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<i>S.I. No.</i>	<i>Short Title</i>	<i>Page</i>
4	Nigeria Export Processing Zones (Infractions and Sanctions) Order, 2021	B303-313

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**NIGERIA EXPORT PROCESSING ZONES AUTHORITY ACT,
(CAP. N107, LAWS OF THE FEDERATION OF NIGERIA, 2004)**

**NIGERIA EXPORT PROCESSING ZONES
(INFRACTIONS AND SANCTIONS) ORDER, 2021**



ARRANGEMENT OF ORDERS

Order :

1. Application of administrative sanctions for infractions in the Free Zones.
2. Savings.
3. Citation.

S. I. No. 4 of 2021

**NIGERIA EXPORT PROCESSING ZONES AUTHORITY ACT
(CAP. N107, LAWS OF THE FEDERATION OF NIGERIA, 2004)**

**NIGERIA EXPORT PROCESSING ZONES
(INFRACTIONS AND SANCTIONS) ORDER, 2021**

[7th Day of January, 2021]

Commence-
ment.

In exercise of the powers conferred on the Nigeria Export Processing Zones Authority ("the Authority") by section 10(4) of the Nigeria Export Processing Zones Authority Act, Cap N107 Laws of the Federation of Nigeria, 2004 and all other powers enabling it in that behalf, the Authority hereby makes the following Order—

1. For the purpose of the Nigeria Export Processing Zones Authority Act and the Regulations made under the Act, the infractions and sanctions listed in the schedule to this Order shall apply for the regulation, administration and operation of the Free Zones and the entities established pursuant to the Act.

Application
of
administrative
sanctions for
infractions in
the Free
Zones.

2. Nothing in this Order shall invalidate or otherwise prejudicially affect anything done or purported to have been done under the Act prior to this Order.

Savings.

3. This Order may be cited as the Nigeria Export Processing Zones (Infractions and Sanctions) Order, 2021.

Citation.

MADE at Abuja this 7th day of January, 2021.

PROF. ADESOJI ADESUGBA
Managing Director
Nigeria Export Processing Zones Authority

SCHEDULE

[ORDER 1]

INFRACTIONS AND SANCTIONS

BASIC INFRASTRUCTURE/FACILITY

	INFRACTION	SANCTION
1.	Non-provision of perimeter fence (where applicable) at the end of the third year of Zone declaration.	Non-admission of the Free Zone Enterprise (FZE).
2.	Lack of fire-fighting equipment or equipped fire station in line with applicable laws by— (a) a newly licensed Zone, or (b) an existing Zone or FZE.	Non-admission of an FZE in the Zone. Suspension of operation for the FZE while the nature of activity will determine the sanctions to be prescribed by the Authority for the Free Zone Management Company (FZMC).
3.	No evidence of comprehensive insurance of fixed assets one year after the commencement of operation by the FZMC or FZE.	Non-renewal of the Operating Licence ("the OPL").
4.	Non-provision of proper office accommodation for relevant government agencies.	Suspension of services provided by the Authority under the Act.
5.	Non-provision of equipped functional sick bay, unit or clinic accessible to all staff, 6 months after commencement of operation by the FZMC.	Payment of US\$1,500 per month of default.
6.	Non-installation of functional Closed-Circuit Television (CCTV) surveillance camera.	Payment of US\$1,500 per month of default.

DORMANT ZONES

	INFRACTION	SANCTION
1.	Non-activity at the end of the second year of zone declaration (except in a case of <i>force majeure</i>).	Warning.
2.	Non-activity at the end of the third year of zone declaration (except in a case of <i>force majeure</i>).	<p>(a) The Authority shall first issue a 3 months prior notice to the promoters of the zone and may grant a conditional renewal, where the promoters take concrete and verifiable steps to commence operations.</p> <p>(b) Where the zone continues to be dormant after the expiration of the 3 months prior notice, the Authority shall issue a final 30 days' notice and inform the Honourable Minister of the Authority's intention to suspend the zone's declaration licence. The Authority shall thereafter suspend the zone's declaration Licence where the zone remains dormant.</p>
3.	Non-activity at the end of the fifth year of zone declaration (except in case of <i>force majeure</i>).	Revocation of zone's declaration Licence.

OPERATIONAL INFRACTIONS

	INFRACTION	SANCTION
1(a)	Late renewal of the FZMC's OPL after 3 but not later than 11 months of expiration.	0.25% of OPL fee to be paid per month of default.
1(b)	Late renewal of the FZE's OPL after 3 but not later than 11 months of expiration.	
2(a)	Non-renewal of FZMC's OPL after one year.	Delisting of the FZMC but subject to re-listing by the Authority after compliance.
2(b)	Non-renewal of FZE's OPL after one year.	Delisting of the FZE but subject to re-listing by the Authority after compliance.
3.	An FZE operating without registration.	Suspension of operation of the FZE and payment of US\$10,000 by the FZMC per FZE operating without registration. FZMC to ensure immediate registration of the FZE.
4.	Operating outside Approved Activity.	3 Months suspension of Licence and payment of US\$10,000.
5.	Non-payment of ground rent (where applicable).	Payment of additional 50% of initial fee.
6.	Under-invoicing at the time of export or import.	3 months suspension of Licence and payment of US\$10,000.
7.	False declaration of goods— (a) first offender (b) second offender (c) third offender.	3 months suspension of Licence. 3 months suspension of Licence and payment of US\$10,000. Revocation of Licence.
8.	Smuggling.	Revocation of Licence, blacklisting and handing over to Nigeria Customs Service for prosecution.
9.	Non-maintenance by an FZE of a ledger indicating receipt and issuance of raw materials.	Payment of US\$500 by the FZE per default.

10.	Non-maintenance by an FZE of a ledger indicating finished goods, wastes and scraps.	Payment of US\$500 by the FZE per default.
11.	Non-attendance of stakeholders' or investors' meeting or forum by an FZE's top management staff upon service of 14 days' Notice.	Payment of US\$500 per meeting.
12(a)	Non-inscription of " <i>Made in the Free Zone</i> " on goods produced in the Zone.	No export.
12(b)	Inscription of " <i>Made in the Free Zone</i> " on goods produced in the Customs Territory by Free Zones investors (where applicable).	Revocation of Licence.
13	Improper channel of communication.	Payment of US\$5,000 by the FZMC and US\$10,000 by the FZE.

REGISTRY INFRACTIONS

	<i>INFRACTION</i>	<i>SANCTION</i>
1.	Non-filing of annual returns.	Non-renewal of OPL.
2.	Renewal of OPL without filing of annual returns.	Payment of US\$5,000 per FZE by the FZMC.
3.	Infraction on registered address, sign-name plate, business letters, etc.	Payment of US\$50 per month for each default.
4.	Change of registered name without approval.	Payment of US\$5,000 and the Authority to ensure approval is obtained.
5.	Refusal to register a registrable instrument, agreement or Memorandum of Understanding (MOU) with the Authority.	Payment of US\$20,000.

2(a)	Non-provision of condition of service by an employer.	<p>(a) The employer shall pay US\$20,000 ; and</p> <p>(b) The Authority shall withdraw its services provided under the Act where the employer—</p> <p>(i) pays the US\$20,000 and remains in default after 3 months of the payment, or</p> <p>(ii) fails to pay the US\$20,000.</p>
2(b)	Non or partial-implementation of the condition of service.	<p>(a) The employer shall pay US\$20,000 ; and</p> <p>(b) The Authority shall withdraw its services provided under the Act where the employer—</p> <p>(i) pays the US\$20,000 and remains in default after one month of the payment, or</p> <p>(ii) fails to pay the US\$20,000.</p>
3.	Lack of health insurance in line with National Health Insurance Scheme Regulations and Pension Scheme for employees under the Pension Act.	Payment of US\$20,000 by an employer and the Authority to ensure immediate compliance.
4.	Non-compliance with National Minimum Wage and standard working hours.	Payment of US\$300 by an employer per employee per month to the Authority and the short fall computed and paid to the affected employee.
5.	Physical assault of any sort.	Person liable shall be handed over to relevant law enforcement agency for investigation and possible prosecution.
6.	Sexual harassment.	Investigation by relevant law enforcement agency, suspension of employment and legal action.
7.	Unreported incident resulting to— (a) Mild injury, (b) Severe injury,	<p>(a) Payment of US\$500 to victim in addition to settling the medical expenses.</p> <p>(b) Payment of US\$1,000 to victim in addition to settling the medical expenses.</p>

IMMIGRATION

	<i>INFRACTION</i>	<i>SANCTION</i>
1.	Failure to submit Expatriate Returns.	Payment of US\$500 per each month of default.
2.	Lack of a valid residence permits for an expatriate or unexempted dependant.	(a) Payment of US\$1000 per expatriate or unexempted dependant and the Authority to ensure compliance within one week. (b) Non-compliance with the payment and the directives of the Authority attracts deportation by the Nigerian Immigration Service (NIS).
3.	Expatriates under Free Zone regime found working in Customs Territory.	Recommend to NIS for immediate deportation.
4.	Harbouring of illegal alien in the Zone by the FZMC, FZE or an individual.	(a) Payment of US\$2000 per illegal alien ; and (b) Where the harboured illegal alien is upon investigation by relevant agencies, reasonably suspected to be a criminal— (i) the responsible FZMC or FZE shall be suspended and be prosecuted by the appropriate authority, and (ii) in the case of an individual, he shall be expelled from the Zone and be prosecuted.

EMPLOYMENT

	<i>INFRACTION</i>	<i>SANCTION</i>
1.	Lack of a contract agreement between an employer and an employee.	(a) The employer shall pay US\$500 for each employee the employer did not have contract agreement with ; and (b) The Authority shall withdraw its services provided under the Act where the employer— (i) pays the US\$500 and remains in default after one month of the payment, or (ii) fails to pay US\$500.

(c) Death.	<p>(c) Adequate compensation to the next-of-kin, suspension of OPL or prosecution.</p> <p>In addition to the sanctions in (a)-(c), the Authority shall compel review and the enforcement of safety operational measures in the workplace.</p>
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ENVIRONMENT

	<i>INFRACTION</i>	<i>SANCTION</i>
1(a)	Non-review of Environmental Impact Assessment (EIA) where there is an addition of a new line of activity not covered in the initial EIA.	Suspension of work on the new line of activity until EIA is reviewed.
1(b)	Lack of EIA review after every 5 years (post-EIA).	Payment of US\$20,000 by a FZMC and US\$5,000 by an FZE, per month of default.
2.	Non-compliance with waste management procedures and failure to keep the environment clean by a FZMC or an FZE.	Sanction in line with laws of the relevant National environmental enforcement agency.
3.	Non-compliance with Job Safety Analysis (JSA).	Suspension of operations until compliance.

TAXES

	<i>INFRACTION</i>	<i>SANCTION</i>
1.	Lack of evidence of payee remittance by an FZE or a FZMC.	The Authority shall notify the relevant tax authority for sanctions.

ADDITIONAL INFRACTIONS AND SANCTIONS FOR OIL AND GAS RELATED ACTIVITIES

	<i>INFRACTION</i>	<i>SANCTION</i>
1.	Non-maintenance of colour coded system.	Payment of US\$2,000 and suspension of service by the Authority until compliance.
2.	Non-conducting of monthly training or drill sessions.	Payment of US\$500 per default.
3.	Lack of operational safety case approved by Department of Petroleum Resources (DPR).	Non-renewal of OPL.
4.	Non-channelling of petroleum products spill into pit or oil-water separator pit where there is a common header.	Payment of US\$2,000 per default.
5.	Refusal by a receiving tank farm to assign personnel to monitor line from jetty to tank farm where common header is not automated.	Payment of US\$5,000 per default.
6.	Non-engagement of DPR certified private security by tank farm.	Payment of US\$1,000 per default.