

*Extraordinary*



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

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



ARRANGEMENT OF ORDERS

*Order :*

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

S. I. No. 4 of 2021

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

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

[7th Day of January, 2021]

Commence-  
ment.

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

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

Application  
of  
administrative  
sanctions for  
infractions in  
the Free  
Zones.

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

Savings.

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

Citation.

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

PROF. ADESOJI ADESUGBA  
*Managing Director*  
*Nigeria Export Processing Zones Authority*

## SCHEDULE

[ORDER 1]

## INFRACTIONS AND SANCTIONS

## BASIC INFRASTRUCTURE/FACILITY

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

## DORMANT ZONES

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

## OPERATIONAL INFRACTIONS

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

