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FREE ZONE REGULATIONS, 1996

IN exercise of the powers conferred on the Minister responsible for Trade and Industry by sections 26(2) and 41 of the Free Zone Act 1995 (Act 504), and after consultation with the Minister responsible for customs and excise and the Commissioner of Customs, Excise and Preventive Service in accordance with section 26(2) of Act 504, these Regulations are made this 22nd day of February, 1996.

PART I – FREE ZONES DEVELOPERS

1. (1) Where any area of land, building or any other place has been declared a free zone by the President under section 7 of the Act, any person who qualifies under the Act and desires to be a developer, may apply to the Board for a licence to develop the free zone.
 - (2) Any person who qualifies under the Act may lease properties or propose properties he already owns for the creation, development and operation of a free zone.
2. (1) Application for a developer's licence shall be in Form 4 specified in the Schedule of these Regulations, the form may be obtained from the Executive Secretary to the Board and shall be submitted on completion to the Executive Secretary.
 - (2) The form shall consist of an original copy and three duplicates and shall on submission be accompanied with the following documents of the applicant-
 - a. copies of Certificate of Incorporation;
 - b. copies of Company Regulations;
 - c. partnership agreement where applicable; and
 - d. any other document the Board may direct.
- 3 (1) The Executive Secretary shall put each application before the Board as soon as the application documents are found to be in order and shall, where insufficient information is provided, request the applicant to provide the missing information.
 - (2) An application submitted under regulation 1 shall be considered and determined by the Board and response thereon shall be notified to the applicant within 28 working days of the receipt of the application at the Secretariat of the board.'
 - (3) Where an applicant is required to provide any further information for the purpose of his application by the Board, the application with the

additional information supplied shall be determined by the Board and the applicant informed Thereon within 28 working days of the supply of the information.

4. An applicant whose application is rejected for failure to satisfy any condition on first application, may resubmit a fresh application for consideration by the Board; and the fresh application shall be dealt with within a period of 28 working days after the date of its receipt at the Secretariat of the Board.
5. (1) The Board may grant a Free Zone Developer's Licence in Form 2 in the schedule to these Regulations to the applicant subject to such conditions as shall be attached thereto.
 - (2) A licensed developer shall commence development activities within 6 months of receipt of the Free Zone Developer's Licence.
6. (1) The Board may, where it is satisfied that a licence under this regulation has failed to utilize the licence contrary to any condition of the licence, revoke the licence.
 - (2) No licence shall be revoked by the Board unless the Board has given the licensee-
 - i. at least 14 working days notice of its intention to revoke the licence;
 - ii. the reasons for the intended revocation;
 - iii. an opportunity to make representations to the Board; and any representations made have been considered by the Board.
 - (3) Where a developer's licence is revoked for inability to commence development within the stipulated period, and he wishes to be reconsidered for a new licence, a fresh application shall be submitted to the Board and there shall be attached to the application the reason why the new application should be reconsidered by the Board.
7. (1) The construction of buildings, factory shells and other related structures in a free zone shall conform to established building standards provided for the purpose by the planning authority and shall be in conformity with building regulations or in accordance with other international standards recognized by the planning authority.
 - (2) A licensed developer shall for the purpose of development in the Free zone-
 - a. erect suitable fences or enclosures and provide markings that define for customs and security purposes, the area of the free zone which is under his management and control;

- b. specify the places approved by the Board for persons, goods and vehicles entering or leaving the free zone; and
 - c. provide such office accommodation, signs, notices and other facilities the Board shall consider necessary to enable officers of CEPS carry out their duties.
- 8. A developer shall in his operations comply with the environmental regulations, standards, procedures and requirements laid down by the Environmental Protection Agency; and shall accordingly, within the zone adopt operational practices which promote a safe and healthy environment in the zone.
- 9. A developer shall submit to the Board after every 6 months a report in Form 3 in the Schedule on his activities, performance and development in the zone in respect of the preceding two years.
- 10. A developer who intends to terminate his operations shall notify the Board at least 6 months before the date of the termination of his activities.

PART II – FREE ZONE ENTERPRISES

- 11. (1) A person who intends to operate as an enterprise in a free zone for a manufacture, commercial or service activity under the Act shall submit a completed relevant application in Form 4, 5 or 6 specified in the Schedule to these Regulations to the Executive Secretary to the Board.
- (2) The form shall consist of an original and three duplicates and shall Be submitted with the following documents of the applicant-
 - a. copies of Certificate of Incorporation;
 - b. copies of Company Regulations;
 - c. partnership agreement where applicable;
 - d. Tax Clearance Certificate, where applicable;
 - e. evidence of possession or lease of real property or intention to acquire such property; and
 - f. Any other document the Board may direct.
- 12. The provisions in regulation 3 and 4 on the consideration and reconsideration of application for a developer's licence shall apply to an application of a free zone enterprise.
- 13. (1) Upon approval of an application submitted to the Board under this part, the Board shall issue a Free Zone Enterprise Licence in the relevant Form 7 provided in the Schedule to these Regulations to the applicant.
- (2) The licence shall state specifically the activities to be carried on by the licensed enterprises.

- (3) A free zone enterprise shall commence its operations within 6 months of the date of receipt of the licence.
- (4) Where a licensed enterprise fails to start operations within the time specified in sub regulation (3) of this regulation, the license may on an application by the licensee be renewed only once by the Board.
14. (1) The Board may, where it is satisfied that a licensee under this regulation has failed to utilize the licence contrary to any condition of licence, revoke the licence.
- (2) No license shall be revoked by the Board unless the Board has given the licensee-
- a. at least 14 working days notice of its intention to revoke the licence;
 - b. the reasons for the intended revocation;
 - c. an opportunity to make representations to the Board and any representations made have been considered by the Board.
15. (1) A licensed enterprise shall carry on in the free zone only activities and operations authorized by the Board and specified in its Free Zone Enterprise Licence.
- (2) Any new, modified or additional activities intended to be undertaken by a licensed enterprise shall be notified in writing to the Board at least 30 days before proceeding with the new, modified or additional activities and shall only be undertaken after approval by the Board.
16. Every free zone enterprise shall comply with the Factory Offices and Shops Act 1970 (Act 328) on health, safety and other standard requirements; and the provisions in regulation 7 and 8 of these Regulations relating to the erection of structures and compliance with environmental laws shall apply to every free zone enterprise.
17. (1) For the purpose of ensuring security and facilitating customs, operations, free zone enterprises shall erect fences or enclosures, which shall be at least 2.5m high.
- The enterprise or factory building should be located at least 3m inside the enclosure; except that where the building for the factory is already in existence before the coming into force of these regulations, and the building does not comply with this requirement, an application may be made through the Board to the planning authority for an exemption.
18. Every free zone enterprise shall pay to the Board, the annual contribution determined by the Board towards the cost of general administrative services rendered by public officials for enterprises in the free zone.

19. The management of a licensed enterprise shall prepare and submit to the Board after every 6 months a report in Form 8 in the Schedule to these Regulations on the performance of the enterprise for the information of the Board.
20. The management of a licensed enterprise who intends to terminate the activities of the enterprise shall notify the Board at least 6 months before the termination of the activities.
21. (1) Licensed developers and enterprises wishing to employ expatriates whose skills are not available in Ghana shall obtain work and resident permits for each foreign employee.
 - (2) A foreigner designated by a free zone investor to represent his interest shall obtain work and resident permits.
 - (3) Application for a work and resident permit shall be submitted to the board at least two months prior to the intended date of employment.
 - (4) An application submitted under sub regulation (3) shall be accompanied with a medical certificate of the state of health of the prospective employee endorsed by the employer.
 - (5) The Secretariat of the Board shall submit the application if found acceptable by the Board to the Immigration Service for processing.
 - (6) The duration of a resident permit for an employee in a free zone shall not exceed a period of 2 years.
 - (7) The following fees which include the processing fees of the Immigration Service shall be paid to the Board by an applicant in respect of the periods specified-

(a) 1 st and 2 nd year	..	US \$200.00 per annum
(b) 3 rd and 4 th year	..	US \$800.00 per annum
(c) 5 th year and beyond	..	US \$1,500.00 per annum
 - (8) A work permit is not transferable and the fee is not refundable.
22. (1) A foreign free zone investor or employee may obtain an entry visa from a Ghana Mission abroad or its accredited representative, but the permit may be obtained on arrival

at a point of entry in Ghana if the Director of the Immigration Service has prior notification from the Board concerning the arrival of the investor or employee.

 - (2) A foreign investor or employee may be issued a temporary entry permit on arrival at a point of entry in the country pending the determination of his status by the Immigration Service in consultation with the Board.

PART IV – CUSTOMS OPERATIONS

23. (1) No goods shall be brought into a free zone for delivery unless the delivery is to a licensed developer or enterprise.

- (2) Exemption from import duties and similar charges on goods for delivery in a free zone shall not be granted to any person other than a licensed developer or enterprise or his authorized agent.
 - (3) Customs documents relating to the importation or delivery of goods to a free zone shall bear the licence number of the licensed enterprise and a declaration that the goods are intended for delivery within the zone.
24. (1) No person shall-
- a. leave a free zone for any part of the national customs territory;
 - b. enter a free zone from the national customs territory;
 - c. remove or be concerned in the removal or bringing in of any vehicles between a free zone and any part of the national customs territory; or
 - d. remove or be concerned in the removal or bringing in of any goods between a free zone and any part of the national customs territory except at places on the perimeters of the free zones approved for the purpose by the Board either generally or for particular persons or particular classes of goods and during such hours as the Board may specify.
- (2) Where in respect of any particular consignment, personnel or classes of goods, the Board-
- a. approves places other than the ordinary or the known approved places; or
 - b. permits the movement of persons or vehicles between a free zone and any part of the national customs territory other than at the ordinary and known approved places; or
 - c. permits the removal or bringing in of goods at hours other than the ordinary known hours specified by the Board, the approval or permission shall be subject to such special conditions as to security or otherwise as the Board shall impose and all persons concerned shall comply with the conditions.
25. No person shall remove any goods from a free zone unless prior to the removal a declaration in Form 9 in the schedule to these Regulations together with a completed CEPS Single Administrative Document (SADS) has been delivered to an officer of CEPS at the free zone and any import duties or other duties applicable have been paid to CEPS or arrangements acceptable to CEPS have been made for their payment.
- 26.(1) A person leaving a free zone for another part of the state or entering a free zone from another part of the state shall stop at the customs checkpoint to examine and take an account of any goods carried or conveyed by him.
- (2) A person in charge of a vehicle whether leaving a free zone

for another part of the state shall stop at the customs checkpoint and shall allow the officer at the checkpoint to examine the vehicle and goods, if any and take an account of any goods.

- (3) A person who stops at a customs checkpoint shall answer such questions relating to his journey and to goods carried or conveyed by him as may be put to him by the officer at the checkpoint.
 - (4) A person conveying goods from a free zone into another part of the state or into a free zone from another part of the State shall carry with him report or manifest in Form 9 in the Schedule to these Regulations, signed by the carrier of the goods and showing –
 - (a) a description and quantities of the goods in each package;
 - (b) the names and addresses of the consignor and consignee of each package listed on the document as a licensed enterprise, the number of licence;
 - (5) Form 9 shall be produced together with the goods to the officer at the customs checkpoint for inspection.
27. (1) A licensed enterprise shall keep in respect of any trade, business or manufacture carried on by it in the free zone, records and accounts in such form as the Board shall approve, and within such period as the Board shall specify, in respect of goods-
- a. brought into or removed from the free zone by it;
 - b. received by it from another licensed enterprise; and
 - c. disposed of by it to another licensed enterprise.
- (2) Records and accounts required to be kept under sub regulation (1) of this regulation shall be kept at the business premises of the licensed enterprise.
- (3) The records together with all other books and documents containing particulars on which the records and documents are based, shall be preserved by the licensed enterprise for as long as any of the goods to which they relate remain within the free zone and in any event for at least 3 years from the making of the record.
28. (1) A licensed enterprise shall at all times at the request of a customs officer allow the officer-
- a. to examine goods held by it within the free zone;
 - b. to inspect and take extracts from records, trade books, accounts and other books and documents required to be kept by it under the Act and regulations made thereunder.
- (2) A licensed enterprise of which a request has been made for inspection under sub regulation (1) of this regulation shall immediately produce the documents required, allow access to the goods and shall render to the

customs officer assistance to enable him examine the goods, inspect the documents and take extracts where required.

29. (1) Goods and semi processed products of a free zone enterprise may be temporarily exported to the national customs territory on approval from CEPS for a period not exceeding three months for further processing and returned into the free zone for final processing, manufacture and eventual export.
- (2) Form 10 in the Schedule to these Regulations shall be used for the purposes of temporarily exporting goods and shall be completed and delivered to the customs officer at the customs checkpoint.
30. In accordance with sections 21 and 22 of the Act, imports and export in transit to and from a zone shall be exempt from custom duties, transit duties, tonnage taxes, excise duties and other direct and indirect taxes, charges and levies.
31. (1) Thirty per cent of annual production of goods and services of a free zone enterprise may be sold in the national customs territory and shall be subject to applicable taxes and duties.
- (2) Goods given free of charge to any person in a free zone and intended to be used or consumed in the national customs territory outside the free zone shall be subject to the applicable taxes and duties and shall be regarded as part of the 30% of the total annual production to be sold in the national customs territory.

PART V – INDUSTRIAL RELATIONS

32. (1) Free zone employers shall be entitled to freely negotiate and establish contracts of employment with their employees that specify, among others, the wages, overtime payment, hours to be worked, employee suspension and dismissal conditions, settlement of disputes arising between employers and workers, and other terms of employment.
- (2) Free zone employers shall pay to their employees wages which shall not be below the recommended minimum wages prevailing in the country at any given time.
33. For the avoidance of doubt, and except otherwise provided by law, the laws, rules and regulations, on workers rights and condition of service for the time being in force in Ghana in respect of social security and pensions, workmen's compensation, public holidays and under ILO Conventions to which Ghana is a party shall apply to domestic employees of a free zone developer and enterprise.

34. (1) Free zone employers shall utilize at least an additional one percent of their total wage and salary bill (excluding overtime pay, allowances and bonuses) towards the training of their employees from the country.
- (2) The employers shall for the purpose of subregulation (1) furnish the Board with their training programmes and records every 6 months from commencement of work.
35. In these Regulations unless the context otherwise requires-
- “Act” means the Free Zone Act, 1995 (Act 504)
 - “approved place” means a place on the perimeter of a free zone designated by the Board as the place where persons, goods and vehicles may enter and leave the free zone;
 - “Board” means the Free Zones Board established under section 1 of the Act;
 - “CEPS” means the Customs, Excise and Preventive Service;
 - “Commissioner” means the Commissioner of CEPS;
 - “developer” has the same meaning as provided under the Act;
 - “planning authority” means any body or institution assigned responsibility by law to regulate construction of buildings and structures in the area of the free zone concerned; and
 - “zone” means a free zone.



FZB FORM 4

REPUBLIC OF GHANA
FREE ZONE BOARD
APPLICATION FOR FREE ZONE ENTERPRISE LICENCE

Serial No.

A. PARTICULARS OF ENTRPRISE

1. Name of Enterprise: Tel:
2. Postal Address: Fax:
3. Location of Office: E-mail:
4. Date of Incorporation of Company:

B. PARTICULARS OF DIRECTOR/SHAREHOLDERS:

Names of Directors	Nationality	No. & Value of Shares	Residential Address

C. PROJECT DESCRIPTION

-
1. Type of Project
-
2. Location of Project /Ownership of Estate
(Attach copy of Title to land/lease agreement)
-

D. MACHINERY/EQUIPMENT REQUIRED FOR PROPOSED PROJECT

Major items of machinery	Condition (new or used)	Country of origin	Estimated Cost
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*State machinery exceeding 20 percent of the total machinery cost.

E. PRODUCTION SCHEDULE

Indicate the estimated annual production for the first 3 years of each product.

	1stYear		2ndYear		3rdYear	
	Qty	Ex-Factory Value (US\$)	Qty	Ex-Factory Value (US\$)	Qty	Ex-Factory Value (US\$)

F. RAW MATERIALS/COMPONENTS REQUIRED

Indicate raw materials/components required in the manufacture of proposed product (s) for the first 12 months.

Raw materials/components	Quantity	Value (US\$)	Locally available or imported

G. Describe effluence and other pollutants that may result from your production and measures to control same.

H. EXPORT SCHEDULE

1. Indicate the estimated annual exports to foreign markets for the first 3 years for each product.

Proposed Products	1stYear	2ndYear	3rdYear

	Qty	Export Value (US\$)	Qty	Export Value (US\$)	Qty	Export Value (US\$)

2. Please indicate principal export destinations.

I. EMPLOYMENT SCHEDULE

Indicate estimated total number of national expatriate (full-time) employees for the first 3 years.

Employment Category	1stYear		2nd Year		3rd Year	
	Nat	Exp	Nat	Exp	Nat	Exp
1. Managerial Staff						
2. Technical & Supervisory Staff						
3. Factory Workers						
a. Skilled						
b. Unskilled						
4. Others						

J. SALARIES/WAGES SCHEDULE

Please indicate estimated total salaries/wages for national and expatriate employees for the first 3 years.

Employment Category	1stYear		2ndYear		3rdYear	
	Nat	Exp	Nat	Exp	Nat	Exp
1. Managerial Staff						

