

CHAPTER 05

OIL AND GAS EXPORT FREE ZONE ACT

ARRANGEMENT OF SECTIONS

Designation and establishment of the Oil and Gas Export Free Zone, etc.

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CHAPTER 05

OIL AND GAS EXPORT FREE ZONE ACT

An Act to establish the Oil and Gas Export Free Zone Authority.

[1996 No. 8.]

[29th March, 1996]

[Commencement.]

Designation and establishment of the Oil and Gas Export Free Zone, etc.

1. Designation and establishment of the Oil and Gas Export Free Zone

(1) The President hereby designates the Onne/Ikpokiri area of Rivers State as an export free zone, (in this Act referred to as "the Export Free Zone").

(2) The Export Free Zone established pursuant to subsection (1) of this section, shall be operated and managed by the Oil and Gas Export Free Zone Authority established by section 2 of this Act.

2. Establishment of the Oil and Gas Export Free Zone Authority

(1) There is hereby established for the Oil and Gas Export Free Zone, an authority to be known as the Oil and Gas Export Free Zone Authority (in this Act referred to as "the Authority").

(2) The Authority shall be a body corporate, with perpetual succession and a common seal and may sue and be sued in its corporate name and shall be capable of acquiring, holding or disposing of any property movable or immovable for the purpose of carrying out its functions.

3. Establishment and membership of the governing board, etc.

(1) There shall be for the Authority a governing board (in this Act referred to as "the Board") which shall consist of the following members, that is—

- (a) a chairman, who shall be appointed by the President, being a person who by reason of his ability, experience or specialised knowledge of export and investment promotion, commercial or economic matters is capable of making outstanding contributions to the functions of the Authority;
- (b) one representative each of the following Ministries, that is—
 - (i) Finance;
 - (ii) Commerce;
 - (iii) Industry;
 - (iv) Petroleum Resources;
 - (v) Justice;
- (c) the Managing Director of the Nigerian Ports Authority or his representative not below the rank of a Director in the civil service of the Federation;

- (d) the Comptroller-General of Customs or his representative;
- (e) one representative each of the following bodies, that is—
 - (i) the Nigerian Chamber of Commerce, Industries and Mine and Agriculture;
 - (ii) the Corporate Affairs Commission;
 - (iii) the Manufacturers Association of Nigeria;
 - (iv) the Rivers State Government;
- (f) two eminent and knowledgeable Nigerians who shall not be employed in the public service and shall be persons with vast practical experience in the field of industry, commerce, finance, export promotion and such other related fields to be appointed by the Minister; and
- (g) the Managing Director of the Authority.

(2) A member of the Board other than *ex-officio* member shall hold office for a period of three years from the date of his appointment as a member and shall be eligible for re-appointment for one further period of two years and no more.

(3) Notwithstanding subsection (2) of this section, the President may, on the recommendation of the Minister, require any member of the Board to vacate his office if he is satisfied that it is not in the interest of the Authority or the interest of the public that the member should continue in office.

(4) A member of the Board other than an *ex-officio* member may, by notice in writing addressed to the Board, resign his appointment.

(5) The supplementary provisions contained in the Schedule to this Act shall have effect with respect to the proceedings of the Board and other matters relating to the Board.

4. Removal from office

(1) If it appears to the Board that a member of the Board should be removed from office on grounds of misconduct or inability to perform the functions of his office, the Board shall, after consultation with the interests, if any, represented by that member, make recommendations to that effect to the Minister and if the Minister approves the recommendations he may declare in writing, the office of that member vacant.

(2) Without prejudice to subsection (1) of this section any member who is absent from two consecutive ordinary meetings of the Board shall file his explanation in writing with the secretary for consideration by the Board and if the explanation is not accepted by the Board, the Board shall recommend to the Minister that the member be removed from office and the Minister may declare, in writing, the office of that member vacant.

5. Functions of the Authority

(1) In addition to any other functions conferred on the Authority by this Act, the functions and responsibilities of the Authority shall include—

- (a) the administration of the Authority and management of the Export Free Zone;
- (b) the grant of all requisite permits and licences to conduct approved enterprises within the Export Free Zone;

- (c) the approval of development plans of the Authority and the Export Free Zone, the annual budgets in respect of infrastructures, administrative buildings, promotion of the Export Free Zone, the provision and maintenance of services and facilities;
- (d) the establishment of customs, police, immigration and similar posts in the Export Free Zone;
- (e) the supervision and co-ordination of the functions of various public and private sector organisations operating within the Export Free Zone and resolving any dispute which may arise amongst them; and
- (f) the resolution of trade disputes between employers and employees in the Export Free Zone in consultation with the Federal Ministry of Employment Labour and Productivity.

(2) The Authority shall have power to take over and perform such other functions being hitherto performed by the Nigeria Export Processing Zones Authority as they relate to the export of oil and gas from any of the Nigerian Export Processing Zones established by the Nigeria Export Processing Zone Act.

[Cap. N107.]

(3) The Authority may, from time to time, prescribe the activities, which may be carried on in the Export Free Zone.

Staff of the authority

6. Appointment of the Managing Director, secretary and other employees, etc.

- (1) There shall be for the Authority, a Managing Director who shall—
 - (a) be the chief executive; and
 - (b) be appointed by the President on the recommendation of the Minister.
- (2) The Managing Director shall be responsible for—
 - (a) the preparation of plans, annual programmes and budget of the Authority;
 - (b) the recommendation to the Minister, of such bye-laws which may be applicable in the Export Free Zone;
 - (c) the implementation of approved plans, programmes and budget of the Authority; and
 - (d) the day-to-day administration of the Authority.
- (3) Without prejudice to the generality of subsection (1) of this section, the Authority shall have power to—
 - (a) appoint a secretary who shall be qualified to practise as a legal practitioner in Nigeria and shall have been so qualified for not less than ten years;
 - (b) pay the employees such remuneration and allowances as it may, from time to time, determine;
 - (c) pay the employees such pensions and gratuities as are payable to persons of equivalent grades in the public service of the Federation.

(4) The Authority may make staff regulations relating generally to the conditions of service of the employees of the Authority and without prejudice to the generality of the foregoing such regulations may provide for—

- (a) the appointment, promotion and disciplinary control of all employees of the Authority; and
- (b) appeal by such employees against dismissal or other disciplinary measures and until such regulations are made, the regulations relating to the conditions of service of the officers in the civil service of the Federation and the provisions of the Pensions Act shall be applicable with such modifications as may be necessary to the staff of the Authority.

[Cap. P4.]

(5) Approved enterprises operating within the Export Free Zone shall make provisions for the pensions and gratuities for their employees.

7. Vesting of property in the Authority

The President or the Governor of a State respectively may, by Order, transfer to the Authority, any property belonging to the Federal or State Government which appears to be necessary or expedient to the Authority in carrying out its functions under this Act and such property shall vest in the Authority by virtue of that Order and without further assurance.

8. Exemption from taxes

Approved enterprises operating within the Export Free Zone shall be exempt from all Federal, State and local government taxes, levies and rates.

9. Approval of enterprise to undertake approved activity

(1) Any enterprise which proposes to undertake an approved activity within the Export Free Zone, shall apply to the Authority in writing for permission to do so and shall submit such documents and information in support of the application, as the Authority may require from time to time.

(2) Subject to the provisions of this Act, the Authority may grant, subject to such terms and conditions as it thinks fit, approval for an enterprise to undertake the approved activity specified in its application brought under subsection (1) of this section.

10. Power to grant licence

(1) The Authority may grant a licence for any approved activity in the Export Free Zone to an individual or business concern whether or not the business is incorporated in the customs territory.

(2) The grant of a licence by the Authority shall constitute registration for the purposes of company registration within the Export Free Zone.

(3) A body corporate licensed to operate within the Export Free Zone and undertaking an approved activity shall notify the Authority of any purchase, assignment or transfer of shares in the body corporate, except where its shares are quoted and are freely transferable on any international stock exchange.

(4) The Authority shall by order, from time to time, prescribe the regulations governing the Export Free Zone.

11. Payments for goods and services

(1) Where an approved enterprise operating in the Export Free Zone supplies goods and services to customers within the customs territory, that enterprise shall be entitled to receive payment for such goods and services in foreign currency and for the purposes of such payment, the rules and regulations applicable to importation of goods and services into Nigeria and repatriation of the proceeds of sales or services shall apply.

(2) Where a person within the customs territory supplies goods and services to an approved enterprise established within the Export Free Zone, that person shall be entitled to receive payment for such goods or services in foreign currency and the rules and regulations applicable to export from Nigeria and the repatriation of proceeds from sales or services shall apply.

12. Import of goods into the Export Free Zone

(1) The Authority and any approved enterprise shall be entitled to import into the Export Free Zone, free of customs duty, any capital goods, consumer goods, raw materials, components or articles intended to be used for the purposes of and in connection with an approved activity, including any article for the construction, alteration, reconstruction, extension or repair of premises in the Export Free Zone or for equipping such premises.

(2) For the purposes of this section, articles for equipping premises shall be deemed to include equipment for offices and other ancillary facilities necessary for the proper administration of the premises and for the health, safety, hygiene and welfare of the premises and of persons employed therein.

(3) All goods brought into the Export Free Zone shall be consigned—

- (a) to the Authority or to an approved enterprise and the goods may, with the approval of the Authority, be transferred from one approved enterprise to another or from the Authority to an approved enterprise or from an approved enterprise to the Authority; and
- (b) without prejudice to the provisions of subsection (2) of this section, to a bank acting on behalf of any party to a transaction involving the Authority or an approved enterprise.

(4) The Authority may take such steps as it deems necessary to preserve goods within the Export Free Zone, whether by moving the goods from one place to another or by storing the goods and where any expenses are incurred by the Authority in so doing, the owner or consignee of the goods shall reimburse the Authority for the expenses.

(5) Subject to the provisions of this Act and any regulations made thereunder, goods brought into the Export Free Zone pursuant to this section may—

- (a) unless otherwise directed by the Authority, be stored, sold, exhibited, broken up, packed, graded, cleaned, marked, re-marked, loaded, unloaded, re-loaded, divided, mixed, separated or otherwise manipulated; or
- (b) be worked, processed or re-processed or otherwise manipulated or manufactured; or

- (c) be consumed if the goods are meant for consumption in the Export Free Zone, unless otherwise directed by the Authority; or
- (d) subject to subsection (6) of this section, be removed from the Export Free Zone or sent into the customs territory, whether as originally packed or otherwise; or
- (e) subject to any enactment pertaining thereto, be destroyed.

(6) Where any goods which are dutiable on entry into the customs territory are sent from the Export Free Zone into the customs territory, the goods shall be subject to the provisions of the Customs, Excise Tariff, etc. (Consolidation) Act and any regulations made thereunder, and if the goods are intended to be disposed of in the customs territory, shall not be removed from the Export Free Zone unless—

[Cap. C49.]

- (a) the consent of the Authority has been obtained; and
- (b) the relevant customs authorities are satisfied that all import restrictions relevant thereto have been complied with and all duties payable in connection with the importation thereof into the customs territory have been paid.

(7) Samples of goods being taken into the customs territory shall be subject to the provisions of subsection (5) of this section, except in cases where the relevant customs authority is satisfied that such goods are of no commercial value.

(8) Where goods are brought from the customs territory into the Export Free Zone for the purposes of an approved activity, the goods shall be deemed to be exported.

(9) The President shall appoint for the Export Free Zone, an inspecting agent who shall be charged with responsibility of inspecting goods imported from the Export Free Zone into Nigeria for use by an approved enterprise within the Export Free Zone.

13. Persons not to enter the Export Free Zone without permission

(1) No person shall, without the prior permission of the Authority, enter, remain in or reside in the Export Free Zone.

(2) Any person who contravenes the provisions of subsection (1) of this section shall have his permit revoked by the Authority.

14. Prohibition of retail trade

(1) No retail trade shall be conducted within the Export Free Zone without the prior approval of the Authority and which may be subject to such terms and conditions as may be imposed, from time to time, by the Authority.

(2) Any person who contravenes the provisions of subsection (1) of this section or of a term or condition imposed pursuant to that subsection shall have his licence revoked by the Authority.

15. Special provisions relating to articles imported with custom duty cessions

(1) An approved enterprise which imports into the Export Free Zone an article with a benefit in respect of customs duty under the provisions of this Act shall—

- (a) keep such records of the articles so imported in such forms and containing such particulars as may be required by the Authority;
- (b) cause the articles to be marked with such mark and in such manner as may be required by the Authority;
- (c) permit the Authority or a person authorised by the Authority at all reasonable times—
 - (i) to inspect the records relating to those articles; and
 - (ii) to have access to any factory, warehouse, assembly plant or other premises under the control of the approved enterprise for the purpose of examining the article which the Authority believes to be therein and of satisfying itself of the accuracy of the particulars in relation to the article contained in such records.

(2) Any person who contravenes the provisions of subsection (1) of this section is guilty of an offence.

16. Prohibition of storage of ammunition and dangerous explosives

(1) Notwithstanding any other provision of this Act, the following goods shall not be imported, taken into or stored in the Export Free Zone—

- (a) firearms and ammunition, other than by members of the Nigeria Police Force, the Armed Forces of the Federation or any of the Security Agencies employed to work in the Export Free Zone in the course of their duties or by such other persons as may be authorised by the Authority;
- (b) dangerous explosives, without prior approval of the Authority;
- (c) petrol, inflammable materials, hazardous cargoes or oil fuels, other than in such quantities and on such terms and conditions as may be prescribed by the Authority;
- (d) goods which the Authority by Order has imposed specific or absolute prohibition on their importation into the Export Free Zone.

(2) Any person who contravenes the provisions of subsection (1) of this section is guilty of an offence.

17. Export of goods from the Export Free Zone

Export of goods from the Export Free Zone to the customs territory shall, except as otherwise prescribed by or pursuant to this Act, be subject to the same customs and licensing requirements as apply to goods imported from other countries.

18. Incentives and related matters

(1) Approved enterprises within the Export Free Zone shall be entitled to the following incentives—

- (a) legislative provisions pertaining to taxes, levies, duties and foreign exchange regulations shall not apply within the Export Free Zone;
- (b) repatriation of foreign capital investment in the Export Free Zone at any time with capital appreciation of the investment;

- (c) remittance of profits and dividends earned by foreign investors in the Export Free Zone;
 - (d) no import or export licences shall be required;
 - (e) up to a minimum of 25 per cent of production may be sold in the customs territory against a valid permit, and on payment of appropriate duties;
 - (f) rent free land at construction stage, thereafter rent shall be as determined by the Authority;
 - (g) up to 100 per cent foreign ownership of business in the Export Free Zone allowable;
 - (h) foreign managers and qualified personnel may be employed by companies operating in the Export Free Zone.
- (2) The Authority shall be the only agency qualified to—
- (a) give all approvals; and
 - (b) cancel all licenses.
- (3) The Authority shall simplify all procedure necessary for authorization of investments in the Export Free Zone and state by order from time to time its requirements for the grant of authorisations for investments in the Export Free Zone.
- (4) Operations within the Export Free Zone shall commence on the date when the construction of the perimeter fence and gate of the Export Free Zone have been completed and the Authority has assumed duties.
- (5) There shall be no strikes or lockouts for a period of 10 years following the commencement of operations within the Export Free Zone and any trade dispute arising within the Export Free Zone shall be resolved by the Authority.

19. Enterprises to submit returns

An approved enterprise shall submit to the Authority at such intervals as may be prescribed, such statistical data, and such information and returns as regards the sales and purchases and other operations of the enterprise as the Authority may require or as may be prescribed, from time to time.

20. Work permit

Where a person who is a non-Nigerian citizen is employed by the Authority or by an approved enterprise established in the Export Free Zone, upon application by the enterprise for a licence to establish itself within the Export Free Zone or at any time thereafter, the enterprise shall apply on behalf of the non-Nigerian citizen, direct to the Authority for the purpose of immigration and employment permits, in such manner as may be prescribed by the Authority.

21. Fund of the Authority

- (1) The Authority shall establish and maintain a fund which shall consist of—
 - (a) all moneys received from the Federal Government;
 - (b) proceeds from all activities, services and operations of the Authority;

- (c) grants, gifts and donations made to the Authority; and
 - (d) such other sum as may accrue, from time to time, to the Authority.
- (2) The Authority shall, from time to time, apply the proceeds of the fund established pursuant to subsection (1) of this section—
- (a) to the cost of administration of the Authority;
 - (b) to the payment of the salaries, fees or other remuneration or allowances, pensions and gratuities payable to the officers and employees of the Authority;
 - (c) for reimbursing members of the Board or of any committee set up by the Board for such expenses as may be expressly authorised by the Authority in accordance with the rates approved by the President;
 - (d) for the maintenance of any property vested in the Authority; and
 - (e) for investment, maintenance of the Export Free Zone, marketing, promotion, training, research and similar activities.

22. Annual estimates, accounts, etc.

(1) The Authority shall, not later than 31st October in each year, submit to the Minister an estimate of its expenditure and income (including payments into the fund of the Authority) during the next succeeding year.

(2) The Authority shall keep proper accounts in respect of each year (and proper records in relation thereto) and shall cause its accounts to be audited within six months after the end of each year by auditors appointed from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation.

23. Enactments applicable in customs territory to apply

(1) Except as provided under this Act, an enactment applicable in a customs territory shall apply within the Export Free Zone.

(2) The Minister may, by order published in the *Gazette*, modify the application of any enactment which is made applicable in the Export Free Zone by subsection (1) of this section, where the enactment concerned restricts or interferes with the smooth running of the Export Free Zone or operation of licences therein.

24. Omission and non-compliance

(1) Every omission or neglect to comply with and every act done or attempted to be done contrary to the provisions of this Act or any regulations made thereunder shall be an offence and in respect of any such offence for which no penalty is expressly provided the offender shall be liable on conviction to a fine of ₦100,000 or to imprisonment for a term of three months or to both such fine and imprisonment.

(2) Whoever attempts to commit any offence punishable under this Act or any regulations made thereunder or abets the commission of such offence shall be punished with the punishment provided for such an offence.

(3) Where a body corporate is guilty of an offence under this Act, and that offence is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of any director, manager, secretary or other similar officer of the

body corporate, or any person who was purporting to act in any such capacity; he, as well as the body corporate, is guilty of that offence and liable to be proceeded against and punished accordingly.

25. Regulations

The Authority may, with the approval of the Minister make regulations for the proper implementation of this Act.

26. Interpretation

In this Act, unless the context otherwise requires—

“**approved activities**” means activities specified and approved by the Authority;

“**approved enterprise**” means any enterprise established within the Export Free Zone approved by the Authority;

“**Authority**” means the Oil and Gas Export Free Zone Authority established by section 2 of this Act;

“**member**” means a member of the Board and includes the chairman;

“**Minister**” means the Minister charged with responsibility for matters relating to trade.

27. Short title

This Act may be cited as the Oil and Gas Export Free Zone Act.

SCHEDULE

[Section 3 (5).]

Supplementary provisions relating to the Authority

Proceedings of the Board

1. (1) Subject to this Act and to section 26 of the Interpretation Act, the Board may make standing orders regulating the proceedings of the Authority or of any committee thereof.

[Cap. I23.]

(2) The quorum of the Board shall be eight and the quorum of any committee of the Board shall be as may be determined by the Board, from time to time.

2. (1) The Board shall meet not less than four times in each year and, subject thereto, the Board shall meet whenever it is summoned by the chairman, and if the chairman is required to do so by notice given to him by not less than three other members, he shall summon a meeting of the Board to be held within fourteen days from the date on which the notice is given.

(2) At any meeting of the Board the chairman shall preside, but if he is absent, the members present at the meeting shall appoint one of their number to preside at that meeting.

(3) Where the Board desires to obtain the advice of any person on a particular matter, the Board may co-opt him as a member for such period as it thinks fit:

Provided that a person who is a member by virtue of this sub-paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards the quorum.

Committees

3. (1) The Board may appoint one or more committees to carry out on behalf of the Board such of its functions as the Authority may determine.

(2) A committee appointed under this paragraph shall consist of such number of persons (not necessarily members of the Board) as may be determined by the Board; and a person other than a member of the Board shall hold office on the committee in accordance with the terms of his appointment.

Miscellaneous

4. (1) The fixing of the seal of the Authority shall be authenticated by the signature of the chairman and of any other member authorised generally or specially by the Board to act for that purpose.

(2) Any contract or instrument which, if made or executed by a person not being a body corporate, would not be required to be under seal may be made or executed on behalf of the Board by the chairman and the Managing Director or any person authorised generally or specially by the Authority to act for that purpose.

5. Members of the Board shall be paid out of moneys at the disposal of the Board such remuneration, fee or allowances in accordance with such scales as may be approved, from time to time, by the Minister.

6. The validity of any proceedings of the Board or of a committee thereof shall not be adversely affected by any vacancy in the membership of the Board or of a committee or by the defect in the appointment of any member of the Board or committee or by reason that a person not entitled to do so took part in the proceedings.

7. (1) A member of the Board who is—

- (a) directly or indirectly interested in any company or enterprise the affairs of which are being deliberated upon by the Authority; or
- (b) is interested in any contract made or proposed to be made by the Authority,

shall as soon as possible after the relevant facts have come to his knowledge disclose the nature of his interest at a meeting of the Board.

(2) A disclosure under subparagraph (1) of this paragraph, shall be recorded in the minutes of the meeting of the Board and the member shall—

- (a) not take part after such disclosure in any deliberation or decision of the Board with regard to the subject matter in respect of which his interest is thus disclosed;
- (b) be excluded for the purposes of constituting a quorum of the Board for any such deliberation or decision.

CHAPTER O5**OIL AND GAS EXPORT FREE ZONE ACT****SUBSIDIARY LEGISLATION***List of Subsidiary Legislation*

1. Oil and Gas Export Free Zone (Special Import Provisions) Order.
2. Oil and Gas Export Free Zone Regulations, 2003.

OIL AND GAS EXPORT FREE ZONE (SPECIAL IMPORT PROVISIONS) ORDER 2003

[S.I. 2 of 2003.]

under section 23 (2)

[3rd April, 2003]

[Commencement.]

1. Import duty tariff rebate for special products imported into the free zone

As from the commencement of this Order, any special product imported into the free zone under the Act—

- (a) on which value has been added without changing the essential character of the product after processing in the free zone; and
- (b) intended for the customs territory,

shall be granted an import duty tariff rebate of 75 percent.

2. Interpretation

In this Order, unless the context otherwise requires—

“**Act**” means the Oil and Gas Export Free Zones Act, 1996;

“**customs territory**” means the territory within the Federal Republic of Nigeria other than the area designated as the oil and gas free zone under the Act;

“**free zone**” means the oil and gas free zone designated under the Oil and Gas Export Free Zone Act;

[1996 No. 8.]

“**special product**” means any article or item imported into the free zone on which value has been added without changing the essential character of the product after processing;

“value” means any additional process added on a product.

3. Citation

This Order may be cited as the Oil and Gas Export Free Zone (Special Import Provisions) Order 2003.

OIL AND GAS EXPORT FREE ZONE REGULATIONS, 2003

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OIL AND GAS EXPORT FREE ZONE REGULATIONS, 2003

[S.I. 12 of 2003.]

[5th December, 2003]

[Commencement.]

PART I

*Administration and Powers of the Free Zone***1. Functions of the Free Zone Authority**

The Administration of the Free Zone is vested in the Authority, which in exercise of its functions shall have power to delegate some of its functions as it may, from time to time, determine.

2. Exemption from taxes, rates, etc.

(1) A licensee shall, in connection with its operations in the Free Zone, be exempted from payment of all Federal, State or Local Government taxes and rates, including stamp duties.

(2) A licensee or any other entity entitled to an exemption from payment of taxes under these Regulations shall, be exempted from providing, filing or submitting any documents or information which but for these Regulations would be required by any Ministry or any other Government agency, excluding the Authority for the purpose of assessing or charging such taxes or duties.

(3) The Authority shall, on request from any Ministry or Government agency, excluding the Authority, provide a copy of the current licence of a licensee or entity entitled to an exemption under these Regulations.

3. Incentives to Free Zone investors

(1) A licensee shall not be subject to foreign exchange regulations in connection with its operations in the Free Zone.

(2) A licensee may repatriate any foreign capital invested in the Free Zone at any time together with capital appreciation thereon.

(3) Any profits and dividends derived by investors from operations in the Free Zone may be remitted overseas at any time.

(4) A licensee operating in the Free Zone shall be entitled to—

- (a) up to 100 percent foreign ownership of any business in the Free Zone;
- (b) up to 100 percent foreign management of any business in the Free Zone.

(5) A licensee shall not require any import or export licence in connection with import or export from the Free Zone.

(6) Any products manufactured, assembled or pre-packaged and sold in the Free Zone shall be—

- (a) registered in accordance with the provisions of these Regulations; and
- (b) sold in the Customs Territory subject to the tariffs and other charges prescribed by the appropriate authorities.

(7) Notwithstanding the provisions of regulation 3, subregulation (6) of this regulation, the percentage of any products or goods manufactured, assembled, pre-packaged in the Free Zone and sold in the Customs Territory shall be unlimited.

(8) Foreign personnel employed by a licensee in the Free Zone shall not be subject to the immigration quota system.

(9) Goods brought into the Free Zone by a licensee, for consumption by the licensee in the normal course of its business within the Free Zone shall not attract any taxes or duties whatsoever.

4. Movement of goods in and out of the Free Zone

(1) The Authority shall have the power to take over Free Zone goods abandoned in the Free Zone and dispose of them in any manner it may deem fit.

(2) Where any goods or properties have been declared abandoned and the owner or person who ought to be in possession of them discarded them and is indifferent as to what becomes of them, any costs incurred by the Authority in removing the abandoned goods shall, be refunded on demand by the licensee or owner of the abandoned goods, as the case may be.

5. Processing of goods in the Free Zone

Goods brought into the Free Zone by a licensee or transferred to the licensee by another licensee in the Free Zone may, subject to the licensee holding an appropriate licence, be broken up, sorted, graded, packed, cleaned, marked, remarked, loaded, unloaded, divided, mixed, separated or otherwise worked or reworked by the licensee.

6. Registration of vehicles

Registration of vehicles in the Free Zone shall be in accordance with the rules and regulations set out by the Authority, the Federal Road Safety Corps and the Free Zone Customs Command.

7. Possession of driver's licence

A driver of a vehicle in the Free Zone shall possess—

- (a) a valid driver's licence issued by the Federal Road Safety Corps and the driver's licence shall be appropriate for the required class of vehicle; or
- (b) an international driver's licence issued by an appropriate authority and duly verified by the Authority and the Federal Road Safety Corps.

8. Customs, Police and Immigration

Dedicated Free Zone Customs, Police and Immigration Commands shall be established to deal with all aspects of the movement of goods and personnel in and out of the Free Zone.

9. Customs procedures

Without prejudice to the provisions of the Act and these Regulations, the following Customs procedures shall apply in the Free Zone—

- (a) goods released into the Customs Territory shall be classified as imports and be subject to all applicable taxes, duties and levies;
- (b) goods released from the Customs Territory into the Free Zone shall be classified as exports into the Free Zone;
- (c) equipment and consumables to be used in the construction of facilities in the Free Zone, may be imported into the Free Zone by a licensee free of any taxes, duties or levies.

10. Security in the Free Zone

The Authority shall provide security for the properties, premises and facilities of the Authority, while the Nigeria Ports Authority shall provide security for its own properties, premises and facilities in the Free Zone.

11. Free Zone tariffs

The Authority shall issue a schedule of tariffs which shall apply in the Free Zone and which shall be reviewed, from time to time and copies made available to the licensees or operators.

12. Applicable laws

In addition to the provisions of the Act or these Regulations or circulars or any Order applicable in the Free Zone, all other relevant laws applicable in the Customs Territory shall apply in the Free Zone.

13. Arbitration and settlement of disputes

(1) Any dispute arising between licensees in the Free Zone which cannot be settled amicably shall, be referred by either of the parties to the Authority for settlement and the decision of the Authority on the matter shall be communicated to the parties accordingly.

(2) Any dispute arising between a licensee and any Government agency in the Free Zone shall, be referred to the Authority by, either of the parties concerned and the Authority shall represent the licensee in all negotiations, arbitration, settlement and reconciliation of the dispute.

(3) The Arbitration and Conciliation Act shall apply in respect of regulation 13, sub-regulation (2) of this regulation.

[L.F.N. 2004 Cap. A18.]

(4) Any dispute arising between any licensee and the employees which cannot be settled amicably between the parties shall, be referred to the Authority, which shall take all necessary steps to reach a settlement between the parties.

(5) In all the cases in subregulations (1) to (4) of regulation 13 of this regulation, the Authority reserves the right to intervene at any stage in the dispute without prior notice to the parties involved, in order to settle the dispute and maintain industrial peace in the Free Zone.

14. Legal proceedings

A licensee shall take out litigation or defend any suit through the Authority and the Authority shall take appropriate measures to protect the rights of the licensee in the suit.

15. Restriction on non-Nigerian employee

A non-Nigerian employee of any licensee shall not accept employment outside the Free Zone or offer the same services outside the Free Zone without the prior consent and approval of the Authority in accordance with applicable laws.

16. Health, safety and environmental control

A licensee shall, observe the relevant measures necessary for the protection and preservation of the Free Zone environment and the immediate host community, in accordance with the relevant Federal Laws on health, safety and environmental control.

PART II

Procedure for Importing, Exporting and Movement of Goods

17. General procedures for importing goods into the Free Zone

(1) Goods shall be imported into the Free Zone in accordance with the following procedures—

- (a) the supplier of the goods shall, ensure that the Bill of Lading or airwaybill, invoices and packing list are itemised with their prices;
- (b) the manifest of the vessel or the aircraft relating to the goods shall be clearly marked with the words "Free Zone Status" for goods to be discharged at the Free Zone;
- (c) the licensee shall observe the following procedures in relation to the Bill of Lading or airwaybill, (in this regulation referred to as the "Bill")—
 - (i) the Bill shall indicate that the consignee of the goods is the licensee and specify the licensee's address as Oil and Gas Free Zone, Onne, Onne Port Complex, Rivers State, Nigeria;
 - (ii) where a bank has a lien on the goods shipped into the Free Zone, the Bill shall be consigned to the bank but shall bear the marks and numbers of the Free Zone;

- (iii) in sea shipments, the port of discharge shall be specified on the Bill as Onne Port Complex and where the goods are to be discharged at a port other than Onne Port Complex, it shall be specified on the Bill and the final port of discharge shall be specified as "Oil and Gas Free Zone, Onne, Rivers State; and
 - (iv) in air shipments, the airport of final destination shall be specified on the Bill as "Port Harcourt International Airport;
- (d) the licensee shall complete Form M prior to or on entering the Customs Territory and to be entitled to a waiver of pre-shipment inspection, when completing the Form M, the country of supply shall be specified as "Oil and Gas Free Zone, Onne, Port-Harcourt, Rivers State;
- (e) the identification and address of the consignee contained in the manifest, Bill, invoice and packing list shall be specified as "Oil and Gas Free Zone, Onne, Port-Harcourt, Rivers State;
- (f) the Authority shall require the shipping line or airline to provide separate manifest of goods to be discharged in the Free Zone;
- (g) the shipping line shall provide a manifest for the Authority seven days before the arrival of a vessel and in the case of an aircraft, the manifest shall be provided, prior to or upon arrival of the aircraft and the manifest shall be delivered to the Authority in an envelope duly sealed with wax;
- (h) a licensee shall provide to the Authority, prior to the arrival of goods or upon shipment either by electronic means or otherwise, certified true copies of invoices, packing list and the Bill;
- (i) the licensee shall comply with the specific procedures for importing goods into the Free Zone by air, sea or road freight, as the case may be;
- (j) the Transfer Request or Request to Transfer under Customs Escort shall, be delivered to the Terminal Operator who shall transfer the goods from the quay-side to the dedicated Free Zone stacking area or a common stacking area and thereafter, the Transfer Request or Request to Transfer under Customs Escort shall be signed by the Terminal Operator and returned to the Authority; and
- (k) where the goods are delivered by the Terminal Operator to a dedicated Free Zone stacking area, he shall be relieved of any shipping line liability on behalf of the owner of the goods and the liability shall pass on to the Authority.

18. Procedures for importing goods into the Free Zone by sea

Goods shall be imported into the Free Zone by sea in accordance with the following procedures—

- (a) the commercial invoice relating to the goods shall specify the value of the insurance, cost of the goods and freight;
- (b) a licensee shall complete a Transaction Request Order Form and deliver it to the Authority together with a copy of each of the following documents—
 - (i) Commercial Invoice;
 - (ii) Bill of Lading;
 - (iii) Packing List; and
 - (iv) Attested invoice (Form C 16);

- (c) the Authority may after the verification of the licensee's documents referred to in paragraph (b) of this regulation, forward a transfer request to the Free Zone Customs Command and the Nigerian Ports Authority office in the Free Zone;
- (d) the Free Zone Customs Command and Nigerian Ports Authority office in the Free Zone may each issue a transfer request order to the Shipping Agent and Terminal Operator to release the goods;
- (e) the Transfer Request Order issued under paragraph (d) of this regulation shall be marked with the stacking address of the cargo and a stock reference number;
- (f) the licensee shall apply in writing to the Authority, to transfer any of its Free Zone goods upon discharge from the vessel or aircraft to the Free Zone;
- (g) the licensee shall be liable to pay all Nigerian Ports Authority fees and charges;
- (h) the licensee shall be entitled to the ship agent's Delivery Order, on the presentation of a Transfer Request Order and the payment of ship agent's charges;
- (i) the licensee shall present the ship agent's Delivery Order to the Terminal Operator and Nigerian Ports Authority office in the Free Zone for, the purposes of transferring the goods from the quayside to the Free Zone.

19. Procedures for importing goods into the Free Zone by air

- (1) Goods shall be imported into the Free Zone by air, in accordance with the following procedures—
 - (a) the commercial invoice relating to the goods shall specify the value of the insurance, cost of the goods and freight;
 - (b) the licensee shall apply in writing to the Authority to, transfer under Customs Escort any of its goods to the Free Zone at the expense of the licensee;
 - (c) upon the receipt of a cargo advice from the airline, the licensee shall collect all the documents relating to the goods as follows—
 - (i) Commercial invoice;
 - (ii) Airwaybill; and
 - (iii) Packing list;
 - (d) the Authority may, after the verification of the licensee's documents referred to in paragraph (c) of this subregulation, forward a transfer request to Nigeria Customs Service, Airport Command and Nigerian Aviation Handling Company;
 - (e) the Authority shall, subject to the payment of the airline charges and the presentation of Customs Transfer Request Order, obtain a Delivery Order which shall be presented to the Nigerian Aviation Handling Company for the release of the goods;
 - (f) the goods released by the Nigerian Aviation Handling Company shall, be tallied and reconciled with the manifest by the Nigeria Customs Service and the Airport Command, which shall issue a landing certificate to the Customs Escort for verification by the Free Zone Customs Command;

- (g) the landing certificate issued pursuant to paragraph (f) of this subregulation shall, bear a label of the stacking address of the cargo and a stock reference number issued by the Authority and a copy of the landing certificate shall be issued to the Nigerian Ports Authority.

(2) The airline shall, provide a separate manifest of all Free Zone cargo, and such a manifest shall be made available by print or electronic transmission to the Authority, prior to or upon arrival of the aircraft.

20. Procedures for importing goods into the Free Zone by road

Goods shall be imported into the Free Zone by road in accordance with the following procedures—

- (a) the commercial invoice relating to the goods shall, specify the value of the insurance, cost of the goods and freight;
- (b) the licensee shall, apply in writing to the Authority to transfer under Customs Escort, any of its goods to the Free Zone at the expense of the licensee;
- (c) the application referred to in paragraph (b) of this regulation shall be delivered to the Authority together with a copy of each of the following—
 - (i) Commercial Invoice;
 - (ii) Waybill; and
 - (iii) Packing List;
- (d) the Authority may, after verification of the licensee's documents referred to in paragraph (c) of this regulation, forward a Transfer Request to the Nigeria Customs Service and the Free Zone Customs Command, which shall issue a Transfer Request Order to the Nigeria Customs Service at the point of entry;
- (e) the Nigeria Customs Service at the point of entry shall tally and reconcile the waybill with the packing list and issue a landing certificate to the Custom Escort;
- (f) upon arrival of the goods in the Free Zone, the Free Zone Customs Command shall verify, tally and reconcile the goods with the landing certificate.

21. Cargotrack inventory system

(1) All deliveries of goods in the Free Zone shall be entered into the Authority's "cargotrack" inventory system.

(2) The Authority shall issue stock reports, from time to time, showing the movement of goods in the Free Zone.

(3) The licensee shall, on demand by the Authority or the Free Zone Customs Command, provide statistical data, delivery and receipt returns and any other information that may be required by the Authority.

(4) The Authority and the Free Zone Customs Command shall, at reasonable times have access to the factory, warehouse, assembly plant or any other premises of the licensee, for the purposes of examining any goods or records of the licensee.

22. Exporting goods from the Free Zone into the Customs Territory

Goods shall be exported into the Customs Territory from the Free Zone in accordance with the following procedures—

- (a) the licensee shall, submit a completed Form M to the bank with the original shipping documents relating to the transfer of the goods into the Free Zone and the country of origin of the goods on the Form M shall be the country where the goods were originally manufactured or produced, while the country of supply shall be Oil and Gas Free Zone, Onne, Port-Harcourt, Rivers State;
- (b) the licensee shall complete a Transaction Request Order and forward it to the Authority together with copies of the following documents, attested to by the bank—
 - (i) Commercial Invoice;
 - (ii) Form M;
 - (iii) Bill of Lading;
 - (iv) Packing List; and
 - (v) Form C16;
- (c) the Authority shall request the Free Zone Customs Command and Pre-shipment Inspection Agent to examine, assess, value and classify the goods for importation into the Customs Territory;
- (d) a joint examination of the goods by the Free Zone Customs Command and the Pre-shipment Inspection Agent shall be carried out and a Clean Report of Inspection issued by the Pre-shipment Inspection Agent;
- (e) the licensee shall produce a duly executed bank guarantee or bond to the Authority and the Free Zone Customs Command, an inspection report duly signed by the Free Zone Customs Command and the Pre-shipment Inspection Agent specifying the duty payable on the goods shall be used for the release of the goods;
- (f) the licensee or its agent shall present a Clean Report of Inspection together with other relevant documents to the bank for the purposes of payment of duty;
- (g) the licensee or its agent shall complete the Single Goods Declaration Form attaching the Clean Report of Inspection, invoice, Bill of Lading, Packing List, Form C16 and the bank pay-in-slip for endorsement and processing and release to the licensee or its agent.

23. Customs Scheduling System

(1) The release of goods into the Customs Territory through the Customs Scheduling System shall be in accordance with the following procedures—

- (a) the licensee shall apply to the Authority for registration under the Customs Scheduling System and the Authority shall endorse and forward it to the Free Zone Customs Command for approval;
- (b) where approval is granted by the Free Zone Customs Command, the release of the goods shall be entered into a separate cargo tracking system opened by the Authority;

- (c) the licensee shall provide a bank guarantee or bond to the Free Zone Customs Command for an amount sufficient to cover the duties;
- (d) the licensee shall submit a Transfer Request Order, a copy of the bank guarantee or bond and the Report of Inspection to the Authority, for the release of the goods by the Free Zone Customs Command through the Customs Scheduling System;
- (e) the Free Zone Customs Command shall issue a Duty Scheduling Release Request Form to the licensee, who shall perfect the Free Zone Customs entry within 14 days of the release of the goods.

24. Exporting goods overseas by sea

The licensee shall export goods overseas from the Free Zone by sea in accordance with the following procedures—

- (a) a licensee shall complete a Transaction Request Order and forward it to the Authority together with copies of the following documents—
 - (i) Commercial Invoice;
 - (ii) Bill of Lading;
 - (iii) Packing List; and
 - (iv) Export Declaration Form;
- (b) the Authority shall request the Free Zone Customs Command to examine the goods, as well as require the Nigerian Ports Authority to endorse the Export Declaration Form, before the goods are released by the Free Zone Customs Command;
- (c) the licensee or its agent shall submit the release documents to the shipping line for cargo booking;
- (d) the Authority shall request the Terminal Operator to deliver the goods to the vessel under the Free Zone Customs Escort;
- (e) the Free Zone Customs Escort shall present the release documents to the captain of the vessel for endorsement as evidence of shipment of the goods;
- (f) the Free Zone Customs Escort shall deliver the endorsed release documents to the Authority, Free Zone Customs and Nigerian Ports Authority, for purposes of deleting the goods from the cargo inventory;
- (g) the licensee shall perfect an Export Bill of Entry for the purposes of effecting final release by the Free Zone Customs Command.

25. Export of goods overseas by air

A licensee shall export goods overseas by air, in accordance with the following procedures—

- (a) by completing a Transaction Request Order and forwarding it to the Authority, together with copies of each of the following documents—
 - (i) Commercial Invoice;
 - (ii) Air Waybill;

- (iii) Packing List; and
- (iv) Export Declaration Form;
- (b) the Authority shall request the Free Zone Customs Commands to examine the goods, as well as require the Nigerian Ports Authority to endorse the removal Order for the release of the goods;
- (c) the Authority shall request the Airport Customs Command to approve the release documents for the purposes of the export of the goods;
- (d) the licensee or its agent shall submit the release documents to the Nigerian Aviation Handling Company which shall endorse the Export Declaration Form;
- (e) the Authority shall transfer the goods under the Free Zone Customs Escort to the Airport Customs Command and the Nigerian Aviation Handling Company for tallying, reconciliation, verification and delivery on-board the aircraft;
- (f) the Free Zone Customs Escort shall present the release documents to the captain of the aircraft for endorsement as evidence of air freight of the goods;
- (g) the Free Zone Customs Escort shall deliver the endorsed release documents to the Authority, Free Zone Customs Command and the Nigerian Ports Authority for the purposes of deleting the goods from the cargo inventory;
- (h) the licensee or the beneficiary of the services shall perfect an Export Bill of Entry for final release by the Free Zone Customs Command.

26. Goods from the Customs Territory for repairs or maintenance in the Free Zone

- (1) A licensee or any other person may apply to the Authority for the repairs or maintenance in the Free Zone of goods situate at or from the Customs Territory.
- (2) The application for repairs or maintenance of the goods shall be made on a Transaction Request Order, stating the reasons for such repairs or maintenance.
- (3) The Authority shall request the Free Zone Customs Command, Pre-shipment Inspection Agent and Nigerian Ports Authority to examine the items to be utilised for the repairs or maintenance of the goods.
- (4) The Pre-shipment Inspection Agent shall issue a Clean Report of Inspection on the goods utilised for the repairs or maintenance, for the purposes of payment of duties.

27. Repairs and maintenance of goods in the Free Zone from the Customs Territory for export

- (1) A licensee or any other person may apply to the Authority for, the repairs or maintenance in the Free Zone of goods from the Customs Territory, for purposes of export.
- (2) The application for the repairs or maintenance of the goods shall be made on a Transaction Request Order, stating the reasons for such repairs or maintenance.
- (3) The Authority shall request the Free Zone Customs Command and the Nigerian Ports Authority to examine and release the items to be utilised for the repairs and maintenance of the goods.

(4) Upon the completion of repairs or maintenance, the licensee shall issue an invoice showing the description and value of spare parts and components from the Free Zone stock items, which have been utilised in the repairs or maintenance of the goods.

(5) The Authority shall request the Terminal Operator to deliver the goods repaired or maintained on board the vessels or aircraft under Free Zone Customs Escort.

(6) The Free Zone Customs Escort shall present the release documents to the captain of the vessel or aircraft for endorsement as evidence of shipment or airfreight of the goods.

(7) The Free Zone Customs Escort shall deliver the endorsed release documents to the Authority, Free Zone Customs Command and the Nigerian Ports Authority for the purposes of deleting the goods from the cargo inventory.

(8) The licensee or the beneficiary of the services shall perfect an Export Bill of Entry for final release by the Free Zone Customs Command for purposes of export.

28. Goods for repairs or maintenance in the Customs Territory from the Free Zone

(1) A licensee may apply to the Authority for the repairs or maintenance of the goods situate at or from the Customs Territory in the Free Zone.

(2) The application for the repairs or maintenance of the goods shall be made on a Transaction Request Order, stating the reasons for such repairs or maintenance.

(3) The Authority shall request the Free Zone Customs Command and the Nigerian Ports Authority to examine and release the goods from the Free Zone for repairs or maintenance in the Customs Territory.

(4) The goods for repairs or maintenance shall be exported under Free Zone Customs Escort to the Customs Territory.

(5) The release documents issued by Free Zone Customs Command shall specify the duration of the repairs or maintenance, the Free Zone Customs Command may extend the duration for the repairs or maintenance.

(6) Customs duty shall be charged on any goods not returned within the time limit specified in the release documents, unless an application for an extension of time is made by the licensee and approved by the Free Zone Customs Command.

(7) Upon the completion of the repairs or maintenance of the goods, the licensee shall import the goods under the Free Zone Customs Escort into the Free Zone.

(8) The Free Zone Customs Command and the Nigerian Ports Authority shall examine, reconcile and verify the repaired or maintained goods imported into the Free Zone.

29. Procedures for transferring goods between licensees

(1) Where a licensee desires to sell goods situate in the Free Zone to another licensee, the licensee purchasing the goods shall complete and submit a Transaction Request Order to the Authority, together with all the relevant documents relating to the goods to be purchased.

(2) The procedures relating to exportation of goods from the Free Zone into the Customs Territory set out in regulation 22 of these Regulations shall apply to the transfer of goods between licensees.

(3) Where a licensee sells goods situate in the Free Zone to another licensee, the vendor licensee shall complete a Transaction Request Order specifying, among other things, that the goods are not for immediate consumption, transfer or export, as the case may be.

(4) The Authority shall notify the parties in writing, where the Transaction Request Order is not approved.

30. Procedures for transferring goods from a Free Zone to another

(1) The transfer of goods from a Free Zone overseas to a Free Zone in Nigeria shall, in the normal course of business be regarded as export.

(2) Where the transfer of goods is between two Free Zones in Nigeria, the approval of the Authority shall be obtained and the goods shall be transferred under Free Zone Customs Escort.

(3) The Free Zone Customs Escort shall deliver the endorsed landing certificate to the Authority, Free Zone Customs Command and Nigerian Ports Authority as evidence of transfer of the goods and for purposes of deleting the goods from the cargo inventory.

PART III

Licensing of Business Entities within the Free Zone

31. Form of application for licence

An application for a licence shall be made to the Authority by completing and filing with the Authority, an application form.

32. Types of licences

(1) Subject to the provisions of the Act and these Regulations, the Authority may, grant an approved applicant one or more of the following licences—

- (a) a general licence; or
- (b) a special licence; or
- (c) a Free Zone enterprise licence.

(2) For purposes of obtaining a general licence, an entity shall—

- (a) hold a valid Certificate of Incorporation, issued by the Registrar of Companies in Nigeria; and
- (b) have a permit from the Department of Petroleum Resources to operate as an oil and gas service company in Nigeria.

(3) For the purposes of obtaining a special licence, an offshore entity shall produce evidence of a notarised Certificate of Incorporation in the country of origin, together with the Memorandum and Articles of Association.

(4) An approved Free Zone entity with a special licence shall operate only within the Free Zone.

33. Free Zone enterprise licence

(1) The Authority may issue a Free Zone enterprise licence to an approved applicant who has satisfied the requirements prescribed by the Authority.

(2) For the purposes of issuing a Free Zone enterprise licence, an applicant shall submit its business plan to the Authority for appraisal.

(3) An applicant for a grant of a Free Zone Enterprise licence shall produce a bond to the Free Zone Registrar, in accordance with the tariffs prescribed by the Authority.

(4) A Free Zone licensee shall operate only within the Free Zone.

(5) A Free Zone licence shall specify the activities to be undertaken by the licensee in the Free Zone.

34. Continuing obligations of a licensee

A Free Zone licensee shall—

- (a) at all times, comply with the terms and conditions of the licence and any lease agreement;
- (b) comply with administrative directives and circulars issued by the Authority, from time to time;
- (c) comply with the Laws of Nigeria, to the extent in which they are applicable in the Free Zone;
- (d) submit to the Authority, at such intervals that may be prescribed by the Authority, such statistical data, information and returns as regards the audited accounts, sales, purchases and other operations of the licensee, as the Authority may require or prescribe, from time to time.

35. Renewal of licence

(1) A licence shall be valid for one calendar year.

(2) Upon expiration, a licence shall be renewed on—

- (a) payment of the prescribed fees;
- (b) payment of any outstanding amount due to the Authority;
- (c) the presentation of any other documents, returns or information which the Authority may require; and
- (d) the presentation of an acceptable appraisal report in the case of a Free Zone enterprise.

36. Premises

A licensee shall enter into a lease agreement in respect of any parcel of land or premises which the licensee proposes to hold.

37. Amendment, withdrawal, revocation and surrender

- (1) Upon application of a licensee, the Authority may amend its licence.
- (2) The Authority may withdraw or revoke a licence for non-compliance with the requirements of the licence.
- (3) A licensee may surrender a current licence at any time, in accordance with any conditions that may be imposed by the Authority.

38. Annulment of an operational licence

The operational licence of a licensee may be annulled if any of the following circumstances are confirmed by an investigation carried out by the Authority—

- (a) where it is confirmed, through a written report that there has been an act contrary to the provisions of the law, these Regulations, guidelines, circulars and directives issued by the Authority, which is detrimental to peace and order in the Free Zone;
 - (b) where it is established that a licensee has evaded tax, such as the enjoyment of earnings accruing from business activities conducted in the Customs Territory; and
 - (c) where it is established that a licensee has presented a forged document.
- (2) A licensee whose licence has been annulled shall forfeit the licence fee paid to the Authority.
- (3) A Free Zone enterprise, which carries on its activities in the Free Zone despite the expiration of or annulment of its operational licence shall be expelled from the Free Zone by the Nigeria Police or Free Zone Customs command, on the request of the Authority and the property of the affected licensee shall be confiscated.

39. Licence fees

- (1) A licensee shall pay its licence fees, in accordance with the tariffs prescribed by the Authority, from time to time.
- (2) The fee for amending a licence shall be as prescribed by the Authority.
- (3) An application by a licensee to amend the approved activities specified in a licence shall be deemed to be an application for a new licence and fees shall be charged as prescribed by the Authority.
- (4) The Authority reserves the right to review the tariffs for operations in the Free Zone, from time to time.

PART IV*Free Zone Enterprises Procedures***40. Formation of Free Zone enterprises**

- (1) Any company or any other entity or person who desires to form a Free Zone enterprise shall complete and submit to the Authority, the prescribed application form and a proposed business plan with all the necessary information and documentation.

(2) The Authority may reject any application that fails to comply with the requirements for the formation of Free Zone enterprises.

(3) The Authority shall notify the applicant in writing of any decision made within 30 days of the receipt of the application.

(4) The Authority may modify the requirements for the formation of a Free Zone enterprise.

41. Issuance of certificate

(1) A successful applicant for the formation of a Free Zone enterprise shall, be issued with a certificate which shall contain, among other things, the date of registration, name of the enterprise and the seal of the Authority.

(2) A Free Zone enterprise shall be deemed to be duly formed with effect from the date of registration thereof.

42. Share capital

(1) The share capital of a Free Zone enterprise shall be—

- (a) denominated in either Nigerian official currency or any other international currency acceptable to the Authority;
- (b) divided into unit of shares as the Authority may, from time to time determine, and each unit of shares shall be evidenced by a share certificate;
- (c) paid in cash or by valuable assets.

(2) Any transaction in shares or securities shall have prior approval of the Authority.

(3) The share capital of a Free Zone enterprise may be altered by the owner's declaration, subject to the prior approval of the Authority and the details of the alteration shall be entered into the Free Zone enterprises register, maintained and kept by the Authority and shall take effect from the date of registration.

(4) Any Free Zone enterprise, undertaking an approved activity in the Free Zone shall notify the Registrar of any purchase, assignment or transfer of shares in the enterprise, except where its shares are quoted and are transferable on any international Stock Exchange.

43. Name of a Free Zone enterprise

(1) The name of a Free Zone enterprise shall end with the initials "FZE" and shall not be registered in the Free Zone enterprises register with a name which is not approved by the Authority.

(2) A Free Zone enterprise may change its name by the owner's declaration, subject to the proposed name being approved by the Authority.

(3) The new name of the Free Zone enterprise shall be entered into the Free Zone enterprises register and a certificate of change of name issued by the Authority.

(4) The certificate of change of name shall specify, among other things, the date of registration of the new name, the new name of the Free Zone enterprise and the seal of the Authority.

44. Registered address of a Free Zone enterprise

(1) A Free Zone enterprise shall at all times, have a registered address within the Free Zone to which all communication and notices shall be addressed.

(2) The Authority shall be notified of any change of address within 14 days thereof.

45. Sign-name plate

A Free Zone enterprise shall affix and keep affixed, its sign-name plate in legible letters and in a conspicuous position, in the registered office or place of business in the Free Zone.

46. Correspondence, etc.

A Free Zone enterprise shall have its name printed in legible letters in all business letters, notices and other official publications, including promissory notes, cheques, bills of exchange, orders for money, goods or services purported to be signed by or on behalf of the Free Zone enterprise and in all parcels, invoices, receipts, letters of credit and guarantees.

PART V*Banking Procedures***47. Banking activities in the Free Zone**

(1) Without prejudice to the Central Bank Act, the Authority may, permit a bank to maintain a branch in the Free Zone to offer banking services.

[L.F.N. 2004 Cap. C4.]

(2) A bank operating in the Free Zone shall not be entitled to any incentives granted to the Free Zone licensees, except the importation of any item to be consumed by the bank in the Free Zone as set out in the Act.

(3) Any bank operating in the Free Zone shall comply with the Central Bank of Nigeria guidelines on offshore banking.

(4) A Free Zone account shall be denominated in either Nigerian official currency or any other internationally acceptable currency to the Authority.

PART VI*Health, Safety and Environment***48. Management of health, safety and environmental matters within the Free Zone**

(1) The Authority shall ensure that all Free Zone enterprises comply with all health, safety and environmental laws and regulations made thereunder.

(2) Any incident involving loss and material damage or physical injury in the Free Zone shall be reported to the Authority as soon as practicable after the incident.

PART VII

*Planning and Construction Procedures***49. Acquisition of land**

(1) Without prejudice to the provisions of the Land Use Act, any land under the control or management of the Nigerian Ports Authority shall be acquired, leased or transferred to an investor by the Nigerian Ports Authority.

[L.F.N. 2004 Cap. L5.]

(2) An investor shall take lease from the Nigerian Ports Authority, in respect of any land situate in the Free Zone, but within the Ports Area and owned by the Nigerian Ports Authority, on the terms and conditions prescribed by the Nigerian Ports Authority.

(3) An investor shall take lease from the Authority, in respect of any land outside the control or management of the Nigerian Ports Authority but situate within the Free Zone.

(4) A Free Zone entity shall present to the Authority, a written report of any application for lease or acquisition of land in the Free Zone.

PART VIII

*Miscellaneous***50. Immigration procedures**

(1) Notwithstanding the provisions of the Immigration Act, any approved Free Zone entity, employing or engaging the services of any non-Nigerian shall, comply with the requirements set out by the Free Zone Immigration Command.

(2) The Authority shall in consultation with the Free Zone Immigration Command, publish the guidelines and procedures on immigration matters applicable in the Free Zone.

(3) The Authority shall make available, the guidelines and procedures mentioned in subregulation (2) of this regulation to the licensees.

51. Guidelines

The Authority shall publish or cause to be published all guidelines relating to administration, management and operations of the Free Zone.

52. Interpretation

In these Regulations—

“**Act**” means the Oil and Gas Export Free Zone Act, L.F.N. 2004 Cap. O5;

“**applicant**” means an entity which has duly completed, signed and submitted an application form to the Authority;

“**Authority**” means the Oil and Gas Export Free Zone Authority, established under section 2 of the Oil and Gas Export Free Zone Act, 1996;

“Bank” means any institution, duly licensed in accordance with the Banking Act Cap. 28 L.F.N. to carry on banking business in Nigeria;

“bank pay-in-slip” means a receipt, issued by a bank for payment made in respect of Customs duties and other import related levies and charges;

“circular” means notices or any periodic information issued by the Authority, Government or any of its agencies;

“country of origin” means in the case of a foreign entity, a jurisdiction other than Nigeria and in the case of a domestic entity, the Free Zone and for the purposes of inspection, the country of origin means the country of manufacture or last country where value was added to the goods;

“Customs Bill of Entry” means the form issued by the Nigeria Customs Service, for the purpose of the declaration of goods or single goods declaration;

“Delivery Order” means a form issued by the Nigerian Ports Authority to the importer through the shipping line;

“domestic entity” means any entity duly registered and licensed by the appropriate authorities to carry on business in Nigeria;

“Export Bill of Entry” means a document issued by the Nigeria Customs Service for the purpose of exportation of goods;

“Export Declaration” means a document issued by the Nigeria Customs Service for the purpose of declaring goods for export;

“foreign entity” means any entity duly registered and licensed by the appropriate authorities in its country of origin to carry on business anywhere, including Nigeria;

“Foreign Territory” means the Free Zone and any territory other than the Customs Territory;

“Form M” means a document issued by the Central Bank of Nigeria for the purpose of importation of goods into Nigeria;

“Free Zone” means the area designated as a Free Zone by the President of the Federal Republic of Nigeria;

“Free Zone circular” means a notice issued or information disseminated by the Authority, from time to time;

“Free Zone Customs Guarantee” means a guarantee or bond issued by a bank or any other financial institution on behalf of a licensee and on the terms approved by the Authority and acceptable to the Free Zone Customs Command;

“lease agreement” means a legal agreement in respect of land or property acquired in the Free Zone;

“**licence**” means written permission granted by the Authority to a Free Zone entity to engage in an approved business or activity within the Free Zone;

“**licence fee**” means a specified amount of money prescribed by the Authority and payable by the licensee to enable it to engage in an approved business in the Free Zone;

“**licensee**” means an entity duly licensed to carry on an approved business in the Free Zone;

“**Nigeria**” means the Federal Republic of Nigeria, excluding the Free Zone;

“**Registrar**” means the Free Zone Registrar appointed by the Authority;

“**Request for Release under Customs Duty Scheduling System**” means a document issued by the Authority to effect release of Free Zone goods under bank guarantee or bond;

“**Request to Release**” means a document issued by the Authority for the purpose of effecting release of cargo to the owner;

“**Request to Repair Free Zone Goods in Nigeria**” means a document issued by the Authority to effect release of Free Zone goods for the purposes of repairs in Nigeria;

“**Request to Transfer under Customs Escort**” means a document issued by the Authority to the Nigeria Customs Service for the purposes of transferring Free Zone goods into the Free Zone;

“**Terminal Operator**” means the authorised operator of the terminals in the Free Zone;

“**Transfer Request**” means a document issued by the Authority for the purposes of the transfer of Free Zone goods to a dedicated Free Zone entity premises;

“**Transfer Request Order**” means a transfer request form.

53. Citation

These Regulations may be cited as the Oil and Gas Export Free Zone Regulations, 2003.
