

GOVERNMENT OF ZAMBIA

STATUTORY INSTRUMENT NO. 34 OF 2003

The Export Processing Zones Act

(Act No. 7 of 2001)

**The Export Processing Zones (Licensing)
Regulations, 2003**

IN EXERCISE of the powers contained in section *forty-one* of the Export Processing Zones Act, 2001, the following Regulations are hereby made:

- | | |
|---|------------------------|
| 1. These Regulations may be cited as the Export Processing Zones (Licensing) Regulations, 2003. | Title |
| 2. In these Regulations unless the context otherwise requires—
“ Authority ” means the Zambia Export Processing Zones Authority;
“ Board ” means the Zambia Export Processing Zones Authority Board;
“ developer ” means a person who holds a permit issued pursuant to section <i>seventeen</i> of the Act;
“ investor ” means the holder of an export processing licence issued pursuant to section <i>twenty</i> of the Act;
“ licence ” means an export processing licence granted pursuant to section <i>twenty</i> of the Act; and
“ permit ” means a permit granted to a developer pursuant to section <i>twenty</i> of the Act. | Interpretation |
| 3. These Regulations shall apply to Export Processing Zones in the following sectors:
(a) agriculture;
(b) agro-processing; and
(c) manufacturing. | Application |
| 4. (1) An application for a developer’s permit shall be in Form EPZ I set out in the Schedule to these Regulations.
(2) An application for a permit shall be accompanied by a non-refundable application fee of seven thousand five hundred fee units and the following documents: | Application for permit |

- (a) a certified copy of the articles of association;
- (b) a certified copy of the certificate of incorporation;
- (c) a certified copy of the certificate of share capital;
- (d) a certified copy of the applicant company's certificate of minimum share capital;
- (e) a copy of the latest annual report and audited financial statements if the applicant company has been in operation for more than one year;
- (f) a copy of projected financial statements, if the applicant company has been recently incorporated;
- (g) a detailed business plan;
- (h) a certified photocopy of the passport or National Registration Card showing the nationality and place and date of birth of the person named as a director or Secretary of the company in the application for incorporation; and
- (i) a plan of the proposed facilities drawn to scale showing—
 - (i) the full extent of the area to be developed as an export processing zone;
 - (ii) any servitude or building restrictions; and
 - (iii) the proposed or existing layout of the facilities.

Application
for licence

5. (1) An application for a licence to invest in an export processing zone shall be in Form EPZ 2 set out in the Schedule to these Regulations.

(2) An application for a licence shall be accompanied by a non-refundable application fee of seven thousand five hundred fee units and the following documents:

- (a) memorandum and articles of association of the applicant company;
- (b) a copy of the certificate of incorporation;
- (c) a certified copy of the certificate of share capital certificate;
- (d) a copy of the applicant company's certificate of minimum share capital;
- (e) a copy of the latest annual report and audited financial statements if the applicant company has been in operation for more than one year;
- (f) a copy of projected financial statements, if the applicant company is recently incorporated;
- (g) a copy of a detailed business plan;
- (h) a certified copy of the passport or National Registration Card showing the nationality and the place and date of birth of the person named as Director or secretary in the application for incorporation

6. The Board may require, from a person who has lodged an application for a permit or a licence under these Regulations, such further information as the Board may consider necessary.

Requirement
of further
information

7. (1) The Authority shall, within thirty days of receiving an application for a permit or licence, consider the application.

Determination
of
application

(2) Where the Authority is satisfied that the applicant has complied with the requirements of these Regulations, the Authority shall approve the application and may refuse to approve the application where the Authority is not so satisfied.

(3) The Authority shall, immediately after the expiration of the period referred to in subregulation (1) inform the applicant of its decision.

(4) Where the Authority refuses to grant a permit or licence, the Authority shall inform the applicant accordingly giving reasons for the refusal.

(5) The Authority shall, where an application is approved by the Authority issue the applicant with—

(a) a permit in Form EPZ 3 set out in the Schedule to these Regulations; or

(b) a licence in Form EPZ 4 set out in the Schedule to these Regulations.

8. (1) A permit or licence shall, unless it is revoked or suspended, be valid for a period of ten years from the date of issue.

Duration of
permit or
licence

(2) An application for the renewal of a permit or a licence shall be made to the Authority six months prior to the expiration of a permit or licence issued under these Regulations.

(3) A non-refundable fee of seven thousand five hundred fee units shall be payable on the renewal of a permit or a licence.

(4) A permit or licence shall lapse if not renewed in accordance with the provisions of these Regulations.

(5) A permit or licence may be issued subject to such terms and conditions as the Authority may determine.

(6) A permit or licence renewed under this regulation shall be valid for a period not exceeding five years.

9. (1) An investor shall pay to the Authority an annual licence fee of thirty-six thousand one hundred and twelve fee units for each year during which the licence is valid.

Annual fees

(2) A developer shall pay to the Authority an annual permit fee of seventy-two thousand two hundred and twenty-three fee units for each year during which the permit remains valid.

10. (1) A developer shall begin to implement the project described in the permit within one year of obtaining the permit.

(2) Subject to section twenty-four, an investor shall begin to implement the investment described in the licence within one year of obtaining the licence.

SCHEDULE

(Regulations 4, 5 and 7)

ZAMBIA EXPORTING PROCESSING ZONES AUTHORITY

Form EPZ 1

APPLICATION FOR AN EXPORT PROCESSING ZONE DEVELOPMENT'S PERMIT

PART 1

Developer's background

1. Applicant's name:.....
.....
2. Postal address:.....
.....
3. Physical address:.....
.....
4. Telephone numbers:..... Fax number:.....
5. E-mail address:.....
6. Registered office address:.....
7. Date of registration:.....
8. Origin of investment funds:.....
9. Business of investing company:.....
10. Business proposed for Export Processing Zone:.....
.....
11. Proposed date of commencement of operations:.....

Particulars of Directors

Name	Passport/NRC Number	Nationality	Telephone No. Fax No	E-mail Address	Residential Address

Details of Shareholders

Name	Nationality	% Share holding

PART 2

Details of the Proposed EPZ Project

Investment proposed in EPZ During the 1st three years

	Year One		Year Two		Year Three	
	ZMK	US\$*	ZMK	US\$*	ZMK	US\$*
Equity contribution						
(a) Local						
(b) Foreign						
SUB-TOTAL						
Other sources of funds						
Loan						
Other (specify)						
SUB-TOTAL						
TOTAL INVESTMENT						

Please indicate the assumed exchange rate

Details of the proposed site

12. Location of proposed Export Processing Zone.....
- (a) District:.....
 - (b) City/Town:.....
 - (c) Physical Address:.....
 - (d) Other information on location (if any):.....
- Size (Hectares) of area proposed for Export Processing Zone:.....

13. Is the proposed Export Processing Zone land owned by the developers?

Yes ___ No ___

14. If not, describe current status of its ownership and developer's intentions on acquisition:

.....
.....
.....

15. Is the proposed Export Processing Zone site part of a large development at this location?

Yes ___ No ___

16. If so, describe size (hectares) and activities planned for the non-Export Processing Zone area.....

.....
.....

International Transport Access

17. Proximity to—

(a) Major Roads in km (specify distance)

.....

(b) Rail in km (specify distance)

.....

(c) International Airport (specify distance)

.....

(d) Seaport/Harbour (specify distance)

.....

18. Labour Availability: describe availability of labour in the proposed Export Processing Zone:-

.....

Development Plan for the Export Processing Zone

19. An outline of the development plan for the Export Processing Zone covering the key elements of the establishment, construction, promotion and operation of the zone should be submitted with this application. Indicate key elements as follows:

(a) Proposed date for commencement of site development and construction:

.....
.....

(b) Main land use components planned:

(i) Serviced site (m2):.....

(ii) Production/Factory buildings (m2):.....

(iii) Warehousing (m2):.....

(iv) Office Building (m2):.....

(v) Other ((m2) (specify):.....

(c) Status of site in relation to local planning and development regulations

(i) Has permission for development been sought from the local authorities in accordance with the Town and Country Planning Act Cap 283?

Yes ___ No ___

(ii) If so, attach evidence of the permission:.....
.....

(iii) Have the necessary statutory approvals been obtained or sought from the labour authorities with respect to suitability of premises for use by workers under the Factories Act, Cap 441?
.....

(d) Environmental Impact Assessment

(i) Has an Environmental Impact Assessment been undertaken in accordance with the Environmental Protection and Pollution Control Act Cap. 204?

Yes ___ No ___

(ii) If so, attach EIA report:.....

(iii) If not, the authority may require an EIA report certified by the Environmental Council of Zambia.

(e) Promotion by developer of Export Processing Zone

(i) Has promotion of the Zone been undertaken by the developer?

Yes ___ No ___

(ii) If so, summarize results to date:.....
.....

(iii) What plans do you have for promotion of the Zone?
.....

(iv) Planned spending on promotion in Year 1 (ZMK)(US\$):.....

(v) Countries targeted for promotion in Year 1:.....
.....
.....

(vi) Sectors/Industries targeted for promotion in Year 1:.....
.....
.....

(f) Specific projects or industries which you wish to locate in the Zone:.....
.....
.....

Infrastructure

20. The EPZ activities will require support infrastructure such as water, effluent and waste disposal facilities, electricity, and telecommunication. In so far as you can anticipate or forecast, indicate likely demand on these services in the first 3 years.

Details on water requirements for the Project

(a) Water

	YEAR 1	YEAR 2	YEAR 3
Estimated daily consumption of water			
Effluent and water disposal			

(b) Electricity

	YEAR 1	YEAR 2	YEAR 3
Connected lighting load (KW)			
Maximum demand (KVA)			
Hours of operation			

(c) Communications

		NUMBER	DATE REQUIRED
Telephone	Lines		
	Extensions		
	Telefax		
Email services			

(d) Other services required (please specify):.....

(e) Any other information:.....

PART 3

Declaration

I/We..... hereby declare that the particulars given in this application are to the best of my/our knowledge and belief, correct and complete and that any estimates given in this application have been given in good faith and with all due care.

I am/We are aware that any Developer's Permit can be suspended or revoked in accordance with section 28 of the Export Processing Zones Act No. 7 of 2001 if any information given in this application is found, among other things, to be false or misleading or if the permit is found to have been obtained on the basis of fraud or negligent misrepresentation.

Signed (by or on behalf of
 Applicant).....
 Name.....
 Capacity in which signed.....
 Date.....

COMPANY SEAL

Note: 1. The following documents should be submitted with the Application for a permit:

- (a) a certified copy of the articles of association.
- (b) a certified copy of the certificate of incorporation.
- (c) a certified copy of the certificate of share capital.
- (d) a certified copy of the certificate of minimum share capital.
- (e) a copy of the latest annual report and audited financial statements for companies that have been in operation for more than one year.
- (f) a copy of the projected financial statements in the case of a new company.
- (g) a detailed Business plan.
- (h) a certified photocopy of the Passport or National Registration Card showing the nationality, place and date of birth of the person named as director or secretary in the application of incorporation of the company.

Note: 2 The documents listed in note 1 should be certified by a Commissioner for Oaths.

ZAMBIA EXPORT PROCESSING ZONES AUTHORITY

Form EPZ2

APPLICATION FOR AN EXPORT PROCESSING LICENCE

PART I

Investors background

- 1. Full Name of applicant.....
- 2. Postal Address:.....
- 3. Physical Address:.....

PART 2

*Details of the proposed EPZ investment*15. *Investment proposed in EPZ during the 1st three years*

	Year One		Year Two		Year Three	
	ZMK	US\$*	ZMK	US\$*	ZMK	US\$*
Equity contribution						
(a) Local						
(b) Foreign						
SUB-TOTAL						
Other sources of funds						
Loan						
Other (specify)						
SUB-TOTAL						
TOTAL INVESTMENT						

*Please indicate the assumed exchange rate where applicable

18. Projected output - (USdollars)

Proposed production/service for Exports	Exports Year 1				Export markets
	Quantity	Units	Value (US\$)	% of Total	
Total					

Proposed production/service for Exports	Exports Year 2				Export markets
	Quantity	Units	Value (US\$)	% of Total	
Total					

Proposed production/service for Exports	Exports Year 3				Export markets
	Quantity	Units	Value (US\$)	% of Total	
Total					

20. Give a brief description of the production process to be undertaken (use additional paper if necessary):

.....

.....

.....

.....

(a) Land (specify area) (Ha):.....

.....

(b) Production/Factory Area (m2):.....

.....

(c) Warehouse Area (m2):.....

.....

(d) Office Area (m2):.....

21. *Plant and Equipment*

Particulars of machinery, vehicles, office equipment, furniture and fixture

Details of assets	Origin	Cost in ZMK	Cost in US\$
Total			

22. *Services*

Details on water requirements for the Project

(i) *Water*

	Year 1	Year 2	Year 3
Estimated daily consumption of water			

(ii) *Electricity*

	Year 1	Year 2	Year 3
Connected load (KW)			
Maximum demand (KVA)			
Hours of operation			

(iii) *Communications*

		NUMBER	DATE REQUIRED
TELEPHONE	LINES		
	EXTENSIONS		
	TELEFAX		
E-MAIL	LINES		

23. *Environmental considerations*

- (a) Name of waste products if any.....
.....
- (b) Method of Disposal.....
.....
- (c) Has an Environmental Impact Assessment (EIA) been undertaken in accordance with the Environmental Protection and Pollution Control Act Cap 204? Yes
No.

If yes, supply copy
.....

If not the Authority may require such an EIA report certified by the Environmental Council of Zambia
.....

PART 3

24. Relationship to existing operations of investors in Zambia

The Zambia Export Processing Zones Authority requires that activities qualifying for EPZ status should export at least 80% of their production.

(a) Do the investors have an existing operation in Zambia producing similar goods or services to those now proposed for the EPZ.

Yes____ No____

If YES, give a brief description of existing operations:

Location (s):.....

(b) Description of Goods/Services:.....

(c) Number of employees at location (s):.....

(d) Current output ZMK (US\$).....

(e) Current exports as % of current output:.....

(f) Will output, jobs and exports in the proposed Export Processing Zone be additional to existing activities?

Yes____ No____

If Yes please elaborate:.....

(g) Other services required (please specify):.....

(i) Any other information:.....

PART 4

Declaration

I/We..... hereby declare that the particulars given in this application are to the best of my/our knowledge and belief, true and correct and that any estimates given in this application have been given in good faith and with all due care.

I am/We are aware that any Export Processing Licence can be suspended or revoked in accordance with section 28 of the Export Processing Zones Act No. 7 of 2001 if any information given in this application is found, among other things, to be false or misleading or if the licence is found to have been obtained on the basis of fraud or negligent misrepresentation.

.....
Signature of the declarant

Full name (in block letters):.....

Capacity in which signed:.....

Date:.....
.....

Company Seal

Note: 1. The following documents should be submitted with the Application for a licence:

- (a) a certified copy of the articles of association.
- (b) a certified copy of the certificate of incorporation.
- (c) a certified copy of the certificate of share capital.
- (d) a certified copy of the certificate of minimum share capital.
- (e) a copy of the latest annual report and audited financial statements for companies that have been in operation for more than one year.
- (f) a copy of the projected financial statements in the case of a new company.
- (g) a detailed business plan.
- (h) a certified photocopy of the Passport or National Registration Card showing the nationality, place and date of birth of any person named as Director or a Secretary in the application for incorporation of the company.

Note 2: The documents listed in note 1 should be certified by a Commissioner for Oaths.

Permit No.

ZAMBIA EXPORT PROCESSING ZONES AUTHORITY

Form EPZ 3

Developer's Permit

Name of Developer:

Address:

Registered Office address:

Major Shareholders:

Name Nationality: % Share holding:

Brief Project Description:

Nature and Value of Total Investment:

Nature and Value of Foreign Investment:

Special conditions:

This permit is issued this.....day of.....20....., and shall remain valid for a period of 10 years from the date of issue in accordance with Section 21 of the Export Processing Zone Act No. 7 of 2001 unless earlier suspended or revoked by the Authority.

Date of expiry:.....

.....

Managing Director

Licence No.

EXPORT PROCESSING ZONES AUTHORITY

Form EPZ 4

Export Processing Licence

Name of Investor:

Address:

Registered Office:

Major Shareholder:

Name: Nationalitypercentage Share holding:

Brief investment Description:

Nature and value of total investment:

Nature and value of foreign investment:

Special conditions:

This licence is issued this.....day of, 20...., and shall remain valid for a period of 10 years from the date of issue in accordance with Section 21 of the Export Processing Zone Act No. 7 of 2001 unless earlier suspended or revoked by the Authority.

Date of expiry:.....

.....

Managing Director

D. K.A. PATEL,
Minister of Commerce, Trade
and Industry

LUSAKA
3rd April, 2003

