- (e) the application fee ; and
- (f) any other information as may be detailed in the prescribed form as specified by the Zone Management.

(5) On receipt of an application for a Licence, the Zone Management shall, with the approval of the Authority, send to the Applicant an application pack which shall comprise the following documents—

- (a) an application form with relevant annexures ;
- (b) the Zone Regulations and Investor Handbook ;
- (c) the Schedule of Fees ; and
- (d) any other document that the Zone Management may consider necessary.

(6) The Zone Management shall acknowledge the receipt of the completed application form, accompanying documents and fees submitted by the Applicant in writing or by electronic mail.

(7) Where the Applicant's proposed business operations comply with the Approved Activities, the Zone Management shall—

- (a) approve the Licence application ;
- (b) notify the FZE of its approval ; and
- (c) forward the Licence to the FZE within 21 days.

(8) Where an Applicant's proposed business operations do not comply with the approved activities and business requirements within the Zone, the provisions of regulation 13(2) of these Regulations shall apply.

Payment of
fees.

67.—(1) A successful Applicant shall be granted a Licence to undertake an Approved Activity within the Zone on payment of prescribed fees made payable to the Zone Management.

(2) The Licence Fees shall be paid by a FZE to the Zone Management within 7 days of receiving the Licence.

(3) Where the FZE fails to pay the initial Licensing Fee within 7 days, it shall lose the Licence and may re-submit an application for a Licence.

(4) Payments in respect of registration and licensing can be made by bank telegraphic transfer in favour of the Zone Management or such other method as may be prescribed by the Zone Management.

Screening
and due
diligence
compliance.

68. In determining the eligibility for a Licence, the Zone Management shall ensure that the Applicant complies with the requirements stipulated under paragraph 5 of the Second Schedule to these Regulations.

Issuance of
Licence.

69. A Licence shall—

- (a) be personal to the Licensee who shall not transfer or assign it in whole or in part without the prior written consent of the Zone Management and the Authority ;
- (b) only be valid within the Zone ;
- (c) only be used for the specific Approved Activities as specified in the Licence ;
- (d) be subject to conditions as may be prescribed by the Zone Management with the consent of the Authority from time to time ; and
- (e) be subject to the conditions set out in the Second Schedule to these Regulations.

Renewal of
Licence.

70.—(1) A Licence shall be valid for one year and may be renewable subject to—

- (a) compliance with the provisions of the Act, these Regulations or any other Licensee's obligations as determined by Zone Management with the consent of the Authority ;
- (b) payment of approved Licence renewal fees ;

(c) submission of documents, returns or information which the Zone Management or the Authority may require ; and

(d) payment of all outstanding fees, charges and other amounts (if any) owed to the Zone Management.

(2) A Licence shall be renewed within 30 days of its expiration.

(3) An annual Licence renewal fee that is paid over 30 days after expiration and up to 2 months after expiration shall be subject to interest at a rate to be determined by the Zone Management.

71.—(1) A Licensee shall at all times comply with the—

Obligations
of a
Licensee.

(a) terms and conditions of the Licence and any ancillary document ;

(b) provisions of the Act, these Regulations and any free zone circular issued by the Authority or Zone Management ; and

(c) laws of Customs Territory applicable within the Zone as determined by the Act and these Regulations.

(2) A Licensee may not undertake an Approved Activity within the Zone if the Approved Activity is not specified in the Licence held by the Licensee.

72. Where a FZE wishes to with draw from Approved Activities and divest its investments in the Zone, it shall notify the Zone Management of its decision and the Zone Management shall have the right of first refusal to acquire the physical structures erected by the FZE within the Zone at a purchase price to be determined by a valuer appointed by the FZE from a list approved by the Zone Management or as may be agreed by the parties, provided that where the Zone Management declines to acquire the structures, assets or liabilities, other FZEs may do so on the same terms originally made to the Zone Management.

Withdrawal
from
Approved
Activity.

73.—(1) The Licence of a FZE may be revoked by the Zone Management with the approval of the Authority if the FZE—

Revocation
of Licence.

(a) commits a criminal offence ;

(b) commits an act or omission that contravenes national security or the substantial safety and security of the Zone ;

(c) is subject to a deregistration order ;

(d) fails to pay the annual Licence renewal fee and any interest, where applicable, within 2 months of expiration ;

(e) fails to provide the Zone Management with information which the Zone Management has requested twice in writing, and does not provide reasonable cause as to why it was unable to provide such information ;

(f) provides false or misleading information to the Zone Management regarding the activities of the FZE in the Zone ;

(g) has twice defaulted in making necessary submissions to the Zone Management ;

(h) is in default of making prompt payment of all Licence Fees or other fees as stipulated in the Schedule of Fees within 2 months from the due date ;

(i) fails to remedy any default within 2 months from the date of default ;

(j) breaches its obligations under regulation 71 ; or

(k) continuously breaches any of its Licence terms for at least 2 months.

(2) A Licence may be revoked where an investigation or assessment of a FZE reveals that the FZE is engaged with any of the following—

(a) it is confirmed through a written report that the FZE has acted contrary to the provisions of applicable laws, these Regulations or circulars pertaining to the Zone, written instructions and directives of the Zone Management or Authority ;

(b) it is established that the FZE has violated an applicable tax law resulting in tax evasion including where the FZE's revenues and earnings accruing from activities conducted outside the Zone are being declared as revenues and earnings accruing from activities within the Zone ;

(c) it is shown that the conditions and qualifications declared in the application form which formed the basis for the issuance of an operating licence to the FZE—

(i) are not fulfilled,

(ii) have been proven to be false in any material respect, or

(iii) that changes in the information provided in the application form for the Operating Licence have not been reported to the Zone Management as required ;

(d) it establishes that the FZE or its authorised representatives or employees have caused damage to facilities, machinery or equipment in the Zone and has failed to repair or remedy such damage within 15 days despite the issuance of a written warning by the Zone Management for it to remedy such damage ; and

(e) for any other circumstance that the Zone Management may, with the consent of the Authority, determine as applicable for the revocation of a Licence.

(3) Any Licence Fee paid by a Licensee shall be forfeited to the Zone Management and shall not be refunded where the Licence is revoked.

(4) A FZE attempting to continue its activities within the Zone after its Licence has expired or has been revoked shall, if it fails to desist from carrying out such business operations within the Zone after receipt of a written warning from the Zone Management to refrain from doing so, be expelled from the Zone and its properties shall be subject to liquidation in accordance with these Regulations.

Reinstate-
ment of
licence.

74.—(1) A FZE shall have its Licence reinstated by the Zone Management if the FZE—

(a) has remedied the breach warranting the revocation of the Licence ; or

(b) on appeal to the Authority within 30 days from the date of the revocation, the Authority upholds the appeal of the FZE ; or

(c) successfully obtains a final award from an arbitral body which states that the revocation of the Licence was wrongfully administered.

(2) The Zone Management shall notify the Authority within 15 days of its reinstatement of the Licence of a FZE.

PART VI—GENERAL REGULATIONS

75. A FZE or person working, operating, living, owning or leasing real estate, conducting business operations, or otherwise having an interest within the Zone shall comply with these Regulations.

Compliance with the Regulations.

76. A FZE or person who fails to comply with these Regulations shall pay a fine or penalty as the Zone Management may, with the consent of the Authority, prescribe from time to time.

Penalties for non-compliance with these Regulations.

77.—(1) A FZE shall benefit from the Free Zone Incentives provided under the Act and in these Regulations, as may be amended from time to time.

Incentives and Concessions.

(2) A FZE shall be entitled to the following incentives and concessions—

(a) exemption from all—

(i) Federal, State and Local Government taxes, levies and rates as provided under section 8 (1) of the Act,

(ii) provisions pertaining to taxes, levies and foreign exchange as provided under section 18 (1) of the Act,

(iii) Customs duties and associated fees and charges,

(iv) import licence requirements,

(v) expatriate quota requirements by allowing FZEs to engage foreign managers and qualified personnel, subject to such limits as may be set by the Zone Management, and

(vi) Value Added Tax (VAT) on all imported products in relation to an Approved Activity, including VAT on site construction activities and on locally procured materials, equipment and services ;

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

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

(d) up to 100% of what is produced in the Zone, may be sold in the Customs Territory with a valid permit and on payment of appropriate duties ;

(e) to have up to 100% foreign ownership of any business in the Zone ; and

(f) any special product imported into the Zone under the scheme—

(i) on which value has been added, without changing the essential character of the product after processing in the Zone, and

(ii) intended for the Customs Territory,

shall be granted 75% of the chargeable import duty as tariff rebate.

(3) A FZE shall be exempt from all regulations applicable in the Customs Territory pertaining to taxes, levies, duties and foreign exchange.

Retail activities.

78. Retail trade activities in the Zone shall only be carried out with the approval of the Zone Management on such terms and conditions as may be imposed by the Zone Management with the prior consent of the Authority.

Authorisation of movement within the Zone.

79.—(1) A person shall not enter, remain or reside in the Zone without the prior authorization by the Zone Management.

(2) The Zone Management shall issue a FZR a zone identification card (the “Resident Card”) within 14 days of granting approval.

(3) The Resident Card shall contain the FZR’s—

(a) identification photograph ;

(b) name and last name ;

(c) date of birth ;

(d) residential address ; and

(e) nationality.

(4) The Resident Card shall function for the purposes of—

(a) granting access control where appropriate ; and

(b) facilitating financial transactions in the Zone.

(5) The Zone Management shall not unreasonably withhold or delay any authorization or approval sought under this regulation to the extent that it would prevent or hinder a FZE from carrying out an Approved Activity.

Abandoned goods or property.

80.—(1) The Zone Management shall have power to take over Abandoned Goods and dispose of them in a manner it may deem fit.

(2) For the purpose of this regulation, goods or property shall be deemed abandoned where the owner or person in possession has—

(a) left the goods or property without supervision in any public place within the Zone ; or

(b) been indifferent as to what becomes of the goods or property, after he is issued with a notice of abandonment on two occasions, specifying a time frame for the disposal of the goods or property.

(3) Any costs incurred by the Zone Management in removing Abandoned Goods shall be—

(a) refunded to the Zone management on demand made to the FZE, owner or possessor of the Abandoned Goods ; or

(b) withheld from the proceeds of sale or other disposition of such goods.

81. Goods brought into the Zone by a FZE or by a person benefitting from the Free Zone Incentives may, unless otherwise directed by the Zone Management, be—

Handling of
goods
brought into
the Zone.

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

(b) consumed, if the goods are meant for consumption in the Zone ;

(c) removed from the Zone or sent into the Customs Territory, whether as originally packed or otherwise, subject to payment of appropriate duties and the provisions of the Customs, Excise Tariff, Etc. (Consolidation) Act ; or

(d) subject to other activities as may be approved by the Zone Management.

82. The Registrar shall compile and maintain a register of Zone Management and FZE vehicles.

Register of
Vehicles in
the Zone.

83.—(1) Registration of vehicles in the Zone shall be in accordance with the regulations, rules and guidelines issued by the Authority in consultation with the Federal Road Safety Commission ('FRSC') and other appropriate government agencies.

Registration
of vehicles.

(2) The Zone Management shall apply to and receive from the Authority, appropriate number plates for the registration of vehicles operating within the Zone.

(3) There shall be a restriction on the number of vehicles permitted for each FZE in compliance with the development objectives of the Zone.

84. A driver of a vehicle operating in the Zone shall possess a valid driving licence issued by the FRSC or an international driving licence issued by an appropriate authority which must be suitable for the class of vehicle being driven.

Issuance of
driving
licences.

85.—(1) A FZE shall be responsible for the provision of security over its premises, properties and facilities within the Zone.

Provision of
security in
the Zone.

(2) The Zone Management shall be responsible for the general provision of security in the Zone.

86. All fees payable or owed to the Zone Management shall be paid in advance and in accordance with the rates and charges set out in the Schedule of Fees.

Payment of
fees to Zone
Management.

87.—(1) All properties erected and maintained within the Zone shall be insured by the property owners with a valid insurance policy as deemed appropriate by the Zone Management.

Insurance.

(2) All FZEs shall be insured in respect of their business operations with a valid insurance policy as deemed appropriate by the Zone Management.

(3) A copy of each policy insurance required under this regulation shall be kept at a location that may be identified by the Zone Management, and the Zone Management shall be given permission to have access to the insurance policy when formally requested.

Dedicated
Zone
Customs,
Police and
Immigration.

88.—(1) A dedicated Zone Customs, Police and Immigration Command shall be established to deal with matters pertaining to the movement of goods and persons into and out of the Zone.

(2) The Authority shall co-ordinate the allocation of appropriate manpower with the relevant statutory bodies within the Zone.

(3) The Zone Management shall provide and maintain appropriate working facilities within the Zone for the relevant government agencies.

(4) The government agencies occupying the provided facilities shall be responsible for the repair of any damage to such facility at its sole cost where such damage is occasioned by the act of officers and agents of such government agency.

Criminal
procedures.

89. A FZE or person within the Zone shall be subject to all applicable criminal laws of Nigeria and will be subject to the exclusive jurisdiction of the courts of Nigeria.

Zone
Customs
Processing
Centre.

90.—(1) A Customs Processing Centre ('CPC') shall be established within and outside the Zone for proper administration of customs functions in the Zone.

(2) The CPC shall be managed by designated officials of the Nigeria Customs Service ('NCS') under the control of an Area Command.

(3) The functions of the CPC include, to—

(a) manage the CPC facilities ;

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

(c) process the relevant customs documents for goods entering and exiting the Zone ;

(d) advise on the proper classification of goods within the Zone for customs purpose only ;

(e) determine the duties payable on goods other than goods for personal consumption ; and

(f) collect appropriate duties on behalf of the Federal Government of Nigeria.

Customs
procedures.

91.—(1) For the purpose of operating within the Zone, the following customs procedures shall apply, subject to review by the Nigeria Customs Service and the Authority—

(a) goods traded commercially into the Customs Territory shall be classified as exports and shall be subject to all applicable taxes, duties and levies in the Customs Territory, as updated from time to time ;

(b) equipment and consumables to be used in the construction of facilities, operation of a FZE and production of free zone products, may be imported into the Zone by a FZE free of any taxes, duties or levies ; and

(c) Personal Duty-Free Allowance for a Nigerian visitor or tourist shall be guided by the provisions of concessions as published by the NCS from time to time.

(2) The procedures set out in the Schedules to these Regulations shall apply as follows—

(a) The procedure for importing goods into the Zone is as set out in the Third Schedule to these Regulations ;

(b) The procedure for exporting goods from the Zone into the Customs Territory is as set out in the Fourth Schedule to these Regulations ;

(c) The procedure for handling goods that require repair and maintenance is as set out under the Fifth Schedule to these Regulations ;

(d) The procedure for transferring goods is as set out under the Sixth Schedule to these Regulations ;

(e) The customs procedures within the Zone is as set out under the Seventh Schedule ; and

(f) The Zone Market Categorisation for Customs Duty set out under the Eighth Schedule shall apply subject to necessary approvals being obtained from the Nigerian Customs Service in accordance with the applicable legislation.

(3) Any amendment to the customs procedures by the Nigeria Customs Service and the Authority shall apply *mutatis mutandis* under these Regulations.

92.—(1) A FZE shall, upon grant of a Licence to operate an approved activity within the Zone, apply to the Authority through the Zone Management for Work Permit for its expatriate employees in such format as the Authority may stipulate.

Work
permits.

(2) An application for a work permit shall comply with the requirements prescribed by the Zone Management with the approval of the Authority.

(3) On acceptance of an application for a Work Permit, the Zone Management shall, on behalf of the Authority, acknowledge the receipt of the application and shall forward it to the Authority within 7 days.

(4) Upon the receipt of an application for a Work Permit, the Authority shall process the application and notify the applicant through the Zone Management of the grant or otherwise within 30 days.

(5) When a contract of employment of an expatriate staff comes to an end, the FZE shall notify the Authority through the Zone Management, and the Authority shall inform the relevant government agency of the expiry of the foreign contract of employment.

(6) Where the FZE fails to comply with the provisions under sub-regulation (5) of this regulation, it shall pay a penalty as prescribed by the Zone Management.

Returns on
Work
Permits
issued.

93. A FZE shall send quarterly reports on the use of its work permit to the Authority through the Zone Management.

Restrictions
on
employment
of expatriate
staff outside
the Zone.

94.—(1) An expatriate staff of a FZE shall not accept any employment or offer any service outside the Zone without a written approval of the Zone Management and the Authority in collaboration with relevant government agencies.

(2) Where an expatriate staff of the FZE fails to comply with the provisions under sub-regulation (1) of this regulation, he shall—

(a) pay such administrative penalty as may be prescribed by the Authority ; and

(b) if the non-compliance is repeated, he shall be deported in accordance with the provisions of the law of the Customs Territory.

(3) Where the non-compliance of the expatriate staff referred to under sub-regulation (2) of this regulation is with the knowledge of the FZE, the Authority shall, in collaboration with relevant government agencies, impose appropriate administrative penalty as it deems fit.

Fees, charges
and tariffs
for Zone
Management
services.

95.—(1) The Zone Management may charge fees for the provision of such services as it deems necessary under these Regulations.

(2) A FZE shall pay applicable fees, charges and tariffs for services provided by the Zone Management.

(3) The Zone Management shall publish a list of fees, charges and tariffs for services rendered in the Zone, which it may review from time to time.

(4) The Zone Management shall ensure that copies of the published list of charges and any revisions, are made available on request to FZEs in the Zone.

Inspection of
books and
records.

96. A FZE shall permit the inspection of its books and records by the Zone Management as may be required from time to time.

Facilities
within the
Zone.

97. The Zone Management shall facilitate the provision of the following facilities within the Zone—

(a) good security network ;

(b) administrative building ;

(c) administrative offices for Immigration, Customs, Police and other relevant regulatory agencies ;

(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 ;
- (l) standard health clinic ;
- (m) fire-fighting equipment ; and
- (n) such other facilities as the Authority and the Zone Management may deem necessary.

98.—(1) Any dispute arising between FZEs in the Zone shall be resolved as follows—

Settlement of
disputes
within the
Zone.

(a) where a dispute arises between different FZEs in the Zone, it shall first be resolved by the FZEs involved in the dispute ;

(b) where the FZEs involved fail to reach an amicable settlement, either of them may refer the dispute to the Zone Management within 14 days for settlement ; and

(c) where the Zone Management is unable to settle the dispute, the Zone Management shall refer the matter to the Authority, and where the Authority is unable to settle the dispute, either party to the dispute may refer the matter to an arbitral body whereby—

(i) if the laws to be applied are determined by both parties, those laws shall apply, and

(ii) if the laws are not determined by both parties, the laws of the Customs Territory shall apply.

(2) Any dispute arising between a FZE and its employees within the Zone shall be resolved as follows—

(a) both parties shall attempt to settle the dispute amicably ; or

(b) where the employment contract expressly stipulates a form of alternative dispute resolution procedure, that procedure shall apply ; and

(c) where the parties fail to reach an amicable settlement or sub-regulation (2)(b) of this regulation does not apply, either party may refer the dispute to the Labour and Employment Services Office for mediation and settlement.

(3) Where a dispute arises between a FZE and a Government agency in the Zone, either party may refer the dispute to the Authority for settlement.

(4) Where a dispute arises between officials of government agencies operating in the Zone, either of the disputing agencies may refer the dispute to the Authority for settlement.

(5) Where a dispute arises between a FZE and the Zone Management, either party may refer the dispute to the Authority, and the Authority shall take steps to settle the dispute.

(6) A party dissatisfied with the resolution of a dispute by the Zone Management or the Authority, where applicable, may seek redress through arbitration or before a court in Nigeria.

(7) The Zone Management may establish a dispute resolution body and may issue guidelines for the resolution of disputes between—

- (a) a FZR and a FZE ;
- (b) a FZE and its employees ; or
- (c) two or more FZRs.

(8) Notwithstanding the provisions of this regulation, the Authority and the Zone Management may intervene at any stage of a dispute in order to maintain harmony in the Zone.

Applicable Laws.

99. Except as provided under the Act, an enactment applicable in the Customs Territory shall apply within the Zone.

Dispute resolution laws.

100. Unless otherwise agreed by the parties, the appropriate laws of the Customs Territory shall apply in settling disputes within the Zone.

Publication of Zone guidelines.

101. The Zone Management may, with the approval of the Authority publish its internal guidelines not inconsistent with the Act or these Regulations, for the effective administration of the Zone.

Application of the Zone guidelines.

102.—(1) The Zone Management internal guidelines shall apply within the Zone and all FZRs, FZEs and other entities shall comply with its provisions.

(2) Where a provision of the Zone Management internal guidelines contradicts any of the provisions of the Act or these Regulations, the provisions of the Act or these Regulations shall supersede.

Penalties for non-compliance with extant rules and regulations.

103.—(1) The Authority shall, in collaboration with relevant regulatory agencies, impose appropriate administrative penalties on any FZE for failure to—

- (a) pay Fees or other charges payable ; or
- (b) submit information due to be provided to the Zone Management, the Authority or any other regulatory entity within the Free Zone.

(2) The administrative penalties referred to under sub-regulation (1) of this regulation shall be prescribed in internal guidelines issued from time to time by the Zone Management with the approval of the Authority.

(3) Until the internal guidelines on administrative penalties are issued by the Zone Management, the penalty for each default shall be—

- (a) ₦100,000 (One Hundred Thousand Naira) for failure to submit information required under these Regulations ;

(b) ₦100,000 (One Hundred Thousand Naira) for non-submission of information required in writing by the Zone Management or Regulatory entity but which was not specified under these Regulations ; and

(c) an amount equivalent to two times the amount of the payment which is late, for every 6 months for which payment is due but not paid, for failure to make a payment when due to the Zone Management or regulatory entity (the 'Late Surcharge').

(4) The Late Surcharge shall accrue from the seventh day after the date on which the payment became due.

(5) Payments by the FZE which are not full payment of the overdue amount plus the full amount of the Late Surcharge shall be applied first towards settlement of the Late Surcharge.

(6) References in this Regulation to a '*Zone Management or Regulatory Entity*' within the Free Zone shall include the agents, representatives or contractors of the Zone Management or regulatory entity within the Zone.

(7) Where a FZE is in default for 6 months, the Zone Management may, with a written approval of the Authority and by notice in writing to the FZE—

(a) suspend the Licence and the FZE shall be prohibited from undertaking any activity within the Zone ; or

(b) prohibit personnel of the FZE from entering into the Zone for any reason deemed appropriate by the Zone Management.

(8) The Licence of the FZE and its right of access to the Zone may, with a written approval of the Authority, be reinstated upon its—

(a) remedy of the default ; and

(b) payment of any applicable fines as may be prescribed by the Authority under these Regulations.

PART VII—PLANNING, CONSTRUCTION AND COMMENCEMENT OF OPERATIONS

104.—(1) The Zone Management shall issue Zone guidelines for the purpose of planning and construction within the Zone (the "Planning and Construction Guidelines").

Publication
of Planning
and
Construction
Guidelines.

(2) An entity within the Zone shall comply with the Planning and Construction Guidelines.

(3) Where an entity within the Zone breaches a provision contained in the Planning and Construction Guidelines, the breach shall have the same effect as a breach of any Guideline issued under these Regulations.

PART VIII—TAXATION PROCEDURES

105.—(1) The Zone Management shall, in consultation with the Federal Inland Revenue Service (FIRS), publish guidelines on the tax implications of transactions between the Zone and FZEs with entities in the Customs Territory.

Publication
of tax
guidelines.

(2) The tax implications of specified transactions within the Zone is as contained in the Ninth Schedule of these Regulations and may be reviewed from time to time by the FIRS.

(3) Any amendment to the guidelines on the tax implications by the FIRS shall apply *mutatis mutandis* under these Regulations.

Tax and
other
exemptions.

106.—(1) The provisions of the Act shall apply in respect of tax exemptions, incentives and related matters within the Zone.

(2) For the avoidance of doubt—

(a) company income tax shall not be payable by a FZE ; and

(b) selected goods approved by the Zone Management imported by a FZE into the Zone shall not be subject to import or other customs duties.

PART IX—BANKING PROCEDURES AND INCENTIVES

Objectives of
this Part.

107. The objectives of this Part include, to—

(a) complement and enhance the application of the provisions of the Act in respect of banks operating within the Zone ;

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

(c) provide details of permissible and prohibited activities of banks in the Zone ;

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

(e) facilitate the attainment of the goals for which the Zone is established.

Guidelines
for Banking
Operations.

108.—(1) The Central Bank of Nigeria (CBN) Guidelines for Banking Operations in the Free Zones in Nigeria, 2016 (the “CBN Guidelines”), as may be amended from time to time, shall guide banking operations in the Zone.

(2) The provisions of this Part—

(a) shall apply to all banking operations within the Zone, except where replaced by specific provisions of the CBN Guidelines referred to in sub-Regulation (1) of this Regulation ;

(b) shall be read with such modifications as are necessary to bring them into conformity with the Guidelines referred to under sub-regulation (1) of this regulation ; but

(c) where the provisions of this Part are inconsistent with the provisions of the CBN Guidelines, the provisions of the CBN Guidelines shall prevail.

Permissible
Banks in the
Zone.

109.—(1) Banks in the Zone shall be granted approval under the Act by the Zone Management with the consent of the Authority.

(2) There shall be for the Zone, two types of banks, namely—

(a) a bank established by a bank licensed under the Banks and Other Financial Institutions Act (BOFIA) or other relevant legislation ; and

(b) a licensed foreign bank.

(3) A bank established in the Zone pursuant to sub-regulation (2) of this regulation, shall maintain records and books of accounts of its operations independent of its parent bank.

(4) Banks licensed to operate in the Zone may be owned—

- (a) wholly by Nigerians ;
- (b) jointly by Nigerians and foreigners ; or
- (c) wholly by foreigners.

110.—(1) An applicant wishing to operate as a bank within the Zone shall submit an application for a Licence to the Authority through the Zone Management with—

Licensing requirements for banks in the Zone.

- (a) two copies each of its Memorandum and Articles of Association ;
- (b) copies of its banking licence issued by the—
 - (i) CBN under BOFIA or any other relevant legislation, or
 - (ii) appropriate authority of the jurisdiction in which the applicant was incorporated ;
- (c) a copy of the applicant's board resolution approving the proposed application for a Licence to operate as a bank within the Zone ; and
- (d) such other documents and requirements as the Zone Management and Authority may require from time to time.

111. A financial institution within the Zone must comply with financial guidelines applicable under the Nigerian Free Zones scheme.

Zone financial activities.

112. A FZE licensed to operate in the Zone as a bank or other financial institution shall not contravene an international agreement to which the Customs Territory is a party.

Compliance with international agreements.

PART X—HEALTH, SAFETY AND ENVIRONMENT

113. Access to the Zone shall be subject to such conditions as the Zone Management may stipulate in writing from time to time.

Access to the Zone.

114. Any incident or accident in the Zone resulting in death, physical injury, loss or material damage shall be reported to the Zone Management as soon as practicable.

Report of incidents or accidents in the Zone.

115.—(1) The Zone Management shall ensure the general beautification of the Zone.

Beautification of the environment.

(2) A FZE shall be responsible for the beautification of its immediate environment in line with applicable guidelines issued by Zone Management.

116.—(1) The Zone Management shall ensure the maintenance of facilities such as roads, drainage, street lighting, water supply line, sewage line, fire-fighting facilities.

Maintenance of Facilities.

(2) A FZE shall pay for any maintenance work executed by the Zone Management at the instance of the FZE.

Responsibilities of a FZE on Health, Safety and Environment.

117. The management of FZEs within the Zone shall—

- (a) ensure that competent persons are appointed to supervise all facets of its operations in the Zone ;
- (b) provide all necessary Health, Safety and Environment (HSE) equipment and facilities at sites and ensure their appropriate use ;
- (c) provide suitable Personal Protective Equipment (PPE) and ensure their use ;
- (d) assess negative impacts of its activities on the environment and where necessary, adequately mitigate the risk of losses or damage arising from such activities ;
- (e) make conscious efforts to restore any negatively impacted environment ;
- (f) inform employees, service providers and the general public of any known or identified potential hazards arising from its activities ;
- (g) monitor all its activities in the Zone to ensure strict compliance with all HSE guidelines, laws, rules and regulations ; and
- (h) recognize and reward employees for compliance and performance improvement initiatives with HSE rules and regulations.

Responsibilities of Site Managers and Supervisors.

118.—(1) A site manager or supervisor shall be responsible for effective and efficient HSE operations and shall recognize HSE as an integral part of each site.

(2) A site manager or supervisor referred to in sub-regulation (1) of this regulation shall—

- (a) understand and implement comprehensive HSE Procedures and programmes as contained in these Regulations and any guidelines that may be issued, from time to time by the Zone Management or the FZE ;
- (b) set good example for employees, service providers and clients to follow ;
- (c) ensure compliance with proper work procedures at all times ;
- (d) induct new employees on hazards associated with their respective jobs ;
- (e) have in-depth knowledge of the hazards associated with each operation ;
- (f) ensure that all employees and service providers use their PPEs where applicable ;
- (g) communicate safe work procedures to each employee ;
- (h) observe other staff and service providers work practice and procedure and correct them when necessary ;

(i) ensure that facilities and work environments are in good conditions for the application of sound HSE practices ;

(j) investigate and report all accidents and incidents nearly resulting in accident ;

(k) recommend and implement corrective measures ;

(l) carry out periodic HSE inspections ;

(m) advise employees and recommend erring employees for appropriate disciplinary action ; and

(n) ensure that first aid and fire-fighting facilities are in good working condition and are properly maintained.

119.—(1) An employee shall contribute to safe-work performance through co-operation with managers, supervisors and other employees.

Responsibilities of employees.

(2) Every employee shall—

(a) obtain, study and understand the company's HSE Policy ;

(b) use the PPE always, where required, to ensure safety ;

(c) comply with all applicable HSE Policy, rules and operating procedures ;

(d) comply with relevant laws, regulations and guidelines ;

(e) seek guidance from managers or supervisors on correct work procedures ;

(f) report to the supervisor—

(i) every accident and incident nearly resulting in accidents, and

(ii) unsafe work practices or conditions that may lead to injury or damage,

in the Zone ;

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

(h) be well behaved, orderly and disciplined.

120.—(1) A service provider shall—

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

(b) report to the Zone Management—

(i) every accident and incident nearly resulting in accidents, and

(ii) unsafe work practices or conditions that may lead to injury or damage, in the Zone ;

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

Responsibilities of service providers.

(d) maintain open lines of communication 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 the Zone Management for evaluation—

(i) records of its past safety performance,

(ii) present procedures or programmes,

(iii) projected capability to achieve an acceptable HSE performance, and

(iv) evidence of compliance with applicable HSE laws, regulations and standards ;

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

Power to
mitigate HSE
risks by the
Zone
Management.

121. The Zone Management may intervene to avert or mitigate HSE risks—

(a) where a FZE or service provider fails to meet its obligations to adequately advise on HSE matters including, training, equipping and protecting its employees in the performance of their assigned duties ; or

(b) where any person within the Zone is carrying out an activity which in the opinion of the Zone Management is likely to cause a nuisance or hazard to the safety of persons, the environment or property.

Compliance
with
environmental
Protection
laws.

122.—(1) A FZE operating in the Zone shall—

(a) comply with applicable environmental pollution laws and regulations ;

(b) ensure that pollution treatment facilities or other suitable devices are used to keep wastes and pollution within tolerable limits ; and

(c) protect and preserve the Zone environment.

(2) A FZE shall where applicable, submit to the Authority through the Zone Management its Waste management and pollution control plan, for approval.

(3) The Zone Management and the Authority shall, in conjunction with relevant Government agencies—

(a) monitor and inspect the operation of any applicable anti-pollution measures in the Zone ; and

(b) apply appropriate sanctions for breaches of applicable laws and regulations.

HSE
induction
training.

123. Facility managers or supervisors shall conduct induction training when—

(a) a new employee starts work in the Zone ;

(b) a service provider staff starts work on a site ;

(c) a new plant or equipment is introduced ;

(d) policies or procedures are updated ; and

(e) it is discovered that any employee in the Zone or staff of the service provider has insufficient knowledge in the use of assigned PPE and other safety equipment.

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

Occupational health and safety.

(2) An employee in the Zone shall report to his supervisor when not in good health.

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

(4) Horseplay, practical jokes and provocation are not allowed in the workplace within the Zone under any circumstances.

(5) Sexual harassment is prohibited.

125. An employer or service provider within the Zone and their staff shall—

Control of hazardous substances.

(a) comply with 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 ;

(b) ensure that their staff receive—

(i) adequate training and information on HSE issues before exposing them to hazardous substances relating to their job, and

(ii) mandatory periodic medical checks ; and

(c) ensure that waste materials shall be disposed of carefully in a manner that will not constitute a hazard to employees, clients, the general public and the environment.

126.—(1) All persons within the Zone shall—

Fire Prevention.

(a) conduct their activities in such a manner as to remove the risk of fire ; and

(b) strictly comply with "No Smoking" signs in every facility in the Zone.

(2) Combustible materials shall not be kept in offices or near any source that may give rise to fire outbreak.

(3) A site manager or supervisor shall keep activities in his operational areas safe from fire.

(4) Each employee of the Zone and staff of the service providers shall undergo induction training in fire prevention practices, the use of fire extinguishers and emergency procedures.

(5) Every individual and entity in the Zone shall adopt measures to prevent fire outbreak.

127.—(1) Fire-fighting equipment shall be provided at strategic locations on all sites and shall be used promptly to respond to any fire outbreak.

Fire Fighting Guidelines.

(2) Each employee of the Zone and staff of a service provider shall familiarize themselves with their areas of operation and give special attention to the locations of fire extinguishers and other fire-fighting equipment.

(3) Fire-fighting facilities shall not be blocked from easy access, removed or used for purposes other than fire-fighting.

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

Fire exits.

128.—(1) Fire exits shall be provided at strategic locations and shall not be blocked or used for any other purpose, and where the exits are locked, the keys shall be provided inside boxes with glass cover which can be broken to access the 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 service providers.

Emergency
Evacuation
Procedures.

129.—(1) A FZE shall have an emergency plan which shall require an employee to—

- (a) raise an alarm in the event of any emergency or fire outbreak ;
- (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 Free Zone security, fire brigade and the Nigeria Police whose contact details shall be provided at each site ;
- (e) close all windows and doors to prevent easy spread of the fire ; and
- (f) escape to the designated safe place or muster point.

(2) Fire marshals shall give further directives to all occupants and persons within the facility.

Personal
Protective
Equipment.

130.—(1) Each employee of the Zone and staff of a service provider shall be provided with PPE, where required, to ensure safety.

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

(3) Each employee of the Zone and a staff of a service provider issued with a PPE shall be given adequate training on the use and maintenance of the PPE.

(4) Each PPE issued shall be maintained and kept in good working condition.

(5) An employee who fails to comply with this regulation shall be subject to appropriate disciplinary action.

131. Firearms, explosives and other dangerous weapons are strictly prohibited within the Zone provided that security personnel authorized under the laws of the Customs Territory may bear firearms within the Zone.

Prohibition of firearms and other dangerous weapons.

132.—(1) An employer and a service provider in the Zone shall provide its employee with a protective garment, where applicable.

Safety gear.

(2) An employee shall wear safety shoes at all work areas identified as having risk of foot injury.

133. An employee shall, where applicable, wear -

Breathing apparatus, ear protection and gloves.

(a) appropriate dust masks or breathing apparatus where air contamination exists ;

(b) gloves at work areas identified as having risk of hand injury or contamination ; and

(c) ear plugs when exposed to high noise level for a considerable length of time.

134.—(1) An employee shall—

Work practices.

(a) possess knowledge of standard work practice required for his work ; and

(b) obey safety rules at all times.

(2) An employee that observes any unsafe condition or practice in the Zone, shall notify any immediate superior.

(3) An employee who is uncertain about unsafe practice or procedure for performing any job shall seek advice from any immediate superior or safety representative.

(4) An employer in the Zone shall periodically assess work practices in its domain with a view to removing any hazard and promote good occupational health of the workforce and environment.

135.—(1) Only an employee who is authorized may be allowed access to restricted areas in the Zone.

Authorized access to restricted areas.

(2) Where an area of work impacts on—

(a) another component of a facility ; or

(b) other work in progress within the area,

the supervisors of the areas concerned shall co-ordinate for effective and safe work performance

136.—(1) The circuit of any electrically driven equipment or other energy sources shall be de-energized and the start-up switch tagged with a sign "Danger, Do Not Operate", prior to the commencement of work.

Tag in and out.

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

(3) The sign tag on the circuit board "Danger, Do Not Operate", shall only be removed by a technician or qualified officer.

Permit for
Hot work.

137.—(1) Hot work such as welding, grinding and flame cutting shall only be carried out by employees of FZE and service providers licensed to perform such activities by the Zone Management.

(2) Appropriate fire-fighting equipment shall be positioned and manned before carrying out any form of hot work.

Machinery
and hand
tools.

138.—(1) The appropriate machine or tool shall always be used for each job.

(2) Only a tool in good and safe condition shall be used.

(3) Equipment on each site shall be maintained in good working condition.

(4) An employee who is adequately trained and no other, shall use or work with machines in the course of his duties.

(5) 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".

Walkways,
platforms
and
passageways.

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

(2) Wet surfaces shall be 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 operators shall exercise extreme caution.

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

(5) A change in floor elevation or ceiling height shall be clearly marked.

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

(7) Raised walkways and platforms shall have adequate handrails.

(8) The needs of the physically challenged persons shall be adequately provided for in the construction of walkways.

Stairways
and Ladders.

140.—(1) Ladder shall be used only by qualified and trained employees whose schedules of duty include the use of such devices.

(2) A stairway or ladder shall be kept clean, dry and non-slippery at all times.

(3) The maximum load on a stairway or ladder shall be clearly marked.

(4) Properly maintained elevators shall be provided for use by persons with physical disabilities.

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

Working
locations.

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

(3) Any spill in a working location shall be cleaned 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 from weeds and vegetation.

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

(7) 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 outside the offices and access to these areas shall be prohibited.

142.—(1) Lifting and moving of heavy objects above 50kg shall be—

Mechanical
and manual
handling.

(a) carried out with a mechanical device appropriate for that purpose ;
and

(b) operated by trained, qualified and authorized employees.

(2) The maximum load the mechanical device can carry shall be clearly marked on it.

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

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

(5) Hand gloves shall be free from oil, grease or materials which might impair firm grip of the load.

(6) The route through which the load may be carried shall be inspected to ensure that it is free from obstruction or spillage that might cause tripping or slipping.

(7) An employee or any other person shall not attempt to lift or move a load considered too heavy or more than 36kg without assistance.

(8) Where a team is required to lift or move a load, one person shall act as a co-ordinator, giving instructions on how to lift or lower the load.

143.—(1) Each driver shall drive a vehicle with due care.

Travels and
Transporta-
tion.

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

(3) A driver shall be in the possession of valid driving licence.

(4) Each vehicle shall be used only for authorized purposes.

(5) An accident or incident nearly resulting in an accident shall be reported to the Zone Management.

(6) Each vehicle shall be properly and regularly maintained and kept clean.

(7) Each vehicle shall be comprehensively insured by an insurance company approved by the Zone Management.

Job hazard
analysis,
control and
registration.

144.—(1) Managers and supervisors shall, prior to the commencement of any work activity, carry out a hazard analysis to identify and assess if there is any hazard or risk involved in carrying out the activity.

(2) Where any hazard or risk is identified, procedures shall be put in place to control the hazard or risk through elimination, isolation and minimization.

(3) The result of the findings shall be registered in a Job Hazard Register.

Waste
Management.

145.—(1) A FZE or a licensed operator within Zone shall ensure that any waste generated from its business activities or activities of an outsourced contractor, is disposed of in a manner not hazardous to human health and the environment.

(2) A waste management procedure shall ensure that any waste generated from facilities is—

(a) identified in terms of its potential hazard to the environment and persons handling them ;

(b) stored in a manner which prevents spillage or prohibits access to non-authorized persons ; and

(c) disposed of in accordance with relevant legislation, Government policy and best practices.

HSE
Awareness
Programme.

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

(2) A FZE or a licensed operator in the Zone shall show its commitment to HSE procedures by maintaining effective communication systems.

Compliance
and
disciplinary
action for
non-
compliance.

147.—(1) FZEs, service providers and employees in the Zone shall comply with HSE rules, standards and practices under these Regulations and other guidelines or instructions that may, from time to time, be issued by the Zone Management.

(2) Non-compliance with any of these HSE rules, standards and practices may result in a disciplinary or any other appropriate action commensurate with the seriousness of the non-compliance.

Environmental
protection
guidelines.

148.—(1) The Zone Management shall issue Zone guidelines with the consent of the Authority for the purpose of environmental protection within the Zone.

(2) An entity within the Zone shall comply with the environmental protection guidelines.

(3) Where an entity within the Zone breaches a provision contained in the environmental protection guidelines, the breach shall have the same effect as a breach of any Guideline issued under these Regulations.

PART XI—IMMIGRATION PROCEDURES

149.—(1) The Authority, in consultation with the Nigeria Immigration Service (“NIS”), shall publish guidelines for processing applications for immigration and work permits of expatriates wishing to operate in the Zone.

Guidelines
for
processing
immigration
applications.

(2) Fees for immigration services in the Zone shall be levied in United States Dollar as may be prescribed by the NIS, in consultation with the Authority.

(3) A FZE is exempt from the requirement to apply for and obtain an expatriate quota from the NIS for the employment of foreign nationals.

150. The Zone Management shall, through the Authority and in collaboration with the NIS, establish an immigration centre within the Zone to facilitate accelerated visa processing for qualified expatriates.

Zone
Immigration
Centre.

151.—(1) Except ECOWAS nationals or nationals of countries with which Nigeria has entered into a Visa Abolition Agreement, an expatriate seeking entry into Nigeria shall require visa prior to entry.

Visa
requirements.

(2) The visa referred to under sub-regulation (1) of this regulation shall be obtained from Nigerian Missions abroad.

152. The following types of ordinary entry visas may be granted—

Types of
ordinary
Visas.

(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.

153.—(1) An expatriate visiting Nigeria shall possess one of the visas referred to under regulation 152, from the Nigerian Mission in his country or the Nigerian Mission closest to his place of abode.

Business,
Tourist and
Visitors Visa.

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

(a) a letter of invitation from the Zone Management stating the purpose of the visit and accepting immigration responsibilities ;

(b) a completed application form affixed with passport photographs of the applicant ;

- (c) a return ticket ;
- (d) evidence of financial sustainability ;
- (e) valid travel documents ; and
- (f) evidence of payment of an approved visa fee, where applicable.

Temporary
Work Permit
(TWP) Visa.

154.—(1) A Temporary Work Permit (TWP) Visa may be issued to an expatriate coming to Nigeria for a short duration to perform specialized duties, such as—

- (a) installation or repairs of machinery ;
- (b) feasibility studies ;
- (c) auditing of accounts ;
- (d) training ;
- (e) commissioning of projects ;
- (f) erection and installation of equipment ;
- (g) control of natural disaster and oil spillage ;
- (h) attending board meetings by non-resident company executives ; and
- (i) any other form of specialised duty as may be approved by the NIS.

(2) The NIS may grant a TWP Visa in Nigeria and transmit it to a Nigerian Mission abroad for issuance to an expatriate coming to Nigeria.

(3) The requirements for the issuance of TWP Visa include—

(a) a formal application to the Comptroller-General of immigration, stating passport particulars of the expatriate, the purpose of the visit and confirmation of acceptance of immigration responsibilities by the sponsor ;

- (b) evidence of the company registration ;
- (c) evidence of the purchase of equipment ;
- (d) evidence of the contract award ;
- (e) an approval from the Comptroller-General of immigration ;
- (f) the passport of the employee with a minimum validity of 6 months ;
- (g) a return ticket ;

(h) a completed application form affixed with passport photographs of the applicant ; and

(i) evidence of payment of approved visa fee, where applicable.

(4) A visa may not be required where there exists a bilateral or multilateral visa abolition agreement with Nigeria for a visit not exceeding 90 days.

Subject to
Regularisa-
tion (STR)
Visa.

155.—(1) An expatriate coming to reside in Nigeria for purposes of working, studying or accompanying a spouse or parent, shall arrive the country with a Subject to Regularisation (STR) Visa obtained at a Nigerian Mission abroad.

(2) The requirements for the issuance of STR Visa include—

(a) a formal application made by the employer through the Zone Management to the Nigerian Mission abroad closest to the employee's normal place of abode, indicating the job position and nationality in addition to acceptance of immigration responsibilities ;

(b) a completed requisite Visa Application Form affixed with passport photographs of the applicant ;

(c) the passport of the employee with a minimum validity of 6 months ;

(d) previous work experience, curriculum vitae and photocopies of educational qualifications of the employee ;

(e) a letter of employment stating the terms and conditions of employment ;

(f) a letter of acceptance of offer ;

(g) a one-way ticket ;

(h) copies of free Zone operational licence of employer ;

(i) original certificates for sighting ; and

(j) evidence of payment of the approved visa fee, where applicable.

(3) A dependent joining an expatriate employee requires—

(a) a formal application from the employer with a support letter from the Zone Management and employer's acceptance of immigration responsibilities ;

(b) a copy of the expatriate's residence permit if the dependent is joining an expatriate already in Nigeria ;

(c) a copy of a marriage certificate for a married woman and birth certificate for a child ;

(d) a one-way ticket or evidence of airline booking ;

(e) a passport of the dependent with a minimum validity of 6 months ; and

(f) evidence of payment of the approved visa fee, where applicable.

156. An expatriate who intends to stay in Nigeria beyond 56 days shall regularize his stay by obtaining a Combined Expatriate Residence Permit and Aliens Card.

Regularisation
of stay.

157.—(1) Requirements for issuance of CERPAC include—

(a) a formal application to the NIS within 3 months from the date of arrival into the country stating the post to be occupied, nationality and accepting immigration responsibilities ;

(b) a valid STR visa ;

(c) a letter of employment ;

(d) a letter of acceptance of offer ;

(e) completed Visa Application Form affixed with passport photographs of the applicant and vetted at the Nigerian Mission where the visa was issued ;

Requirements
for issuance
of Combined
Expatriate
Residence
Permit and
Aliens Card
(CERPAC).

(f) copies of credentials duly vetted at the Nigeria Mission abroad where the visa was issued ;

(g) applicant's National Passport accompanied with photocopies of the first six pages of the passport and the page on which the visa was stamped ;

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

(k) evidence of payment of an approved visa fee, where applicable.

(2) For the purposes of paragraph (h) of sub-regulation (1) of this regulation, 'appropriate officers' of the FZE include members of the board, the managing director, the general managers and the finance controllers.

Requirements
for CERPAC
for
dependents
above 16
years of age
joining an
expatriate
employee.

158. The requirements for CERPAC for dependents above 16 years of age joining an expatriate employee include—

(a) a formal application from the expatriate employee accepting immigration responsibilities ;

(b) a copy of husband's or father's residence permit, if already regularised ;

(c) a copy of a marriage certificate for a married woman and birth certificate for a child ;

(d) a letter of admission or photocopy of school identity card where applicable ;

(e) a completed Visa Application Form affixed with passport photographs of the applicant and vetted at the Nigerian Mission where the visa was issued ; and

(f) evidence of payment of approved fee, where applicable.

Change of
employment
by resident
expatriate
already in
Nigeria.

159. A request for a change of employment by a resident expatriate already in Nigeria may be permitted subject to the following requirements—

(a) a formal application from the new employer to the NIS through the Authority requesting for a change of employment and acceptance of immigration responsibilities ;

(b) a letter of no objection from the expatriate's previous employer ;

(c) a letter of offer of employment from the new employer in the Zone ;

(d) letter of acceptance of the offer by the expatriate ;

(e) a resolution of the board of directors, where applicable ;

(f) a resident permit with the previous employer ;

(g) an approved residence permit with the previous employer ; and

(h) evidence of payment of the approved fee, where applicable.

Establishment
of the Free
Zone
Expatriates'
Register.

160.—(1) The Zone Management shall in consultation with the NIS, establish a Free Zone Expatriates' Register in the Zone.

(2) The Free Zone Expatriates' Register shall be maintained for all Free Zone expatriates residing in the Zone.

(3) The Free Zone Expatriates' Register shall contain the name, nationality, employer, number and validity period of the CERPAC and place of residence of the expatriate.

161.—(1) The Zone Management shall render monthly returns to the Authority on expatriates residing in the Zone.

Rendering of
returns on
expatriates.

(2) The returns referred to under sub-regulation (1) of this regulation shall be provided on or before the last working day of the month or as may be prescribed by the Authority.

(3) An expatriate shall receive a Resident Card as proof of registration within 7 days of arrival in the Zone.

(4) The Resident Card issued under this regulation may provide requisite controls on access to certain facilities or purchase of duty-free products, as needed to prevent abuse in line with the provisions of these Regulations.

162. The requirements for a re-entry visa include—

Requirements
for re-entry
visa.

(a) a formal application to the NIS through the Zone Management by an employer or sponsor accepting immigration responsibilities ;

(b) a completed re-entry visa application form ; and

(c) evidence of payment of approved Fee, where applicable.

PART XII—HUMAN RESOURCES AND LABOUR REGULATIONS

163. An employer or employee in the Zone is subject to the provisions of this part, except where a contract of employment has been submitted by an employer to the Zone Management for an endorsement that its contract with the employee shall apply.

Application
of this Part
to contract
of employ-
ment in the
Zone.

164. An employer operating in the Zone shall comply with labour laws applicable in the Customs Territory.

Compliance
with Labour
laws.

165.—(1) The Zone Management shall be responsible for the supervision and implementation of the provisions of this Part, the enforcement of the rights of residents and employees in the Zone and the performance of undertakings contained in employment contracts.

Responsi-
bilities of the
Zone
Management
under this
Part.

(2) The Zone Management may obtain from an employer and its employees such guarantees as may be necessary for the performance of their undertakings under their employment contracts.

(3) The Zone Management, in collaboration with the Authority, shall be responsible for the resolution of trade disputes between an employer and its employees.

166.—(1) The Zone Management may establish a Labour and Employment Services Office in the Zone.

Establishment
of Labour
and
Employment
Services
Office.

(2) The Office referred to under sub-regulation (1) of this regulation shall regulate labour and employment matters including safety, health and welfare of workers in the Zone.

Office.
Disciplinary
procedure.

167. An employer in the Zone shall put in place a disciplinary procedure for use within its work place on the approval of the Zone Management.

Welfare of
employees.

168. The Zone Management shall, with the co-operation of an employer in the Zone, ensure that welfare benefits such as housing, sports facilities, health and medical services are provided by an employer for its employees.

Employment
contract.

169.—(1) An employment contract within the Zone shall contain the following—

- (a) the name of the employer ;
- (b) the name and address of the employee and the place and date of his employment ;
- (c) the nature of the employment contract ;
- (d) the working hours, holidays and leave of absence ;
- (e) the date of execution of the employment contract ;
- (f) the duration of the contract ;
- (g) the date when a contract for a fixed term expires (where applicable) ;
- (h) the wages, method of calculation and the manner and period of payment ;
- (i) the welfare benefits and accommodation given to the employee ;
- (j) the termination notice period ; and
- (k) such other requirements as the Zone Management may require.

(2) A copy of an employment contract shall be kept by the relevant employer and employee.

(3) The Zone Management may require an employer to provide the employment contract of the relevant employee where—

- (a) there is a dispute between the employer and employee, of which the Zone Management has been notified by either party ;
- (b) there is a reasonable suspicion of fraud or fraudulent misrepresentation by the FZE or employee ; or
- (c) the Zone Management deems it necessary pursuant to an investigation into the affairs of the employer or employee.

Work period.

170.—(1) Where the work period in a contract of employment is not determined, the date of expiration of the contract shall be determined by the—

- (a) nature and type of the work ;
- (b) date of completion of the work or project ; and
- (c) termination of the activities of the workplace.

(2) In a contract for a temporary period or specific work, neither party may unilaterally terminate the contract except in cases where the employment contract provides otherwise.

(3) In the event of a unilateral termination of a contract by either party, the other party may apply for redress through the Labour and Employment Services Office referred to under these Regulations.

(4) The continuous nature of work shall not make an employment contract permanent.

171.—(1) An employer and the employee may fix a period of time (the 'apprenticeship period'), during which either party may, without prior notice or payment of an indemnity, terminate the work relationship.

Provisional employment contracts or apprenticeship.

(2) An employer shall pay the employee wages and work benefits for work done in the course or at the end of apprenticeship period.

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

172. Where 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 of wages the employee may complain to the Zone Management for redress.

Unilateral modification in employment conditions.

173.—(1) An employment contract may be terminated on any of the following grounds—

Termination of contract of employment.

(a) the expiration of the period for which it was made ;

(b) the death of the employee or liquidation of the employer before the expiration of the contract ;

(c) the total disability or incapacity of the employee ;

(d) the retirement of the employee ;

(e) the completion of the contract for specific work ;

(f) non-compliance with disciplinary regulations ;

(g) the resignation of the employee ;

(h) *force majeure* ; or

(i) the termination of the employment contract by the employer and the employee in instances stipulated in the employment contract and in compliance with these Regulations.

(2) An employee whose appointment is terminated for non-compliance with disciplinary work practice, may complain to the Labour and Employment Services Office, which may take a decision in line with this regulation and other disciplinary practices applicable in the work place.

174.—(1) Where a contract of employment is wrongly terminated by an employer, the employer shall—

Consequences of termination of contract of employment.

(a) reinstate the employment contract and pay the employee his salary for the period of termination ; or

(b) payoff the employee by means of—

(i) compensation in an amount equalling 90 days' salary for each year of service, or

(ii) such better terms as may be contained in the employment contract.

(2) Where a contract of employment is rightly terminated by an employer, the employer shall pay the employee fifteen days' salary for each year of service, unless the termination was on grounds of misconduct.

Labour
disciplinary
rules and
regulations.

175.—(1) A FZE shall prepare appropriate labour disciplinary rules and regulations for its workplace.

(2) A FZE shall submit its labour disciplinary rules and regulations to the Zone Management within 10 days of their execution for review and approval.

(3) A FZE that fails to submit its labour disciplinary rules and regulations to the Zone Management under sub-regulation (2) of this regulation shall pay a penalty prescribed under the Schedule of Fees.

Prohibition
of employ-
ment of
under-aged
persons.

176. The employment of a person under the age of 18 years is prohibited in the Zone.

Types of
work and
working
hours.

177.—(1) There shall be the following types of work in the Zone—

(a) alternate work ; and

(b) shift work.

(2) Shift work is work that rotates during the course of a month in such manner that it is performed in the morning, afternoon or at night and includes—

(a) day shift work ;

(b) night shift work ; and

(c) mixed shift work.

(3) The working hours for—

(a) a 'day shift work' shall be from six o'clock in the morning to ten o'clock at night ; and

(b) a 'night shift work' shall be from ten o'clock at night to six o'clock in the morning.

(4) Mixed shift work is work that is performed partially during the day and partially during at night.

(5) Whenever a day shift work or a night shift work is performed under the terms of the contract, benefits paid for it shall be fixed in accordance with—

(a) the employment contract ;

(b) the mutual agreement of the employee and the employer ; or

(c) the conditions and circumstances of the workplace.

(6) Alternate work is work that by nature is not performed continuously but is performed during specific hours of the day or night.

(7) An employee's daily working hours shall be as agreed by the parties under the contract of employment, provided that it shall not exceed eight hours per working day.

178.—(1) The taking of a weekly holiday, annual paid leave or official holiday shall be agreed by the employer and the employee, and where leave is postponed to another date or is not taken, the benefits due to the employee shall be as previously agreed by the parties.

Holidays.

(2) All official holidays in Nigeria shall be deemed as part of an employee's official holidays.

(3) Where a contract of employment is terminated as provided in these Regulations, any amount due on account of the employee's paid leave shall be paid to the employee or his next-of-kin if the employee is deceased.

(4) An employee shall be entitled to a holiday with full pay after twelve months' continuous service of—

(a) at least six-working days ;

(b) in the case of apprentices under the age of 18 years, at least twelve-working days ; or

(c) in all cases where work is performed for less than 12 months, but not less than 6 months in the continuous employment of an employer, the employee shall be entitled to a holiday of at least half a day per full month of service per annum.

179. The minimum wage in the Zone shall not be less than the minimum legal wage obtainable in the Customs Territory.

Minimum wage.

180.—(1) Any work performed by an employee in excess of eight hours per day shall be deemed as overtime work.

Overtime allowances.

(2) An employer shall pay an employee overtime allowances for work done in excess of eight hours per day.

(3) The overtime allowances to be paid by an employer shall be as is obtainable in similar job schedules within the industry in other Free Zones.

181.—(1) An employer in the Zone shall not employ any person below the age of 18 years.

Prohibition of child and compulsory labour.

(2) The use of corporal punishment, forced or compulsory labour by an employer is prohibited in the Zone.

182. An employer in the Zone shall not discriminate against an employee on account of gender, race or religion.

Prohibition of gender and other discriminations.

Resolution
of labour
disputes.

183.—(1) A dispute between an employer and an employee arising from work place or contract of employment shall first be settled by the parties amicably.

(2) Where a dispute cannot be settled by the parties themselves, any of the parties may refer the matter to the Labour and Employment Services Office for mediation and settlement.

(3) A resolution by the Labour and Employment Services Office shall be enforced within 10 days from the date of service on the parties, except where there is an objection by any of the parties.

(4) A party dissatisfied with the decision of the Labour and Employment Services Office may seek redress at the appropriate forum for settlement of disputes.

Freedom on
employment
of labour.

184. An employer of labour in the Zone shall be at liberty to employ workers from any part of the world subject to Nigerian laws.

Work permit
for
expatriates.

185.—(1) The Authority may, on the application of the Zone Management, request the relevant government agency to issue a work permit to an expatriate.

(2) When a contract of employment involving an expatriate ends, the employer shall inform the Authority through the Zone Management.

(3) The Authority shall notify the relevant government agencies of the determination of the expatriate's contract.

Rendition of
returns on
employees.

186. A FZE shall prepare and communicate to the Zone Management a list containing the name, nationality, specialisation, job and wages of its employees on or before the 31st March of each year.

Employment
benefits.

187.—(1) An employer, through the Zone Management, shall establish one or more fund or funds, either alone or jointly with the Nigeria Social Insurance Trust Fund ('NSITF') or insurance companies, for the purpose of providing medical services, wage indemnities for periods of sickness, partial and total disability, retirement, death and other similar cases for employees.

(2) An employee shall open a Retirement Savings Account (RSA) with a pension fund administrator of his choice in line with the Pension Reform Act applicable in the Customs Territory, for the purpose of monthly remission of the employee's retirement benefits.

(3) An employer shall remit to his employee's RSA, a minimum—

(a) amount of 10% of the employee's monthly emolument as a contribution by that employer ; and

(b) 8% of the employee's monthly emolument to be deducted from the employee's wages or salary,

not later than 7 days from the day the employee is paid any salary or wage.

(4) Rules and guidelines relating to the determination of other retirement benefits of the employee shall be in accordance with the provisions of the Pension Reform Act and other relevant laws and regulations applicable in the Customs Territory.

(5) The accrued entitlements of an employee employed in an establishment located in the Zone which were governed by the provisions of the Workmen's Compensation Act, the Nigeria Social Insurance Trust Fund Act, insurance companies or other fund, shall, subject to the provisions of these Regulations be maintained and transferable in any future employment.

(6) Rules and guidelines relating to the records of employees referred to in sub-regulation (5) of this regulation and the computation of their entitlements shall be jointly prepared by the employer and the appropriate institution responsible for providing the insurance benefit.

(7) An expatriate working in the Zone shall be entitled to similar conditions on insurance in relation to medical services, having regard to any applicable International Conventions granting reciprocity to Nigeria.

(8) Rules and guidelines relating to—

(a) the determination of annual insurance premiums of expatriates ;

(b) the manner of establishing a fund or funds and regulations governing them ;

(c) the relation between such funds and the NSITF and other insurance institutions concerned ;

(d) the manner of transferring an expatriate's insurance records to the Zone ; and

(e) other related issues,

shall, with the approval of the Zone Management, be prepared by the employer and the NSITF or any other insurance organisation or institution.

PART XIII—MISCELLANEOUS

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

Amendment
and
revocation.

189. The Nigeria International Commerce City Free Zone Regulations, 2015 is hereby revoked.

Revocation
of Nigeria
International
Commerce
City Free
Zone
Regulations,
2015.

190.—(1) Nothing in these Regulations shall invalidate or otherwise prejudicially affect anything done or purported to be done under the revoked Regulations.

Savings.

(2) As from the commencement of these Regulations all assets, rights, liabilities and obligations of the Zone established under the revoked Regulations shall continue to vest as if they arose or were made or entered into under these Regulations.

Implementa-
tion of these
Regulations.

191. Implementation of these Regulations shall be by notice duly issued or publicly displayed within the Zone.

Interpreta-
tion.

192. In these Regulations, unless the context otherwise requires—

"*Abandoned Goods*" has the meaning given to it in regulation 80(2) ;

"*Act*" means the Nigeria Export Processing Zone CAP N107, Laws of the Federation of Nigeria, 2004 ;

"*Applicant*" means any entity that has completed, signed and submitted to the Authority or the Zone Management, as the case may be, an application form for the grant of a Licence or authorisation to operate in the Zone or both ;

"*Approved Activity*" means any of the activities specified in regulation 65 of these Regulations ;

"*Annual accounts*" means the Financial Statements as prepared at the end of a financial year ;

"*Area Command*" means the Customs Area Command as designated by the Nigeria Customs Service ;

"*Authority*" means the Nigeria Export Processing Zones Authority established pursuant to the Nigeria Export Processing Zones Act, CAP N107, Laws of the Federation of Nigeria, 2004 ;

"*Bank*" means a bank licensed under the Banks and Other Financial Institutions Act, CAP B3 LFN 2004 (as amended) and a licensed foreign bank authorised to carry out banking activities in the Zone ;

"*CBN*" means Central Bank of Nigeria ;

"*CBN Guidelines*" means the Central Bank of Nigeria (CBN) Guidelines for Banking Operations in the Free Zones in Nigeria 2016, as amended from time to time.

"*CEO*" means the chief executive officer of the Zone Management.

"*Charge Register*" means the register for the registration of security, charges and debentures on a FZE as prescribed by Zone Management.

"*Company*" means any legal entity registered in any jurisdiction that has separate legal personality to its members ;

"*Country of Origin*" in the case of a foreign entity means a jurisdiction other than the Federal Republic of Nigeria, and in the case of a domestic

entity means the Federal Republic of Nigeria ;

"*Customs Processing Centre*" or "*CPC*" means a Processing Centre that may be established within or outside the Zone to serve the customs affairs of the Zone ;

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

"*ECOWAS*" means Economic Community of West African States ;

"*Emergency Plan*" means any plan drafted by an enterprise in the event of an emergency that threatens the health, safety and environment for its employees and the Zone more generally ;

"*Employee*" means a person who works in any capacity under the instructions of an Employer for wages, salary or other form of compensation in the Zone ;

"*Employer*" means any entity or person that employs the services of another for wages or salary in the Zone ;

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

"*Fees*" include all fees, charges, and tariffs as may from time to time be imposed by the Zone Management with the approval of the Authority and published in the Schedule of Fees ;

"*Financial Statements*" means the balance sheet, the profits and losses accounts, and any other ancillary documents required for the representation of a FZE's financial position ;

"*FIRS*" means the Federal Inland Revenue Service ;

"*Foreign Exchange*" means foreign currency ;

"*Free Zone*" or "*Zone*" means the Eko Atlantic Free Zone established under the Nigeria Export Processing Zones Act Cap N107 LFN 2004 ;

"*Free Zones*" mean Export Processing Zones, Border Free Zones, Free Trade Zones, Export Processing Factories and Export Processing Farms established pursuant to the Nigeria Export Processing Zones Act Cap N107 LFN 2004 ;

"*Free Zone Customs*" means the Nigeria Customs Service within the Zone or any person acting on the instruction of Nigeria Customs Service or any person appointed by the Federal Government who for the time being is employed to carry out functions relating to Customs in the Free Zones ;

"*Free Zone Enterprise*" or "*FZE*" means an entity registered by the Authority under these Regulations and the holder of a valid or current licence to undertake an Approved Activity in accordance with section 10 of the Act ;

"*Free Zone Incentives*" means those incentives provided in regulation 77(2) ;

"*Free Zone Register*" or means the Free Zone register maintained for the purposes of regulation 9 ;

"*Free Zone Registry*" means the registry which shall contain all registers relating to the Zone ;

"*Free Zone Resident*" or "*FZR*" means an individual resident within the Zone and registered by the Zone Management ;

"*Import Duty*" means custom duties chargeable on imports ;

"*Importer*" means an owner of goods or any other person in possession of the goods or beneficially interested in the goods between the importation and the time when they goods are cleared ;

"*Inspectors*" means persons or organisations appointed by the Zone Management to investigate the affairs of a FZE ;

"*Know Your Customer*" means the due diligence requirements as prescribed by the Authority and implemented by the Zone Management from time to time.

"*Licence*" means an approval issued to a FZE by the Zone Management to undertake an Approved Activity in the Zone ;

"*Licence Fees*" means an initial licence fee and an annual licence renewal fee ;

"*Licensee*" means a FZE in possession of a Licence and operating within the Zone ;

"*Licensed Foreign Bank*" means any enterprise licensed under the laws of any country other than the Nigeria Customs Territory to carry on banking business ;

"*Minister*" means the Minister charged with the responsibility for matters relating to export processing zones, commerce, trade or investment ;

"*Model Memorandum and Articles of Association*" means the model Memorandum and Articles of Association prescribed for a FZE in the First Schedule to these Regulations ;

"*Nigerian Mission*" means a Nigerian Embassy or a High Commission permitted to issue visas to inhabitants within its jurisdiction wishing to come to Nigeria ;

"*NICC Regulations 2015*" means the Nigerian International Commerce City Free Zone Regulations 2015 ;

"*NIS*" means the Nigerian Immigration Service ;

"*NSITF*" means Nigeria Social Insurance Trust Fund ;

"*Official Documents*" includes all official documents, correspondences, notices and other official publications ; promissory notes, cheques and other bills of exchange and money orders, orders for goods or services signed by or on behalf of the FZE ; and parcels, invoices, receipts, letters of credit and guarantees ;

"*Parent Bank*" means any bank or financial holding company that has a controlling interest over a subsidiary bank in the Zone ;

"*Parent Company*" means a Company that owns 50% or more of the shares of a FZE ;

"*Planning and Construction Guidelines*" means the guidelines issued by the Zone Management pursuant to regulation 104 of these Regulations ;

"*Registrar*" shall have the meaning given to it in regulation 8(1)(b) ;

"*Regulations*" means the Eko Atlantic Free Zone Regulations issued by the Authority pursuant to the Act ;

"*Resident Card*" means the Zone identification card issued to a FZR by the Zone Management ;

"*Salary*" means income set and paid on a monthly basis ;

"*Schedule of Fees*" means the schedule of charges, fees, levies and tariffs applicable in the Zone as determined by the Zone Management and as amended from time to time for the provision of the Zone Services ;

"*Shift Work*" means work that rotates during the course of a month in such manner that it is performed in the morning, afternoon or night ;

"*Site Managers and Supervisors*" means those persons responsible for the construction and maintenance of properties, land and other ancillary construction on site within the Zone ;

"*SRV*" means a Subject to Regularisation Visa ;

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

"*Subsidiary*" means a FZE that is either wholly-owned by a FZE or Company, or that has shares representing not less than 50% of the total share capital that are owned by another FZE or Company ;

"*Terminal Operator*" means the authorised operators of the terminals at the airports or seaports ;

"*Wages*" means remuneration or earnings usually on an hourly, daily, or weekly basis fixed in a contract of employment which the employer pays the employee for work done or services rendered ;

"*Welfare Facilities*" includes facilities for sports, health and medical services ;

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

"*Work Permit*" means a permit granted to an expatriate employee of a FZE to provide services and labour ; and

"*Zone*" means the Eko Atlantic Free Zone located in the Eko Atlantic area of Lagos State measuring 1,037.76 hectares at Victoria Island in the South Western part of Lagos State more particularly described in the Tenth Schedule of these Regulations ;

193. A list of abbreviations used in these Regulations is contained in the Eleventh Schedule.

List of
abbreviations.

194. These Regulations may be cited as the Eko Atlantic Free Zone Regulations, 2019.

Citation.

FIRST SCHEDULE

[Regulations 11(2)(b)
and 12 (2)]

'TABLE A'

MEMORANDUM OF ASSOCIATION OF [NAME] FZE

1. The name of the free zone enterprise is [NAME] FZE.
2. The registered address of the free zone enterprise is to be situated in Eko Atlantic, Lagos State, Nigeria.
3. The objects of the free zone enterprise are [insert Approved Activities of the FZE].
4. The liability of the shareholders of the free zone enterprise is limited.
5. The share capital of the free zone enterprise is [[£/\$/€/NN][NUMBER]] divided into [NUMBER] shares of [[£/\$/€/NN][NUMBER]] each.

We the subscribers of this Memorandum of Association wish to be formed into a free zone enterprise pursuant to this Memorandum and we agree to take the number of shares shown opposite our respective names.

*Names and Addresses
of Subscribers*

*Number of Shares taken
by each Shareholder*

[Shareholder's name]

[NUMBER]

[Shareholder's address]

[Shareholder's name]

[NUMBER]

[Shareholder's address]

TOTAL SHARES TAKEN

[NUMBER]

Dated :

Witness to the above Signatures :

Name:

Address :

Occupation :

"TABLE B"

MODEL ARTICLES OF ASSOCIATION FOR A FREE ZONE
ENTERPRISE REGISTERED IN EKO ATLANTIC

INDEX

PART 1—SHARES AND SHAREHOLDERS

1.	Liability of shareholders	4
2.	Shareholders' reserve power	4
3.	All shares to be fully paid up	4
4.	Powers to issue different classes of shares	4
5.	Share certificates	4
6.	Replacement share certificates	4
7.	Share transfers	4
8.	Exercise of transmittes' rights	5

PART 2—GENERAL MEETING

9.	Attendance and speaking at general meetings	5
10.	Quorum for general meetings	5
11.	Chairing general meetings	5
12.	Attendance and speaking by directors and non-shareholders	6
13.	Adjournment	6
14.	Voting: general	6
15.	Poll votes	6
16.	Content of proxy notices	7
17.	Delivery of proxy notices	7
18.	Amendments to resolutions	7

PART 3—DISTRIBUTION OF DIVIDENDS

19.	Procedure for declaring dividends	8
20.	Payment of dividends and other distributions	8
21.	No interest on distributions	9
22.	Unclaimed distributions	9
23.	Non-cash distributions	9
24.	Waiver of distributions	9

PART 4—DIRECTORS

25.	Directors' general authority	10
26.	Directors power to delegate	10
27.	Department rights	10
28.	Directors to take decisions collectively	10
29.	Unanimous decisions	10
30.	Calling a directors' meeting	11
31.	Participation in directors' meetings	11
32.	Quorum for directors' meetings	11
33.	Chairing of directors' meetings	12
34.	Voting	12

35.	Conflicts of interest	12
36.	Records of decisions to be kept	12
37.	Directors' discretion to make further rules	12
38.	Methods of appointing directors	13
39.	Termination of director's appointment	13
40.	Directors' remuneration	13
41.	Directors' expenses	13

PART 5—CAPITALISATION OF PROFITS

42.	Authority to capitalise and appropriation of capitalised sums	14
-----	---	----

PART 6—ADMINISTRATIVE ARRANGEMENTS

43.	Means of communication to be used	14
44.	Company seals	14
45.	No right to inspect accounts and other records	15
46.	Provision for employees on cessation of business	15

PART 7—INTERPRETATION

47.	Defined terms	15
-----	-----------------------	----

PART I

SHARES AND SHAREHOLDERS

1. The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them. Liability of shareholders.
- 2.—(1) The shareholders may, by special resolution, direct the directors to take, or refrain from taking, any specified action. Shareholders' reserve power.
 - (2) No such special resolution invalidates anything which the directors have done before the passing of the resolution.
- 3.—(1) No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the FZE in consideration for its issue. All shares to be fully paid up.
 - (2) This does not apply to shares taken on the formation of the FZE by the subscribers to the FZE's memorandum.
4. Subject to the Articles, but without prejudice to the rights attached to any existing share, the FZE may issue shares with such rights or restrictions as may be determined by ordinary resolution. Powers to issue different classes of shares.
- 5.—(1) The FZE must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds. Share certificates.
 - (2) Every certificate must specify—
 - (a) in respect of how many shares, of what class, it is issued ;
 - (b) the nominal value of those shares ;
 - (c) that the shares are fully paid ; and
 - (d) any distinguishing numbers assigned to them.
 - (3) If more than one person holds a share, only one certificate may be issued in respect of it.
 - (4) Certificates must have affixed to them the FZE's common seal.
6. If a certificate issued in respect of a shareholder's shares is— Replacement share certificates.
 - (a) damaged or defaced, or
 - (b) said to be lost, stolen or destroyed,

that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.
- 7.—(1) Shares may be transferred by means of an instrument of transfer in the prescribed form. Share transfers.
 - (2) No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share. Exercise of
 - (3) The FZE may retain any instrument of transfer which is registered.

(4) The transferor remains the holder of a share until the transferee's name is entered in the register of shareholders as holder of it.

(5) The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

transmittees'
rights.

8.—(1) Transmittees who wish to become the holders of shares to which they have become entitled must notify the FZE in writing of that wish.

(2) If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

(3) Any transfer made or executed under this Article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

PART II—GENERAL MEETING

Attendance
and speaking
at general
meetings.

9.—(1) A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

(2) A person is able to exercise the right to vote at a general meeting when—

(a) that person is able to vote, during the meeting, on resolutions put to the vote at the meeting, and

(b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

(3) The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

(4) In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other.

(5) Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

Quorum for
general
meetings.

10. No business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

Chairing
general
meetings.

11.—(1) If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.

(2) If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within 10 minutes of the time at which a meeting was due to start—

- (a) the directors present, or
- (b) (if no directors are present), the meeting,

must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

(3) The person chairing a meeting in accordance with this Article is referred to as "the chairman of the meeting".

12.—(1) Directors may attend and speak at general meetings, whether or not they are shareholders.

Attendance
and speaking
by directors
and non-
shareholders.

(2) The chairman of the meeting may permit other persons who are not—

- (a) shareholders of the FZE, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings,

to attend and speak at a general meeting.

13.—(1) If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, the chairman of the meeting must adjourn it.

Adjournment.

(2) The chairman of the meeting may adjourn a general meeting at which a quorum is present if the meeting consents to an adjournment.

(3) The chairman of the meeting must adjourn a general meeting if directed to do so by the meeting.

(4) When adjourning a general meeting, the chairman of the meeting must specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors.

(5) If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the FZE must give at least 7 working days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given)—

(a) to the same persons to whom notice of the FZE's general meetings is required to be given, and

(b) containing the same information which such notice is required to contain.

(6) No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place.

Voting:
general.

14. A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded in accordance with the Articles.

Poll votes.

15.—(1) A poll on a resolution may be demanded—

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of hands on that resolution is declared.

(2) A poll may be demanded by—

- (a) the chairman of the meeting ;
- (b) the directors ;
- (c) two or more persons having the right to vote on the resolution ; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

(3) A demand for a poll may be withdrawn if—

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.

(4) Polls must be taken immediately and in such manner as the chairman of the meeting directs.

Content of
proxy
notices.

16.—(1) Proxies may only validly be appointed by a notice in writing (a "proxy notice") which—

- (a) states the name and address of the shareholder appointing the proxy ;
- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed ;
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine ; and
- (d) is delivered to the FZE in accordance with the Articles and any instructions contained in the notice of the general meeting to which they relate.

(2) The FZE may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

(3) Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

(4) Unless a proxy notice indicates otherwise, it must be treated as—

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting, and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

Delivery of
proxy
notices.

17.—(1) A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the FZE by or on behalf of that person.

(2) An appointment under a proxy notice may be revoked by delivering to the FZE a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

(3) A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

(4) If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

18.—(1) An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if—

Amendments
to
resolutions.

(a) notice of the proposed amendment is given to the FZE in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and

(b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

(2) A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if—

(a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed, and

(b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.

(3) If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

PART III—DISTRIBUTION OF DIVIDENDS

19.—(1) The FZE may by ordinary resolution declare dividends, and the directors may decide to pay interim dividends.

Procedure
for declaring
dividends.

(2) A dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors.

(3) No dividend may be declared or paid unless it is in accordance with the shareholders' respective rights.

(4) Unless the shareholders' resolution to declare or directors' decision to pay a dividend, or the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

(5) The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

(6) If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

Payment of
dividends
and other
distributions.

20.—(1) Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means—

(a) transfer to a bank account specified by the distribution recipient either in writing or as the directors may otherwise decide ;

(b) sending a cheque made payable to the distribution recipient by post to the distribution recipient at the distribution recipient's registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide ;

(c) sending a cheque made payable to such person by post to such person at such address as the distribution recipient has specified either in writing or as the directors may otherwise decide ; or

(d) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

(2) In the Articles, "the distribution recipient" means, in respect of a share in respect of which a dividend or other sum is payable—

(a) the holder of the share ; or

(b) if the share has two or more joint holders, whichever of them is named first in the register of members ; or

(c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

No interest
on
distributions.

21. The FZE may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by—

(a) the terms on which the share was issued, or

(b) the provisions of another agreement between the holder of that share and the FZE.

Unclaimed
distributions.

22.—(1) All dividends or other sums which are—

(a) payable in respect of shares, and

(b) unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the FZE until claimed.

(2) The payment of any such dividend or other sum into a separate account does not make the FZE a trustee in respect of it.

(3) If 5 years have passed from the date on which a dividend or other sum became due for payment, and the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain being owed by the FZE.

23.—(1) Subject to the terms of issue of the share in question, the FZE may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any FZE).

Non-cash
distributions.

(2) For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution—

- (a) fixing the value of any assets ;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients ; and
- (c) vesting any assets in trustees.

24. Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the FZE notice in writing to that effect, but if—

Waiver of
distributions.

- (a) the share has more than one holder ; or
 - (b) more than one person is entitled to the share, whether by reason of the death ; or
 - (c) bankruptcy of one or more joint holders, or otherwise,
- the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

PART IV—DIRECTORS

25. Subject to the Articles, the directors are responsible for the management of the FZE's business, for which purpose they may exercise all the powers of the FZE.

Directors'
general
authority.

26.—(1) Subject to the Articles, the directors may delegate any of the powers which are conferred on them under the Articles—

Directors
power to
delegate.

- (a) to such person or committee ;
 - (b) by such means (including by power of attorney) ;
 - (c) to such an extent ;
 - (d) in relation to such matters or territories ; and
 - (e) on such terms and conditions ;
- as they think fit.

(2) If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

(3) The directors may revoke any delegation in whole or part, or alter its terms and conditions.

Department
rights.

27.—(1) FZE departments to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the Articles which govern the taking of decisions by directors.

(2) The directors may make rules of procedure for all or any committees, which prevail over rules derived from the Articles if they are not consistent with them.

Directors to
take
decisions
collectively.

28.—(1) The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with Article 29.

(2) Where the Articles determine that the required quorum for directors' meetings is less than that required under Article 32(2), then the general rule does not apply, and the director may take decisions without regard to any of the provisions of the Articles relating to directors' decision-making.

Unanimous
decisions.

29.—(1) A decision of the directors is taken in accordance with this Article when all eligible directors indicate to each other by any means that they share a common view on a matter.

(2) Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

(3) References in this Article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

(4) A decision may not be taken in accordance with this Article if the eligible directors would not have formed a quorum at such a meeting.

Calling a
directors'
meeting.

30.—(1) Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the company secretary to give such notice.

(2) Notice of any directors' meeting must indicate—

(a) its proposed date and time ;

(b) where it is to take place ; and

(c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

(3) Notice of a directors' meeting must be given to each director, but need not be in writing.

(4) Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the FZE not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

31.—(1) Subject to the Articles, directors participate in a directors' meeting, or part of a directors' meeting, when—

Participation
in directors'
meetings.

(a) the meeting has been called and takes place in accordance with the Articles, and

(b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

(2) In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

(3) If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them are.

32.—(1) At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

Quorum for
directors'
meetings.

(2) The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, unless otherwise determined by the Articles.

(3) If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision—

(a) to appoint further directors, or

(b) to call a general meeting so as to enable the shareholders to appoint further directors.

33.—(1) The directors may appoint a director to chair their meetings.

Chairing of
directors'
meetings.

(2) The person so appointed for the time being is known as the chairman.

(3) The directors may terminate the chairman's appointment at any time.

(4) If the chairman is not participating in a directors' meeting within 10 minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

34.—(1) If the numbers of votes for and against a proposal are equal, the chairman or other director chairing the meeting has a casting vote.

Casting vote.

(2) But this does not apply if, in accordance with the Articles, the chairman or other director is not to be counted as participating in the decision-making process for quorum or voting purposes.

35.—(1) If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with the FZE in which a director

Conflicts of
interest.

is interested (an "interested director"), then subject to paragraph (2), the interested director is not to vote or be counted as participating in the quorum for the directors' meeting.

(2) An interested director may vote and be counted as participating in the quorum of the directors' meeting—

(a) if an ordinary resolution disappplies the provision of the Articles which prevents the interested director from voting or being counted as participating in the quorum ; or

(b) if the chairman of the directors' meeting rules that the interested director's interest in the actual or proposed transaction or arrangement with the FZE is not likely to give rise to a material conflict of interest ; or

(c) where the interested director is chairman of the directors' meeting, by simple majority by show of hands of the other participating directors ruling that that the chairman's interest in the actual or proposed transaction or arrangement with the FZE is not likely to give rise to a material conflict of interest.

Records of
decisions to
be kept.

36. The directors must ensure that the company keeps a record, in writing, for at least 10 years from the date of the decision recorded, of every unanimous or majority decision taken by the directors.

Directors'
discretion to
make further
rules.

37. Subject to the Articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

Methods of
appointing
directors.

38.—(1) Any person who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director—

(a) by ordinary resolution, or

(b) by board resolution.

(2) In any case where, as a result of death, the FZE has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

(3) For the purposes of paragraph (2), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

Termination
of director's
appointment.

39. A person ceases to be a director as soon as—

(a) that person ceases to be a director by virtue of any provision of the Eko Atlantic Regulations or is prohibited from being a director by law ;

(b) a bankruptcy order is made against that person ;

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts ;

(d) a registered medical practitioner who is treating that person gives a written opinion to the FZE stating that that person has become physically or

mentally incapable of acting as a director and may remain so for more than 3 months ; or

(e) notification is received by the FZE from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms.

40.—(1) Directors may undertake any services for the FZE that the directors decide.

Directors'
remuneration.

(2) Directors are entitled to such remuneration as the directors determine—

- (a) for their services to the FZE as directors, and
- (b) for any other service which they undertake for the FZE.

(3) Subject to the Articles, a director's remuneration may—

(a) take the form of—

- (i) cash,
- (ii) shares in the FZE or any of its subsidiaries,
- (iii) non-cash assets, or
- (iv) any combination of the above ; and

(b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

(4) Unless the directors decide otherwise, directors' remuneration accrues from day to day.

41. The FZE may pay any reasonable expenses which the directors properly incur in connection with their attendance at—

Directors'
expenses.

(a) meetings of directors or committees of directors,

(b) general meetings, or

(c) separate meetings of the holders of any class of shares or of debentures of the FZE, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the FZE.

PART V—CAPITALISATION OF PROFITS

42.—(1) Subject to the Articles, the directors may, if they are so authorised by an ordinary resolution, appropriate any sum which they so decide to capitalise (a "capitalised sum") to the persons who would have been entitled to it if it were distributed by way of dividend (the "persons entitled") and in the same proportions.

Authority to
capitalise
and
appropriation
of capitalised
sums.

(2) Capitalised sums must be applied on behalf of the persons entitled, and in the same proportions as a dividend would have been distributed to them.

(3) Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

(4) A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the FZE which are then allotted credited as fully paid to the persons entitled or as they may direct.

(5) Subject to the Articles, the directors may—

(a) apply capitalised sums in accordance with paragraphs (3) and (4) partly in one way and partly in another ;

(b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this Article (including the issuing of fractional certificates or the making of cash payments) ; and

(c) authorise any person to enter into an agreement with the FZE on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this Article.

PART VI—ADMINISTRATIVE ARRANGEMENTS

Means of
communica-
tion to be
used.

43.—(1) Subject to the Articles, any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

(2) A director may agree with the FZE that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Company
seals.

44.—(1) Any common seal may only be used by the authority of the directors.

(2) The directors may decide by what means and in what form any common seal is to be used.

(3) For the purposes of this Article, an authorised person is—

(a) any director of the FZE ;

(b) the company secretary ; or

(c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

No right to
inspect
accounts and
other
records.

45. Except as provided by law or authorised by the directors or an ordinary resolution of the FZE, no person is entitled to inspect any of the FZE's accounting or other records or documents merely by virtue of being a shareholder.

Provision for
employees
on cessation
of business.

46. The directors may decide to make provision for the benefit of persons employed or formerly employed by the FZE or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the FZE or that subsidiary.

Defined
terms.

47. In these Articles:

(1) Unless the context requires otherwise, other words or expressions contained in these Articles bear the same meaning as in the Eko Atlantic Regulations as in force on the date when these Articles become binding on the FZE ; and

(2) unless the context requires otherwise—

"Articles" means these Articles of Association ;

"bankruptcy" includes individual insolvency proceedings in a jurisdiction other than Nigeria which have an effect similar to that of bankruptcy ;

"chairman" has the meaning given in Article 33(2) ;

"chairman of the meeting" has the meaning given in Article 11(3) ;

"director" means a director of the FZE, and includes any person occupying the position of director, by whatever name called ;

"distribution recipient" has the meaning given in Article 20(2) ;

"document" includes, unless otherwise specified, any document sent or supplied in electronic form ;

"Eko Atlantic Regulations" means the Eko Atlantic Regulations 2019 in so far as they apply to the FZE ;

"fully paid" in relation to a share, means that the nominal value and any premium to be paid to the FZE in respect of that share have been paid to the FZE ;

"holder" in relation to shares means the person whose name is entered in the register of shareholders as the holder of the shares ;

"interested director" has the meaning given to it in Article 35(1) ;

"instrument" means a document in hard copy form ;

"ordinary resolution" has the meaning given in regulation 34(2) ;

"paid" means paid or credited as paid ;

"participate" in relation to a directors' meeting, has the meaning given in Article 10 ;

"prescribed form" means the form prescribed by the Nigeria Export Processing Zones Authority ;

"proxy notice" has the meaning given in Article 16(1) ;

"shareholder" means a person who is the holder of a share in the FZE ;

"shares" means shares in the FZE ;

"special resolution" "special resolution" has the meaning given in regulation 34(5) ;

"*subsidiary*" means a FZE or company that is wholly-owned by another FZE or company ;

"*FZE*" means a Free Zone Enterprise ;

"*transmittee*" means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law ; and

"*writing*" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

SECOND SCHEDULE

[Regulations 66(3),
68 and 69(e)]*General conditions applicable to Licences in a Free Zone*

1. The Zone Management, with the approval of Authority may grant approval for one or more of the following licences—

(a) Standard Licence Type 1 which—

(i) shall be issued to Applicants conducting business in the Zone for up to a year having a specified turnover as determined by the Zone Management ;

(ii) shall be valid for one year ; and

(iii) may be renewable annually.

(b) Standard Licence Type 2 which—

(i) shall be issued to international non-governmental organisations undertaking research, aid and development activities ;

(ii) shall be valid for one year ; and

(iii) may be renewable annually.

(c) Project Licence which—

(i) shall be a short-term licence issued to contractors or sub-contractors supplying goods or services to the Zone Management or any Licensee for a fixed duration ;

(ii) shall not be renewable ; and

(iii) may be extended.

2. An application for a Licence shall be made to the Zone Management with the approval of Authority in accordance with regulation 66.

3. Licences under the Standard Licence Type 1 shall include business operations for—

(a) building and construction ;

(b) research and development ;

(c) real estate services ;

(d) financial services ;

(e) banking services ;

(f) consulting services ;

(g) legal services ;

(h) health services ;

(i) educational services ;

(j) marketing services ;

(k) imports and exports ;

(l) hotel, hospitality, entertainment and leisure services ;

(m) international commercial arbitration services ;

(n) entertainment services ; and

(o) any other activities as may be approved by the Authority to meet the Zone's developmental and operational objectives from time to time.

4. All Licence Fees shall be—

(a) subject to periodic review by the Zone Management with the approval of Authority upon issuance of a three months' notice to all FZEs ; and

(b) stipulated in the Schedule of Fees to be made available by the Zone Management.

5. In determining the eligibility for a Licence, the Zone Management may consider—

(a) that the activity which the Applicant proposes to undertake in the Zone is Approved Activity within the Zone ;

(b) that the proposed activity to be carried out shall add value to and be consistent with the objectives and development of the Zone ;

(c) the technical, financial and managerial capabilities of the Applicant ;

(d) the Applicant's experience and track record ; and

(e) the level of foreign direct investment proposed by the Applicant.

6. A Licence shall only be issued to an Applicant who complies with this Schedule.

7. The Standard Licence Type 1 and Standard Licence Type 2 shall be valid for one year or for such period as may be stipulated by the Zone Management with the approval of Authority from time to time and may be renewed on expiry upon the—

(a) payment of the annual licence renewal fee ;

(b) production of documents, returns or information which the Zone Management or the Authority may require ; and

(c) payment of all outstanding financial obligations, if any, due to the Authority, Zone Management or investors.

8. A Licence shall only be valid within the Zone.

9. The Zone Management with the approval of Authority, may from time to time prescribe the appropriate fee for each type of Licence issued by it.

10. A Licence may be revoked or suspended upon the occurrence of any of the conditions in regulation 73.

CUSTOMS PROCEDURES

1. Importation of goods in relation to direct cross border imports from outside Customs Territory into the Zone shall be in accordance with the following procedures—

General
procedures
for importing
goods into
the Zone.

- (a) the FZE shall ensure that the consignor or supplier of the goods forwards to the consignee, the Bill of Lading or Air Waybill (the 'Bill'), the invoices and the packing list with the goods clearly marked with prices for each item on the list ;
- (b) the vessel or aircraft's manifest relating to such goods shall be endorsed with the statement 'Free Zone Status Shall Apply' ;
- (c) the FZE shall comply with the following requirements in relation to the Bill—
 - (i) indicate that the consignee of the goods is the FZE and shall specify the FZE address as 'Eko Atlantic Free Zone' ;
 - (ii) where for banking or other reasons the identification of the consignee has to be completed differently, the information referred to in this paragraph shall appear prominently in the 'Marks and Numbers' section of the Bill. The 'Notify Party' shall be the FZE. The Zone Management shall be notified to this effect ;
 - (iii) in relation to sea shipments, the 'Port of Discharge' shall be clearly specified ; and
 - (iv) in relation to air shipments, the 'Airport of Final Destination' shall be clearly specified.
- (d) 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 ;
- (e) the FZE shall provide to the Zone Management an advance manifest seven days before arrival of the vessel, and for shipments by air, the manifest shall be provided prior to or upon arrival of the aircraft ;
- (f) prior to the arrival of the goods or upon shipment, the FZE shall provide to the Zone Management certified copies of Invoices, Packing List, Bills of Lading and other relevant documents, which shall be considered to be a 'Transaction Request Order' by the Zone Management ;
- (g) on receipt of the 'Transaction Request Order' with the specified documents, the Zone Management shall prepare a 'Request to Transfer under Customs Escort' or 'Transfer Request' authorising the goods to be transferred from the point of discharge to the Zone ; and
- (h) 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 Management.

Specific
Procedures
for
Importing
Goods into
the Free
Zone by Sea.

2. For importation of goods into the Zone by sea, the following procedures shall apply—

(a) 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 ;

(b) upon the receipt of dispatch shipping documents from the supplier, the FZE shall complete a 'Transaction Request Order' and forward to the Zone Management with copies of the following documents—

- (i) commercial invoice,
- (ii) bill of lading,
- (iii) packing list, and
- (iv) other relevant documents ;

(c) upon the receipt of the documents specified in sub-paragraph (b) of this paragraph), the Zone Management shall prepare a 'Transfer Request' authorising the goods to be transferred directly from the vessel to the Zone upon arrival ;

(d) the 'Transfer Request' shall be endorsed by the Free Zone Customs, the ship's agent, the Nigerian Ports Authority (NPA) or the Terminal Operators and noted with the stack address of the cargo and a stock reference number ;

(e) the FZE shall authorise the Zone Management to transfer the goods upon discharge except otherwise indicated and pay applicable charges ;

(f) after paying all applicable charges, the shipping agent shall issue a delivery order to the FZE, a copy of which shall be made available to Zone Management ;

(g) the duly authorised and endorsed 'Transfer Request or Request to Transfer under Custom's Escort' shall be delivered to the terminal operator who shall transfer the goods from the quayside to the appropriate stacking area ;

(h) upon completion of the stacking, the 'Transfer Request' or 'Request to Transfer under Customs Escort' shall be signed by the Terminal Operator and returned to the Zone Management ;

(i) upon the receipt of the delivery order and the 'Transfer Request', the FZE or the Zone Management shall (on request) take delivery of the cargo from the quayside or stacking area and transport to the Zone under Customs Escort ; and

(j) Receipted copies of the Transfer Request shall be sent to the FZE, the Zone Management, Nigeria Customs Service (NCS), the Terminal Operator and Nigerian Port Authority (NPA).

3. For the importation of goods into the Zone by air freight, the following procedures shall apply—

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

(a) the Nigerian Aviation Handling Company Plc. (NAHCO) or appropriate aviation handling company shall discharge the cargo from the aircraft which shall be tallied, reconciled to the manifest and transferred to the cargo arrival shed ;

(b) on receipt of an advice from NAHCO or appropriate aviation handling company, the FZE shall collect the documents relating to the goods from the airline, and on payment of all applicable charges, the airline shall issue a 'Delivery Order' to the FZE and a copy shall be made available to the Zone Management ;

(c) on the receipt of the relevant invoice, air waybill, packing list and other relevant documents ('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 ;

(d) the airline shall make available a separate manifest of all Zone cargo on-board the flight to the Zone Management prior to or upon arrival of the flight duly sealed by the airline agents ;

(e) on the receipt of the Delivery Order and the 'Transfer Request', the FZE or the Zone Management shall (on request) take delivery of the cargo and transport it from the airport to the Zone under customs escort ; and

(f) on arrival at the Zone, the consignment shall be written off the incoming aircraft manifest and a copy of the receipted 'Transfer Request' shall be forwarded to NAHCO or the appropriate handling company through the Free Zone Customs.

4. For importing goods into the Zone by road freight the following procedures shall apply—

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

(a) where the FZE require goods to be delivered to the Zone by road freight, the FZE shall apply in writing to the Zone Management for permission for the transfer and the application shall be supported by all relevant commercial documents ;

(b) where goods require transfer by road freight because they have been misdirected in the original delivery process, the FZE shall support the application with a report stating how the goods were misdirected ;

(c) if the Zone Management and Free Zone Customs consent to the application, the 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 ;

(d) on the receipt of the 'Transfer Request' by the Border Post Customs where the goods are being held, the goods shall be delivered to the Zone under customs escort ; and

(e) on the arrival at the Zone, the authorised and endorsed 'Transfer Request' is forwarded to the Customs Command at the point of discharge for use to close the record of movement.

Cargo track
Inventory
System.

5.—(a) All deliveries of goods to the Zone shall be entered into the Zone's 'Cargo Track' tracking and inventory system.

(b) The Zone Management shall issue stock reports showing a FZE's goods movement at intervals agreed by the FZE and the Zone and the Free Zone Customs shall have access to the stock control elements of the Cargo Track system.

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

(d) The Zone Management and the Free Zone Customs shall inspect the records and books of account of the FZE's cargo from time to time after reasonable notice has been given to the FZE.

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

(f) The Zone Management or Free Zone Customs may require its officers to be stationed on the premises of the FZE for the purposes of inspection.

Importation
of goods by
pipeline or
other special
products in
the Zone.

6. The procedure for importing goods in the Zone by pipeline or for importing other special products into the zone shall be prescribed by the Zone Management and agreed upon from time to time with the Free Zone Customs.

THE PROCEDURE FOR EXPORTING GOODS FROM THE ZONE
INTO THE NIGERIAN CUSTOMS TERRITORY

1.—(a) Only goods and services which are of commercial quantities as stipulated by the Zone Management and approved by the Authority may be exported from the Zone into the Customs Territory ;

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

(b) These procedures shall apply to importers seeking to export goods and services in commercial quantities from the Zone into the Customs Territory in the course of trading activities. Such goods shall be subject to extant fiscal policy regulations pertaining to importation of goods in commercial quantity into the Customs Territory ; and shall be deposited at the bonded warehouse located in the buffer zone and operated by the Authority ;

(c) Without prejudice to the foregoing, goods declared as personal effects which are in excess of the passenger concessions shall be treated in line with provisions of the customs baggage code ;

(d) For non-prohibitions the importer shall first submit a completed 'Form M' to his bank ('the Bank') with the 'Country of Origin' and the 'Country of Supply' marked as Eko Atlantic Free Zone ;

(e) the Bank shall countersign Form M and attest the supporting documents ;

(f) where appropriate, the documents may be stamped 'Not Valid for Foreign Exchange' by the Bank ;

(g) a 'Transaction Request Order' shall be completed by the FZE and sent to the Zone Management together with copies of the following documents certified by the Bank—

(i) Commercial invoice,

(ii) Form M,

(iii) Bill of Lading,

(iv) Packing list, and

(v) Form C16 and attested invoices ;

(h) where the 'Transaction Request Order' and attached documents are accepted by the Zone Management, the Zone Management shall prepare a 'Request to Examine, Access and Value and Classification' to the Free Zone Customs ;

(i) an examination by the customs shall be carried out and a clean pre-arrival assessment report ('PAAR') shall be issued by the Free Zone Customs ;

(j) for goods required urgently, their release may be obtained promptly but the importer shall execute a bank guarantee or cashable bond endorsed by the importer to the Zone Management, guaranteeing duty payment at a stipulated date ;

(k) for immediate duty payment, the FZE or its clearing agent shall present the PAAR with other documents to the Bank for duty payment and the Bank shall issue the importer a shipment receipt payment ('Bank Pay-in-slip') or Single Goods Declaration ('SGD') ;

(l) the importer shall complete the SGD forms attached to the Clean Report of Inspection ('CRI'), Invoice, Bill of Lading, Packing list and Form C16 and present them for endorsement and processing at the customs processing centre ;

(m) if satisfied with the documents presented, the Free Zone Customs shall release the goods for delivery to the importer ;

(n) the Free Zone Customs Command shall arrange for examination, valuation and classification of the goods ;

(o) on completion of the examination, valuation and classification of the goods, the Free Zone Customs Command shall endorse the SGD and issue it to the importer ;

(p) on receipt of the endorsed SGD, the importer shall pay the agreed duty to the Customs designated bank using the Bank Pay-in-slip, and the Bank shall provide the importer with a customs revenue receipt ;

(q) the importer shall on receipt of the Customs revenue receipt, prepare a Customs bill of entry and submit to the Free Zone Customs under the cover of the original 'Request to Release', the Customs revenue receipt and a copy of the endorsed SGD ;

(r) if acceptable to the Free Zone Customs, the bill of entry shall be stamped and signed by the Free Zone Customs and the SGD shall again be endorsed ;

(s) the Free Zone Customs shall issue a Risk Assessment Report (RAR) which shall be submitted to the Zone Management ;

(t) the Authority shall issue a Delivery Order to the importer upon receipt of the Customs Release Order ; and

(u) upon production of the delivery order by the importer, the goods shall be released for delivery into the Customs Territory.

Pre-Release
of Goods
with
Deferred
Duty
Payment.

2.—(a) Pre-release of Goods with deferred duty payment shall be restricted to perishable goods only.

(b) The importer shall apply to the Customs Area Comptroller who, on merit of the application, shall convey approval thereto.

(c) A perfection of a pre-release of Goods with deferred duty payment shall be a condition for granting subsequent pre-release concessions to such beneficiaries.

(d) The procedure under paragraph 2 of this Schedule shall apply where the FZE wishes to implement a duty scheduling system ('the System') whereby goods required urgently for use in the Customs Territory can be exported from the Zone and payment of customs duty deferred to a later date.

(e) To qualify for the System, the FZE shall comply with the following procedures—

(i) the FZE shall establish and provide an acceptable Guarantee from the FZE's bank for an amount sufficient to cover the amount of Custom's duty expected to be outstanding at any one time ; and

(ii) submit an application for registration under the System to the Zone Management.

(iii) If acceptable, the Zone Management shall countersign the application and forward to the Free Zone Customs for approval.

(iv) If approved, the Zone Management shall open a separate 'Cargo track' system to record the transaction in the fast track section of its 'Cargo Track' system.

3. The Zone Management may under an arrangement with the Free Zone Customs, set up a duty payment system on a monthly basis, which allows the FZE to pay duty at the end of the month for all the goods exported in the same month.

Customs
duty
payment
system on a
monthly
basis.

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

(a) The FZE 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

(iv) Export Declaration documents ;

Specific
procedures
for exporting
goods from
the Zone by
sea.

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

(b) The Zone Management shall with the consent of the Free Zone Custom, apply to the Customs at the seaport for physical examination of the goods against the documents submitted ;

(c) the approval to release goods and endorsement of the Export Declaration for export shall be issued by the Zone Management to the FZE or its Agent ;

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

(e) the 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 FZE of all storage and handling charges ;

(f) the goods delivered on board the vessel shall be tallied and reconciled to the vessel's manifest by the Terminal Operators ;

(g) On completion of the above, the Captain of the vessel shall endorse the Export Declaration Form for the Free Zone Customs as evidence of shipment ;

(h) the FZE shall receive a Bill of Lading evidencing the shipment of the goods on payment of all freight charges ; and

(i) the FZE shall perfect an Export SGD with the Customs at the CPC and present with copies of the endorsed Export Declaration for final release by Customs.

Exporting
Goods to a
Foreign
Territory by
Air Freight.

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

(a) the FZE 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

(iv) Export Declaration documents ;

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

(b) the Zone Management shall follow the procedures of exporting of goods by sea contained in paragraph 5 of this Schedule ;

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

(d) the Customs shall approve the release of the goods and the FZE or its agent shall submit the release documents to NAHCO or appropriate aviation handling company for payment of statutory handling charges ;

(e) the goods shall be released by the Free Zone Customs and transported to the airport under customs escort ;

(f) the goods, with the Export Declaration shall be handed over to the Customs and NAHCO officials or officials of the appropriate aviation handling company, who shall tally the goods, load them into the aircraft, sign and stamp the Export Declaration ;

(g) the pilot of the aircraft shall endorse the Export Declaration documents ; and

(h) the FZE shall prepare an Export SGD, attach a copy of the stamped Export Declaration and other documents and submit to the Free Zone Customs through the Zone Management.

THE PROCEDURE FOR HANDLING GOODS
THAT REQUIRE REPAIR AND MAINTENANCE IN THE ZONE

1. A FZE may apply to the Zone Management for the repairs or maintenance of goods in the Customs Territory within the Zone.

Procedure
for handling
goods from
within the
customs
territory
being
repaired or
maintained in
the Zone.

(a) The application shall be made on a 'Transaction Request Order' accompanied by—

- (i) a brief explanation of the reasons for the repairs or maintenance,
- (ii) relevant documents indicating the contract documents or agreement to repair or maintain the equipment,
- (iii) relevant import and commercial documents,
- (iv) correspondence between the companies doing the business,
- (v) the duration of repair or maintenance, and
- (vi) other information as may be required by the Zone Management ;

(b) The 'Transaction Request Order' shall contain necessary documents relating to the importation of the materials to be used for the repairs or maintenance ;

(c) The Zone Management shall apply to the Free Zone Customs and the Destination Inspection Agent (DIA) for examination of the Free Zone items to be consumed during the repair or maintenance ;

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

(e) the DIA shall issue a RAR on the goods utilized on the maintenance or repairs and the necessary duties, levies shall be paid, if applicable. And the FZE or Agents shall perfect the entries (SGD) accordingly ; and

(f) for repairs and export to other countries, only Customs examination shall be carried out on the goods. Other procedures for export shall follow on the utilized goods as prescribed above.

2. The following procedures shall apply in respect of goods for repair, refurbishment or maintenance in the Customs Territory—

Goods for
repair,
refurbishment
or
maintenance
in the
Customs
Territory.

(a) the FZE shall submit all relevant documents, stating clearly the reason for repair and duration of maintenance. This will be a "Transaction Request" ;

(b) 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 ;

(c) the Free Zone Customs shall then examine the goods, endorse the Transaction Request Order and release the goods for repairs ;

(d) goods will then be released from the Zone with the approval documents ;

(e) the FZE transfers goods to the Customs Territory for repair ;

(f) the FZE notifies the Zone Management and the Free Zone Customs on return of goods ; and

(g) on completion of repairs and the delivery of goods into the Free Zone, the goods will be examined against the original "Request for Repair" and the goods will be returned to Free Zone.

Failure to
return good
to the Free
Zone within
specified
time frame.

3. Customs duty will be charged on goods not returned to the Free Zone within the time frame specified in the authorisation, unless an application for an extension of time is made by the FZE and approved by the Zone Management. Additional penalties may also be applicable.

PROCEDURES FOR TRANSFERRING GOODS

1. The following procedures shall apply—

(a) the FZE shall submit to the Zone Management copies of the Bill of Lading, Invoice and the Packing List which shall be considered to be a 'Transaction Request' ;

Goods between the Zone and another Free Zone.

(b) the Zone Management shall issue a Transaction Request Order to the Free Zone Customs for examination of the goods ;

(c) the Free Zone Customs shall authorise the Transaction Request Order and carry out an examination of the goods against the documents submitted ;

(d) the Free Zone Customs shall have approval for the release of the goods ;

(e) the Zone Management shall issue a request to the NPA to deliver the goods to the relevant vessel or airport upon payment of handling and freight charges by the FZE, if the goods are to be delivered by sea or air respectively, or release the goods to the road hauler under Customs escort if the goods are to be transferred by road ; and

(f) the Free Zone Customs Escort shall return to the Free Zone with endorsed Landing Certificate from the carrier.

2. The following procedures shall apply—

(a) the FZE (seller) shall raise an Invoice and notify the Zone Management which invoice shall be considered to be a 'Transaction Request' ;

(b) the FZE (buyer) shall submit a copy of the original Invoice covering the importation and the new Invoice to the Zone Management. This shall be considered to be a Transaction Request ;

Goods from one FZE to another within the Free Zone (for use in the Customs Territory).

(c) the FZE (seller) shall complete Form M with the Bank ;

(d) 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 ;

(e) the Free Zone Customs shall authorise the Transaction Request Order and shall conduct a joint examination of the goods with the DIA ;

(f) the DIA shall issue the RAR and shall dispatch it to the designated Bank ;

(g) the FZE (buyer) shall submit the SGD at the CPC for processing, attaching all commercial documents including the import duty receipt ; and

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

CUSTOMS PROCEDURES WITHIN THE ZONE

Personal
duty-free
allowance.

1. Personal duty-free allowance for a Customs Territory visitor or tourist shall be guided by the provisions of concessions as published by the Nigeria Customs Service.

Goods
Imported
into Zone.

2.—(a) All items imported into the Zone must be entered by the CPC. The goods are not subject to import duty at this point due to the free zone status of the Zone. However, 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. This code must be stated on every invoice and receipt issued by the importer or seller of the goods to the buyers at the point of sale. 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. All the above information must be promptly entered into a database designed for such purpose.

(b) Considering the free zone status of the Zone, all goods, including goods that are banned or prohibited for importation into the Customs Territory will be allowed for importation into the Zone in accordance with the provisions of the relevant applicable law.

(c) Goods that are expressly prohibited from being exported out of Nigeria may not be allowed into the Zone from the Customs Territory. 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.

(d) All cargo brought into the Zone duty-free shall be consigned to a registered FZE in the Zone.

(e) The consignee shall ensure that the shipping documents, Bill of Lading or Air Waybill, commercial invoice, packing list and manifest are properly documented within the Zone as follows—

(i) consignee's name on the Bill of Lading or Air Waybill and shipping documents being the same as registered by the Authority ;

(ii) consignee's address to be written as—

EKO ATLANTIC, LAGOS,

NIGERIA TELEPHONE: +234

[insert consignee's Nigerian number], and

(iii) the phrase 'These goods are meant for the Zone and are exempted from customs duty as enshrined in the Act' shall be clearly stated in the Bill of Lading or Air Waybill.

(f) On perfection of the shipping documents, the consignee shall ensure that a Transaction Request Order and the perfected shipping documents are forwarded to the Authority through the Zone Management.

(g) The consignee shall ensure that the Transaction Request Order shall reach the Zone Management at least 7 days before the arrival of the cargo.

(h) On confirmation of the Transaction Request Order and accompanying shipping documents, the Zone Management through the Authority shall issue an authorisation letter in care of the consignee and its agent requesting the Customs Area Comptroller to release the cargo to the Zone under customs escort, after inspection of the goods under the Act.

(i) On approval of the authorisation letter referred to in sub-paragraph (h) by the Customs Area Comptroller, the cargo shall be transferred to the Zone under Customs escort and upon arrival of the cargo, a joint physical examination shall be carried out on the cargo by the Zone Management and the customs officers' resident in the Zone.

(j) The cargo's landing certificate shall be endorsed by the Free Zone Customs on confirmation of the cargo and the Zone Management shall move the cargo on the appropriate stacking area.

3. Goods manufactured within the Zone must be accounted to the CPC in terms of quantity and materials used for the production. Where inputs into the production of the goods include items that have been previously imported into the Zone, the CPC must be promptly informed. After inspection of the goods produced, the CPC must delete the inputs from its records and allocate appropriate HS code to the final product.

Goods
Manufactured
within the
Zone.

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

Expired,
Damaged or
Destroyed
Goods.

5. The sellers within the Zone must be familiar with sales that constitute personal effects and indicate this fact on the invoices and receipts issued for goods sold which qualify under this category. The receipts and invoices for items consumed within the Zone must also be appropriately denoted. Copies of the receipts and invoices for goods consumed within the Zone and for personal effects must be forwarded to the CPC on a regular basis or as agreed for the purpose of updating its records.

Personal
Effects and
Goods
Consumed in
the Zone.

6. The sellers within the Zone must be familiar with sales that constitute personal effects and indicate this fact on the invoices and receipts issued for goods sold which qualify under this category. The receipts and invoices for items being exported by buyers into the Customs Territory must also be appropriately denoted. Copies of the receipts and invoices must also be forwarded to the CPC on a regular basis or as agreed for the purpose of updating its records.

Personal
Effects and
Goods
Exported
into the
Customs
Territory.

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

Goods for
Export to
countries
other than
the Customs
Territory.

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

(c) 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.

(d) 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 the CPC at the point of exit. The customs invoice should also 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 the Zone management.

(e) The CPC shall perform the requisite inspection of goods, at the time of exit from the Zone 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. 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 Customs Territory. The exported goods shall be deleted from the CPC records.

(f) In a bid to properly monitor the movement of the goods from the Zone without the buyers diverting the goods into the Customs Territory, the CPC may arrange for the use of bonded warehouses both at the Zone and at the port of exit before the goods are taken out of Nigeria. For goods to be transported out of Nigeria by road, the buyers should be encouraged to have their means of transportation ready to transport the goods from the Zone.

Goods
imported
into Nigeria.

8.—(a) Goods purchased within the Zone for resale with the Customs Territory qualify under this category. This shall represent large or wholesale quantities as agreed between the Zone and the CPC which are destined for other parts of the Nigerian territory outside the Zone and other free zones in the country, such imports into the Customs Territory are subject to customs duty as appropriate unless there is an express exemption of duty on such goods.

(b) Goods that are deemed for 'personal consumption' will not fall under the 'goods imported into the Customs Territory' category.

(c) Under this category, on the basis of the HS Code of the goods being sold and the appropriate duty rate the traders at the Zone shall calculate the customs duty on the goods sold to their customers. The duty shall be collected on behalf of the NCS together with the prices of the goods. The sellers will 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. It is the sellers' responsibility to ensure that the duty on invoices marked for entry into the Customs Territory is collected on behalf of the Customs.

(d) Once the goods are to exit from the Zone, the CPC shall inspect the customs invoice, the receipt of payment for the goods and customs duty to ensure consistency and correctness. The CPC shall also inspect the goods to be imported into the Customs Territory and ensure that they conform to the quantity stated in the customs invoice. Any discrepancy shall be resolved before the release of the goods by the CPC to the importer. Upon inspection to the satisfaction of the CPC, a customs clearance shall be issued to the importer. The CPC shall also delete the imported items from its records.

ZONE MARKET CATEGORISATION FOR CUSTOMS DUTY CONSIDERATION

Goods
imported
into the
Customs
Territory 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 the Zone 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. As this category of goods will be 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 will fall under this category ;

(b) Nigerian importers shall be required to process Form 'M' through any authorised dealer bank, whether payment is involved or not ; 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 the Zone will boost exports and trading activities with traders along the West African 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 the Zone, with large or wholesale consignments being purchased from the Zone for export to destinations outside Nigeria.

5. As this category of goods is for export to destinations outside Nigeria, the following shall apply—

(a) all the categories of goods traded in the Zone, including such goods as have been banned or prohibited by the FGN, will fall under this category ; and

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

Goods
purchased
for personal
consumption.

6.—(a) This category of goods can be purchased for consumption within the Zone, imported into the Customs Territory or exported out of the Customs Territory for personal consumption and the target market for this category of goods includes the following—

(i) West African shoppers and leisure seekers ;

(ii) Nigerians ;

(iii) expatriate resident in Nigeria ; and

(iv) International visitors.

(b) As this category of goods is for personal consumption purpose only, the following shall apply—

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

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

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

(iv) all other customs and licensing requirements that apply to goods imported into the Custom Territory from other countries shall not apply to this category of goods including the processing of Form M.

NINTH SCHEDULE

[Regulation 105(2)]

TAX IMPLICATION FOR SPECIFIED TRANSACTIONS WITHIN THE ZONE

<i>Serial No.</i>	<i>Subject Matter</i>	<i>Tax Implication</i>	<i>Basis of the Position</i>
1.	Purchases made by FZEs within the Zone 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.	Sections 8 and 18(1) of the Act, which grant tax exemption, do not provide exemption to 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 sections 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 section 8 of CITA dealing with derivation of income is also relevant.
6.	Property or assets of FZEs within the zone.	No. VAT No. WHT	This is in line with the Act.

TENTH SCHEDULE

[Regulation 192]

Eko Atlantic Free Zone is located in the Eko Atlantic area of Lagos State measuring 1,037.76 hectares at Victoria Island in the South Western part of Lagos State which land is delineated with the following co-ordinates—

Point	Co-ordinates	
	N	E
1	707,044.28	544,672.19
2	707,573.32	544,582.83
3	708,047.47	544,617.26
4	708,047.47	544,751.31
5	708,943.59	544,933.07
6	709,361.25	545,108.46
7	709,586.20	545,144.33
8	709,714.11	545,657.84
9	709,722.28	545,806.82
10	709,722.28	546,281.91
11	709,773.50	546,757.91
12	709,791.01	547,184.07
13	709,304.81	547,238.76
14	708,846.73	547,356.00
15	708,305.09	547,492.67
16	708,141.58	546,949.81
17	707,887.68	546,312.31
18	707,578.45	545,688.47
19	707,237.91	545,039.69
20	709,832.47	546,967.40
21	709,834.23	547,171.81
22	709,818.40	547,399.11
23	709,818.38	547,781.61
24	709,818.38	547,996.25
25	709,818.38	548,452.25
26	709,818.38	548,908.25
27	709,818.38	549,363.25
28	709,818.38	549,701.25
29	709,818.38	550,039.26
30	709,818.38	550,377.98
31	709,818.38	550,760.98
32	709,818.38	551,143.98
33	709,818.38	551,526.47
34	709,818.38	551,750.47
35	709,818.38	551,974.47
36	709,818.38	552,200.00
37	709,629.63	552,200.00

Co-ordinates

<i>Point</i>	<i>N</i>	<i>E</i>
38	709,440.86	552,200.00
39	709,406.15	552,185.99
40	709,390.90	552,151.80
41	709,377.29	551,928.41
42	709,334.71	551,875.75
43	709,194.71	552,049.67
44	709,051.65	552,002.18
45	708,929.03	551,914.51
46	708,836.74	551,804.32
47	708,732.32	551,566.23
48	708,719.94	551,449.67
49	708,719.96	550,823.57
50	708,719.97	550,457.73
51	708,684.86	550,002.49
52	708,652.31	549,635.80
53	708,626.09	549,364.30
54	708,582.50	548,991.75
55	708,519.98	548,540.61
56	708,455.48	548,172.16
57	708,407.47	547,924.76
58	708,335.86	547,615.55
59	708,254.15	547,308.09
60	708,665.23	547,175.97
61	709,137.72	547,022.47
62	709,275.65	546,987.64
63	709,418.75	546,981.07

ELEVENTH SCHEDULE

[Regulation 193]

LIST OF ABBREVIATIONS

BOFIA	Banks and Other Financial Institutions Act
CBN	Central Bank of Nigeria
CERPAC	Combined Expatriate Residence Permit and Aliens Card
CPC	Customs Processing Centre
DIA	Destination Inspection Agent
ECOWAS	Economic Community of West African States
FOB	Free On Board
FZE	Free Zone Enterprise
FZEs	Free Zone Enterprises
HSE	Health, Safety and Environment
KYC	Know-Your-Customer
NAHCO	Nigerian Airport Handling Company
NCS	Nigeria Customs Service
NCT	Nigerian Customs Territory
NIS	Nigeria Immigration Service
NSITF	Nigeria Social Insurance Trust Fund
NPA	Nigeria Ports Authority
RAR	Risk Assessment Report
RSA	Retirement Savings Account
TWP	Temporary Work Permit
VAT	Value Added Tax
WHT	Withholding Tax

MADE at Abuja this 20th day of November, 2019.

ENGR. T. D. NONGO

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 seek to revoke the Nigeria International Commerce City Free Zone Regulations, 2015 and provide details of regulatory and supervisory requirements necessary to promote efficient and profitable operations to facilitate the attainment of the goals for which the Eko Atlantic Free Zone is established.