



Federal Republic of Nigeria

Official Gazette

No. 87

Lagos - 27th May, 2016

Vol. 103

Government Notice No. 43

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

<i>S.I. No.</i>	<i>Short Title</i>	<i>Page</i>
7	Ladol Free Zone Regulations, 2016	B231-310

Printed and Published by The Federal Government Printer, Lagos, Nigeria
FGP 51/62016/650

Annual Subscription from 1st January, 2016 is Local : ₦25,000.00 Overseas : ₦37,500.00 [Surface Mail]
9,500.00 [Second Class Air Mail]. Present issue ₦1,500.00 per copy. Subscribers who wish to obtain *Gazette* after
January should apply to the Federal Government Printer, Lagos for amended Subscriptions.

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



ARRANGEMENT OF REGULATIONS

Regulation :

PART I—OBJECTIVES AND APPLICATION

1. Objectives.
2. Application.
3. Object and Powers of a Free Zone Enterprise.

PART II—ADMINISTRATION AND MANAGEMENT

4. Management of the LADOL Free Zone.

PART III—FREE ZONE REGISTRY

5. Registration as a Free Zone Enterprise.
6. Procedure for Registration.
7. Documents required in respect of the Registration of FZE.
8. Incorporation with the Authority.
9. Schedule of Charges and Registration Fees.
10. Transfer and other payment instructions.
11. Right of the Free Zone Registry to request and receive information.
12. FZE Share Capital and Denomination.
13. Transfer of Shares.
14. Registration of transferred shares.
15. Name of a FZE operating within LADOL Free Zone.
16. Registered Address.
17. Sign-Name Plate.
18. Business Letters.
19. Statutory Declaration of Compliance.
20. Register of Directors and Secretary.
21. Status of Directors.
22. Directors Meeting.
23. Secretaries.
24. Seal.
25. Contracts.
26. FZE Accounts and Financial Records.

27. Appointment of Auditors.
28. Returns.
29. Distribution of profit.
30. Ownership.
31. Owner's Declaration.
32. Security Interest.
33. Power to investigate.
34. Deregistration.

PART IV—LICENSING PROCEDURES AND REGULATIONS

35. Application for Licenses.
36. Approved activities and types of Licenses.
37. Eligibility for a License.
38. Licensing Fees.
39. Issuance of a License.
40. Continuing Obligations.
41. Renewal of License.
42. Operations outside of the Free Zone.
43. Lease Agreement with Zone Management.
44. Revocation of License.

PART V—GENERAL REGULATIONS

45. Incentives and Concessions.
46. Banking institutions in the Free Zone.
47. Abandoned Goods.
48. Quarterly Reports.
49. Books of Accounts and Records.
50. Vehicles.
51. Free Zone Customs, Police and Immigration.
52. Customs Procedure.
53. Work Permits.
54. Security.
55. Applicable Laws.
56. Dispute Resolution.
57. Litigation.
58. Employment of Expatriates outside the Free Zone.
59. Environmental Protection.
60. Maintenance Works.
61. Utilities.

PART VI—TAXATION PROCEDURES AND IMPLEMENTATION OF REGULATIONS

62. Implementation of Regulations.
63. Publication of guidelines on Tax Implication of Transactions.
64. Application of Regulations.

PART VII—BANKING PROCEDURES AND REGULATIONS

65. Bank licensing requirements.
66. Sources and uses of fund.
67. Guidelines for participation of Free Zone Enterprise in the Nigerian Foreign Exchange Market.
68. Rendition of Returns.
69. Examination of Banks.
70. Auditing of Accounts incentives.
71. Incentives for banks operating in LADOL Free Zone.
72. External Account.
73. Permissible activities.
74. Prohibited activities.
75. Know Your Customer (KYC) directives.

PART VIII—HEALTH, SAFETY AND ENVIRONMENT

76. Access to Zones.
77. Reporting.
78. Clean and Tidy environment.
79. Maintenance of facilities.
80. Management responsibilities.
81. Responsibilities of Site Managers and Supervisors.
82. Employee responsibilities.
83. Service Providers responsibilities.
84. Health Safety and Work Environment Induction and Training.
85. Occupational Health and Safety Practices.
86. Control of Hazardous substances.
87. Fire Prevention.
88. Fire-fighting Equipment.
89. Fire Exits.
90. Emergency Evacuation Procedures.
91. Personal Protective Equipment (PPE).
92. Uniforms and Protective Garments.
93. Safety Shoes.
94. Breathing apparatus, Ear protection and Gloves.
95. Work Practice.
96. Authorized access to restricted Areas.
97. Tag In and Out.
98. Hot Work Permit.
99. Machinery and Hand tools.
100. Walkways, Platforms and Passageways.
101. Work Locations.
102. Stairways and Ladders.
103. Manual and Mechanical Handling.

104. Travel and Transportation.
105. Job Hazard analysis and Registration.
106. Waste Management.
107. Awareness programmes.
108. Disciplinary and Corrective action.

PART IX—IMMIGRATION PROCEDURES AND REGULATIONS

109. Immigration Guidelines.
110. Entry Visa.
111. Temporary Work Permit Visa (TWP).
112. Residence Subject to Regularization (STR) Visa.
113. Regularization of stay.
114. Permit for change of employment by Resident Expatriate.
115. Free Zone Expatriate's Register.
116. Re-Entry Visa.
117. Exemption from Expatriate Quota.
118. Fees for Immigration Services.

PART X—INVESTMENT AND APPLICATION PROCEDURES

119. LADOL FZ application process.
120. Information.
121. Application Forms and Fees.
122. Application for License.
123. Appointment of Building Contractors.
124. Buildings and Structures.
125. Installation of Machineries or Power, Water Supply and Electrical Inspection Test.
126. Grant of Permit to Commence Operations.
127. Commencement of Operations.
128. Assignment, Property Use and Alteration.
129. Rent and Application Rates.
130. Cessation of Operations.

PART XI—CONSTRUCTION PROCEDURES AND REGULATIONS

131. Application for Land or Pre-built Factory Space.
132. Payment of Deposit for Lease of land or Pre-Built Factory.
133. Forfeiture of Deposit for Lease.
134. Building permit.
135. Compliance with Building Regulations.
136. Commencement of Development of Factory Site.
137. Power to Revoke Lease Property.
138. Commencement or Extension.
139. Failure to commence development operation.

- 140. Application for Utility Inspection.
- 141. Compliance with Buildings Laws and Regulations.
- 142. Alteration of Property and Expansion.
- 143. Sub-demise.
- 144. Payment of ground rent by Investors.

PART XII—HUMAN RESOURCE PROCEDURES

- 145. Labour Employee Service Development.
- 146. Collaboration with Federal Ministry of Labour and Productivity.
- 147. Contract of Employment.
- 148. Provisional Contracts of Employment, Apprenticeships, Termination of Contracts of Employment.
- 149. Modification of Conditions of Employment.
- 150. Minimum Wage, Overtime and Holidays.
- 151. Resolution of Disputes.
- 152. Work Permit for Expatriates.
- 153. Employment Benefits.
- 154. Provision of facilities in the Zone.

PART XIII—MISCELLANEOUS

- 155. Revocation and Savings provision.
- 156. Interpretation.
- 157. List of Abbreviations.
- 158. Citation.

SCHEDULES

S. I. No. 7 of 2016

NIGERIA EXPORT PROCESSING ZONES ACT

CAP. N107, LAWS OF THE FEDERATION OF NIGERIA, 2004

LADOL FREE ZONE REGULATIONS, 2016

[26th Day of May, 2016]

Commence-
ment.

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

PART I—OBJECTIVES AND APPLICATION

1. The objectives of these Regulations include, to—

Objectives.

(a) complement and enhance the provisions of the Nigeria Export Processing Zones Act, Laws of the Federation of Nigeria, 2004 ("the Act");

(b) provide details of regulatory and supervisory requirements necessary to promote efficient and profitable operations in Nigeria's Free Trade Zones; and

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

2. These Regulations shall apply to all operations and activities carried out in the LADOL FREE ZONE ("LADOL FZ").

Application.

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

Object and
powers of a
Free Zone
Enterprise.

(a) such business within the area of the Free Zone as the Authority may permit under the terms of the licence issued in respect of the FZE, which terms, may be amended from time to time by the Zone Management in accordance with all applicable laws and regulations; and

(b) all business and other matters ancillary, conducive or related to the business permitted by the Authority and shall have power to—

(i) borrow, grant security, guarantee an obligation of any person or indemnify any person to enter into banking and financial transactions,

(ii) issue, make, endorse or draw any negotiable instruments including cheques, bills of exchange, promissory notes or bills of lading in relation to the business of the FZE, and

(iii) make, alter or dispose of any investments, whether or not within Nigeria, in relation to the business of the FZE.

PART II—ADMINISTRATION AND MANAGEMENT

Management
of the
LADOL
Free Zone.

4.—(1) For the purpose of these Regulations, any duty, function, power and responsibility imposed on the Authority for the management of the LADOL Free Zone may be carried out directly by the Authority, through the Zone Management in the LADOL Free Zone or by such other entity as the Authority may from time to time designate as the Zone Management Company (“ZMC”).

(2) Subject to the provisions of the Act and these Regulations, the Authority designates and delegates the responsibility to develop, manage, operate and administer the LADOL Free Zone, as the Free Zone Management Company, to Global Resources Management Free Zone Company (“GRMFZC”).

(3) The Authority shall through the Zone Management or Zone Management Company as appropriate, issue a license or permit to any Enterprise to carry on business as Free Zone Enterprise (“FZE”) under such terms and conditions as may be stipulated by it in respect of that license.

(4) The Authority may through the Zone Management or Zone Management Company as appropriate, vary the terms and conditions for the grant of a license or permit issued pursuant to sub-regulation (2) of this regulation, from time to time.

(5) LADOL Free Zone will be managed under the overall supervision of Zone Management which will oversee the day to day operations and management of the Zone.

(6) LADOL Free Zone shall have a General Manager (“GM”), who together with the Management of the Authority, shall provide strategic direction to all activities within the Zone.

(7) The organizational structure of the Zone Management shall be shown in a diagram, a copy of which may be obtainable from the Zone Management.

PART III—FREE ZONE REGISTRY

Registration
as a Free
Zone
Enterprise.

5.—(1) Any entity proposing to operate in LADOL FREE ZONE (“LADOL FZ”) shall be registered as Free Zone Enterprise (“FZE”) by the Authority in accordance with section 9 (1) of the Act.

(2) Any entity proposing to undertake and operate an approved activity as a FZE in the LADOL FZ, shall apply to the Authority in writing for permission to do so and shall submit such documents and information in support of its application, as the Authority may require.

(3) An example of the application form will be provided by the Authority upon request by the applicant.

6.—(1) A FZE, which desires to operate an approved activity in LADOL FZ, shall—

(a) apply for registration in accordance with the procedure provided for under the First Schedule to the Act ; and

(b) complete the LADOL FZ application form and return same to the Authority along with the documents set out under regulation 7 of these Regulations, as the Authority may require.

(2) Upon receipt of the application form referred to in sub-regulation (1) of this regulation, the application shall be vetted by the Authority within three days and where the application is approved, the Authority shall authorize the Free Zone Manager to request the entity to forward a set of incorporation documents to the Authority, including—

(a) statement of share capital,

(b) statement of compliance,

(c) statement of registered offices,

(d) two passport photographs of each director, and

(e) other documents which Authority may require, from time to time.

(3) Where the incorporation documents are completed and returned to the Authority through a Zone Management Company, the documents shall be sent to the Head Office of the Authority and the enterprise shall be registered within two weeks of receipt by the Authority and the certified registration documents and the new registration certificate shall be sent to the enterprise through the Zone Management Company when they are ready.

(4) Upon the registration by the Authority, the Zone Management company shall, on receipt of the certified registration documents and registration certificate, issue to the new enterprise, a license to operate ("Operating License") approved activities in the Zone, which license shall be renewable annually.

(5) Subject to the provisions of the Act, the Authority may grant the approval for the enterprise to undertake the approved activity specified in its application referred to in this regulation, on such terms and conditions as it thinks fit.

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

(a) the certificate of incorporation and certified true copy of Form Co2 and Co7 of the parent company or details of the individuals who will be the shareholders in the proposed Free Zone Enterprise; to be verified by the Corporate Affairs Commission ("CAC") or other regulatory agencies (for companies already in existence outside LADOL FZ) ;

Documents
required in
respect of
the
registration
of FZE.

- (b) Memorandum and Articles of association of the proposed FZE ;
- (c) Board's resolution of the parent company authorizing the registration a FZE (for companies registered in Nigeria) ;
- (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 businesses) ; and
- (e) relevant proof that it has been properly licensed to carry out activities in the customs territory such as Department of Petroleum Resources License or NAFDAC approval, if the Parent Company operates in the customs territory in specialized fields, such as oil and gas or agriculture or pharmaceuticals and if they intend to carry out similar activities in the Free Zone.

Incorporation
with the
Authority:

8.—(1) Where the application is approved and the products or services of the enterprise taken into the customs territory of Nigeria, the Enterprise itself, once incorporated with Nigeria Export Processing Zones Authority ("NEPZA"), shall be properly licensed to carry out the activities under these Regulations in the customs territory.

(2) Any foreign individual or parent company which was not previously licensed in the customs territory may make a first application for any license referred to under this regulation as a Free Zone Enterprise upon its incorporation with the Authority.

Schedule of
Charges and
Registration
Fees.

9. The Zone Management—

(a) shall issue a schedule of the charges (Tariff) applicable in the Zone and give the copies of the schedule of charges to genuine enquirers on request, within a reasonable time ;

(b) may review such charges from time to time, upon the approval of the Authority ; and

(c) shall charge a registration fee which shall be paid by any entity desirous to register as a FZE within LADOL FZ.

Transfer and
other
payment
instructions.

10. Persons making payments in respect of registration, licensing and rent shall make all cheques and transfer instructions in favour of LADOL FZ.

Right of the
Free Zone
Registry to
request and
receive
information.

11.—(1) FZEs shall file or submit relevant free-zone related information to government institutions through the Free Zone Registry.

(2) Officials of the Free Zone Registry shall have the right to request and receive on timely basis any additional information that it deems necessary regarding or in relation to a FZE.

12.—(1) The nominal capital of each FZE shall be denominated in either Nigerian Naira (₦) or United States Dollar (\$).

FZE Share
Capital and
Denomination.

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

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

- (a) in cash ;
- (b) by way of contribution in kind ; or
- (c) a combination of cash and in kind contributions.

(4) An authorization for a mode of payment shall be subject to such conditions as the Zone Management may require.

(5) The share capital of a FZE may be altered by the Owner's Declaration subject to the prior approval of Zone Management and details of such alteration shall be entered in the FZE Register and take effect from the date of such registration.

(6) A FZE, which is a body corporate 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.

13.—(1) A FZE may have two or more shareholders.

Transfer of
Shares.

(2) A FZE may not acquire its own shares, provided that it 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.

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

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

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

14.—(1) Upon a transfer of any share in any FZE, a duly executed instrument of transfer shall be registered in the FZ Registry.

Registration
of
transferred
shares.

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

Name of a
FZE
operating
within
LADOL FZ.

15.—(1) The name of a FZE operating within LADOL FZ shall end with the acronym, LADOL FZE.

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

(3) The new name of the FZE shall be entered in the FZE Register and a Certificate of Change of Name shall be 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 on and from which such new name shall take effect.

Registered
Address.

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

(2) Details of the registered address of a FZE and any change thereof shall be promptly entered in the FZE Register maintained by the Zone Management.

Sign-Name
Plate.

17. A FZE shall, in accordance with the requirements of the Zone Management, keep its name affixed in legible characters and in a conspicuous position outside every office or place where it carries on business.

Business
Letters.

18.—(1) A FZE shall have its name inscribed in legible characters—

(a) in all business letters, notices and other official publications ;

(b) on all promissory notes, cheques and other bills of exchange ;

(c) on order for money, good or services purporting to be signed by or on behalf of the FZE ; and

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

(2) A FZE shall inscribe its registered address in legible characters on all its business letters and order forms.

Statutory
Declaration
of
Compliance.

19.—(1) Upon compliance with all the requirements of these Regulations by the FZE, a statutory declaration in the prescribed form shall be made by a legal practitioner that the requirements for registration have been complied with.

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

Register of
Directors
and
Secretary.

20.—(1) A 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 changes thereto.

(2) The directors and the secretary of an FZE may be appointed and removed by the board of directors of the FZE subject to the FZE's Articles of Association.

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

21. Directors are not only employees 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 recognized as the officers of the FZE. Status of Directors.

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

(2) The directors may regulate the proceedings of the meeting of directors as they deem fit provided that a director may call a meeting and any contentious issue arising at the meeting shall be decided by majority of votes cast, with each director having one vote.

(3) No business shall be transacted at the meeting unless a quorum of directors is formed at the commencement and throughout the meeting.

(4) The quorum for the meeting shall be as spelt out in the Memorandum and Articles of Association of the FZE.

(5) For the purpose of determining the quorum, all directors or their proxies shall be counted.

(6) Where a director fails to attend a meeting, owing to what appears to the chairperson to be insufficient reasons or for the purpose of reducing the quorum and in fact the quorum is no longer present, the meeting may continue with the directors present and their decision shall bind all directors.

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

(8) 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.

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

(10) A director shall not be entitled to vote or be counted as part of the quorum in relation to—

(a) any resolution which concerns a matter in which he has direct or indirect interest; or

(b) a duty which is material and which conflicts or may conflict with the interests of the FZE unless—

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

(ii) 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.

cretaries.

23.—(1) A FZE shall have a Secretary who shall be appointed by the directors of the FZE and shall possess the requisite knowledge and experience to discharge such functions that may be assigned from time to time.

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

(3) The Secretary of the FZE shall cause minutes of all proceedings of meetings of the directors to be entered into books kept for that purpose and any minute signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting, shall be prima facie evidence of the proceedings.

(4) The Secretary shall also maintain a register for all appointments of directors and secretaries.

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

tracts.

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

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

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

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

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

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

26.—(1) Every FZE shall prepare and keep proper and accurate accounting records in conformity with acceptable international accounting principles and standards, to—

FZE
accounts and
financial
records.

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

(2) The earnings of every FZE shall be reported in United States dollars while the annual accounts of a FZE may be prepared either in United States dollars or Naira.

(3) The accounting records shall 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 times, be open for inspection by the officers of Zone Management and by its owners or their representatives.

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

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

(7) The Owners 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, immediately entered in the FZ Register except that in no circumstance may the financial year of FZE exceed fifteen months or be shorter than six months.

(8) 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.

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

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

(11) Where a FZE either owns another FZE or otherwise controls any company or enterprise, or owns more than half of the shares in any company or enterprise, the first mentioned FZE shall also prepare group accounts on a consolidated basis; provided that where a FZE neither owns another FZE nor controls any company or enterprise, nor owns less than half of the shares in a company or other enterprises 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.

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

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

Appointment
of Auditors.

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

(2) Each FZE shall, appoint auditors from among those approved by the Authority, to make a report to it or 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 constitute an accurate representation of the FZE affairs in case of—

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

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

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

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

(4) Where the total net assets of a FZE falls below 75 percent of its share capital, the directors shall, not later than fifteen days from the earliest day on which that fact is known to a director, duly notify the FZE Registry which shall, within seven days of such notification, convey to the FZE the

steps required to be taken in order to remedy the situation so as to ensure that the net assets of such FZE are restored to at least 75 percent of its share capital as soon as reasonably practicable.

28.—(1) FZEs shall render quarterly returns, as may be specified by the Authority, on its operations to the Zone Management on the following— Returns.

- (a) volume of production ;
- (b) volume of sales ;
- (c) flow of goods ; and
- (d) volume of raw materials.

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

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

29.—(1) A FZE shall not make a distribution whether in cash or otherwise to its owners, except out of its profits available for that purpose, or where the— Distribution of Profit.

(a) share capital of the FZE is reduced, in accordance with the provisions of these Regulations ; or

(b) Free Zone is deregistered, its assets distributed to its owners.

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

(3) A distribution shall not be made other than pursuant to an Owners' Declaration, a copy which shall be delivered to the FZ Registry within seven days of being made and details of which shall promptly be entered in the FZ Register.

30.—(1) A FZE shall keep a register in which details shall be entered as regards the owner and the ultimate ownership of the FZE and details thereof. Ownership.

(2) The FZE Registry shall be notified of any changes therein, within seven days after it is made and shall promptly be entered in the FZE Register.

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

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

- (a) a passport photograph ;

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

(c) specimen signature ; and

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

Owner's
Declaration.

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

Security
Interests.

32.—(1) The owner may pledge or otherwise charge all 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 and such pledge or charge will not be accepted if details thereof, in the prescribed form, are not delivered to the FZE Registry and entered into the FZE register, within seven days of the date of such pledge or charge.

(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 charge on 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 the details, in the prescribed form, are not delivered to the FZE Registry and entered into the FZE register, within seven days of the date of such security interest.

(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 Zone Management within seven days and entered immediately in the FZE Register.

Power to
Investigate.

33.—(1) The Zone Management or the Authority may appoint one or more competent persons as inspectors to investigate the affairs of any FZE which may be made on the application of either—

(a) the owner ;

(b) the FZE ;

(c) any creditor of the owner ;

(d) an Authority acting unilaterally ; or

(e) by any other person.

Provided that the Zone Management or the Authority is satisfied that good reason has been shown or circumstances arise for requiring the investigation.

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

34.—(1) Where the Zone Management or Free Zone Registrar has reasonable cause to believe that any FZE is not carrying on business or is not in operation, it may, after making an enquiry in writing to the FZE to ascertain whether it is carrying on business or is in operation and the FZE either failing to respond to such enquiry within seven days thereof or failing to demonstrate to the satisfaction of Zone Management or the Free Zone Registrar that it is carrying on business or in operation, make a recommendation to the Authority for the deregistration of the FZE.

Deregistration.

(2) A FZE shall be deregistered upon the revocation of its license on grounds stated in regulation 44 of these Regulations and any other circumstances as may be determined from time to time by the Authority.

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

(4) Without prejudice to the provisions of sub-regulation (3) of this regulation, where deregistration is as a consequence of any breach of these Regulations, a FZ Circular or the terms of the Licences relating to the FZE, the FZE shall pay such compensation as may be determined by the Zone Management and approved by the Authority.

(5) 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 organized manner, 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 owner ;

(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 FZE Registrar within seven days of such report being made and that details of such report are immediately entered in the FZ Register.

PART IV—LICENSING PROCEDURES AND REGULATIONS

Application
for Licences.

35.—(1) Upon successful registration, a FZE shall make an application, in writing, for operational license in accordance with the approved activities within LADOL FZ which shall include trading, services, warehousing, packaging and manufacturing.

(2) An application for operational license shall be made in writing to the Zone Management, pursuant to these Regulations and by completing the prescribed forms to be made available by the Zone Management.

(3) An application form for a License shall be accompanied with all the required documents as stated on the form.

Approved
activities and
types of
Licences.

36.—(1) The Zone Management may grant approval for a Free Zone Enterprise License which allows an enterprise to undertake an approved activity within the FZ.

(2) Approved activities referred to under sub-regulation (1) of this regulation shall include—

(a) trading ;

(b) services ;

(c) warehousing ;

(d) manufacturing ;

(e) packaging ;

(f) approved activities as set out under the Twelfth Schedule to these Regulations ; and

(g) any other activity as may be approved by Authority from time to time.

(3) Goods brought into the Zone by a Licensee shall, unless otherwise directed by Zone Management, be—

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

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

(c) separated into those parts of the goods that are meant for consumption in the Zone and those parts that are not ; or

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

(4) Retail trade activities shall not be conducted within the Zone without the prior approval of the Zone Management, which approval may be subject to such terms and conditions as the Zone Management may impose, from time to time.

(5) 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 that the approved enterprise's operation of the approved activities does not cause damage to human life and property, harm the environment or constitutes threat to public peace and order or national security.

37. In determining eligibility for a license, the Zone Management may take into consideration that the— Eligibility
for a
License.

(a) activities in which the applicant proposes to engage in is in accordance with the approved activities within LADOL FZ ;

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

(c) applicant is in compliance with the provisions of the Principal Act and applicable rules and regulations that may be put in place by LADOL FZ, from time to time ; and

(d) applicant possesses technical, financial and managerial capabilities to embark on the proposed activity.

38.—(1) A licensing fee shall be paid by a FZE to LADOL FZ which shall consist of an initial licensing fee which shall be paid once, upon an application for license and a license renewal fee which shall be paid annually. Licensing
Fees.

(2) The Zone Management shall receive the renewal fees after a three months' notice is issued to FZEs.

39.—(1) A license shall be issued to an applicant who has satisfied the requirements of the Zone Management in all respects. Issuance of a
License.

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

40. A licensee shall at all times— Continuing
Obligations.

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

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

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

(d) submit to the Zone Management 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 as may be prescribed from time to time by the Zone Management.

Renewal of
License.

41. A license shall be valid for one year and renewable annually on the—

- (a) payment of license renewal fee ;
- (b) submission of documents, returns or information as required by Zone Management pursuant to these Regulations and other extant laws ; and
- (c) payment of all outstanding amounts or fees due to the Zone Management.

Operations
outside of
the Free
Zone.

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

Lease
Agreement
with the
Zone
Management.

43. 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.

Revocation
of License.

44.—(1) A License shall not be transferred, assigned, or purported to be transferred or assigned in whole or in part except with the written consent of Zone Management and acceptance of such assignment by the Authority.

(2) A License of a user may be revoked where, upon an investigation and assessment conducted pursuant to section 3(20) of the Act, it is confirmed that—

(a) there has been a commission of an act, contrary to the provisions of any extant law, regulation, circular, written instruction or directive of the Zone Management and such act is to the detriment of order in the Zone ;

(b) there has been a declaration of revenue and earnings accruing from activities conducted outside the Zone as income earned in the Zone or a presentation of counterfeit or misleading documents for this purpose ;

(c) there has been a failure to comply with the conditions and qualifications declared in the Application Form or Operational License or any other periodic amendment of those conditions or qualifications ;

(d) there has been a failure to report changes in the information declared in the Application Form for Operational License ;

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

(f) the Zone Management, in spite of having requested in writing, 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 ;

(g) 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 or such damage has not been ameliorated despite the issue of a written warning ;

(h) the information given by an applicant in the application form and operational license are false ; and

(i) there has been a failure to observe such other conditions which may be determined from time to time by the Zone Management, upon the approval of the Authority.

(3) The licensing fee shall be forfeited to Zone Management and will not be reimbursed in cases of revocation of licenses.

(4) Any enterprise which continue its activities in LADOL FZ after its operational license has expired or has been annulled, 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 V—GENERAL REGULATIONS

45.—(1) A Free Zone Enterprise, which has been granted operational license to conduct business in the LADOL FZ, shall, from the date the FZE was first registered, 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 requirement on import or export licences ;

(e) up to 100 per cent goods may be exported into the Nigerian Customs Territory against a valid license 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 Zone Management ;

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

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

(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 into the Zone).

(2) Any product imported into the Zone under these Regulations on which value has been added without changing the essential character of the product after processing in the Zone and intended for the Nigerian Customs Territory shall be granted 75 per cent of the chargeable import duty as tariff rebate.

Banking
institutions
in the
LADOL FZ.

46.—(1) The Zone Management may approve any banking institution duly licensed under the Banks and other Financial Institutions Act or other extant 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.

Abandoned
Goods.

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

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

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

(3) Any cost incurred by the Zone Management in removing abandoned goods shall be refunded on demand by the Licensee or owner of the abandoned goods or set-off against the proceeds of sale of such goods.

Quarterly
Reports.

48. A Free Zone Enterprise 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 volume of raw materials during the period.

Books of
Accounts
and Records.

49.—(1) A Free Zone Enterprise shall prepare and keep proper and accurate books of accounts and records in conformity with accepted international accounting principles and standards.

(2) 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.

(3) The Zone Management shall where appropriate inspect the books of accounts and records kept by a FZE.

(4) A Free Zone Enterprise shall have its accounts duly audited and submitted to the Zone Management not later than thirty days after adoption in line with the provisions of applicable laws and regulations.

50.—(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 shall be in possession of a valid National Drivers License issued by the Federal Road Safety Commission or an International Drivers License issued by an appropriate authority.

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

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

51.—(1) Dedicated Free Zone Customs, Police and Immigration Commands 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.

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

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

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

Customs
Procedure.

(a) equipment and consumables to be used in the construction of facilities may be imported into Zone by a FZE, 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 in the Fourth Schedule to these Regulations.

Work
Permits.

53.—(1) A Free Zone Enterprise, on the execution of a lease agreement with the Zone Management for built-up leased space or land for development, may apply to the Authority through the Zone Management for work permits for its expatriate workers in such format as the Nigeria Immigration Service (NIS) may stipulate.

(2) The format for the required immigration application letter shall be provided upon the request of a FZE.

(3) Work permit for expatriates shall be issued upon the request of the Zone Management to the relevant government agency.

(4) An application for work permit for an expatriate shall only be accepted by the Authority, where it is in conformity with the Authority's requirements and upon acceptance of the application for work permit for expatriates, the Zone Management shall acknowledge receipt on behalf of the Authority.

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

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

(7) Whenever a contract of employment for an expatriate comes to an end, either the employer or the expatriate concerned, must inform the Zone Management and other agencies concerned of such termination of the employment contract.

Security.

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

Applicable
Laws.

55. Except as provided under the Act and extant legislation, an enactment applicable in the Customs Territory shall apply within the Zone.

Dispute
Resolution.

56.—(1) Where a dispute arises between a FZE and another FZE in the Zone which cannot be settled amicably between the parties, the matter shall be referred by either of the parties concerned to the Zone Management for settlement and the Zone Management shall—

(a) take all necessary steps to reach a settlement ; and

(b) communicate its decision to both parties accordingly.

(2) Where any dispute arises between a FZE and any other Government Agency or Department in the Free Zone, the matter shall be referred to the Authority through the Zone Management by either of the parties concerned and the Authority and Zone Management shall represent the FZE in all negotiations, Arbitration, settlement and reconciliation of the same in line with the provisions of the Arbitration and Conciliation Act, Cap. A19, Laws of the Federation of Nigeria, 2004 shall apply.

(3) Where any dispute arises between officials of the Government agencies themselves operating 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 FZEs and their employees which cannot be settled amicably, the matter shall be referred to the Zone Management which shall take all necessary steps to reach settlement between the parties.

(5) In all the cases referred to under this Article, the Zone Management reserves the right to intervene at any stage of any dispute in order to maintain industrial peace in the Zone and shall be entitled to allocate the reasonable cost of such intervention among the parties to the dispute.

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

57. In all cases involving litigation in the Zone, applicable law in the Customs territory shall apply.

Litigation.

58. No expatriate employee of any FZE 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.

59.—(1) Each Free Zone Enterprise shall observe the relevant measures necessary for the protection and preservation of the Zone environment and the immediate host community, including the measures set out in Part VIII of these Regulations.

Environmental
Protection.

(2) Each Free Zone Enterprise shall comply with the general environmental laws of Nigeria and ensure that pollution treatment facilities or other suitable devices are used to ensure that wastes and pollution caused during production processes are kept within tolerable limits.

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

Maintenance
Works.

60. Any maintenance work executed by the Zone Management for a FZE shall be paid for by the FZE.

Utilities.

61. Any connection of leased space to power, water supply, sewage lines, firefighting system and, devices and telecommunication lines shall be at the approved rate and payments for utilities consumed shall be paid for at prevailing rates.

PART VI—TAXATION PROCEDURES AND IMPLEMENTATION OF REGULATIONS

Implementa-
tion of
Regulations.

62.—(1) The provisions of these Regulations shall be implemented by Notice duly issued or publicly displayed.

(2) The provisions of these Regulations shall be enforced by the Authority, which by expression includes the Zone Management or the Zone Management Company, where applicable.

(3) All matters not provided for in these Regulations, except those expressly stated to be provided for by specific regulations, shall be subject to the relevant existing laws and regulations.

Publication
of
Guidelines
on Tax
Implication
of
Transactions.

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

(2) Until the guidelines referred to in regulation 63 (1) of these Regulations are published, the following tax exemption provisions shall apply—

(a) section 8 of the Act provides that FZEs operating within Free Zones shall be exempted from all Federal, State and Local Governmental taxes, levies and rates ; and

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

(3) Tax implication of the transactions referred to in this section is specified in the Eleventh Schedule to these Regulations.

Application
of regulation.

64.—(1) The Free Zone Management, the Authority or any other management entity may impose administrative penalties on any FZE which fails at any time to—

(a) pay the fees or other charges payable to any management entity within the Free Zone ; or

(b) submit any information due to be provided to any management entity within the Free Zone.

(2) The Zone Management shall publish or caused to be published, guidelines setting out the amount of fines payable in respect of such failures.

(4) Until the Guidelines are issued by the Zone Management on administrative penalties and the publication of the guidelines referred to in regulation 63 (1) of these Regulations, the following provisions shall apply—

(a) failure to submit any information required pursuant to the provisions of these Regulations shall attract a fine of USD 500.00 on each occasion ;

(b) failure to submit an information specifically required, in writing, by any Zone Management entity which information was not specified in these Regulations, shall attract a fine of USD250.00 on each occasion of non-compliance ;

(c) failure to make payment when due to any Zone Management entity, pursuant to these Regulations, shall attract an amount (“late surcharge”), which is three times the amount of the payment which is now late, for every six months for which such payment is late ;

(d) the late surcharge under sub-regulation (4) (c) of this regulation shall accrue fourteen days after the date on which the payment became due but not discharged ; and

(e) any amount paid by the FZE which is not the whole of the late payment due, plus the full amount of the late surcharge shall be applied first towards settlement of the late surcharge.

(5) References in these Regulations to a “management entity within the Free Zone” or a “zone management entity” shall include the agents, representatives and contractors of any zone management entity within the Free Zone appointed by the Authority pursuant to Regulation 4 (1) of these Regulations.

(6) Where a FZE is in default for six months, in respect of the matters referred to in this regulation, the Zone Management may, by notice in writing to the FZE—

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

(b) prohibit the FZE from entering into the Zone.

(7) The license of the FZE and its right of access to the Zone may only be reinstated when the FZE has remedied the failures referred to in regulation 64 (1) (a) and (b); and made payment of the applicable fine including late surcharge to the satisfaction of the Free Zone Management.

PART VII—BANKING PROCEDURES AND REGULATIONS

Bank
Licensing
requirements.

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

(2) The Authority shall grant approval to Banks in LADOL FZ.

(3) There shall be two types of banks in LADOL FZ namely—

- (a) a bank established and licensed to operate under Banks and Other Financial Institutions Act (BOFIA) or other relevant legislations ; and
- (b) a licensed foreign bank.

(4) A bank licensed under the BOFIA or other relevant legislations or a licensed foreign bank shall qualify to apply to the Authority for approval to establish a bank or bank branch to carry on banking business in LADOL FZ.

(5) A bank licensed to operate in LADOL FZ pursuant to the provisions of these Regulations shall maintain relevant books of account and records of its operations, independent of its parent bank.

(6) A bank authorised by the Authority to operate in the LADOL FZ may be wholly owned and operated by Nigerians or foreigners or jointly owned and operated by both Nigerians and foreigners.

(5) Every bank intending to operate in the LADOL FZ shall apply for an operating permit to the Authority through the Zone Management presenting the following documents—

- (a) two copies each of its Memorandum and Articles of Association ;
- (b) copies of its banking license issued to the Bank under the BOFIA or other legislations or in the case of a foreign bank, its banking license issued by the Authority in the country where the bank was incorporated ;
- (c) a copy of the bank's resolution at a meeting of its directors approving the proposed application for a license to carry on banking business in Free Zone ; and
- (d) an amendment to the Memorandum and Articles of Association of the company submitted to the Authority within four weeks where applicable.

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

- (a) multinational corporations ;
- (b) international corporations ;
- (c) non-resident individuals ;
- (d) FZEs in FTZ ;
- (e) regional financial agencies or institutions ;
- (f) euro-money markets ;

Sources and
uses of fund.

(g) inter-bank borrowing within banks in the Free Zone or with foreign banks ;

(h) export proceeds ; and

(i) equity capital.

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

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

(b) investments in International Securities Markets ;

(c) operational expenses ;

(d) payments of dividends ;

(e) interests on deposits ;

(f) payments for imports ; or

(g) any other legitimate use subject to the provisions of these Regulations.

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

Guidelines
for
participation
of Free Zone
Enterprise in
the Nigerian
Foreign
Exchange
Market.

(2) The following Guidelines issued by the CBN through the CBN's Circular dated 11 August, 2005 shall apply to a Free Zone Enterprise—

(a) application for foreign exchange for visible and invisible trade transactions by a FZE 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 ;

(c) where a Free Trade Zone operator opts for payment in Naira, the proceeds there from shall not qualify for repatriation in foreign exchange sourced from the foreign exchange market of the Nigerian Customs Territory ; and

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

(3) The relevant existing processes, documentation requirements, inspections and procedures applicable in Nigeria, shall also apply for visible and invisible trade transactions from the Zone and exports into the Zone,

(4) Guidelines issued by the CBN in line with sub-regulation (1) of this regulation shall be read with such modifications as are necessary to bring it into conformity with the provisions of this Part and where the provisions of

the Guidelines issued by the CBN are inconsistent with the provisions of this Part, the provisions Guidelines shall prevail.

Rendition of
Returns.

68.—(1) A FZE shall render the following Returns to the CBN through the Authority—

- (a) monthly remittances for imports ;
- (b) Naira transactions (external accounts) rendered monthly ;
- (c) statements of assets and liabilities rendered monthly ;
- (d) foreign exchange payments rendered quarterly ;
- (e) total credits (loans and advances) rendered quarterly ;
- (f) foreign exchange investment rendered quarterly ;
- (g) audited annual financial statements to be submitted not later than three months after the end of the financial year ; and
- (h) any other returns that may be required or specified by the CBN from time to time.

(2) Except in the case of regulation 68 (1) (g) of this regulation, all returns must reach the CBN not later than ten days after the end of the month in which they are due.

Examination
of Banks.

69.—(1) The CBN may, from time to time, appoint officers under conditions of confidentiality, to examine the books or other documents, accounts and transactions of any bank branch carrying on banking business in the Nigeria's Free Trade Zones.

(2) the banks are required to provide information in accordance with section 30 of the BOFIA.

(3) 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 LADOL FZ such information and explanation as they deem necessary to carry out the examination of the bank.

(4) The CBN may, when it deems necessary, order a special examination or investigation of the books and affairs of a bank in LADOL FZ.

Auditing of
Accounts
Incentives.

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

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

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

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

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

71. A bank operating in LADOL FZ shall enjoy the following incentives—

Incentive for
Banks
operating in
LADOL FZ.

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

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

(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.

72.—(1) A FZE, including a Free Zone licensed bank, may open "External Accounts" with licensed commercial banks in the customs territory of Nigeria for purposes of defraying its statutory, operational, administrative and personnel expenses.

External
Account.

(2) When cheques are issued for the operations of an External account, the cheques shall be marked "External Account", with the country of permanent resident of the account holder, e.g. "External Account-Ghana" or "External Account-Japan".

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

(4) A resident shall not make payments (credits) into an "External Account" except with a written approval from the CBN provided that transfers from other External Accounts maintained by the account holder shall be allowed.

(5) A non-resident in LADOL FZ shall not maintain both an "External Account" and a "Residents Account" in any licensed bank in the Customs Territory.

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

73. A licensed bank in LADOL FZ may—

Permissible
activities.

(a) accept foreign currency deposits from a resident or entity in the LADOL FZ ;

(b) grant to a resident an advance, loan, credit facility, financial guarantee or incur any other liability on behalf of a resident so that the total value of the advance, loan, credit facility, financial guarantee to a resident is not more than 20 per cent of shareholders' funds of the LADOL FZ licensed bank.

(c) grant foreign currency loans, not exceeding 10 per cent of its paid up capital, to a resident without an approval from CBN ;

(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 prescribe from time to time.

Prohibited
Activities

74. A licensed bank in LADOL FZ shall not—

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

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

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

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

(e) borrow in Naira from a resident, including authorized dealer banks, except with an approval from the CBN ;

(f) source foreign exchange in the foreign exchange market for the Customs Territory ;

(g) undertake any transaction which is inimical to national interest ; or

(h) open an account for a customer whose identity is unknown to it without complying with the KYC principle.

Know Your
Customer
(KYC)
directives.

75. Financial institutions operating within LADOL FZ shall—

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

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

(c) develop programmes to combat the laundering of proceeds of a crime or other unlawful activities through the institution, which includes—

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

(ii) internal audit unit scrutinizing and ensuring that records are well kept,

(iii) on-going training and awareness workshops for all the staff of the institution, and

- (iv) display of notices in a conspicuous places 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 Economic and Financial Crimes Commission (EFCC) or its successor and the Nigeria Financial Intelligence Unit (NFIU) or its successor within 7 days ;
- (e) document copies of the reports forwarded to EFCC or NFIU for on-site investigation by CBN's examiners ; and
- (f) ensure strict adherence to the provisions of the Money Laundering (Prohibition) Act.

PART VIII—HEALTH, SAFETY AND ENVIRONMENT

76. The Authority or Zone Management may from time to time stipulate conditions, in writing, for access into the Zones for all persons including the Free Zone Enterprises. Access to Zones.

77. An incident resulting in any loss, material damage or physical injury must be reported to the Authority and Zone Management as soon as practicable after the incident has occurred. Reporting.

78. Every enterprise owner shall be responsible for the cleanliness and decoration of the immediate surroundings of his factory and Zone Management shall be responsible for the general beautification of the Zone. Clean and Tidy Environment.

79. The Zone Management shall be responsible for the maintenance of facilities such as roads, drainage, street lightning, water supply line, sewage line and firefighting within the Zone. Maintenance of facilities.

80. The management of FZEs within LADOL FZ shall— Management responsibilities.

- (a) ensure that competent persons supervise all facets of operations ;
- (b) provide all necessary Health, Safety and Environment (HSE) equipment and facilities at sites and ensure its appropriate uses ;
- (c) provide suitable Personal Protective Equipment (PPE) and ensure its uses ;
- (d) assess negative impacts of its activities on the environment and where necessary adequately mitigate the risk of losses or damage arising from them ;
- (e) make conscious efforts to restore any negative impact on the environment ;
- (f) inform the employees, service providers and general public, when necessary, of any known or identified potential hazards arising from its activities ;

(g) monitor all activities regularly to ensure strict compliance with all HSE laws, guidelines, rules and regulations ; and

(h) recognize and reward performance improvement initiatives with regard to HSE rules and regulations.

Responsibilities of Site Managers and Supervisors.

81.—(1) Every site manager and supervisor is responsible for the effective and efficient HSE oriented operations at each site.

(2) Every site manager and supervisor shall—

(a) understand and implement the HSE Procedure ;

(b) ensure that proper work procedures are complied with at all times ;

(c) induct new employees on hazards associated with the job ;

(d) communicate safe work procedures to each employee ;

(e) observe other staff and service provider's staff work practice and give corrections where necessary ;

(f) ensure that all facilities and work environments are in acceptable conditions for the application of sound HSE practices ;

(g) investigate and report all accidents and near accidents to the Authority and Zone Management ;

(h) recommend and implement corrective measures ;

(i) carry out periodic HSE inspections every quarter ;

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

(k) ensure that all first aid and firefighting facilities receive adequate maintenance and are in good working conditions ; and

(l) ensure that every employee and service provider's staff use their Personal Protective Equipment (PPE) where applicable.

Employee responsibilities.

82.—(1) Each employee shall personally contribute to safe work environment through co-operations with the supervisor and other employees.

(2) Each employee shall—

(a) work safely and efficiently using the PPE ;

(b) comply with the relevant company's HSE Policy and other statutory provisions on safety ;

(c) seek guidance from a manager or supervisor when in doubt about correct work procedures ;

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

(e) assist in the implementation of immediate counter measures as stipulated in the Emergency Plans.

83.—(1) A Service provider shall—

Service
providers
responsibilities.

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

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

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

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

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

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

(2) Where a service provider fails to meet his obligations to adequately train, equip, protect and advice his employees on the performance of their duties, the Zone Management shall reserve the right to intervene and take any steps necessary to avert HSE risks.

84. The facility managers or supervisors shall conduct induction and training when—

Health
Safety and
Work
Environment
Induction
and Training.

(a) a new employee begins work ;

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

(c) a new plant or equipment is introduced ;

(d) policies or procedures are updated ; or

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

85.—(1) All sites shall have a fully equipped First-Aid Box and site managers or supervisors shall be trained in a First Aid course.

Occupational
health and
safety
practices.

(2) Employees and staff of service providers shall report to their supervisors whenever they are not in good health..

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

(4) Horse play, practical jokes and provocation are not to be allowed under any circumstance.

Control of
hazardous
substances.

(5) Sexual harassment is prohibited at all sites.

86.—(1) Every employer of the Zone and service providers within the LADOL FZ and their staff shall comply with statutory regulations and guidelines set out for the control of hazardous substances, using the manufacturers' and suppliers' HSE guide.

(2) Every employer of the Zone and service providers shall ensure that their staff receives—

(a) thorough and adequate training and information on the HSE issues before exposing them to hazardous substances relating to their job ; and

(b) mandatory periodic medical checks.

(3) Waste materials shall be disposed off carefully and in a way that it does not constitute any hazard to employees, clients, general public and the environment.

fire
prevention.

87.—(1) Each person must conduct his activities in such a manner as to avoid the risk of a fire outbreak and "No Smoking" signs shall be strictly obeyed.

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

(3) Every site manager and supervisor shall be responsible for keeping his activities and operational areas safe from fire outbreak.

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

(5) Each person shall have the responsibility of preventing fire outbreak.

fire-fighting
equipment.

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

(2) Every employee of the Zone and staff of a service providers shall familiarize himself with his area of operation and shall give special attention to the locations of fire extinguishers and other firefighting equipment, for prompt use in case of fire outbreak.

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

(4) Where there is any defect in or discharge of fire extinguisher, report shall be made to the immediate supervisor and no disciplinary action shall be taken for such reports.

89.—(1) Fire exits shall—

- (a) be provided at every strategic location; and
- (b) shall not be blocked or used as temporary stores.

and where the exits are locked, the keys shall be provided for inside boxes with glass cover which can be easily 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) The Zone and service providers shall make their employees to identify and know all muster points in their place of work.

90. Each FZE shall have an Emergency Evacuation Plan which shall be based on the following procedure—

Emergency
Evacuation
Procedures.

- (a) if 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 firefighting equipment ;
- (d) contact the fire brigade and the Nigerian Police immediately with the contact details 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.

91.—(1) Every Zone and service provider shall provide for each of their employees or staff with Personal Protective Equipment (“PPE”) when necessary.

Personal
Protective
Equipment
(PPE).

(2) Every employee of the zone shall wear his Personal Protective Equipment (“PPE”) while executing his functions.

(3) Every Zone and service provider shall provide adequate training for their staff on the use and maintenance of PPE.

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

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

92.—(1) Every employee of the zone and staff of a service provider who requires protective garments shall be provided with them by their respective employer.

Uniforms
and
Protective
Garments.

(2) The protective garments shall be worn at every occasion when an employee is on his official assignment.

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

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

Safety
shoes.

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

(2) Walking bare foot, wearing slippers or sandals or any footwear other than the safety shoes provided, in these areas, are prohibited.

Breathing
apparatus,
Ear
protection
and Gloves.

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

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

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

Work
practice.

95.—(1) Every employee of the zone and staff of service providers shall obey all safety rules at all times.

(2) Where an unsafe condition or practice is noticed in the work place, it shall be brought to the immediate attention of the supervisor.

(3) Where an employee is uncertain about the safe practice or procedure for performing a 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 promote good occupational health of the workforce and environment.

Authorized
access to
restricted
areas.

96.—(1) Only employees of the Zone and staff of service providers, who are duly 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, the site manager or supervisor must give permission to work in that area.

Tag In and
Out.

97.—(1) Before a person performs any work on an electrically driven equipment or other energy sources, the circuit shall be de-energized and the start-up switch shall be tagged with a "Danger" or "Do Not Operate" tag.

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

(3) No one is allowed to remove the "danger" tag except by an authorized technician or officer.

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

Hot Work
Permit.

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

99.—(1) Only the right tool for the job shall always be used.

Machinery
and Hand
tools.

(2) Only tools in sound and safe condition shall be used.

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

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

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

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

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

Walkways,
Platforms
and
Passageways.

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

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

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

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

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

(7) Raised walkways and platforms shall have handrails.

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

Work
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 of weeds and unwanted vegetation.

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

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

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

Stairways
and ladders.

102.—(1) The use of stairways or ladders within the LADOL FZ shall be strictly for qualified and trained employees, whose schedules of duty include the use of stairways or ladders.

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

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

Manual and
Mechanical
Handling.

103.—(1) The lifting and moving of objects shall only be done by mechanical devices, appropriate for that purpose.

(2) Only a trained, qualified and authorized employee shall operate lifting and moving devices.

(3) Every load shall be inspected for sharp edges, wet or greasy patches by the site manager or supervisor.

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

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

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

(7) No employee in the Zone or a staff of a service provider shall attempt to lift or move any load considered too heavy or attempt to lift a load that weighs more than 35kg, without assistance.

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

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

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

(3) Every driver shall be in the possession of valid and current driving license.

Travel and
Transporta-
tion.

(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.

105.—(1) The managers and supervisors shall carry out a job hazard analysis to identify and assess the extent of the hazards or risks involved, before the commencement of any work or activity.

Job hazard
analysis and
registration.

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

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

106.—(1) All FZEs and other licensed operators within the LADOL FZ 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 of in a manner which is not hazardous to the health, wellbeing of individuals or the environment.

Waste
Management.

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

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

(b) stored in a manner that will not only prevent spillage but will not be accessed by non-authorized persons ; and

(c) transported and disposed off in accordance with relevant government policy and best practice.

107. The maintenance of good communication systems is mandatory for the FZEs and other licensed operators in LADOL FZ and HSE awareness programmes and activities shall be undertaken on a regular basis.

Awareness
programmes.

108.—(1) Every employee of the zone and staff of service providers shall comply with the established HSE rules, standards, regulations and practices.

Disciplinary
and
corrective
action.

(2) Any person who fails to comply with the HSE rules, regulations and standard of practice shall face disciplinary or corrective actions.

PART IX—IMMIGRATION PROCEDURES AND REGULATIONS

Immigration
Guidelines.

109. The Authority, in consultation with the Nigerian Immigration Service ("NIS"), shall publish guidelines, procedures and regulations and process all immigration applications for persons who require immigration processing for operating in LADOL FZ and all applications to the NIS from the Zone shall be through the Authority, except where the Authority directs otherwise.

Entry Visa.

110.—(1) Expatriates, except ECOWAS nationals or nationals of countries with which Nigeria has entered into a visa-abolition agreement, seeking entry into Nigeria including the free zone areas, shall require entry visas prior to entry, which shall be obtained from Nigeria's Missions abroad.

(2) An Expatriate seeking entry into Nigeria may possess any of the following visas—

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

Temporary
Work Permit
Visa (TWP).

111.—(1) Temporary Work Permit ("TWP") Visa may be issued to an expatriate seeking entry into Nigeria to perform a specialized duty for a short duration such as installation, repairs of machinery, feasibility studies, auditing of accounts, training, commissioning of projects, erection of drilling equipment, control of natural disaster, oil spillage or attending a board meeting by non-resident company executive.

(2) An Expatriate seeking entry into Nigeria shall satisfy the following conditions in order to procure a TWP Visa—

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

(b) evidence of company registration ;

(c) evidence of purchase of equipment ;

(d) evidence of contract award ;

(e) approval from the Comptroller-General of Immigration ;

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

(g) return air tickets ;

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

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

112.—(1) An Expatriate who intends to reside in Nigeria to work, study, accompany spouses or parents, shall arrive the country with an STR (Subject to Regulation) Visa, obtainable at Nigeria Missions abroad.

Residence
Subject to
Regularization
(STR) Visa

(2) The requirements for issuance of STR Visa includes—

(a) formal application for STR Visa made by the Employer to the Nigerian Mission abroad closest to the employer ;

(b) copies of Offer or Acceptance of employment ;

(c) credentials of the employee ;

(d) copies of free Zone operational license granted to the employer ;

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

(f) five passport size photographs of the employee.

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

Regularization
of stay.

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

(a) formal application to the Free Zone Immigration Service for regularization, stating post to be occupied, nationality and accepting immigration responsibilities ;

(b) application for regularization made within three months from the date of arrival into Nigeria ;

(c) a valid STR Visa ;

(d) letter of employment ;

(e) letter of acceptance of offer of employment ;

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

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

(h) photocopies of the first six pages of the passport and the page on which visa was stamped ;

(i) resolution, by the Board of Directors, for top managerial positions such as Board of Directors, Managing Directors, General Managers, Finance Controllers ; and

(j) purchase of CERPAC form.

(3) Dependants of sixteen years of age and below may be considered on the same application as the principal immigrant.

(4) The requirements for procurement of CERPAC for dependents above sixteen years of age joining the Principal Immigrant shall include—

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

(b) photocopy of Principal immigrant's residence permit (if already regularized);

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

(d) a letter of identification from the government of the immigrant;

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

(f) completed and vetted application forms; and

(g) evidence of payment of approved fee where applicable.

Permit for
change of
employment
by Resident
Expatriate.

114.—(1) A resident Expatriate in Nigeria may change his employment subject to the presentation of the following—

(a) formal application to NIS through Zone Management, requesting for change of employment and acceptance of immigration responsibilities;

(b) letter of no objection from former employer;

(c) letter of offer of employment from another FZE;

(d) letter of acceptance of offer;

(e) resolution of the Board Directors (where applicable);

(f) resident permit with former employer;

(g) approved residence with former employer; and

(h) evidence of payment of approved residence permit fee.

Free Zone
Expatriate
Register.

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

(2) The register shall contain the following information—

(a) name of the expatriate;

(b) nationality of the expatriate;

(c) employer of the expatriate;

(d) CERPAC number and validity period; and

(e) place of residence.

(3) The Free Zone Management shall render to the Authority a monthly return of expatriates working or living in the Zone and such returns will be provided upon request by the FZE.

Re-Entry
Visa.

116. The Requirements for a Re-Entry Visa includes—

(a) formal Application to the NIS, through the Authority and through the Zone Management by FZE or Sponsor accepting immigration responsibilities;

(b) completed and vetted Re-entry Visa Application Form; and

(c) payment of approved Fees, where applicable.

117. All FZEs are exempted from Expatriate quota.

Exemption
from
expatriate
quota.

118. Fees for immigration service, shall be levied in United States Dollar (US\$) currency and shall be as published by the Authority, in conjunction with NIS.

Fees for
immigration
services.

PART X—INVESTMENT AND APPLICATION PROCEDURES

119.—(1) A company intending to register as an enterprise within the LADOL FZ shall apply in writing, to the Zone Management and provide the following information—

LADOL FZ
application
process.

- (a) name and address of the applicant's business ;
- (b) nature of the applicant's proposed business ;
- (c) position of the applicant ; and
- (d) any other information that may be required from the applicant by the Zone Management.

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

(3) An application to undertake an activity in a Zone shall be considered by a Screening Committee, consisting of officials of the Authority and Zone Management within a period not exceeding fourteen working days of the receipt of the application, at the Free Zone Management office.

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

- (a) that the proposed 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 LADOL FZ ;
- (c) that the application complies with the provisions of the Nigeria Export Processing Zones Act and the applicable rules and regulations put in place by Zone Management and the Authority from time to time ;
- (d) the technical, financial and managerial capabilities of the applicant ;
- and
- (e) applicant's experience and track record.

(5) The Zone Management shall consider the applications and any applicant whose application does not satisfy the Free Zone's requirements, shall be informed in writing.

(6) An applicant, whose application is successful, shall receive an application pack which shall contain the following documents—

(a) an application form with relevant annexes ; and

(b) LADOL FZ Procedures and Operational Guidelines.

(7) The application process to register an enterprise in LADOL FZ is followed correctly when the required information is provided in full.

(8) An incomplete application shall be returned to the applicant on the ground of improper completion.

Information.

120. A company wishing to obtain information regarding LADOL FZ, shall apply to the Zone Management for an information pamphlet and the application for an information pamphlet can be made either in writing, by telephone or in person.

Application forms and fees.

121. An application to undertake an 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.

Application for license.

122.—(1) An applicant shall, upon receipt of an approval to undertake an activity in the Zone, apply to the Zone Management for a license.

(2) An applicant who is successful, shall be granted a license to undertake an approved activity within the Zone on payment of the appropriate fee.

Appointment of building contractors.

123. An applicant shall consult with the Zone Management for appointment of building contractors and only building contractors approved by the Zone Management shall be authorised to carry out construction and installation works within the Zone.

Buildings and Structures.

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

(2) An application for building permit shall be made in accordance with regulation 134 of these Regulations and the Zone Management shall consider and grant a building permit within fourteen working days of the receipt of the application—

(a) where the applicant is in compliance with buildings laws and regulations ; and

(b) on such terms as it may reasonably impose.

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

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

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

Installation
of
Machineries
or Power,
Water
Supply and
Electrical
Inspection
Test.

(2) the approved enterprise shall also submit its waste management and pollution control plan for approval by Zone Management, before commencement of machine installations.

126.—(1) An approved enterprise shall, prior to the commencement of operations, apply to Zone Management for permit to commence operations and the Zone Management shall, within fourteen working days of the receipt of the application—

Grant of
Permit to
commence
operations.

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

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

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

(3) The Zone Management shall notify the Authority of all permits issued within seven days after the issuance of such permits.

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

Commence-
ment of
Operations.

(2) Notwithstanding the provisions of sub-regulation (1) of this regulation, the Zone Management may, on an application from the approved enterprise, grant an extension for a period not longer than three months.

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

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

(5) Notwithstanding the provisions of sub-regulation (4) of this regulation, the Zone Management may, on an application from the approved enterprise, grant an extension for a period not longer than three months, in the case of developing the leased land and six months, in the case of commencing operations, on such terms and conditions as it deems fit.

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

Assignment,
Property
use and
Alteration.

128.—(1) A real property or any part of it whether developed or not, shall not be demised or sub-demised in any form in the Zone without the approval of the Authority or Zone Management, having been first sought and obtained.

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

Rent and
Application
rates.

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

(2) Where a lessee fails to make full and timely payment, he shall be deemed to be in breach of agreement and the Authority at its sole discretion or the zone management in consultation with the Authority, shall have the rights to withdraw its approval to the lessee to carry on activity in the Zone.

(3) An approved enterprise shall pay the applicable rates per annum, in addition to service charges and marketing or promotion fees, for services provided.

(4) Where an approved enterprise fails to make full and timely payment, the Zone Management shall at its sole discretion, have the right to withdraw its approval from the FZE to carry on activity in the Zone.

(5) Where such rights have been withdrawn, the Free Zone operating license previously granted to the FZE may also be withdrawn.

Cessation of
Operations.

130.—(1) In the event that an investor in a FZE wishes to disinvest for any reason, the Zone Management shall take over the building at a negotiated and agreed sum and payment terms.

(2) The Zone Management shall retain the right to charge the investor in full, all cost incurred by the Zone Management in repairing or restoring the same land or buildings to their condition, as at the start of the lease, fair wear and tear exempted.

(3) An investor in a FZE, shall retain its investment on the basis of the incentives and concessions set out in Part V of these Regulations.

PART XI—CONSTRUCTION PROCEDURES AND REGULATIONS

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

Application
for Land or
Pre-built
Factory
Space.

132.—(1) Upon the submission of an application, a Licensee shall 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 upon the receipt of an application for land or built-up factory space, shall duly acknowledge the receipt of the said application and may allocate land for built-up factory space to the approved enterprises.

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

133.—(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 the terms of the lease agreement provided that approved enterprise occupies the space within three months of the date of the execution of the agreement.

Forfeiture of
Deposit for
Lease.

(2) Where the approved enterprise fails to occupy the leased built-up factory space within the period stipulated, the deposit paid for the lease shall be forfeited to the Zone Management without any recourse to the Authority.

(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 in accordance with the terms of the lease agreement, where the approved enterprise occupies the land and commences development of the said property within six months of the execution of the lease agreement.

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

134.—(1) An application for building permit shall be submitted to the Zone Management after the execution of the lease agreement and the Zone Management shall acknowledge the receipt within seven working days of the receipt of the said application.

(2) An application shall be submitted together with two copies of a building plan which shall observe—

(a) self-designed factory building which should be one storey type or more ;

(b) the design which shall conform to Nigeria Building standards for factories ;

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

(d) buildings rule which shall be at least 25 meter from the center of the road to allow for parking and landscaping ; and

(e) the building plan that shall provide for not more than two access points 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
Regulation.

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

(2) The Zone Management shall be notified, in advance, of the date on which construction is scheduled to commence.

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

Commence-
ment of
Development
of factory
Site.

136.—(1) An approved enterprise that has secured a lease of land from the Zone Management shall subject to the provision of regulation 127 of these Regulations, commence development of its factory site within three months of the date of execution of the lease agreement.

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

Power to
revoke
Leases
Property.

137.—(1) Where leased land is not occupied within the specified period, the Zone Management shall revoke the lease and take over such land, and in that case rentals and infrastructure charges already paid shall not be refunded.

(2) Where, there are extenuating circumstances that could justify the delay in implementing the project, the investor may apply for extension before the expiration of the deadline as stipulated under regulation 138 (2) of these Regulations.

138.—(1) An approved enterprise that has secured a lease of land from the Zone Management shall commence operation within eighteen months from the date of execution of the lease agreement.

Commence-
ment or
Extension.

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

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

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

139.—(1) Where an approved enterprise that has secured a lease of land for development of its factory site fails to commence development operations in the Zone within eighteen months after the execution of the lease agreement or 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 Authority.

Failure to
commence
Development
Operation.

(2) Where an approved enterprise that has secured a lease of built-up factory space fails to commence development operations within six months after the execution of the lease agreement or 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 without any recourse to the Authority.

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

Application
for Utility
Inspection.

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

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

141.—(1) An approved enterprise shall before the commencement of operations of the developed site apply to the Authority for permit to commence such operations and the Zone Management shall within seven working days of the receipt of the application complete inspection of the factory site to ensure compliance with relevant building, factory and public health laws and

Compliance
with
Buildings
Laws and
Regulations.

regulations and shall permit the commencement of operation of the developed site, where there is no breach of applicable laws and regulations, within twenty four hours of completion of the inspection.

(2) Where an approved enterprise has not complied with relevant regulations, the Authority shall in writing within twenty four hours after the completion of inspection notify the approved enterprise of the non-compliance and direct that it be remedied within seven days.

(3) Upon completion of the required remedial action, the approved enterprise shall invite the Authority or the Zone Management for inspection and issuance of compliance certificate and the Authority shall within seven working days of receipt of the invitation inspect and issue a certificate of compliance where there no breach on the part of the approved enterprise.

Alteration of
property
and
expansion.

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

(2) In the event that an investor decides to disinvest before the expiration of the 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 Zone Management of the type of service to be rendered pursuant to which the alteration is being done.

Sub-demise.

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

Payment of
Ground Rent
by Investors

144. 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.

PART XII—HUMAN RESOURCE PROCEDURES

Labour
employee
Service
Development.

145. Part XII of these Regulations shall apply to employers in LADOL FZ, except where a contract of employment has been submitted to the Authority or the Zone Management for endorsement by such Employer, where the provisions of such contract only shall apply.

Collaboration
with Federal
Ministry of
Labour and
Productivity.

146. The Zone Management shall in collaboration with the Federal Ministry of Labour and Productivity; establish a labour and employment service department in the Zone, which shall—

(i) regulate the labour market, and

(ii) supervise matters relating to the terms and conditions of employment, safety, health and welfare of workers in the Zone.

147. An employment contract within the Free Zone shall contain the following clauses—

Contract of
Employment

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

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

(c) the nature of the contract of employment ;

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

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

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

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

(h) the rates of wages or salaries, the method of calculation, the manner and period of payment of such wages or salaries ;

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

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

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

Provisional
Contracts of
Employment.
Apprentice-
ships.
Termination
of Contracts
of
Employment.

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

(3) Wages and employee's 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.

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

(5) A contract of employment may be terminated by the—

(a) expiration of the period for which it was made ;

(b) death of the employee, prior to the expiration of the contract ;

(c) employee's disability ;

(d) retirement of the employee ;

(e) completion of the contract for specific work ;

(f) termination of the employment contract by the employer and the employee in instances stipulated in the contract of employment, in compliance with regulations ; or

(g) resignation of the employee.

(6) Where the termination of an employee is grounded for non-compliance with disciplinary regulations, the employee may complain to the Authority or the Zone Management, which shall in consultation with the Federal Ministry in-charge of Labour, Employment and Productivity make the necessary decision based on the law regulating contract of employment and the disciplinary regulations applicable in the work place.

Modification
of
Conditions
of
Employment.

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

Minimum
Wage,
Overtime
and
Holidays.

150.—(1) The minimum wage for an employee in the LADOL FZ, shall be the same as the minimum legal wage obtainable in the Customs Territory and any overtime work performed by an employee in excess of 8 hours per day, shall be paid for as overtime allowances.

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

(3) An employee of LADOL FZ shall be entitled to a holiday with full pay, after twelve months continuous service, of at least six working days or in the case of a person under the age of sixteen years (including apprentices), of at least twelve working days.

(4) Where work is performed for less than twelve months but not less than six months in the period of employment, the employee shall be entitled to a holiday for the period in which he had been in employment and to be paid an amount bearing the same proportion to full pay for five working days at the employee's normal rate.

Resolution
of Dispute.

151.—(1) Any dispute between an employer and an employee arising from the contract of employment, shall first be settled amicably between the parties, by whatever grievance resolution mechanism they agree to and where the parties are unable to resolve their disputes amicably, the matter may be referred by either party to the appropriate Dispute Resolution Board, within ten days.

(2) The Zone Management, with the approval of the Authority, shall constitute a Dispute Resolution Board to settle any dispute between employer and employee arising out of a contract of employment.

(3) The Dispute Resolution Board referred to under sub-regulation (2) of this regulation shall be composed of—

(6) Where the termination of an employee is grounded for non-compliance with disciplinary regulations, the employee may complain to the Authority or the Zone Management, which shall in consultation with the Federal Ministry in-charge of Labour, Employment and Productivity make the necessary decision based on the law regulating contract of employment and the disciplinary regulations applicable in the work place.

Modification
of
Conditions
of
Employment.

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

Minimum
Wage,
Overtime
and
Holidays.

150.—(1) The minimum wage for an employee in the LADOL FZ, shall be the same as the minimum legal wage obtainable in the Customs Territory and any overtime work performed by an employee in excess of 8 hours per day, shall be paid for as overtime allowances.

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

(3) An employee of LADOL FZ shall be entitled to a holiday with full pay, after twelve months continuous service, of at least six working days or in the case of a person under the age of sixteen years (including apprentices), of at least twelve working days.

(4) Where work is performed for less than twelve months but not less than six months in the period of employment, the employee shall be entitled to a holiday for the period in which he had been in employment and to be paid an amount bearing the same proportion to full pay for five working days at the employee's normal rate.

Resolution
of Dispute.

151.—(1) Any dispute between an employer and an employee arising from the contract of employment, shall first be settled amicably between the parties, by whatever grievance resolution mechanism they agree to and where the parties are unable to resolve their disputes amicably, the matter may be referred by either party to the appropriate Dispute Resolution Board, within ten days.

(2) The Zone Management, with the approval of the Authority, shall constitute a Dispute Resolution Board to settle any dispute between employer and employee arising out of a contract of employment.

(3) The Dispute Resolution Board referred to under sub-regulation (2) of this regulation shall be composed of—

(a) a representative of the Authority or the Zone Management who shall be the chairman ;

(b) the Head of the Labour and Employment Services Department or his representative in the Zone ;

(c) the employer or his authorised representative ; and

(d) the employee or his authorised representative.

(3) Where there is no objection or appeal against the decision of the Board of Settlement of Dispute, it shall be enforceable within ten days, after date of service of such decision in writing to the parties.

(4) Where the Dispute Resolution Board rules that an employee's contract of employment was unjustly terminated, the employer shall either reinstate the employee or pay the employee's salary for the period of the termination that had so far elapsed and in addition, pay the employee by way of compensation, forty-five days salary for each year the employee remained in service.

(5) Where the Dispute Resolution Board rules that an employee's contract of employment was justly terminated, the termination shall be confirmed and the employer shall be obliged to pay fifteen days salary to the employee for each year the employee remained in service.

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

(7) Where a dispute is not settled by Dispute Resolution Board, either party or their representatives, shall report the dispute to the Head of Labour and Employment Services Department of the Zone and invoke the provisions of the Trade Disputes Act, with a view to settling the dispute.

152.—(1) Work permit for expatriates shall be issued, upon the request of the Zone Management through the Authority, by the relevant government agency.

Work
Permit for
Expatriates.

(2) Where the contract of employment of an expatriate comes to an end, either the employer or expatriate, whose contract has ended, shall inform the Authority.

(3) The Authority, upon the receipt of the information referred to in sub-regulation (2) of this regulation, shall in turn notify other agencies concerned with the employment of expatriates of the termination of such contract of employment.

153.—(1) An employee shall establish a Retirement Savings Account ("RSA") with a pension administrator of his choice in line with the Pension Reform Act, 2014, for the purpose of the monthly remission of employee's retirement benefits.

Employment
Benefits.

(2) An employer shall remit to his employees' RSAs—

(a) on behalf of the Employer, a minimum of the amount equivalent to ten per cent of the employees' total emolument payable by that Employer ; and

(b) on behalf of the Employee, a minimum of eight per cent of the Employee's total emolument payable by that Employer, such amount to be deducted from the Employee's wages or salary not later than seven days from the day the Employees paid any salary or wages.

(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, 2014 and other relevant laws in the country.

Provision of
facilities in
the Zone.

154. The Authority shall provide the following facilities in the LADOL FZ—

(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.

PART XIII—MISCELLANEOUS

Revocation
and Savings
provision.

155.—(1) The LADOL Free Zone Regulations, 2011 published as Statutory Instrument No. 24, Volume 98 of 28th March, 2011 is revoked.

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

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

156.—(1) In these Regulations—

“*Act*” means the Nigeria Export Processing Zone Act No. 63 of 1992 ;

“*Application Form*” means application form 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 as may be amended by the Authority from time to time with the approval of the Minister ;

“*Authority*” means the Nigeria Export Processing Zones Authority established pursuant to the Nigeria Export Processing Zones Act No. 63 of 1992 ;

“*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 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 license as the date upon which the license will expire ;

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

“*External Account*” means an account opened for non-residents by banks licensed under the BOFIA, 2004, and 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. It is funded only from the sale of foreign currencies for Naira, and cannot be funded with Naira from any other source without the CBN’s approval ;

“*Free Zones*” includes 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 No. 63 of 1992 ;

“*Free Zones Circular*” means notices or any periodic information from the Authority or 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 ;

"FZE" means Free Zone Enterprise ;

"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 ;

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

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

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

"License" means the license issued or to be issued by the Authority or the Zone Management to a Licensee ;

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

"Minister" means the Minister charged with the responsibility for Industry, Trade and Investment ;

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

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

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

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

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

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

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

"Terminal Operator" mean the authorised operators of the terminals at the seaports ;

"US\$" means the currency of the United State of America ;

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

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

"Zone Management" means the management team of the Zone, as approved by the Authority and where applicable, reference to Zone Management include reference to the Zone Management Company ; and

"Zone Management Company" means GRMFZC or any agent designated or delegated by the Authority under Regulation 4 (1) of these Regulations for the purpose of discharging the functions and duties of the Authority in the Free Zone.

(2) In these Regulations, capitalized terms not defined shall have the meanings given under the Principal Act.

(3) In any reference to a person (or "he", "she", "his", "her"), the provision of interpretation Act shall apply.

(4) References to any legislation or enactment shall mean such legislation or enactment as amended or modified from time to time.

157. In these Regulations—

List of
Abbreviations.

BOFIA	— Banks and Other Financial Institutions Act
CAC	— Corporate Affairs Commission
CBN	— Central Bank of Nigeria
CERPAC	— Combined Expatriate Residence Permit and Expatriates 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
GRMFZC	— Global Resource Management Free Zone Company
GRML	— Global Resources Management Limited
HSE	— Health, Safety and Environment
KYC	— Know -Your - Customer
LADOL FZ	— LADOL Free Zone
LADOL FZE	— LADOL Free Zone Enterprise
NAHCO	— Nigerian Airport Handling Company
NCT	— Nigerian Customs Territory
NEPZ	— Nigerian Export Processing Zone
NEPZA	— Nigerian Export Processing Zone Authority
NIS	— Nigeria Immigration Service
NPA	— Nigerian Port Authority

PPTA	— Petroleum Profits Tax Act
RAR	— Risk Assessment Report
RSA	— Retirement Savings Account
SGD	— Single Goods Declaration
STR	— Subject to Regularisation
TWP	— Temporary Work Permit
VAT	— Value Added Tax
WHT	— Withholding Tax

Citation.

158. These Regulations may be cited as the LADOL Free Zone Regulations, 2015.

FIRST SCHEDULE

[Regulation 52(b)]

CUSTOMS PROCEDURES

PROCEDURES FOR IMPORTING GOODS INTO LADOL FREE ZONE

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

1.—(1) The Licensee shall ensure that immediately upon loading any goods for transit, the consignor or supplier of the goods forwards the Bill of Lading or Air Waybill (in the regulation referred to as "the Bill"), the Invoices and Packing List to the LADOL FZ for attention of the Licensee. The vessel or aircraft's manifest relating to such goods are to be clearly marked with a statement that "Free Zone Status shall apply".

General
Procedures
for
Importing
Goods into
the Free
Zone.

(2) The Licensee shall comply with the following requirements in relation to the Bill—

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

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

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

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

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

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

(5) Prior to the arrival of the goods or upon shipment, the Licensee shall provide to the zone Management certified copies of Invoices, Packing List, Bills of Lading and other relevant documents and this shall be considered to be a "Transaction Request Order" by the Zone Management.

(6) Upon receipt of the "Transaction Request Order" with the specific documents, Zone Management shall prepare a "Request to Transfer under

Customs Escort" or "Transfer Request" authorizing the goods to be transferred from the point of discharge to LADOL FZ.

(7) The duly authorized and endorsed "Transfer Request" shall be delivered to the relevant Terminal Operator or Aviation Handling Company who shall transfer the goods from the Quayside or Cargo Shed to the appropriate stacking area and upon completion of stacking, the Transfer Request shall be signed by the Terminal Operator or Aviation Handling Company and returned to the Zone.

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

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

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

(3) Upon the receipt of the documents specified in sub-paragraph (2) of this Paragraph ("Transaction Request Order"), 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) A "Transfer Request" shall be noted with the stack address of the cargo and a stock reference number; the Licensee shall give a blanket authority to Zone Management to direct the transfer of the goods upon the presentation of the Transfer Request.

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

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

(7) With the Delivery Order and the "Transfer Request" the Licensee or 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, NCS, the Terminal Operator and NPA.

3. Specific procedures for importing goods into the Zone by air shall be that—

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

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

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

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

(5) With the Delivery Order and the "Transfer Request", the Licensee or Zone Management (on request) takes delivery of the cargo and transports it under Customs escort from the Airport to the Zone.

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

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

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

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

(4) Upon the receipt of the "Transfer Request" by the Border Post Customs where the goods are being held, the goods shall be delivered to the Zone under Customs escort.

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

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

(5) 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.

Cargo Track
Inventory
System.

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

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

(3) The Zone 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) A 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 goods to ensure the accuracy of the particulars entered in the records and books of account of the Licensee and the Zone Management or the Free Zone Customs shall post its officers to be stationed on the premises of a Licensee for the purposes of inspection.

SECOND SCHEDULE

[Regulation 52(c)]

PROCEDURES FOR EXPORTING GOODS FROM THE FREE ZONE INTO THE NIGERIAN CUSTOMS TERRITORY

1. These procedures shall apply to the importers who are desirous of exporting goods from the Free Zone into the Nigerian Customs Territory ("NCT") in the normal course of trading activities in commercial quantity and quality—

(a) the goods shall be subject to extant fiscal policy regulations pertaining to importation of goods in commercial quantity and quality into the NCT ;

(b) such goods under sub-paragraph (a) of this Paragraph shall be deposited at the bonded warehouse located in the buffer zone and 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 ;

(c) for non-prohibited goods, the importer shall first obtain "Form M" from the Zone Management, complete and submit it to his bank; the "Country of Origin" and the "Country of Supply" should be marked as LADOL

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

FREE ZONE and the service providers involved in the importing operations shall perform a risk assessment and issue to the importer the RAR where it is satisfied with ; and

(d) the Zone Management shall issue a Delivery Order upon receipt of the customs release order.

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

Pre-Release.

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

(3) The 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 (in this regulation referred to as “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 shall 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 outstanding at any time ; and

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

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

Exporting
Goods to a
Foreign
Territory
by sea.

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

(i) a bill of lading,

(ii) invoices,

(iii) packing list, and

(iv) export declaration documents ;

which shall be considered to be “Transaction Request Order” to Zone Management ;

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

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

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

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

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

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

(h) 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. Procedures for exporting goods from the Free Zone by air are—

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

- (i) invoices,
- (ii) duly completed Form M,
- (iii) airway bill, and
- (iv) packing list ;

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

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

(c) the Zone Management shall submit the Free Zone Customs Release, an 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) where the airport customs approves, the Licensee or his agents shall submit release documents to NAHCO or appropriate handling company for payment or statutory handling charges ;

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

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

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

THIRD SCHEDULE

[Regulation 52(d)]

PROCEDURES FOR HANDLING GOODS THAT REQUIRE REPAIR AND MAINTENANCE

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

Goods within the Customs Territory for Repair and Maintenance.

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

(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 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 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

(e) only Customs examination shall be carried out on the goods for repairs and export to other countries and other procedures for export shall follow on the utilized goods as prescribed under this regulation.

2. The procedures shall be that the—

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

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

Goods for Repair, Refurbishment and Maintenance.

(c) Free Zone Customs shall then examine the goods, endorse the Transaction Request Order and release the goods for repairs ;

(d) goods shall then be released from the Zone with the approval documents ;

(e) Licensee shall transfer goods to the Customs Territory for repair ;

(f) Licensee shall notify the Zone Management and Free Zone Customs on return of 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".

FOURTH SCHEDULE [Regulation 52(e) and (f)]

PROCEDURES FOR TRANSFERRING GOODS

The
procedure
for
transferring
goods
between
LADOL FZ
and another
Free Zone.

1. The procedures for transferring goods shall be that the—

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

(b) Zone Management shall issue a Transaction Request Order to the Free Zone Customs for examination of the goods ;

(c) Free Zone Customs shall authorise the Transaction Request Order and carry out an examination of the goods against the documents submitted ;

(d) Free Zone Customs shall give approval for the release of the goods ;

(e) 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, where goods are to be delivered by sea or release the goods to the road hauler under Customs escort, where the goods are to be transferred by road ; and

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

2. The procedures for the movement of goods from one Licensee to another within the Free Zone for use in Customs Territory shall be that the—

(a) licensee or the seller shall raise an Invoice and notify the Zone Management, which shall be considered to be a Transaction Request ;

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

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

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

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

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

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

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

FIFTH SCHEDULE

PERSONAL DUTY-FREE ALLOWANCE

Personal Duty Free Allowance for a Nigeria Visitor or tourist shall be governed by the provisions of concessions as published by the Nigerian Customs Service, which shall be deemed to be treated as incorporated by reference.

SIXTH SCHEDULE

LADOL FREE ZONE MARKET CATEGORISATION FOR CUSTOMS DUTY CONSIDERATION

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

Goods
imported
into the
NCT for
Resale.

2. A large proportion of this target market for LADOL FZ 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. The category of goods under paragraphs (1) and (2) of this Schedule shall 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 shall be required to process a Form 'M' through any authorized dealer bank, whether or not payment is involved ; and

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

Boosting of
Trade.

4.—(1) A significant portion of trade from LADOL FZ shall boost exports and trading activities with traders along the West Africa coast who traditionally source their imports for their respective countries from the Middle-East and Far East and Far East Asia and this category of traders will constitute a large potential market for LADOL FZ, with large or wholesale consignments being purchased from LADOL FZ for export to destinations outside Nigeria.

(2) The category of goods referred to in this paragraph is for export to destinations outside Nigeria; the following conditions shall apply—

(a) all the categories of goods traded in LADOL FZ, whether or not the goods are banned or prohibited by the Federal Government of Nigeria shall fall under this category ; and

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

Goods
purchased
for personal
consumption.

5.—(1) The category of goods under this paragraph can be purchased for consumption within LADOL FZ, imported into the NCT or exported out of the NCT for personal consumption and its target market shall include the following—

(a) West African shoppers and leisure seekers ;

(b) Nigerians ;

(c) expatriate resident in Nigeria ; and

(d) internationals, meaning persons from any other parts of the world including any of the rest of Africa.

(2) The category of goods referred to under this paragraph is for personal consumption purpose only and, the following shall apply—

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

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

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

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

SEVENTH SCHEDULE

NPA PROCEDURE FOR BRINGING VESSELS TO LADOL FREE ZONE

1. A vessel coming to LADOL FZ shall—

- (a) belong to a registered Enterprise ;
- (b) be Chartered by an Enterprise or Client in the Free Zone ;
- (c) carry cargo, personnel or other goods for the Free Zone ; and
- (d) be authorized by the Authority or the Free Zone Management to come to the Free Zone.

2. A Vessel Charterer shall ensure that a Transaction Request Order, detailing the vessel's job activity and necessary backup documents (Vessel's specification or particulars), are sent to the Zone Management Company, who will pass the documents to the NEPZA coordinator, LADOL FZ, for ratification. This request must reach the Zone Management Company at least 7 days before the arrival of the Vessel in order to facilitate vessel clearance with the relevant Government agencies in LADOL Free Zone.

3. Vessels, including those coming from Foreign Waters or Local Waters may call directly at LADOL Free Zone, as designated by the Authority, the Ministry of Finance and the Ministry of Transport.

4. Vessel Agent shall be a registered shipping agent with the Nigerian Ports Authority ("NPA") and shall ensure necessary approvals are secured from the Port Manager for Berthing Permits.

5. Vessel Agent shall also ensure that necessary advice or approvals are secured from the Customs Area Comptroller for Customs Tally, Boarding and Rummage.

6. A sailing and berthing letter respectively, shall be written by the Zone Management Company to the harbor and addressed thus—

The Harbour Master,
Lagos Pilotage District
Nigerian Ports Authority,
Apapa, Lagos.

7. Upon arrival at LADOL FZ, a Vessel Agent shall ensure that necessary approvals are secured from the relevant Government (Boarding) officers and other relevant sources of approval before vessel sails.

EIGHT SCHEDULE

CUSTOMS PROCEDURE FOR BRINGING GOODS TO LADOL FREE ZONE

1. All cargoes brought into the Free Zone duty free, shall be consigned to a registered Enterprise in the Free Zone e. g. LADOL Integrated Logistics Free Zone Enterprise.

2. The consignee shall ensure that the Shipping documents (the Bill, Commercial Invoice, Packing List and Manifest) are properly documented within the Free Zone context in the following regard—

(a) the consignee's name on the Bill and shipping documents shall be the same as registered by the NEPZA ;

(b) the consignee's address shall read as follows—

LADOL FREE ZONE,

Tarkwa Bay,

Lagos, Nigeria ; and

(c) the following phrase shall be clearly incorporated into the Bill "These goods are meant for LADOL Integrated Logistics Free Zone and exempted from Customs duty, as enshrined in the Nigerian Export Processing Zones Authority, NEPZA Act. No 63 of 1992".

3. On perfection of shipping documents, the consignee shall ensure that a Transaction Request Order ("TRO") and perfected Shipping documents are forwarded to the Zone Management Company, who will pass the documents onto the NEPZA Co-coordinator, LADOL FZ, for ratification and the request shall reach the Zone Management Company at least 7 days before the arrival of the Cargo.

4. On confirmation of the TRO and accompanying Shipping Documents, the Zone Management Company through NEPZA will issue an Authorization Letter in "care of" the Consignee and its agent, advising the Customs Area Comptroller ("CAC") to release cargo to the Free Zone under customs Transfer or Escort.

5. Immediately the CAC approves the Authorization, the cargo is thereafter transferred to the Free Zone under Customs Escort and upon arrival of the cargo, a joint physical examination shall be carried out on the cargo by the Zone Management Company, NEPZA and the Customs officers resident in LADOL FZ.

6. The Cargo's Landing Certificate shall be endorsed by the free Zone Customs on confirmation of cargo and instruction given to the Zone Management Company to move cargo to the appropriate stacking area.

NINTH SCHEDULE

NIGERIA IMMIGRATIONS SERVICE PROCEDURES
FOR EXPATRIATE HIRED TO WORK IN THE LADOL FREE ZONE

1. The Nigeria Immigration Act Cap. II LFN, 2004 requires that prior to entry into Nigeria by sea, air or road, all foreigners, except ECOWAS nationals or nationals of countries with which Nigeria has entered into a visa-abolition agreement, shall obtain visas from Nigeria's Missions in their country of origin. There are various types of visas that are obtainable at Nigerian Missions in various countries issued for specific purposes.

2. Usually, Business or Tourist visas permit expatriates to stay not more than thirty (30) days except where the visa is extended before the time originally allowed expires which extension must not be more than three months.

3. The TWP Visa is issued to expatriates coming in to do specialized jobs for a short duration, such as installation or repairs of machinery, feasibility studies, auditing of accounts, training, commissioning of projects, control of natural disaster oil spillage.

4. A person or an enterprise who wants to obtain TWP Visa shall—

(a) make a formal application to the Zone Management Company and shall include the following—

(i) valid travel documents, details of the expatriate, which shall include his name, country of origin and job description,

(ii) purpose of visit, and

(iii) affirmation of acceptance of immigrations responsibilities ;

(b) attach the enterprises' statutory documents, i.e. certificates of registration, operating License, and relevant NEPZA Forms ;

(c) provide proof of return flight ticket ;

(d) complete Form Imm.22 with passport photographs affixed ; and

(e) make payment of the approved visa processing fees.

5. A foreigner coming to reside in Nigeria to work school or accompany spouse or parents, shall arrive the country with an STR Visa obtained or issued at Nigeria Mission in their respective countries.

Residence
STR Visa.

6. Requirements for issuance of STR visa includes—

(a) the enterprise shall make a formal application for STR Visa to the Zone Management, who will in turn forward the application on their behalf to the Authority for processing ;

(b) the Authority upon receipt of an application shall forward the application to the Nigerian Mission abroad closest to the expatriates country of origin, indicating his job position, nationality and acceptance of immigrations responsibilities on behalf of the expatriate ;

(c) complete Forms Imm.22 (Visa Application Form) with passport photographs affixed ;

(d) submit valid international passport or other travel documents ;

(e) submit photocopies of educational qualifications and CV of previous work experience ;

(f) submit original certificates for sighting purposes only ;

(g) submit letter of offer of employment stating terms and conditions ;

(h) submit acceptance of offer by employee ;

(i) proof of one way flight ticket ; and

(j) payment of approved visa processing fees.

7. It is pertinent to note that dependents wishing to join the principal immigrants in Nigeria would be required to follow similar procedure and would be required to provide statutory documents to prove relationship with the principal immigrants.

8. On arrival in Nigeria expatriates are procedurally required to submit themselves for clearance and regularization to the NIS. Also NEPZA shall work in consultation with the NIS to oversee the permit of expatriates in the FZ.

Regularization
of stay.

9. An expatriate residing in Nigeria shall regularize his stay by obtaining CERPAC. An Enterprise shall inform the Zone manager of the arrival of an expatriate as soon as they arrive in the country and commence regularization of visa process.

10. Requirements for obtaining CERPAC—

(a) the enterprise must make a formal application within three months of arrival to the Zone Management Company, who will in turn apply to Free Zone Immigration Service for regularization stating post to be occupied, nationality and acceptance of immigrations responsibilities;

(b) submit a valid STR Visa ;

(c) submit all other documents received from Nigerian Mission in the expatriate's country of origin ;

(d) submit the Board of Directors' resolution for top management positions, e.g. Director, Managing Director ; and

(e) payment of approved visa fee.

11. CERPAC may also be procured for principal immigrant's dependents who might wish to join their husbands, wives, parents.

12. Residences—

(a) FZ expatriates shall be allowed to reside in or outside the Free Zones ;

(b) FZ expatriates' register shall be maintained for all FZ expatriate residing in or outside the Free Zones ; and

(c) the register shall contain specific information such as, name, nationality, place of residence, employer, CERPAC number and validity period.

13. Expatriates who have made an application for CERPAC through their FZE can travel outside Nigeria by applying for and obtaining a Re-Entry Visa. Re-Entry Visa.

14. Requirements for Re-Entry Visa—

(a) the enterprise shall make a formal application, in writing, to the Authority through the Zone Management, who will in turn apply to NIS accepting immigrations responsibilities ;

(b) the documents to be submitted by the Enterprise to the Zone Management includes—

(i) a completed Re-entry Visa Application Form Imm.22(a), and

(ii) payment of approved processing fees (where applicable).

15. An approved Enterprise shall be exempted from Expatriate Quota. Expatriate Quota.

16. Fees for immigrations services shall be levied in United States Dollars (US\$). Fees.

TENTH SCHEDULE

GUIDELINES FOR FEASIBILITY STUDY

1.—(1) Name of firm to be established in LADOL FZ.

Technical Feasibility.

(2) Background information of the promoters to include names, age, investment contribution, educational qualifications, experience and address.

(3) A brief description of the product including specific product to be manufactured assembled, processed, produced or manipulated.

(4) Sources of raw materials.

(5) Project implementation schedule from the day application is approved to start of commercial operations.

(6) Company's organisational chart and function of each unit.

(7) Total number of staff (foreign and local) to be employed.

(8) Conditions of employment to include, coverage under political risk and or terrorism insurance social insurance and health scheme.

Economic
Feasibility.

2.—(1) A brief description of the marketing plan to include price, promotion, place and product for both local and international markets and major competitors.

(2) Expected annual volume of sales under contract or negotiation with foreign or local buyers, if any (attach evidence).

Machinery
and
Equipment.

3.—(1) Detailed information on Machinery and Equipment to be imported.

(2) Detailed information on Machinery to be purchased locally.

Products.

4.—(1) Description of Product to include, specifications relating to their physical, mechanical and chemical properties.

(2) Use of Product.

Manufacturing
Process.

5.—(1) Description of manufacturing process and duration.

(2) Licensing agreement if any, attach photocopies.

Plant Size
and
Production
Schedule.

6. Rated plant size and number of shift per day or number of operating hours per day and year.

Waste
Disposal.

7.—(1) Type, description, and quantity of waste products.

2. Method of waste disposal.

ELEVENTH SCHEDULE

[Regulation 63(3)]

TAXATION PROCEDURES

Serial No.	Subject Matter	Tax Implication	Basis of the Position
1.	Purchases made by FZEs operating within LADOL FZ from companies operating in the customs territory.	No VAT No WHT	This is in accordance with Sections 11(2) and 12(9) of the Principal 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.	This is in accordance with Sections 11(1) and 12(7) of the Act, which made rules for import into Nigeria applicable.
3.	Purchases or sales from customs territory by unapproved enterprises.	No WHT VAT and WHT applicable.	Section 8 and 18(1) of the Principal Act, which granted tax exemption, did not operate within the Zone to cover unapproved enterprises operating within the Zones.
4.	Imported goods conveyed through other Ports outside the Zone 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 accordance with Section 12(1) and 18 of the Principal Act.
5.	Submission of tax returns to FIRS by FZEs.	FZEs to submit tax returns through Zone Management to FIRS.	This is in accordance with Section 40A of Companies Income Tax Act of 1990, as amended (CITA).
6.	Business activities of head offices or branch offices of FZEs located in customs territory dealing with approved enterprises.	VAT and WHT applicable No. VAT No. WHT	This is in accordance with Section 51A of the Petroleum Profits Tax Act (PPTA) and Sections 8 of CITA dealing with derivation of income is also relevant.
7.	Property or assets of FZEs.		This is in accordance with the Act.

TWELFTH SCHEDULE [Regulation 36(2) (f)]

APPROVED ACTIVITIES

1. Manufacturing of goods for export.
2. Warehousing freight forwarding and customs clearance.
3. Handling of duty free goods (transshipment, sorting, marketing, packaging, etc.).
4. Banking, stock exchange and other financial services; insurance and re-insurance.
5. Import of goods for special services, exhibitions and publicity.
6. International Commercial Arbitration Services.
7. Activities relating to Integrated Zones.
8. Petrochemical Industries.
9. Oil and gas Industries.
10. Development and Operation of Ports.
11. Other activities deemed appropriate by Nigeria Export Processing Zones Authority.

MADE at Abuja this 23rd day of May, 2016.

OLUGBENGA KUYE
Managing Director,
Nigeria Export Processing Zones Authority

EXPLANATORY NOTE

*(This note does not form part of these Regulations
but is intended to explain its purport)*

These Regulations revokes the LADOL Free Zone Regulations, 2011, published as S. I. No. 24, Volume 98 of 28th March, 2011, provide details of regulatory and supervisory requirements necessary to promote efficient and profitable operations to facilitate the attainment of the goals for which the LADOL Free Zone is established and to enable the Free Zone to carry out additional activities to wit : Petrochemical, Oil and Gas, Development and operations of Ports.

TWELFTH SCHEDULE [Regulation 36(2) (f)]

APPROVED ACTIVITIES

1. Manufacturing of goods for export.
2. Warehousing freight forwarding and customs clearance.
3. Handling of duty free goods (transshipment, sorting, marketing, packaging, etc.).
4. Banking, stock exchange and other financial services; insurance and re-insurance.
5. Import of goods for special services, exhibitions and publicity.
6. International Commercial Arbitration Services.
7. Activities relating to Integrated Zones.
8. Petrochemical Industries.
9. Oil and gas Industries.
10. Development and Operation of Ports.
11. Other activities deemed appropriate by Nigeria Export Processing Zones Authority.

MADE at Abuja this 23rd day of May, 2016.

OLUGBENGA KUYE
Managing Director,
Nigeria Export Processing Zones Authority

EXPLANATORY NOTE

*(This note does not form part of these Regulations
but is intended to explain its purport)*

These Regulations revokes the LADOL Free Zone Regulations, 2011, published as S. I. No. 24, Volume 98 of 28th March, 2011, provide details of regulatory and supervisory requirements necessary to promote efficient and profitable operations to facilitate the attainment of the goals for which the LADOL Free Zone is established and to enable the Free Zone to carry out additional activities to wit : Petrochemical, Oil and Gas, Development and operations of Ports.