

Extraordinary



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# NIGERIA EXPORT PROCESSING ZONES ACT (CAP. N.107 LFN 2004)

## LEKKI FREE TRADE ZONE REGULATIONS, 2010

In exercise of the powers conferred on it by section 27 of the Nigeria Export Processing Zones Act, 2004 and of all other powers enabling it in that behalf, the Nigeria Export Processing Zones Authority with the approval of the Honourable Minister of Commerce and Industry hereby make the following Regulations—

[26th day of March, 2010] Commence-  
ment.

### PART I—GENERAL

The objective of these Regulations include, to—

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

### FREE ZONE REGISTRY

1. The objects of each FZE shall be to carry on such business within the area of Lekki Free Zone as the Lekki Free Zone Management may permit under the terms of the License issued in respect of the FZE (which may be amended from time to time by the Zone Management) and in accordance with all applicable laws and regulations and all business and other matters ancillary, conducive or related thereto which shall include power of each FZE to borrow, grant security, guarantee any obligation of any person or indemnify any person to enter into all types of banking and financial transactions, to issue, make endorse or draw any negotiable instruments (such as cheques, bills of exchange, promissory notes or bills of lading) in relation to its business and power for each FZE to make, alter or dispose of any investments (whether or not within Nigeria) in relation to its business. Objects.

2.—(1) All entities proposing to operate in LFTZ shall be registered as a Free Zone Enterprise (FZE) by the Authority in accordance with section 9(1) of the Act. Registration.

(2) The entity proposing to operate as a FZE in LFTZ shall make a formal application to Lekki Zone Management in the form as may be prescribed.

(3) Subject to the provisions of the Act, the Authority may grant the approval, subject to such terms and conditions as it thinks fit for the enterprise to undertake the approved activity specified in the application brought pursuant to sub-regulation (1) of this regulation.

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

Documentation.

3. The documentation required in respect of the registration of the proposed FZE shall include—

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

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

(c) Board's resolution to establish a FZE (for companies registered in Nigeria) ; and

(d) proof of identification (copy of international passport or driver's licence or National ID card), for senior management of FZEs (if promoted by a company) or promoters (in the case of sole proprietorship business).

Fees.

4. Lekki Zone Management shall issue a Schedule of the Charges (Tariff) applicable in the Zone and make copies available on request to the operators or Licence Holder. The Zone Management may review such charges from time to time, upon the approval of the Authority. A registration fee shall be paid by all entities seeking to register as a FZE within LFTZ.

Transfer Instruction.

5. Enterprises making payments in respect of registration, licensing and rent shall make all cheques and transfer instructions in favour of Lekki Free Trade Zone.

Right of the Registry to request and receive information.

6.—(1) Licensees shall file or submit information to Government Institutions to the Free Zone Registry which shall provide pertinent information to other Government Institutions and has the right to request and receive on timely basis such information, including audited accounts, as deemed appropriate by the Zone Management.

Share capital.

7.—(1) The capital of each FZE shall be denominated in either local currency (Naira) or the United States Dollar (US\$).

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

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

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

alteration in the share capital of a FZE shall be entered in the FZE Register and shall take effect from the date of such registration.

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

8.—(1) The name of a FZE operating within LFTZ shall end with the Name.  
acronym of LFTZC.

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

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

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

9.—(1) Each Free Zone shall at all times have an address, either in the Free Zone, in the State or in any other State, to which all communications and notices may be addressed. Registered Address.

(2) Details of such address, which shall be its registered address and of any change of address, shall be notified within fourteen (14) days to the FZ Registry and details thereof promptly entered in the FZE Register.

10. Every FZE shall affix and keep affixed its name on the outside of every office or place in which its business is carried on in a conspicuous position and in letters easily legible in accordance with the requirements of the Zone Management. Sign-Name Plate.

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

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

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

(2) FZEs may have one or more shareholders.

(3) No FZE may acquire its own shares. However, any FZE may own all of the shares in any other FZE or shares in any company or other enterprises subject to compliance with all applicable laws.

(4) Every FZE shall complete and issue a share certificate to the owner in respect of all shares held by it of such FZE forthwith upon the share capital in respect of such shares being duly contributed in accordance with these Regulations.

(5) The Secretary shall enter into the FZE's share register details concerning the number, amount and owner of all shares issued by it. No shares shall be issued in bearer form.

Registration  
of  
Transferred  
Shares.

13. After any transfer of any share in any FZE, a duly executed instrument of transfer shall be registered in the FZ Registry. Any share transfer shall be deemed effective as from the date of registration thereof in the FZE Register.

Statutory  
Declaration  
of  
Compliance.

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

(2) The Authority reserves the right to accept or refuse the declaration within 30 days of receipt and shall through the Zone Management inform the applicant of the refusal and the grounds for such refusal.

Directors  
and  
Secretary.

15.—(1) Every FZE shall keep at its registered address a register of directors and secretary which shall contain details of the identity and address of the directors and secretary of the FZE and of any change thereto.

(2) The Director and the Secretary may be appointed and removed by the Licensee subject to the Licensee's articles of association.

(3) The FZ Registry shall be notified of any such changes within fourteen (14) days thereof and details promptly entered in the FZE Register in the prescribed form.

Status of  
Directors.

16.—(1) Directors shall neither be employees nor servants of the FZE, but shall be managers of the FZE and in respect of the vicarious liability for negligence, Directors of a FZE shall be recognised as the officers of the FZE.

Directors'  
Meetings.

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

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

(3) The Directors may elect a chairperson and may vest in him a casting vote. A Director may appoint any other Director as his alternate who shall be entitled to vote in accordance with the appointing director's "instructions" (if any) separately from his own vote.

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

(5) A Director shall not be entitled to vote or be counted as part of the quorum in relation to any resolution which concerns a matter in which he has direct or indirect interest or duty which is material and which conflicts or may conflict with the interests of the FZE unless his interest has been disclosed in writing to the other directors in sufficient detail to provide an accurate statement thereof and the other directors (or a majority of them) resolve that such director should be entitled to vote and be counted as part of the quorum.

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

18.—(1) Every FZE shall have a Secretary who shall be appointed by the directors and shall have the requisite knowledge and experience to discharge such functions that may be assigned to him from time to time. Secretaries.

(2) The duties of a Secretary shall include the rendition of proper returns to the Zone Management and such administrative and secretarial duties that may be assigned to him by the officers of the FZE.

19. A FZE may have a Seal but it is not required to have one. A FZE, which has a Seal, shall have its name engraved in legible characters on the Seal. Seal.

20.—(1) Any contract may be enter into in a FZE by writing— Contracts.

(a) under its Seal together with the signature of any Director of the FZE ; or

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

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

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

(3) A promissory note, cheque or other bill of exchange is deemed to have been issued, accepted or endorsed on behalf of a FZE if issued, 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.

21.—(1) Every FZE shall keep accounting records sufficient to show and explain the transactions of such FZE and be such as to disclose with reasonable accuracy, at any time, the financial position of the FZE at that time and enable the directors to ensure that any balance sheet and profit and Accounts.

loss account of the FZE prepared under these Regulations comply with the requirements of these Regulations.

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

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

(4) The accounting records of each FZE shall be kept at its registered office in the Free Zone and shall at all time be open to inspection by the officers of the Zone Management and by its owners or representatives of the Owner.

(5) The first "financial year" of each FZE shall commence on the date of its registration as disclosed in its Certificate of Registration. The Owner may determine the length of the financial year of its FZE by Declaration (a copy of which shall be delivered to the FZ registry within seven (7) days of being made and details thereof promptly entered in the FZE Register) provided that no first financial year may exceed eighteen (18) months or be for less than six (6) months and successive financial years shall be of twelve (12) months duration beginning after the end of the previous financial year.

(6) The Owner of a FZE may alter the financial year of its FZE by Declaration (a copy of which shall be delivered to the Zone Management and details thereof promptly entered in the FZ Register) except that in no circumstance may the financial year of a FZE exceed fifteen (15) months or be shorter than six (6) months.

(7) The directors of every FZE shall prepare for each financial year of the FZE a balance sheet and a profit and loss account as at the last day of its financial year.

(8) The balance sheet shall give a true and fair view of the state of affairs of the FZE as at the end of the financial year and the profit and loss account shall give a true and fair view of the profit and loss of the FZE for the financial year.

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

(10) Where any FZE owns any other FZE or owns more than half the shares in or otherwise controls any other company or enterprise the first mentioned FZE shall also prepare group accounts on a consolidated basis and where any FZE neither owns less than half the shares in a company or other enterprises (not being a FZE) nor controls such company or enterprise

but nevertheless is in a position to exercise a significant influence over such company or other Enterprise, then such company or other Enterprise shall be treated as an associated company for accounting purposes.

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

(12) A copy of the annual accounts of each FZE shall be delivered to the Zone Management within three (3) months of the end of the financial year of the FZE or such period as the Authority or Zone Management may determine.

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

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

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

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

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

(15) Where the total net assets of a FZE falls below 75 *per cent* of its share capital the Directors shall, not later than fifteen (15) days from the earliest day on which that fact is known to a Director, duly notify the FZ Registry which shall, within seven (7) days of such notification to it, take such steps as may be appropriate to remedy the situation so as to ensure that the net assets of such FZE are restored to at least 75 *per cent* of its share capital as soon as reasonably practicable.

22.—(1) Quarterly returns are expected to be provided by every FZE on the following— Returns.

(a) sales volumes ; and

(b) flow of goods.

(2) Sample returns shall be as may be specified by the Authority.

23.—(1) A FZE shall not make a distribution, whether in cash or otherwise, to its Owner except out of its profits available for that purpose or where the share capital of the FZE is reduced in accordance with the provisions Distribution of Profit.



of these Regulations or where the Free Zone is deregistered and its assets distributed to its Owners.

(2) The profits of a FZE available for distribution are its accumulated realised profits less its accumulated realised losses and after full provision must have been made for all its doubtful debt. No distribution shall be made other than pursuant to an Owner's Declaration (a copy which shall be delivered to the FZ Registry within seven (7) days of being made) and details of which shall promptly be entered in the FZE Register.

**Ownership.**

**24.—**(1) Every FZE shall keep a register in which details shall be entered as regards the Owners of the FZE and as regards the ultimate ownership of the FZE and details thereof and the FZ Registry shall be notified of any change therein within seven (7) days after it is made and shall promptly be entered in the FZE Register.

(2) A Management Operating Officer or Chief Executive Officer for a Zone Management Company shall not be appointed without the prior approval of Authority.

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

(a) a passport photograph ;

(b) Letter of appointment, stating the terms and conditions of appointment ;

(c) specimen signature ; and

(d) any other documents as may be required by Authority from time to time.

**Owner's  
Declaration.**

**25.** A copy of every Owner's Declaration shall be provided to the FZ Registry within fourteen (14) days after it is made and details thereof shall be promptly entered in the FZE Register.

**Security  
Interests.**

**26.—**(1) The Owner may pledge or otherwise charge all (not some) of its shares in its FZE to any creditor as security for any debt or other obligation incurred or to be incurred by or binding upon the FZE will be void if details thereof in the prescribed form are not delivered to the FZ Registry within seven (7) days of the date of such pledge or other charge. Details of any such pledge or other charge shall be entered promptly in the FZE Register.

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

(3) A FZE may grant any security interest permitted under the laws of Nigeria from time to time to any creditor as security for any debt or other obligation incurred or to be incurred by or binding upon the FZE or any other

person and any such security interest shall be void if details in the prescribed form are not delivered to the FZ Registry within seven (7) days of the date of such security interest. Details of any such security interest shall be entered promptly in the FZE Register.

(4) Upon any pledge, charge or other security interest being discharged or upon any alteration in the name of the creditor or creditors in whose favour such pledge, charge or other security interest operates, details thereof shall be notified to the Zone Management within seven (7) days and entered promptly in the FZE Register.

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

Power to  
Investigate.

(2) Any inspector appointed by the Zone Management or the Authority pursuant to regulation 27(1) of this regulation shall have such powers of investigation as the Zone Management may vest in him.

(3) If the Zone Management or Free Zone Registrar has reasonable cause to believe that any FZE is not carrying on business or is not in operation, it may make recommendation to the Authority to deregister the FZE after making an enquiry in writing to the FZE to ascertain if it is carrying on business or in operation and such FZE either failed to respond to such enquiry within seven (7) days thereof or failed to demonstrate to the satisfaction of the Zone Management that it is carrying on business or in operation.

(4) When a FZE is deregistered all the property and rights vested in it and not owned by the Zone Management or any other person are deemed held by its Owner, all such property and rights shall be forfeited to and vested in the Zone Management without compensation except where such deregistration is as a consequence of any breach of these Regulations, an FZ Circular or the terms of the License relating to the FZE.

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

Deregistra-  
tion.

(2) A FZE shall be deregistered upon the revocation of its licence on grounds stated in regulation 39 of these Regulations and any other circumstances as may be determined from time to time by the Zone Management upon the approval of the Authority.

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

(a) ensure that such winding up is conducted in a timely and organised way, taking account of all assets of the FZE and the claims of all creditors and employees thereof and ensuring the payment or provision for payment of or the discharge of all claims, debts, liabilities and obligations of the FZE subject to the limitation of liability of the owner specified in these Regulations ;

(b) distribute any surplus assets of the FZE to the Owners ;

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

(d) ensure that a copy of such report is delivered to the FZ Registrar within seven (7) days of such report being made. Details of such report shall be promptly entered in the FZE Register.

Register of  
Free Zone  
Vehicles.

29.—(1) The FZ Registry shall compile and maintain a register of the Zone Management's and Licensee's vehicles.

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

#### PART 2—LICENSING PROCEDURES AND REGULATIONS

Application  
for Licence.

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

(2) Application for an operational licence shall be made to the Zone Management by completing the prescribed form.

(3) A Licence application form shall be accompanied with all the required documents as stated on the form.

Types of  
Licence.

31. The Zone Management may grant approval for a Free Zone Enterprise Licence which allows an enterprise to undertake an approved activity within the Free Zone. These activities include—

(a) trading ;

(b) services ;

(c) warehousing ;

(d) manufacturing ;

(e) packaging ; and

(f) any other activity as may be approved by the Zone Management.

Eligibility  
for a  
Licence.

32. In determining eligibility for a licence, the Zone Management may consider the following—

(a) the activities in which the applicant proposes to engage shall be in line with the approved activities within LFTZ ;

(b) the proposed activities to be carried out shall add value to and be consistent with, the development programme of the Zone ;

(c) the applicant shall comply with the provisions of the Act and applicable Rules and Regulations that may be put in place by LFTZ from time to time; and

(d) the technical, financial and managerial capabilities of the applicant.

33.—(1) A licensing fee shall be paid by all FZEs. This fee shall be paid upon initial licensing. Fees.

(2) Fees for licence renewal shall be paid annually and shall be subject to periodic review by the Zone Management upon the issuance of a 3 month's notice to all FZEs.

(3) However, initial licensing fee may be waived by the Zone Management for all FZEs applying for operational licence within the first twelve (12) months of commissioning of the LFTZ.

34.—(1) A licence shall only be issued to an applicant who has satisfied the requirements of Authority in all respects. Issue of a Licence.

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

35. A licensee shall at all times—

Continuing Obligations.

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

(b) comply with the Act, other regulations and circulars issued by the Zone Management ;

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

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

36. A licence shall be valid for one year and renewable annually on— Renewal of Licence.

(a) payment of licence renewal fee ;

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

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

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

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

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

**(2)** The Licence of a user may be revoked if the existence of any of the following circumstances are confirmed by an investigation and assessment conducted under Section 3(20) of the Act—

(a) where it is confirmed through a written report that there has been an act contrary to the provisions of any law, regulation, circulars, written instructions or directives of the Zone Management and that the action is to the detriment of order in the Zone ;

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

(c) where it is confirmed by investigations and deliberations, that the conditions and qualifications declared in the Application Form or Operational Licence are not fulfilled or have later been lost or have proven false or when it is established that changes in the information declared in the Application Form for Operational Licence have not been reported ;

(d) except where the existence of a state of force majeure is verified by the relevant authority, when it is established through a written report that construction work has not started within sixty (60) days of the date of approval of construction projects by the Zone Management or in the case of leased premises that the operation has not been launched within six (6) months ;

(e) where the Zone Management has twice been denied information or has not received a response within the specified period or has been supplied with misleading or false information regarding activities in the Zone, which it has requested in writing ;

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

(g) in the event of any other circumstances that may be determined from time to time by the Zone Management, upon the approval of the Authority.

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

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

### PART 3—GENERAL REGULATIONS

40. FZEs within LFTZ shall be entitled to the following incentives and concessions—

Incentives  
and  
Concessions.

(a) legislative provisions pertaining to taxes, levies, duties and foreign exchange regulations shall not apply within the Zone ;

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

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

(d) no import or export licence shall be required ;

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

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

(g) up to 100 per cent foreign ownership of business in the Zone allowable ;

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

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

(j) any special product imported into the Zone under this 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 Nigerian Customs Territory,  
shall be granted 75 per cent of the chargeable import duty as tariff rebate.

41.—(1) The Zone Management may approve any banking institution duly licensed under Banks and Other Financial Institutions Act of 1991 as

Banking  
Institutions.

amended or other relevant legislation and licensed foreign banks to establish a branch in the Zone for the purpose of providing banking services.

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

Retail  
Activity.

42. No retail trade shall be conducted within the Zone without the prior approval of the Zone Management and which may be subject to such terms and conditions as it may impose.

Abandoned  
Goods.

43.—(1) The Zone Management shall have power to take over goods abandoned in the Zone and dispose of them in a manner it may deem fit. Goods or property are declared abandoned where the owner or person in possession has discarded it and acts indifferent as to what becomes of it after he is advised twice in writing.

(2) Any costs incurred by the Zone Management in removing abandoned goods shall be refunded on demand by the Licensee or owner of the abandoned goods.

Authorized  
Activities.

44. Goods brought into the Zone by a Licensee may unless otherwise directed by the Zone Management shall—

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

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

(c) be removed from the goods that are meant for consumption in the Zone ; or

(d) be removed from the Zone or sent into the customs territory, whether as originally packed or otherwise subject to the payment of appropriate duties and to the provisions of Customs, Excise Tariff, etc (Consolidation) Act.

Quarterly  
Reports.

45. A FZE shall prepare and submit to the Zone Management on a quarterly basis at the end of a quarter in the prescribed format, a report on its operations including production, sales volume and flow of goods and raw materials during the period.

Books of  
Accounts  
and Records.

46.—(1) A FZE shall prepare and keep proper and accurate books of accounts and records in conformity with accepted international accounting principles and standards. Furthermore, supplementary ledgers shall also be kept to provide daily entries of detailed postings on the receipts and issuances of raw-materials, finished products, waste and scraps and shall permit the inspection of such books by the Zone Management as may be required.

(2) A FZE shall have its accounts duly audited as provided for by applicable laws and regulations and submit it to the Zone Management not later than thirty (30) days after its adoption.

47.—(1) Registration of vehicles in the Zone shall be in accordance with the Rules and Regulations set down by the Zone Management in consultation with the Authority. Vehicles.

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

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

(2) It shall be the primary responsibility of the Authority to co-ordinate the allocation of appropriate manpower with the relevant statutory bodies within the Zone. It shall be the primary responsibility of the Zone Management to provide and maintain appropriate working facilities within the Free Zone for relevant statutory bodies.

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

49. Without prejudice to the Act, the following Customs Procedures shall apply— Customs  
Procedures.

(a) equipment and consumables to be used in the construction of facilities may be imported into the Zone by a Licensee free of any taxes, duties or levies ;

(b) the procedure for importing goods into the Zone is as set out in the first Schedule to these Regulations ;

(c) the procedure for exporting goods from the Zone is as set out in the second Schedule to these Regulations ;

(d) the procedure for handling goods, which require repairs and maintenance, is as set out in the third Schedule to these Regulations ;

(e) the procedure for transferring goods from one licensee to another is as set out in the fourth Schedule to these Regulations ; and

(f) the procedure for transferring goods from one Zone to another is as set out in the fourth Schedule to these Regulations.

50.—(1) A FZE shall on the execution of a lease agreement with the Zone Management for built-up leased space or land for development may Work  
Permits.



apply to the Authority through the Zone Management for work permits for its alien workers in such format as the NIS may stipulate.

(2) Application for work permits for aliens shall only be accepted by the Authority if it is in conformity with the authority's stated and written requirements. On acceptance of an application for work permit for aliens, the Zone Management on behalf of the Authority shall acknowledge receipt of same.

(3) The Authority shall process an application for work permits for aliens and notify the applicant of the grant of the permit or otherwise within ten (10) days of the date of submission of the said application.

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

Security.

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

Applicable  
Laws.

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

Dispute  
Resolution.

53.—(1) Where any dispute arises between a Licensee and another in the Zone which cannot be amicably settled between the parties, the matter shall be referred by either of the parties to the Zone Management for settlement and its decision shall be communicated to both parties accordingly. The decisions of the Zone Management shall only be valid if taken in the presence of all parties.

(2) Where any dispute arises between a Licensee and any other Government Agency or Department in the Zone, the matter shall be referred to the Authority through the Zone Management by either of the parties concerned. The Authority and The Zone Management shall represent the Licensee in all negotiations, Arbitration, settlement and reconciliation of same. In this respect, the Arbitration and Conciliation Act Cap 19 Laws of the Federation of Nigeria 2004 shall apply.

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

(4) Where any dispute arises between Licensees and their employees which cannot be amicably settled between the parties, the matter shall be referred to the Zone Management which shall take all necessary steps to reach settlement between the parties. The decisions of the Zone Management shall only be valid if taken in the presence of all parties ;

(5). In all the above cases, the Zone Management reserves the right to intervene at any stage of any dispute in order to maintain industrial peace in the Zone.

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

Litigation.

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

Employment of Expatriates outside the Free Zone.

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

Environmental Protection.

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

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

57. Maintenance works executed by the Zone Management at the instance of the investor shall be paid for by the investor.

Maintenance Works.

58. Connection of leased space to power, water supply, sewage lines, fire fighting system and telecommunication lines shall be at the approved rate and thereafter, payments for facilities consumed will be paid for at rates prevailing.

Utilities.

59.—(1) The Zone Management shall in consultation with the Federal Inland Revenue Service publish agreed guidelines as to the tax implication of transactions between FIZ and FZIs with entities within the customs territory.

Taxation Procedures and Regulations.

(2) For the time being, the following shall apply regarding Exemption from taxes—

(a) under Section 8 of the Act, free zone enterprises operating within Free Zones shall be exempted from all Federal, State and Local Government taxes, levies and rates ; and

(b) section 18 (1) further provides that all legislative provisions pertaining to taxes shall not apply within Free Zone.

(3) Tax implication of specified transactions is as specified in the ninth schedule.

## PART 4—BANKING PROCEDURES

60.—(1) Banks in LFTZ shall be granted approval under the Nigeria Free Trade Zones Act by the Authority and there shall be two types of banks in LFTZ and these shall be—

(a) a bank established and licensed under BOFIA 1991 or other relevant legislations, such a bank shall maintain records and books of account of its operators independent of its parent bank ; and

(b) a licensed foreign bank.

(2) Banks licensed to operate in LFTZ may be owned wholly by Nigerians or jointly by Nigerians and foreigners, or wholly by foreigners.

Licensing  
Requirements.

61. Only a bank licensed under BOFIA 1991, or other relevant legislations or a licensed foreign bank shall qualify to apply to the Authority for approval to establish a bank to carry on banking business in LFTZ.

Sources and  
Uses of  
Funds.

62.—(1) *Sources*—

(a) Deposits of non-bank customers, such as—

(i) multinational corporations ;

(ii) international corporations ;

(iii) non-resident individuals ;

(iv) FZEs in LFTZ ;

(v) regional financial agencies or institutions ;

(vi) euro-money markets ; etc.

(b) Inter-bank borrowing within banks in FTZs or with foreign banks ;

(c) Export proceeds ; and

(d) Equity capital, etc.

(2) *Uses*—

(a) foreign exchange loans and advances to non-residents and residents ;

(b) investments in International Securities Markets ;

(c) operational expenses ;

(d) payments of dividends ;

(e) interests on deposits ; and

(f) payments for imports, etc.

63. The guidelines as stipulated from CBN from time to time shall apply in this regards. However, with reference to the CBN's circular of 11 August 2005, the following guidelines shall apply—

(a) application for foreign exchange for visible and invisible trade transactions by FZEs shall not qualify to be financed from the Nigerian foreign exchange market ;

(b) all visible and invisible trade transactions from FTZs to the Nigerian Customs Territory are eligible for payment in foreign exchange, using funds purchased from the Nigerian foreign exchange market. However, where the FTZ operator opts for payment in Naira, the proceeds therefrom shall not qualify for repatriation in foreign exchange sourced from the foreign exchange market of the Nigerian Customs Territory ;

(c) conversely, exports from the Nigerian Customs Territory to the FTZs shall attract payment in foreign exchange and be subject to mandatory repatriation of proceeds ; and

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

64.—(1) The rendition of returns shall be as follows—

(a) remittances for imports monthly ;

(b) naira transactions (external accounts) monthly ;

(c) statements of assets and liabilities (monthly) ;

(d) other foreign exchange payments quarterly ;

(e) total credits (loans and advances) quarterly ;

(f) foreign exchange investments quarterly ;

(g) audited annual financial statements (to be submitted not later than three (3) months after the end of the financial year) ; and

(h) any other returns that may be required (to be specified by the CBN).

(2) Except in the case of regulation 64 (1) (g) of this regulation, all returns must reach the CBN not later than the 10th day after the month in which they are due.

65.—(1) The CBN may, from time to time, examine, through its officers or persons appointed by it under conditions of confidentiality, the books or other documents, accounts and transactions of any bank branch carrying on banking business in Nigeria's Free Trade Zones. The banks are required to provide information in accordance with Section 30 of BOFIA.

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

Rendition of  
Returns.

Examination  
of banks.

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

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

**Auditing of  
Accounts.**

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

(2) The auditor so appointed shall prepare a report on the annual balance sheet and the profit and loss account of the bank and such other information as may be prescribed by the CBN and the report shall be submitted to the CBN not later than three (3) months after the end of the bank's financial year.

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

(4) The CBN may order the removal of an auditor for professional misconduct, for example compromising independence with regards to the bank. In addition, a bank in LFTZ shall have an internal audit or inspection unit, which should ensure that the operations of the bank comply with statutory provisions as well as with its internal control regulations.

**Incentives.**

**67.** A bank operating in LFTZ enjoys the following incentives—

(a) freedom to move funds in and out of the Zone ;

(b) exemption of all its documents from stamp duties ;

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

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

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

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

**External  
Accounts  
Permissible.**

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

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

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

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

(5) No non-resident person in LFTZ shall be allowed to maintain both an External Account and a "Resident Accounts" in any licensed bank in the customs territory.

(6) The CBN may from time to time issue guidelines for the operation of External Accounts by non-residents.

69. A licensed bank in LFTZ is permitted to—

Permissible activities.

(a) accept foreign currency deposits ;

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

(c) grant foreign currency loans not exceeding 10 per cent of its paid up capital to any resident without the CBN's prior approval ;

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

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

70. The following activities are prohibited in the LFTZ—

Prohibited activities.

(a) accepting foreign currency deposits from non-residents ;

(b) accepting Naira deposits accounts from any residents or non-residents ;

(c) granting Naira loans to or raising any Naira loans on behalf of residents or non-residents ;

(d) opening any Naira account with any resident bank except External Account ;

(e) borrowing in Naira from any resident, including authorised dealer banks, except with approval of the CBN ;

(f) sourcing foreign exchange in the foreign exchange market for the customs territory ;

(g) opening an account for a customer whose identity is unknown to it; therefore, account opening procedures should comply with the KYC principle ; and

(h) undertaking any other transactions which are inimical to national interest or which the CBN may specify.

**"Know Your Customer" (KYC) Directive.**

**71.** Financial institutions within LFTZ are required to comply with the following—

(a) record all complex, unusual or suspicious transactions ;

(b) report any single transaction, lodgement or transfer of funds in excess of ₦1,000,000 (One Million Naira) or its equivalent in the case of an individual or ₦5,000,000 (Five Million Naira) or its equivalent in the case of body corporate ;

(c) develop programmes to combat the laundering of proceeds of a crime or other illegal acts through your institution which shall include ;

(i) the designation of compliance officers at the management level;

(ii) internal audit unit scrutinising and ensuring that records are well kept ;

(iii) on-going training and awareness for all the staff ; and

(iv) display of notice in a conspicuous place directing the attention of customers and the general public to the dangers associated with money laundering and other financial crimes ;

(d) forward all suspicious transaction reports and other related investigation reports to the EFCC, Nigeria's Financial Intelligence Unit within 7 days ;

(e) document copies of reports forwarded to EFCC for on-site investigation by CBN's examiners ; and

(f) ensure strict adherence to all the provisions of the Money Laundering (Prohibition) Act, 2004 which prohibits a transaction in excess of ₦500,000 (Five Hundred Thousand Naira) or its equivalent in the case of an individual or ₦2,000,000 (Two Million Naira) or its equivalent in the case of a body corporate except such a transaction is made through a financial institution.

#### **PART 5—HEALTH SAFETY AND ENVIRONMENT**

**Access to Zones.**

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

**Reporting.**

**73.** All incidents involving loss and material damage or physical injury must be reported to the Zone Management as soon as practicable after any such incident.

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| <p>74. The shop owner shall be responsible for the beautification of the immediate surrounding of their factories. The Zone Management shall be responsible for general beautification of the Zone.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Aesthetics.</p>                                                              |
| <p>75. The Zone Management shall be responsible for the maintenance of facilities such as roads, drainage, street lightening, water supply line, sewage line, fire fighting, etc.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Maintenance of Facilities.</p>                                               |
| <p>76. The management of FZEs within LFTZ has the responsibility to—</p> <ul style="list-style-type: none"> <li>(a) ensure that competent persons are made to supervise all facets of operations ;</li> <li>(b) provide all necessary HSE equipment and facilities at sites and ensure their appropriate use ;</li> <li>(c) provide suitable Personal Protective Equipment (PPE) and ensure their use ;</li> <li>(d) assess negative impacts of its activities on the environment and where necessary adequately mitigate the risk of losses or damage arising from them ;</li> <li>(e) make conscious efforts to restore any negatively impacted environment ;</li> <li>(f) inform employees, service providers and the general public, when necessary, of any known or identified potential hazard arising from its activities ;</li> <li>(g) monitor all activities regularly to ensure strict compliance with all HSE guidelines, laws, rules and regulations ; and</li> <li>(h) Recognize and reward performance improvement initiatives with regard to HSE rules and regulations.</li> </ul> | <p>Management Responsibilities.</p>                                             |
| <p>77.—(1) Site managers and supervisors are responsible for effective and efficient HSE oriented operations and must recognize that HSE is an integral part of each site.</p> <p>(2) They shall—</p> <ul style="list-style-type: none"> <li>(a) understand and implement the HSE Procedure as stated in these Regulations ;</li> <li>(b) set a safe and good example for other employees and service providers as well as client staff to follow ;</li> <li>(c) ensure that proper work procedures are followed and complied with at all times ;</li> <li>(d) induct new employees on hazards associated with their job ;</li> <li>(e) have in-depth knowledge of the hazard associated with each operation ;</li> </ul>                                                                                                                                                                                                                                                                                                                                                                          | <p>Site Managers and Supervisors (Centres and Facilities) Responsibilities.</p> |



(f) ensure all employees and service providers' staff use their PPE where applicable ;

(g) communicate safe work procedures to each employee ;

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

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

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

(k) recommend and implement corrective measures ;

(l) carry out periodic HSE inspections ;

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

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

Employee  
Responsibilities.

78. Every employee has a personal responsibility to contribute to safe work performance and this can be achieved through cooperation with the supervisor and other employees. Each employee shall—

(a) work safely and efficiently using the PPE provided and comply with all relevant company's HSE Policy as well as other rules and operating procedures ;

(b) comply with all relevant statutory laws, regulations and guidelines ;

(c) seek guidance from managers or supervisors when in doubt about correct work procedures ;

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

(e) assist in the immediate counter measures as stipulated in Emergency Plans; and

(f) be disciplined.

Service  
Provider  
Responsibilities.

79.—(1) Service providers shall—

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

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

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

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

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

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

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

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

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

HSE  
Induction  
Training.

(a) a new employee begins work ;

(b) service provider's staff start work on a site for the first time ;

(c) new plant or equipment is introduced ;

(d) policies or procedures are updated ; and

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

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

Occupational  
Health and  
Safety.

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

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

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

(5) Sexual harassment shall not be tolerated.

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

Control of  
Hazardous  
Substances.

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

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

Fire  
Prevention.

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

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

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

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

(5) It is everybody's responsibility to prevent the outbreak of fire.

Fire  
Fighting  
Guidelines.

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

(2) All employees of the zone and staff of service providers shall familiarize themselves with their areas of operation and shall give special attention to the locations of fire extinguishers and other fire fighting equipment. They must be able to use this equipment promptly to respond to an outbreak of fire.

(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 discharge of extinguisher, report shall be made to the immediate supervisor and no disciplinary action shall be taken for reporting such incidents.

Fire Exits.

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

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

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

86. Each FZIE shall have an Emergency Plan which shall be based on the following procedure—

Emergency  
Evacuation  
Procedures.

- (a) if a fire or other emergency is noticed, raise an alarm ;
- (b) operate any manual or automatic danger alarm system, where applicable ;
- (c) attack the fire with available fire fighting equipment ;
- (d) call for help by phoning the fire brigade and the Nigerian Police whose Contact details shall be provided at each site ;
- (e) close all windows and doors to prevent easy spread of the fire ;
- (f) escape to designated safe place or muster point ; and
- (g) fire marshals shall give further directives to all occupants.

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

Personal  
Protective  
Equipment  
(PPE).

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

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

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

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

88.—(1) All employees and service provider's staff requiring protective garments shall be provided with them by their respective employer.

Uniform or  
Overall.

(2) These shall be worn at every occasion when the employees are carrying out their official assignment.

(3) Soiled garments must be washed thoroughly in order to prevent lice and skin diseases.

(4) Rings, bangles, neck chains or loose dresses must not be worn when working around rotating or electrical equipment.

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

Safety  
Shoes.

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

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

Breathing  
Apparatus,  
Ear  
Protection  
and Gloves.

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

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

**Work  
Practices.**

**91.—**(1) Employees of the zone and staff of the service providers shall work safely at all times.

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

(3) When uncertain about the safe practice or procedure for performing any job, advice shall be sought from their immediate supervisor or safety representative.

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

**Authorized  
Access.**

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

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

**Tag in and  
Tag out.**

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

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

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

**Hot Work  
(such as  
Welding,  
Grinding  
and Flame  
Cutting).**

**94.—**(1) A Hot Work Permit shall be obtained from The Zone Management before carrying out any hot work on any site.

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

**Machinery  
and Hand  
tools.**

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

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

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

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

(5) Any equipment that can 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 be marked "AUTHORISED PERSONS ONLY". A permit to work must be obtained prior to working on machinery.

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

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

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

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

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

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

(7) Raised walkways and platforms shall have handrails.

97.—(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) Spills shall be cleaned up immediately.

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

(5) All sites and premises shall be kept clean and free from weeds and vegetation. All manholes, pits and floor openings shall be covered when not in use and clearly marked when opened.

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

(7) Combustible substances shall be stored in special storage areas, not in the office and access to these areas shall be restricted. All sources of ignitions like matches and lighters shall be prohibited in the storage areas.

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

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

99.—(1) Lifting and moving of objects shall be done by mechanical devices where practicable.

(2) The equipment used for lifting shall be appropriate for lifting or moving task.

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

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

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

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

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

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

(9) No employee of the zone or staff of a service provider shall attempt to lift or move any load considered too heavy to manage comfortably and no individual shall attempt to lift more than 35kg without assistance.

(10) Where team lifting or moving is necessary, one person shall act as coordinator, giving orders to lift or lower as the case may be.

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

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

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

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

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

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

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

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

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

102.—(1) All FZEs and other licensed operators within LFTZ shall have a duty of care to ensure that any waste generated from their business activities either directly or indirectly by outsourced contractors is disposed off in a manner which is not hazardous to the health and wellbeing of individuals or the environment.

Waste  
Management.

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

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

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

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

103.—(1) To demonstrate the commitment of FZEs and other licensed operators in LFTZ to the HSE procedure, the maintenance of good communication systems shall be mandatory.

Awareness  
Programme.

(2) HSE awareness programmes and activities shall be undertaken on a regular basis.

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

Disciplinary  
and  
Corrective  
Action.

(2) Failure to comply with these HSE rules, standards, regulations and practices shall result in disciplinary or contractual action, commensurate with the seriousness of the non-compliance.

#### PART 6—IMMIGRATION PROCEDURES AND REGULATIONS

105. The Authority shall work in consultation with the Nigeria Immigration Service (NIS) to publish guidelines, procedures and regulations and process all immigration applications.

106.—(1) Foreigners seeking entry into Nigeria, except ECOWAS nationals or nationals of countries with which Nigeria has entered into visa-abolition agreement shall require entry visas prior to entry which shall be obtained from Nigeria's Missions abroad.

(2) 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) STR visa.

Business or  
Tourist or  
Visitors  
Visa.

**107.**—(1) Foreigners visiting Nigeria shall possess one of the visas in regulation 106(2) as appropriate at the Nigeria Mission in the foreigner's country or normal place of abode, and where there is none, the Nigeria Mission closest to the foreigners' normal place of abode.

(2) Requirements for Short Visit Visa—

(a) completed application forms with passport photographs affixed ;

(b) a return ticket ;

(c) evidence of financial sustainability ;

(d) valid travel document ; and

(e) approved visa fee where applicable.

Temporary  
Work Permit  
Visa.

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

(2) Requirement for TWP Visa shall be—

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

(b) evidence of company registration ;

(c) evidence of purchase of equipment, contract award, etc. ;

(d) cable approval from the Comptroller-General of Immigration ;

(e) valid travel document with a minimum of 6 months validity ;

(f) return ticket ;

(g) completed application forms with passport photographs affixed ;  
and

(h) approved visa fee where applicable.

Residence -  
Subject to  
Regularization  
-Visa.

**109.**—(1) Foreigners coming to reside in Nigeria to work, study, accompanying spouses or parents shall arrive the country with an STR (Subject to Regularization) visa obtainable at Nigerian Missions abroad.

(2) Requirements for Issuance of STR Visa to Employees—

(i) formal application for STR visa shall be made by the Employer to the Nigerian Mission abroad closest to the employee's normal place of abode ;

(ii) copies of Offer or Acceptance of employment, credentials of the employee, copies of Free Zone operational licence of employer ;

(iii) valid passport of the employee with at least 6 months validity ; and

(iv) five (5) passport size photographs of the employee.

110.—(1) All expatriates who intend to stay in Nigeria beyond fifty-six (56) days or who intend to reside and work in Nigeria and their dependants are eligible to regularize their stay with the procurement of Combined Residence Permit and Aliens Card (CERPAC).

Regularization  
of Stay.

## (2) Requirements for CERPAC—

(a) formal application to the Free Zone Immigration Service for regularization, stating post to be occupied, nationality and accepting immigration responsibilities. Application for regularization shall be made within three (3) months from the date of arrival into the country ;

(b) a valid STR visa ;

(c) letter of employment ;

(d) letter of acceptance of offer ;

(e) an application form completed and duly vetted at the mission abroad where visa was issued ;

(f) photocopies of credentials duly vetted at the mission abroad where visa was issued ;

(g) subject's National Passport accompanied with photocopies of the first six pages of the passport and the page on which visa was stamped;

(h) board of Directors' resolution for top managerial positions e.g. Board of Directors, Managing Directors, General Managers, Finance Controllers, etc. ; and

(i) purchase of CERPAC form.

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

(i) a formal application from the principal immigrant accepting immigration responsibilities ;

(ii) photocopy of Husband's or father's residence permit (if already regularized) ;

(iii) photocopy of marriage certificate for married women and birth certificate for children ;

(iv) letter of admission or photocopy of school identity card where applicable ;

- (v) application forms completed and vetted ; and
- (vi) approved fee where applicable.

**111.—**(1) Change of Employment by Resident Expatriate already in Nigeria may be permitted subject to the following—

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

(2) The provision of regulation 111 (1) shall also apply to a Lekki Free Zone employee wishing to take up employment with a company in another Free Zone in Nigeria.

Residence.

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

(2) The Register shall contain information such as—

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

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

The  
Requirement  
for Re-Entry  
Visa shall  
be.

**113.—**(a) formal Application to the Zone Management and NIS by Employer or Sponsor accepting immigration responsibilities ;

- (b) completed Re-entry Visa Application Form ; and
- (c) approved Fee where applicable.

Expatriate  
Quota.

**114.** All FZEs are exempted from Expatriate Quota.

Fees.

**115.** Fees for immigration services shall be levied in United States Dollar (US\$) currency and shall be as published by the Authority in conjunction with Nigeria Immigration Service (NIS).

## PART 7—INVESTMENT AND APPLICATION PROCEDURES

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

Application  
Procedure.

117. A Company wishing to obtain information regarding LFTZ shall apply to the Zone Management office for an information pamphlet and an application for an information pamphlet can be made in writing, by telephone or in person. The contact details of the Free Trade Zone Management office is—

Information  
Pamphlet.

Lekki Free Trade Zone, Lekki,  
Lekki, Lagos State.

118.—(1) A company wishing to register as an enterprise within LFTZ shall apply in writing to the Zone Management stating the following information—

Expression  
of Interest.

- (a) the name and address of the applicant's business ;
- (b) the nature of the applicant's business ;
- (c) the name and position of the applicant ;
- (d) the nature of the business that the applicant proposes to be conduct in the Free Zone ; and
- (e) any other information that the applicant may consider relevant.

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

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

Application  
Pack.

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

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

Submission  
of  
Application.

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

Receipt of  
Application.

122.—(1) Application to undertake an approved activity shall be considered by the Screening Committee consisting of the officials of the Authority within the Zone and the Zone Management within a period not exceeding five (5) working days of receipt of the application at the Free Zone Management office.

Approval of  
Application.

(2) The application shall be considered based on the following—

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

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

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

(d) the technical, financial and managerial capabilities of the applicant; and

(e) the applicant's experience and track record.

Notice of  
Approval.

123. The Zone Management shall notify the applicant of the approval of the application or otherwise.

Application  
for Licence.

124. Upon receipt of approval to undertake approved activity in the Zone, an applicant shall apply to the Zone Management for a licence as an approved enterprise as provided for by the Act.

Grant of  
Licence.

125. Successful applicants shall be granted a licence each to undertake an approved activity within the Zone on payment of appropriate fee. This shall be made payable to "*Lekki Free Trade Zone*".

Land and  
Premises.

126. As part of the approval process the applicant's request for serviced land or factory space within the Zone (submitted as part of the application process) will be assessed. Should the Zone Management be unable to meet the applicant's land and premises requirements, contact shall be made with the applicant to further discuss and refine the requirements.

Appointment  
of Building  
Contractors.

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

Buildings  
and  
Structures.

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

(2) Application for building permit shall be submitted to the Zone Management after the execution of the land lease agreement, which shall consider and grant building permit on such terms as it deems fit within four (4) working days of the receipt of the said application. Any modification or correction required by the Zone Management shall be incorporated in the approved building plan and complied with by the applicant.

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

129. Prior to the commencement of installation of machineries, the approved enterprise shall apply for power, water supply and electrical inspection test, in addition waste management and pollution control plan shall be submitted for approval by the Zone Management before commencement of machine installations.

Machinery  
Installations.

130.—(1) An approved enterprise shall prior to the commencement of operations apply to the Zone Management for permit to commence operations and the Zone Management shall within twenty-four (24) hours of the receipt of the application complete inspection of the factory site to ensure compliance with relevant building, factory and public health laws and regulations and shall issue permit to commence operation if there is no breach of applicable laws and regulations within twenty-four (24) hours of completion of the inspection.

Permit to  
commence  
Operations.

(2) Where an approved enterprise has not complied with relevant regulations, the Zone Management shall in writing within twenty-four (24) hours after the completion of inspection notify the approved enterprise of the non-compliance and directs that it be remedied within a stipulated period.

131.—(1) An approved enterprise that has secured a lease of built-up factory space from the Zone Management shall commence its operations within six (6) months of the date of execution of the lease agreement. On application, the Zone Management may grant an extension for a period not longer than three (3) months.

Commence-  
ment of  
Operations.

(2) Where an approved enterprise that has secured a lease of built-up factory space fails to commence operations within six (6) months after the execution of the lease agreement or such other extension as the Zone Management may grant, the license of the approved enterprise to carry on business in the Zone shall be revoked forthwith without any recourse to the Authority.

(3) An approved enterprise that has secured a lease of land from the Zone Management shall commence development within three (3) months and operations within eighteen (18) months of the date of execution of lease agreement. On application, the Zone Management may grant an extension for a period not longer than three (3) months and six (6) months respectively, on such terms and conditions as it deems fit.

(4) Where an approved enterprise that has secured a lease of land fails to commence development and or operations within three (3) months and eighteen (18) months respectively after the execution of the lease agreement or such other extension as the Zone Management may grant, the license of the approved enterprise shall be revoked forthwith without further any further recourse to the Authority.

Approved activities.

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

Assignment, Property use and Alteration.

**133.—(1)** No real property or any part thereof whether developed or not, shall be sub-demised or demised in any form in the Zone without the prior written approval of the Zone Management having been first sought and obtained.

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

Rent.

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

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

(3) In the events that such rights have been withdrawn, the Free Zone operating licence previously granted the lessee shall also be withdrawn.

Fees.

**135.—(1)** An approved enterprise shall pay the applicable rates per annum as the Zone Management, Service Charges and Marketing/Promotion fees for services provided.

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

(3) In the event that such rights have been withdrawn, the Free Zone operating licence previously granted to the investor may also be withdrawn.

Cessation of Operations.

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

(2) The Zone Management shall retain the right to charge the investor in full any and all costs incurred by the Zone Management in repairing or restoring the same land or buildings.

#### **PART 8—PLANNING AND CONSTRUCTION PROCEDURES AND REGULATIONS**

Application for Land or Pre-Built Factory Space.

**137.** An approved enterprise may apply to the Authority for land or factory space in the Zone to enable it undertake in the Zone the approved activity for which approval is granted by the Authority and Zone Management.

138.—(1) On submission of the application, the Licensee may be required to pay to the Zone Management such deposit as the Zone Management may from time to time stipulate as consideration due for the lease being applied for.

Payment of  
Deposit for  
Lease of  
Land or Pre-  
Built  
Factory.

(2) The Zone Management shall on receipt of application for land or built-up factory space duly acknowledge receipt of same and shall within seven (7) days of the acknowledgement of receipt of said application, consider and allocate land for built-up factory space or otherwise as the case may be to the approved enterprises.

(3) Where the Zone Management refused the application or fails to allocate land or built-up factory space within fourteen (14) working days of acknowledgement of receipt of the application or the applicant rejects the allocation within seven (7) days of the notification of the allocation, the Zone Management shall forthwith refund the deposit paid without any deduction and without interest.

139.—(1) The deposit paid in respect of a lease for built-up factory space by an approved enterprise shall be applied towards the payment of rent for the built-up factory space as per the terms of the lease agreement provided the approved enterprise occupies the space within three (3) months of the date of the execution of the agreement.

Forfeiture of  
Deposit for  
Lease.

(2) Should the approved enterprise fail to occupy the leased built-up factory space within the period herein stipulated, the deposit paid for the lease shall be forfeited to the Zone Management without further ado and any recourse to the Zone Management.

(3) The deposit paid in respect of a lease for land by an approved enterprise shall be applied towards the payment of consideration for the lease of the land as per the terms of the lease agreement if the approved enterprise occupies the land and commences development of said property within six (6) months of the execution of the lease agreement.

(4) Should the approved enterprise fail to occupy the leased land and commence its development within the time stipulated herein, the deposit paid shall be forfeited to the Zone Management without any recourse to the Zone Management.

140.—(1) Application for building permit shall be submitted to the Zone Management after the execution of the lease agreement and the Zone Management shall consider and grant building permit on such terms as it deems it within four (4) working days of the receipt of the said application.

Building  
Permit.

(2) The application shall be submitted together with two copies of a building plan which may conform to the following—

- (a) self-designed factory buildings may be one storey type or more ;
- (b) the design shall conform to Nigerian Building standards for factories ;



(c) area to be covered shall be between 50 per cent and 70 per cent of the land leased ;

(d) buildings shall be at least 25 metres from the centre of the road to allow for parking and landscaping ; and

(e) provide not more than two accesses to the premises.

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

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

Compliance  
with  
Building  
Regulations.

**141.**—(1) Application and structures to be constructed by an approved enterprise shall be permanent structures built with fire resistant material in accordance with building, public health and fire regulations adopted by the Zone Management from time to time.

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

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

Commence-  
ment of  
Develop-  
ment.

**142.**—(1) An approved enterprise that has secured a lease of land from the Zone Management shall commence development of its factory site within three (3) months of the date of execution of the lease agreement.

(2) On application, the Zone Management may grant an extension for a period not longer than three (3) months on such terms and conditions as deemed fit.

Failure to  
Commence  
Development  
within  
Stipulated  
Time.

**143.**—(1) For leased land not used within the specified periods, the Zone Management shall take over such land; rentals and infrastructure charge already paid shall not be subject to refund.

(2) However, if there are practical reasons that could justify delay in implementing the project, the investor shall apply for extension before the expiration of the deadline as specified in regulation 142 (2).

Commence-  
ment of  
Operations.

**144.**—(1) An Approved Enterprise—

(a) that has secured a lease of land from the Zone Management shall commence operation within eighteen (18) months from the date of execution of the lease agreement ; and

(b) on application, the Zone Management may grant an extension for a period not longer than six (6) months on such terms and conditions as it deems fit.

## (2) An Approved Enterprise—

(a) that has secured a lease of built-up factory space from the Zone Management shall commence operations in the Zone within six (6) months from the date of execution of the lease agreement ; and

(b) on application, the Zone Management may grant an extension for a period not longer than three (3) months on such terms and conditions as deemed fit.

145.—(1) Where an approved enterprise that has secured a lease of land for development of its factory site fails to commence operations in the Zone within eighteen (18) months after the execution of the lease agreement or after such other extension as the Zone Management may grant, the permit of the approved enterprise to carry on business in the Zone shall be revoked without any recourse to the Zone Management.

Failure to  
Commence  
Operation  
within  
Stipulated  
Time.

(2) Where an approved enterprise that has secured a lease of built-up factory space fails to commence operations in the Zone within six (6) months after the execution of the lease agreement or after such other extension as the Zone Management may grant the permit of the approved enterprise to carry on business as an approved enterprise in the Zone shall be revoked forthwith without any recourse to the Zone Management.

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

Application  
for Utility  
Inspection.

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

(3) Payment for facilities consumed shall be paid for at the prevailing rates and the waste management and pollution control plan shall be submitted for approval at this stage.

147.—(1) An approved enterprise shall prior to the commencement of operations apply to the Authority for permit to commence operations and the Zone Management shall within twenty four (24) hours of the receipt of the application complete inspection of the factory site to ensure compliance with relevant building, factory and public health laws and regulations and shall issue permit to commence operation if there be no breach of applicable laws and regulations within twenty four hours of completion of the inspection.

Permit to  
Commence  
Operations.

(2) Where an approved enterprise fails to comply with relevant regulations, the Authority shall in writing within twenty four (24) hours after the completion of inspection notify the approved enterprise of the non-compliance and direct that it be remedied within a stipulated period.

(3) On completion of required remedial action, the approved enterprise shall invite the Authority/the Zone Management for inspection and issuance of compliance certificate and the Authority shall within twenty four (24) hours of receipt of the invitation inspect and issue a certificate of compliance if there is no breach on the part of the approved enterprise.

Alteration,  
Expansion  
and  
Demolition  
of Built-Up  
Factory  
Space.

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

(2) In the event that an investor decides to disinvest before the expiration of the fifteen (15) years payment period, the Zone Management shall take over the building at a negotiated and agreed cost and payment terms.

(3) Alteration of a building under rent or lease can only be carried out with the prior approval of the Authority or Zone Management at the investor's cost. The cost or rent for service buildings depends on the type of service to be rendered.

Sub-Demise  
or Demise  
Property.

**149.** No real property or any part thereof whether developed or not shall be sub-demised or demised in any form in the Zone without the prior written approval of the Zone Management.

Ground  
Rent.

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

#### PART 9—HUMAN RESOURCE PROCEDURES

Labour and  
employee  
services  
department.

**151.** The Zone Management shall in collaboration with the Ministry of Labour and Productivity, establish a labour and employment service department in the Zone and the said department shall regulate the labour market and supervise matters relating to the terms and conditions of employment, safety, health and welfare of workers in the Zone.

Employment  
contracts.

**152.** Employment contracts shall contain the following provisions—

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

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

(c) the nature of the employment contracts ;

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

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

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

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

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

- (i) the welfare benefits and houses given to the employee ; and
- (j) the period of notice to be given by the party wishing to terminate the contract, in the light of the conditions and circumstances of the contract.

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

Provisional employment contracts or apprenticeships, termination of contracts of employment.

(2) The relationship period shall be mutually agreed by the parties and stipulated in the contract and wages and employees' work benefits for work ending during the course or at the end of the apprenticeship period shall be paid for the period during which work was performed.

(3) Apprenticeship contracts may be entered only once between an employer and an employee for a specific job.

(4) Employment contracts may be terminated for one of the causes set forth below by—

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

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

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

Modification in employment conditions.

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

Minimum wage, overtime pay and holidays.

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

(3) Every employee shall be entitled after twelve (12) months continuous service to a holiday with full pay of—

(a) at least six (6) working days ; or

(b) in the case of persons under the age of sixteen years (including apprentices) at least twelve (12) working days ; and

(c) in cases where work is performed for less than twelve (12) months, but not less than six (6) months in the continuous employment of an employer, the employee shall be paid with respect to that period of employment an amount bearing the same proportion to full pay for one week at the employee's normal rate.

Resolution  
of disputes.

156.—(1) All disputes between an employee and an employer arising from the work place and the contract of employment shall first be settled amicably by the agreed grievance procedure and whenever disputes are not settled amicably, the matter may be referred by either party within ten (10) days to the board of settlement of disputes.

(2) The Board shall be composed of—

(a) the employer in question, or its fully authorised representative ;

(b) the employee in question, or his/her fully authorised representative ;

(c) a representative of the Zone Management who shall be the chairman ;  
and

(d) the head of the labour and employment services department or his representative in the Zone.

(3) In the absence of objections thereto, the decisions of the board of settlement of dispute are enforceable within ten (10) days after the date of service to the parties.

(4) Whenever the termination to an employee is not deemed justified by the board of settlement of disputes, the employer shall have the option of either reinstating the employee and paying the employee salary for the period of termination, or pay him/her by way of compensation forty-five (45) days salary for each year of service.

(5) Whenever the termination of an employee is deemed justified by the board of settlement of disputes, the employee shall be confirmed and the employer shall be obliged to pay fifteen (15) days salary to the employee for each of service year.

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

(7) In all cases, where a dispute is not settled by the board, either party (or its representative) is obliged to report the dispute to the head of labour and employment services department of the Zone who shall invoke the provisions of the Trade Disputes Act Cap T9 LFN 2004 with a view to settling the dispute.

157. Work permit for foreign nationals shall be issued upon the request of the Zone Management to the relevant government agency. Whenever a foreign contract of employment comes to an end, either the employer, or the foreign national whose contract has reached its term must inform the Zone Management and other agencies concerned with employment of foreign nationals of the termination of the employment contract.

Work Permit  
for Foreign  
Nationals.

158.—(1) Each employee shall alone establish a retirement savings account (RSA) with a pension administrator of choice in line with the Pension Reform Act 2004 for the purpose of the monthly remission of employee's retirement benefits.

Employment  
Benefits.

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

(a) a minimum of 7.5 *per cent* of the employees' total emolument on behalf of the employer ; and

(b) a minimum of 7.5 *per cent* of the employees' total emolument on behalf of the employee not later than seven (7) days from the day the employee was paid salary.

(3) Rules and directives concerning the determination of other retirement benefits of the employee shall be in line with the provisions of the Pension Reform Act 2004 and other relevant laws in the country.

159. The following facilities shall be available within LFTZ—

Facilities  
Offering.

(a) good security network ;

(b) administrative building ;

(c) separate administrative offices for different regulatory agencies in the Zone ;

(d) adequate supply of clean water ;

(e) adequate power supply ;

(f) good drainage system ;

(g) good sewage system ;

(h) efficient telecommunication system ;

(i) good internal road network ;

- (j) warehouses ;
- (k) logistics system ;
- (l) banking facilities ;
- (m) standard clinic ; and
- (n) fire Service building with fire-fighting equipment.

160. Lekki Free Trade Zone will be managed under the overall supervision of LFTZ and the day to day operations and management of the Zone shall be undertaken by LFTZ.

161. LFTZ shall have a General Manager (GM), who together with the Management of the Authority shall provide strategic direction to all activities within the Zone.

162. In these Regulations—

Interpretation.

"Act" means the Nigeria Export Processing Zones Act Cap N.107, LFN 2004 ;

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

"Approved Activity" means any of the activities specified in the third schedule to the Nigeria Export Processing Zones Act, Cap N.107 LFN 2004 ;

"Authorized Banks" means banks licensed under Banks and other Financial Institutions Act (BOFIA), Cap B.3 LFN 2004 and authorized to deal in foreign exchange in the customs territory in Nigeria ;

"Authority" means the Nigeria Export Processing Zones Authority established pursuant to the Nigeria Export Processing Zones Act Cap N.107 LFN 2004 ;

"Bank Pay-in-Slip" means the custom duty receipt as set out in the regulations ;

"Commercial Quantity" means goods purchased within the Zone, with value in excess of ₦50,000 (Fifty Thousand Naira) ;

"Country of Origin" in the case of a foreign entity means a jurisdiction other than the State and in the case of a domestic entity means the State ;

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

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

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

**"Enactment"** means a law of the state whether issued by the Federal Government or Local Government but excluding circulars and regulations of the free zone ;

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

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

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

**"Free Zones"** means Export Processing Zones, Border Free Zones, Free Trade Zone, Export Processing Factories and Export Processing farms established pursuant to the Nigeria Export Processing Zones Act Cap N.107 LFN 2004 ;

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

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

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

**"Import Duty"** means customs duties chargeable on imports ;

**"Importer"** means in relation to any goods at anytime between their importation and the time when they are cleared, any owner or other person for the time being possessed of, or beneficially interested in the goods ;

**"Lease Agreement"** means the lease agreement to be entered into by the applicant or license holder as the case may be ;

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

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

**"Minister"** means the Federal Minister charged with the responsibility for commerce ;



*"Non-Resident"* means any person who is resident outside the customs territory of Nigeria (for example, expatriate staff in the Zone); or any business enterprise or institution registered or incorporated from outside the customs territory of Nigeria, for example, approved enterprises and licensed banks in Nigeria's free zones ;

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

*"Regulations"* mean the rules and regulations issued by the Authority/ Zone Management pursuant to this Act ;

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

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

*"Restricted area"* means any area where a risk of personal or property safety exists is considered a restricted area ;

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

*"State"* means a State in the Federal republic of Nigeria ;

*"Terminal Operator"* means the authorized operators of the terminals at the seaports ;

*"US \$"* means the currency of the United States of America ;

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

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

*"The Zone Management"* means the management team of the Zone, as registered by the Authority including the representatives of the Authority ;

*"The Zone Management Company"* means Lekki Free Trade Zone or any agents and third parties appointed by Lekki Free Trade Zone for the purpose of discharging its functions as Lekki Free Trade Zone.

List of  
Abbreviations.

163.

BOFIA	Banks and Other Financial Institutions Act
CBN	Central Bank of Nigeria
CERPAC	Combined Expatriate Residence Permit and Aliens Card
CITA	Companies Income Tax Act
CPC	Customs Processing Centre
DIA	Destination Inspection Agent

ECOWAS	Economic Community of West African States
EFCC	Economic and Financial Crimes Commission
EPZ	Export Processing Zone
FGN	Federal Government of Nigeria
FRSC	Federal Road Safety Commission
FOB	Free On Board
FTZ	Free Trade Zone
FZ	Free Zone
FZE	Free Zone Enterprise
HSE	Health, Safety and Environment
LFTZ	Lekki Free Trade Zone
KYC	Know-Your-Customer
NAHCO	Nigerian Airport Handling Company
NEPZ	Nigeria Export Processing Zone
NEPZA	Nigeria Export Processing Zone Authority
NIS	Nigeria Immigration Service
NPA	Nigerian Ports Authority
PPTA	Petroleum Profits Tax Act
RAR	Risk Assessment Report
RSA	Retirement Savings Account
SGD	Single Goods Declaration
STR	Subject to Regularisation
TWP	Temporary Work Permit
VAT	Value Added Tax
WHT	Withholding Tax

164. These Regulations shall be cited as the Lekki Free Trade Zone Regulations, 2010. Citation.

## CUSTOMS PROCEDURES

*Procedures for Importing Goods into Lekki Free Trade Zone*

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

General  
Procedures  
for  
Importing  
Goods into  
the Free  
Zone.

1. Goods shall be imported into *Lekki Free Trade Zone* in accordance with the following procedures—

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

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

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

(ii) if for banking or other reasons the identification of the "Consignee" has to be completed differently, the above information must appear prominently in the "*Marks and Numbers*" section of the Bill. The "Notify Party" shall be the Free Zone Licensee. The Zone Management shall be notified to this effect ;

(i) in relation to sea shipments, the "*Port of Discharge*" shall be clearly specified; and ;

(ii) in relation to air shipments, the "*Airport of Final Destination*" shall be clearly specified ;

(c) the Zone Management shall require the shipping line/airline to have a separate manifest (in hard and soft copies) for goods to be delivered to the Zone ;

(d) the Shipping Company shall provide to the Customs and the Zone Management an advance manifest seven (7) days before arrival of the vessel. For shipment by air, the manifest shall be provided prior to or upon arrival of aircraft ;

(e) prior to the arrival of the goods or upon shipment, the Licensee shall provide to the Zone Management certified copies of Invoices, Packing List, Bill of Lading and other relevant documents. This shall be considered to be a "*Transaction Request Order*" by the Zone Management ;

(f) 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 LFTZ ; and

(g) the duly authorised and endorsed "Transfer Request" shall be delivered to the relevant Terminal Operator/Aviation Handling Company who shall transfer the goods from the Quayside/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.

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

Specific  
Procedures  
for  
Importing  
Goods into  
the Free  
Zone by  
Sea.

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

(3) Upon receipt of the documents specified above ("Transaction Request Order"), the Zone Management shall prepare a "Transfer Request" authorizing the goods to be transferred directly from the vessel to the Zone upon arrival. The Transfer Request shall first be endorsed by the Free Zone Customs, the Shipping Agent and the Terminal Operators.

(4) The "Transfer Request" shall be noted with the stack address of the cargo and a stock reference number. The Licensee shall give a blanket authority to The Zone Management to transfer the goods upon discharge except otherwise indicated and pay applicable charges.

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

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

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

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

Specific  
Procedures  
for  
Importing  
Goods into  
the Free  
Zone by Air  
Freight.

### 3. Specific procedures for importing goods into the Zone by air are—

(a) the NAHCO or appropriate aviation handling company shall discharge the aircraft. The cargo is then tallied, reconciled to the manifest and transferred to the cargo arrival shed ;

(b) on receipt of an advice from NAHCO or appropriate handling company, the Licensee shall collect the documentation relating to the goods from the airline. After paying all applicable charges, the airline will issue a "Delivery Order" to the Licensee, a copy of which shall be made available to the Zone Management ;

(c) on receipt of the relevant Invoice, Air Waybill, Packing List and other relevant documents, which shall be considered to be the "Transaction Request Order", the Zone Management shall issue a "Request to Transfer under Customs Escort" duly endorsed by the Free Zone Customs and the Airport Customs ;

(d) the Airline shall make available a separate manifest of all Free Zone cargo on-board the flight, the manifest shall be made available to the Zone Management prior or upon arrival of the flight duly sealed by the airlines' agents ;

(e) with the Delivery Order and the "Transfer Request", the Licensee or the Zone Management (on request) takes delivery of the cargo and transport it under Customs escort from the Airport to the Zone ; and

(f) on arrival at the Zone, the consignment is then written off the incoming aircraft manifest and a copy of the receipted "Transfer Request" is forwarded to NAHCO or appropriate handling company through the Free Zone Customs.

Special  
Procedures  
for  
Importing  
Goods into  
the Free  
Zone by  
Road  
Freight.

### 4. Specific procedures for importing goods into the Zone by road are—

(a) where the Licensee requires goods to be delivered to the Zone by road freight, the Licensee shall apply in writing to the Zone Management for permission for the transfer. Such 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 Licensee 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 the Zone Management and Free Zone Customs ;

(d) upon 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 arrival at the Zone, the duly authorized and endorsed "Transfer Request" is then forwarded to the Customs Command at the point of discharge for use by them to close the record.

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

Cargo track  
Inventory  
System.

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

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

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

(5) The Licensee shall permit the Zone Management and the Free Zone Customs to access the factory, warehouse, assembly plant or any other premises of the Licensee 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 Licensee. The Zone Management or Free Zone Customs may require that its officers be stationed on the premises of the Licensee for the purposes of inspection.

## PROCEDURES FOR EXPORTING GOODS FROM THE FREE ZONE

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

1.—(1) These procedures apply to importers desirous of exporting goods from the Free Zone into the Nigerian Customs Territory (NCT) in the normal course of trading activities in *commercial quantity*. The goods shall be subject to extant fiscal policy regulations pertaining to importation of goods in commercial quantity into the NCT. Such goods shall be deposited at the bonded warehouse located in the buffer zone and operated by the Authority. Without prejudice to the foregoing goods declared as personal effects but in excess of the passenger concessions shall be treated in line with the provisions of the customs baggage code.

(2) For non-prohibitions the importer shall first submit a completed "FORM M" to his bank ("the Bank"). The "Country of Origin" and the "Country of Supply" should be marked as *Lekki Free Zone*. *The service providers shall issue the RAR upon satisfaction with the submitted documents.*

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

Pre-Release  
of Free Zone  
Goods.

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

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

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

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

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

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

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

Exporting  
Goods to a  
Foreign  
Territory by  
Sea.

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

(a) the Licensee shall send to the Zone Management, copies of the following documents (as attested by the Bank)—Bill of Lading, Invoices, Packing List and Export Declaration documents. This shall be considered to be a "Transaction Request Order" to the Zone Management ;

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

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

(d) the Licensee 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. Terminal Operators shall carry out the delivery of the goods upon payment by the Licensee 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 Terminal Operators. 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 ;

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

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

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

Exporting  
Goods to a  
Foreign  
Territory by  
Air Freight.

(a) the Licensee shall send to the Free Zone Management copies of the following documents (as attested by the Bank) – Invoices, Form M, Airway Bill, and Packing List. This will be considered to be a "Transaction Request Order" by the Zone Management ;

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

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



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

(e) the goods shall be released by the Free Zone Customs and transported to the airport under Customs escort. The Export Declaration shall accompany the goods ;

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

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

## THIRD SCHEDULE

Regulation 49 (d)

## PROCEDURES FOR HANDLING GOODS THAT REQUIRE REPAIR AND MAINTENANCE:

1. The Licensee may apply to the Zone Management requesting repair of goods situated within the Customs Territory in the Zone and the following procedures shall apply—

Goods from within the Customs Territory being repaired or maintained in the Free Zone.

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

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

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

(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 where goods shall be returned to the Customs Territory after repairs ;

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

Goods for Repair, Refurbishment, or Maintenance in the Customs Territory.

(a) the Licensee submits all relevant documents, stating clearly the reason for repair and duration of maintenance. This will be considered to be a "*Transaction Request*";

(b) the Zone Management shall raise a Transaction request Order and issues 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 Licensee transfer goods to the Customs Territory for repair ;

(f) the Licensee notifies the Zone Management and the Free Zone Customs on return of the goods ; and

(g) on completion of repairs and the delivery of the goods into the Free Zone, the goods will be examined against the original "Request for Repair" and the goods will be returned to Free Zone.

3. Customs duty shall be charged on goods not returned to the Free Zone within the stipulated time frame specified in the authorization, unless an application for an extension of time is made by the Licensee and approved by the Zone Management. Additional penalties may also be payable where applicable.

## FOURTH SCHEDULE

Regulation 49(e)

## PROCEDURES TRANSFERRING GOODS

## 1. The following procedures shall apply—

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

Goods  
between  
LFTZ 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 authorizes the Transaction Request Order and carries out an examination of the goods against the documents submitted ;

(d) the Free Zone Customs shall give 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 upon payment of handling and freight charges by the Licensee (if goods are to be delivered by sea) or release the goods to the road hauler under Customs escort if the goods are to be transferred by road ; 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 Licensee (seller) shall raise an Invoice and notify the Zone Management. This will be considered to be a Transaction Request ;

(b) the Licensee (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. The Licensee (Seller) completes Form M with the Bank ;

(c) the Zone Management raises a Transaction Request Order and shall issue a request to the Free Zone Customs and DIA for examination of the goods ;

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

(e) the DIA shall issue the RAR and shall dispatch it to the designated bank ;

(f) the Licensee (Buyer) shall submit the SGD at the CPC for processing, attaching all commercial documents including the import duty receipt ; and

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

Goods from  
one Licensee  
to another  
within the  
Free Zone  
(for use in  
Customs  
Territory).

## FIFTH SCHEDULE

*Regulation 49*

### PERSONAL DUTY-FREE ALLOWANCE

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

## SIXTH SCHEDULE

## LEKKI'S MARKET CATEGORISATION FOR CUSTOMS DUTY CONSIDERATION

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

Goods imported into the NCT for re-sale.

2. A large proportion of this target market for LFTZ currently import their goods from Europe, Asia and the 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 (FGN) will fall under this category ;

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

(c) customs duty will 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.—(1) It is anticipated that a significant portion of trade from LFTZ 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 Asia and this category of traders will constitute a large potential market for LFTZ, with large or wholesale consignments being purchased from LFTZ for export to destinations outside Nigeria.

(2) As this category of goods is for export to destinations outside Nigeria, the following shall apply—

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

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

5. (1) This category of goods can be purchased for consumption within LFTZ, imported into the NCT or exported out of the NCT for personal consumption and the target market for this category of goods includes the following—

Goods purchased for personal consumption.

(a) West African shoppers and leisure seekers ;

(b) Nigerians ;

- (c) Expatriates resident in Nigeria ; and
- (d) International visitors.

(2) As this category of goods is for personal consumption purposes only, the following shall apply—

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

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

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

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

(3) Apart from the complexities that will likely be associated with administering duty on such small items, the economic and employment benefits associated with the increased level of tourism and related economic activities resulting from an increased number of domestic, West African and international visitors into the south-south region of the country far outweigh the value of duty from personal effects.

## SEVENTH SCHEDULE

### ORGANISATION OF LFTZ FOR CUSTOMS PURPOSE

1. For proper administration of Customs functions in LFTZ, a Customs Processing Centre (CPC) must be established outside the Zone. The CPC will be managed by designated officials of the NCS under the control of an Area Command. The functions of the CPC, aside from day-to-day management of the CPC facilities will include the following—

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

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

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

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

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

2. The perimeter of LFTZ must be fenced to prevent unapproved entry or exit of goods from the Zone. The perimeter of the Zone will also be monitored regularly by the officials of the NCS attached to the CPC.

3. Goods must be entered in the CCVO. This is very important for the administration of customs duty within the Zone because of the peculiar nature of the Zone. LFTZ is designed to provide a mix of services and goods to tourists and customers. As such, goods purchased within the Zone must be invoiced separately from services to avoid subjecting the services to customs duty. The standardised invoices will also be easily recognised and authenticated by the CPC.

4. The invoices must have special features as advised by the CPC which may include HS Code for the goods, the quantity of goods sold, the destination of the goods and whether or not the purchase qualifies as items for personal consumption/effects.



## EIGHTH SCHEDULE

## CUSTOMS PROCEDURES WITHIN LFTZ

Goods  
Imported  
into LFTZ.

1. All items imported into LFTZ must be entered by the CPC. The goods are not subject to import duty, at this point, due to the free zone status of LFTZ. 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 invoices/receipts issued by the importer/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.

Considering the free zone status of LFTZ, all goods, including goods that are banned or prohibited for importation into the NCT will be allowed for importation into the Zone.

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

Goods  
Manufactured  
within  
LFTZ.

2. Goods manufactured within LFTZ 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 LFTZ, 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.

Damaged,  
Expired or  
Destroyed  
Goods.

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

Personal  
Effects and  
Goods  
Consumed  
in LFTZ.

4. The sellers within LFTZ must be familiar with sales that constitute personal effects and indicate this fact on the invoices/receipts issued for goods sold which qualify under this category. The receipts/invoices for items consumed within the territory must also be appropriately denoted. Copies of the receipts/invoices for goods consumed within LFTZ 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  
Exported  
into the NCT.

5. The sellers within LFTZ must be familiar with sales that constitute personal effects and indicate this fact on the invoices/receipts issued for goods sold which qualify under this category. The receipts/invoices for items being exported by buyers into the NCT must also be appropriately denoted. Copies

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

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

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

Goods for  
Export.

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

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

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

(5) The CPC shall perform the requisite inspection of the goods, at the time of exit from LFTZ to ensure that the description and quantity agree with the customs invoice issued by the seller and after the inspection, a customs clearance shall be issued to the exporter by the CPC. The CPC shall also be responsible for monitoring the movement of the goods up to the port of exit from Nigeria to ensure that the goods are not diverted for resale within the NCT. The exported goods shall be deleted from the CPC records.

(6) In a bid to properly monitor the movement of the goods from LFTZ without the buyers diverting the goods into the NCT, the CPC may arrange for the use of bonded warehouses both at LFTZ and at the port of exit before the goods are taken out of the country. For goods to be transported out of the country by road, the buyers should be encouraged to have their means of transportation ready to transport the goods from LFTZ.

7. Goods purchased within LFTZ for resale within the NCT qualify under this category. This shall represent large or wholesale quantities as agreed between TBRL and the CPC which are destined for other parts of the Nigerian territory outside LFTZ and other free zones in the country, such imports into the NCT are subject to customs duty as appropriate unless there is an express exemption of duty on such goods.

Goods  
imported  
into the  
NCT.

(1) Goods that are deemed for "personal consumption" will not fall under the "goods imported into the NCT" category.

(2) Under this category, on the basis of the HS Code of the goods being sold and the appropriate duty rate the traders at LFTZ will calculate the customs duty on the goods sold 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 NCT is collected on behalf of the Customs.

(3) Once the goods are to exit from LFTZ, the CPC shall inspect the customs invoice, the receipt of payment for the goods and customs duty to ensure consistency and correctness. The CPC shall also inspect the goods to be imported into the NCT and ensure that they conform to the quantity stated in the customs invoice. Any discrepancies shall be resolved before the release of the goods by 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.

## NINTH SCHEDULE

Regulation 59(2)

## TAXATION PROCEDURE

<i>Serial No.</i>	<i>Subject Matter</i>	<i>Tax Implication</i>	<i>Basis of the Position</i>
1.	Purchases made by FZEs within LFTZ from companies operating in the customs territory.	No VAT No WHT.	This is in line with Sections 11(2) and 12(9) of NEPZ 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 NEPZ Act which made rules for import into Nigeria Applicable.
3.	Purchases or sales from customs territory by unapproved enterprises operating within the Zone.	VAT and WHT applicable.	Sections 8 and 18(1) of the NEPZ Act, which granted tax exemption, did not cover unapproved enterprises operating within the Zones.
4.	Imported goods conveyed through other Ports outside the Zones but consigned to the Zone.	No VAT No WHT (Provided the goods are escorted from the Port of entry to the Free Zone by the Nigeria Customs Service).	This is in line with Section 12(1) and 18 of NEPZ Act.
5.	Submission of tax returns to FIRS by FZEs Act.	FZEs to submit tax returns through The Zone Management to FIRS.	This is in line with Section 40A of Companies Income Tax Act (CITA) as amended Cap. C21, LFN 2004.
6.	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 Sections 51A of the Petroleum Profits Tax Act (PPTA) and Sections 63 of the CITA. Section 8 of CITA dealing with derivation of income is also relevant.
7.	Property or assets of FZEs located outside the Zone.	No VAT No WHT.	This is in line with the NEPZ Act.

## APPENDIX I

## LIST OF OTHER RELEVANT LAWS AND REGULATIONS

Arbitration and Conciliation Act Cap 19 Laws of the Federation of Nigeria 2004.

Banks and Other Financial Institutions Act Cap B.3 LFN 2004.

Companies Income Tax Act Cap C21 LFN 2004.

Customs, Excise Tariff, etc. (Consolidation) Act.

Nigeria Export Processing Zones Act Cap N.107 LFN 2004.

Pension Reform Act 2004.

Petroleum Profits Tax Act Cap P13 Laws of the Federation of Nigeria 2004.

Trade Disputes Act Cap T9 Laws of the Federation of Nigeria 2004.

## APPENDIX II

## LICENSING FEES

(Regulation 33)

(a) Manufacturing – US\$2,000 (Two Thousand United States Dollars);

(b) Trading – US\$3,500 (Three Thousand Five Hundred United States Dollars); and

(c) Services – US \$5,000 (Five Thousand United States Dollars).

## APPENDIX III

## Regulation 4

## REGISTRATION FEES

- (a) Line shops – US \$100 (One Hundred United States Dollars) ;
- (b) Warehouses – US \$1,000 (One Thousand United States Dollars) ;
- and
- (c) Emporium – US \$4,000 (Four Thousand United States Dollars).

MADE at Abuja this 26th day of March, 2010.

SINA A. AGBOLUAJE  
*Managing Director*  
*Nigeria Export Processing Zones Authority*