

In the Name of God the Most Gracious, the Merciful

The Duty-Free Zones and Shops Regulations, 2013

In exercise of the Provisions of section 24 of the Duty-Free Zones and Shops Act, 2009, the National Council of the Duty-Free Zones and Shops issued the following Regulations :-

Chapter I

Preliminary Provisions

Title and commencement

1. These regulations may be cited as, "The Duty-Free Zones and Shops Regulations 2013", and shall come into force as of the date of signature.

Application

2. The Provisions of these regulations shall apply to all the duty-free zones and shops established in the Sudan.

Repeal and exception

3. The Duty-Free Zones General Regulations 1998, shall be repealed from the date of the commencement of these regulations; provided that all procedure taken thereunder shall be valid until revoked or amended by the provisions of these regulations.

Interpretation

4. In these Regulations :-
 - (a) the words and phrases mentioned therein shall have the same meanings set in the Duty-Free Zones and Shops Act, 2009.
 - (b) unless the context otherwise requires :-

“General Secretary”,	means the general secretary of the National Council of the Duty Free Zones and Shops;
“Investing Company”,	means any legal entity licensed by the administration company to work in the duty-free zone;
“Act”,	means the Duty-Free Zones and Shops Act, 2009;
“Establishments”,	means the buildings, yards, depots and offices established or permitted to be established by the administration company inside the zone to be used in the fields and activities licensed for investment;
“Project”,	means any industrial, commercial, service or agricultural investment activity or any other project licensed by this regulations;
“Depositor”,	means the person to whose order or in whose name the goods to be stored in the free zone are shipped or the person to whom the same are legally transferred
“Investor”,	means a natural or corporate person licensed to exercise any activity under a contract for the lease of land, depot or office from the administration company in the free zone ;

- “Sudanese Company”,** means the branch of Sudanese company registered to adopt the system of the duty free zones ;
- “Foreign Company”,** means the branch of the foreign company registered to adopt the system of the duty-free zones;
- “Company of Duty Free Zones”,** means the principal company firstly established inside the duty free zone, and does not exercise any activity other than the duty free zone.

Chapter II

Duty Free ZonesAdministration Companies

Licensing Conditions for Duty Free ZonesAdministration companies

5. Any administration company desirous of obtaining a licence to manage of duty-free zone shall satisfy the following conditions :-
- (a) C.V. of the company including the experience in similar works, and kinds and volume of executed works, and works under execution, with the documents proving the same being attached ;
 - (b) ability of the company to manage, , invest, develop the duty-free zone and provide infrastructure, erections and fittings necessary for the work of the duty-free zone and render services and facilities necessary for the work of the investing companies and its employees ;
 - (c) the financial ability which includes :-
 - (i) the Capital;
 - (ii) the Capital assests;
 - (iii) the Chart of finance appropriated for the execution of the duty-free zone .

- (d) technical, technological and human ability used in the execution and administration of the project;
- (e) plan of the administration company for the execution of the duty-free zone, phases of execution, time table and maps.
- (f) ability of the company to develop, update and simplify the procedure and work according to the one-stop shop system .
- (g) plan of local employment with regard to sex and number according to phases of execution.

Licensing requirements

6. Where the conditions mentioned in section 5 are satisfied, the applicant shall deposit the following :-
- (a) Licensing application in the form approved by the Council;
 - (b) the economic, technical, environmental and social feasibility study;
 - (c) certificate of incorporation, articles of association of the company;
 - (d) kinds and fields of activities intended to be exercised in the duty-free zone, and a structural plan for the free zone and phases of execution;
 - (e) written declaration to abide by the licence conditions, health and environmental standards, security and safety requirements according to Sudanese laws.
 - (f) opening a special account in a bank in Sudan and deposit a sum of insurance to be determined by the Council; provided that withdrawal therefrom, shall be made for expenditure on the establishment of duty free zone.

Licence

- 7.(1) The Council shall grant the licence to the administration company after consultation with the state where the duty-free zone is to be established after satisfying the requirements mentioned in section 6.
- (2) the administration company shall pay the fees prescribed in section (8) .

Licensing Fees and Renewal thereof

- 8.(1) The licensing and renewal for the administration company fees shall be according to the following sums :-
- (a) licensing fees of 100,000 dollars to be paid once and for all , and the Council may increase the fees according to the site, investment cost and area of the project ;
 - (b) annual fees for renewal shall be as follows :-
 - (i) for the industrial duty-free zone 1% of the total revenues collected by the administration company from the investing companies in the zone starting from the beginning of the third year;
 - (ii) for the agricultural duty-free zone 1% of the total revenues to be collected by the administration company from the investing companies in the zone starting from the beginning of the second year;
 - (iii) for the commercial duty-free zone and other zones 2% of the total revenues collected by the administration company from the investing companies in the zone starting from the beginning of the first year.
- (2) The Council may by a decision therefrom revise and amend the licensing fees and renewal fees for the administration companies provided for in sub-section (1) whenever it thinks it necessary and complies with its policies.

- (3) The Council shall by a decision therefrom and after consultation with the state where the zone is located determine the share of such state from the fees.

Functions and duties of administration company

9. The administration companies shall have the following functions and duties :-
- (a) administer the duty free zone and operation thereof;
 - (b) design, plan, finance and execute the infrastructure, preparations and fencing of the duty-free zone;
 - (c) lay down the work plan and time table that specify the periods and phases of execution, and submit the same to the Council for approval and abide by the same, throughout the period of the administration of the zone.
 - (d) provide propaganda and marketing to attract the investors and develop the zone.
 - (e) co-ordinate with the competent bodies to connect the duty-free zone with public utilities nets, such as roads, electricity, water and communications ;
 - (f) strive to achieve the requirements provided for in section 7 of the Act;
 - (g) facilitate and simplify the investment procedure and establishment of the one-stop shop system ;
 - (h) submit to the Council the periodical reports and statistics on investment in the duty free zone;
 - (i) a bid by securing the establishments and individuals safety inside the duty-free zone, in co-ordination with the competent bodies;
 - (j) execute the planned structure, approved by the Council;
 - (k) complete procedure of licensing for the investing companies in the duty free zone;

- (l) co-ordinate with the customs department to carry out the control and combat smuggling ;
- (m) develop and modernize the infrastructure and basic utilities and preparations to meet the demand for investments in the duty-free zone;
- (s) prepare an office for representatives of the Council in the duty-free zone;
- (t) protect the environment, sources of water and natural resources according to the applicable laws;
- (u) annually inventory the existing movables and immovable's assets of the administration company for verification ;
- (v) any other functions assigned thereto by the Council.

Powers and Competencies

10. The administration companies shall have the following powers and competences, to :-
- (a) issue licences for investment companies to exercise the activity inside the duty-free zone according to the form approved by the Council;
 - (b) sign contracts for hire of lands, yards, depots and buildings with the investing companies according to the form approved by the Council;
 - (c) collect fees and rents from the investing companies according to the schedule of fees and rents approved by the Council;
 - (d) conclude contracts and agreements concerning incorporation, operation and development of the duty free zone;
 - (e) issue entry and exit permits for individuals and vehicles in the duty free zone;
 - (f) prohibit and remove any goods inside the zone and suspend any activity or operations hazardous or dangerous to the public interest or security and safety, and submit a report on the same to the Council ;

- (g) recommend the formation of permanent or ad hoc investment committees from representatives the competent bodies and persons having experience and specialization in its fields; provided that such committees shall be formed by the Council or whoever it may authorize, and shall give opinion in matters submitted thereto;
- (h) organize the procedure of movement of goods inside the duty-free zone, according to the procedure provided for in these regulations;
- (i) provide proposals with respect to amendments or modernization of the approved comprehensive planned structure, for the development of the duty-free zone;
- (j) any other powers or competencies granted thereto by the Council.

Chapter III

Investment in Duty Free Zones and

Procedure of Registration and Licensing

Kinds of companies eligible to investment License

11. Companies eligible to investment license can be :-
- (a) Sudanese;
 - (b) foreign.
 - (c) duty free zones.

Documents required to register

Sudanese and foreign companies

- 12.(1) On registration of Sudanese and foreign companies, the following documents shall be provided :-
- (a) a form of application for investment in the duty-free zone ;
 - (b) a copy of the certificate of registration, memorandum and articles of association;

- (c) the approval decision of the board of directors of the Sudanese or the foreign company as the case may be, to invest in the duty-free zone, and the appointment of manager and nomination of the person authorized to complete the procedure and a confirmation therefrom to be bound by the obligations imposed on its branch in the duty-free zone;
 - (d) a brief summary of the Sudanese or foreign company, as the case may be, and the project;
 - (e) a sample of the approved signatures;
 - (f) a certificate of financial ability from certified bank;
 - (g) provide technical, economic , environmental or social feasibility study for industrial projects;
 - (h) a declaration from the board of directors of the Sudanese or foreign company, as the case may be, to be bound not to exercise any of its branch company activities outside the free zone.
- (2) All documents shall be authenticated in the General Commercial Registrar in case of Sudanese companies and at the Sudanese Embassy at the country concerned in case of foreign companies.

Documents required for registration of companies
of the duty-free zones

13. On registration of companies of duty free zones, the following documents shall be provided :-
- (a) the form of the investment application ;
 - (b) the memorandum and articles of association authenticated by an advocate;
 - (c) certificate of financial ability from the bank to insure the safely of the financial situation of subscribers in a duty-free zone company ;
 - (d) personal particulars of the owners;
 - (e) brief summary about the project;

- (f) the approval of the board of directors of the subscribed company to subscribe in incorporation of the new company where subscribers are companies;
- (g) copy of passports or personal identity of subscribers where the subscribers are individuals;
- (h) technical, economic, environmental and social feasibility study in case of industrial project .

Fields of Investment

14.(1) Fields of investment in the duty-free zone shall include any of the following activities :-

- (a) industrial;
- (b) commercial and storage ;
- (c) services;
- (d) agricultural;
- (e) information;
- (f) mining;
- (g) tourist;
- (h) financial and banking.

(2) any other fields to be determined by the Council.

Bases and standards of licensing

15. The bases and standards of licensing for investment inside the duty-free zone shall be as follows :-

- (a) the activity coincides with the activities targeted for investment;
- (b) ability for the productivity expected from the operations of the project;
- (c) the appropriateness of the required area to the activity;
- (d) the expected volume of investment;
- (e) sources of financing;

- (f) the quality and quantity of chances of national employment to be provided by the project ;
- (g) ability of the project to transfer technology and raise the skills of national employment;
- (h) the targeted markets ;
- (i) environmental impact that may ensue as sequences of operations of the project and methods of treatment.

Registration of companies in the duty free zones

- 16.(1) No company shall exercise any activity inside the duty-free zone unless it is registered in the special register of the duty-free zones kept by the Commercial Registrar.
- (2) The Council or whoever it may authorize shall in consultation with the Commercial Registrar, lay down arrangements for registering companies in the free zones.
- (3) The administration company shall open a register for the companies which have been registered according to the Provisions of sub-section (1).
- (4) industrial, commercial , services fields or any other field shall be licensed to exercise such field in the duty-free zone.

Procedure of licensing to establish Industrial Project

- 17.(1) Licensing application to establish any industrial project shall be submitted to the administration company including all the particulars mentioned in the form prepared for the same including the land required for the project.
- (2) Submission of monetary insurance according to what the administration company may determine from time to time, and such insurance shall not be returned in case of failure of the applicant to execute the project; provided that such insurance shall be deducted from the rent where the application is approved, and in case of rejection of application, the investing company may recover the insurance .

- (3) The administration company after consultation with the Council or whoever it may authorize shall form a technical committee from experts to study the application.
- (4) The administration company shall notify the investing company with its decision in respect of the application submitted thereto under the provisions of sub-section (1) during a week from the date of issuing the decision.
- (5) In case of the approval of the application the investing company shall be granted a period of two months to complete the procedure of the investment and signature of the contract; and where it does not abide by the specified period the approval shall be cancelled and the applicant shall have no right to recover the insurance.

**Procedure of licensing to establish commercial
and service projects**

- 18.(1) Licensing application to establish commercial or service or any other project shall be submitted to the administration company, on the form prepared therefor for approval, provided that such form shall be accompanied with the insurance determined by the administration company from time to time .
- (2) On the issuance of the approval the investing company shall be forthwith notified in order to complete the procedure of hiring and signing the necessary contracts within two months from the date of approval, and in case of non-compliance with the specified period, the investing company shall lose its right to recover the insurance money and where the application is rejected the investing company may recover the insurance money .

Procedure of erecting buildings and establishments

- 19.(1) The investing company shall have the right to complete the procedure of registration, licensing, and signing contracts with the administration company and receiving a copy of the technical specifications of buildings and establishments to be erected inside the duty-free zone which shall be approved by the Council or whoever it may authorize.
- (2) The investing company shall be granted a maximum period of six months to submit maps and engineering and technical designs of building, establishments and preparation, to be studied and approved by a body authorized by the Council.
- (3) The investing company shall conduct erection of buildings and establishments within a month from the date of approval, under supervision of the body authorized by the Council.
- (4) The administration company shall provide basic services such as, roads, water, electricity and communications in the investing company site after getting the approval .

Admission of primary materials and equipments of Investors from the local markets for use

- 20.(1) Primary materials, building materials, equipments, furniture, office fittings and tools required by the investors for building establishments and factories and all inputs of erection from local markets, or the fees paid materials may be admitted according to the Act and these regulations, for being used but not for storing or re-exporting outside the country in the same condition of its entrance.
- (2) The investor shall apply for the admission of the materials provided for in sub-section (1) in the form designed for the same, and open a register of his own to register the said materials therein for the purpose of statistics and inventory.

Assignment of establishments or placelease

- 21.(1) The administration company may accept that the leasee may assign his rights on leased place to others during the period of the lease contract after paying the fees prescribed by the Council and satisfying the rights of the administration company .
- (2) The leasee shall not assign to others, before signing the contract.

Entry permits to the duty-free zone

- 22.(1) The administration company shall grant entry permits to the duty-free zone for employees, auditors, dealers and investors according to the form prepared for the same and the others shall not enter save with the permission of the administration company .
- (2) the administration company may prevent any person to enter the duty-free zone for a period not exceeding a month on the contravention of such person the provisions of sub-section (1) unless such contravention requires a long period prevention, and the matter shall be submitted to the Council or whoever it authorizes .

Issuance of permits of erection and professions

23. The administration company shall, upon the approval of the body authorized from the Council, be competent to issue permits of erection and professions and certificates relating to factories inside the duty-free zone according to the laws regulating the same after payment of the fees prescribed by the Council .

Duties of the investing company

24. The investing company shall have the following duties namely to :-
- (a) start executing the investment project according to the period , specified in these regulations;

- (b) submit to the administration company periodical reports every three months on the work as regards the execution of the investment project and the time of conducting the activity or starting the production .
- (c) keep regular accountancy books and records to register the capital assets of the project therein ;
- (d) submit to the administration company half annual reports on the performance of the project;
- (e) submit lists of names of Sudanese and foreign employees to comply with the procedure of entry and residence;
- (f) submit the schedules which explain the kind of activity and work which requires the existence in the duty-free zone after the working hours;
- (g) the investing company shall employ the employees inside the duty-free zone by way of contract, specifying the salary, working hours, over time, leaves, post-service benefits and social insurance, termination of contract; compensations in case of injury and medical care as will not contradict the international laws, provided that a copy of the contract signed by the two parties shall be lodged at the administration company .

Certificate of origin

25.(1) The administration company in co-ordination with the competent bodies shall issue certificates of origin for the products of factories inside the duty- free zone as follows :-

- (a) Free zone certificate of origin of the products manufactured or transferred in the free zone the added value of which is less than 40%;
 - (b) the national certificate of origin of products manufacture or transferred in the duty-free zone the added value of which is 40% or more .
- (2) certificates of origin for products of the duty-free zones shall be issued at the commercial chamber in the free zone and certified by the competent bodies.

**Treatment of products of industrial Projects in
duty-free zone when taken to the local market**

- 26.(1) Products of industrial projects in the duty free zone shall be exempted from customs fees to an amount equivalent to the value of materials, costs and local expenses used in the manufacture thereof .
- (2) Products of industrial projects in the free zones shall enjoy the preferential privileges granted by the international, regional and bilateral agreements ratified or acceded to by Sudan whenever the rules of origin in such agreements grant the products of the free zones such privileges.

**Technical committee to determine value
addedfor industrial products**

27. The value added and the value of the local inputs used in manufacturing inside the duty-free zone as final products shall be Prescribed by a technical committee to be formed by the Council or whoever it may authorize from the related bodies.

Chapter IV

Organization of the Procedure of movement of goods in the duty free zones

Prohibition of entry of some goods

28. The following goods shall not be entered in the free zone :-
- (a) goods of a banned origin or source;
 - (b) narcotics or psychopath or radiological, materials except the materials necessary to industry as may be determined by the related bodies;
 - (c) fire weapons, ammunitions and explosives, with the exception of hunting weapons, its ammunitions and fire works as may be determined by the related bodies ;
 - (d) nasty and inflammable materials as may be determined by the Secretary General or whoever the Council may authorize in consultation with the related bodies;
 - (e) living animals except as may be prescribed by the laws or ratified agreements;
 - (f) any other goods as may be determined by the Council in consultation, with the related bodies.

Safeguards of deposit and withdrawal of goods

29. Subject to the provisions of section 28, goods may be entered, deposited and withdrawn from the duty-free zone as follows :-
- (a) goods from outside Sudan may be entered without following the restriction and conditions of importation;
 - (b) withdrawal of goods to any place other than the local market may be conducted without following the restrictions and conditions of exportation and without paying fees, taxes or customs;

- (c) goods which are produced or manufactured in Sudan shall be deposited in the free zone according to the procedure followed in export ;
- (d) goods existing in the duty free zone, and withdrawn to the local market are subject to the safeguards and conditions followed in importation ;
- (e) transfer of goods from the customs stations to the duty-free zone or from a free zone to another, shall be subject to the procedure of transfer of goods between the customs stations.

Procedure of deposit of goods inside the duty-free zone

- 30.(1) The depositor shall submit an application in the form prepared for the deposit of goods in the free zone after getting the acceptance of the administration company.
- (2) The depositor shall sort out the goods according to its kind before delivering them to the administration company. Where the sorting out is not conducted during five days from the date of the arrival of the goods, the administration company shall sort out the goods, and in this case the depositor shall pay all the expenses incurred plus 5% of the value (FOB) against the administrative services fees, and all the duty free zone restrictions shall be applied upon him in respect of kinds of prockages, its number, weights and contents .
- (3) On the deposit of any goods in the duty-free zone a valid insurance policy covering all risks shall be submitted and renewed throughout the period of existence of the goods in the free zone; and where such policy is not submitted or renewed, the administration company shall issue the insurance policy or make the renewal, as the case may be, at the insurance company against the depositor, plus 5% of the value of the policy as administrative fees.

- (4) Goods in the duty free zone shall be accepted according to the particulars specified in the, documents submitted in respect thereof and the depositor shall be responsible for the accuracy of the particulars provided for in the documents.
- (5) The administration company shall not be responsible for any discrepancy between the goods and the documents and Particular provided for in sub-section (4), or for any deficiency or difference in contents of prockages where such goods appear to be sound on delivery.
- (6) Notwithstanding the provisions of sub-section (1) where any goods are wrongfully unloaded in the duty-free zone, such goods shall be subject to the fees provided for in these regulations until the appropriate procedure is taken in respect thereof.
- (7) The goods shall be deposited inside the free zone in roofed depots on application by the depositor, and where the roofed depots are not available they shall be deposited in the yards with the consent of the depositor.
- (8) The goods shall, according to the provisions of this section, remain in the duty-free zone until the lapse of the period required by the depositor, except in the cases. Where withdrawal is necessary due to the nature of the goods , or where the depositor fails to perform his obligations towards the free zone or where this will contravene the provisions of these regulations.

Responsibility of the administration company for damage

- 31.(1) The administration company shall not be responsible for damage caused to the goods if such damage occurred due to the nature of such goods or the heat or humidity or defects of package or deficiency in the goods due to force majure conditions .

- (2) Notwithstanding the provisions of sub-section (1) the administration company shall be responsible for the defect or damage or decrease or destruction of goods where it is proved that it is caused by an act or negligence of the officials or employees or from the unworthiness of the stores owned by the administration company .
- (3) The responsibility of the administration company provided for in sub-section (2) shall be determined by a committee in which the depositor shall be represented, and it shall submit its recommendations to the Council or whoever it may authorize, explaining the damage and the reasonable amount of compensation.

change in goods inside the duty free zone

- 32.(1) Operations of change in goods may be conducted in the leased places inside the duty-free zone with the authorization of the administration company, including operations of division, sorting, wrapping, packaging, cleaning, lubricating , distilled, pounding breaking, boiling, numbering and putting trade marks and replacing them with others approved by the competent bodies.
- (2) Notwithstanding the provisions of sub-section (1), the administration company may permit the conduct of all or part of the operations in the public depots of the free zone or in the places prepared for this purpose inside the duty-free zone.

Procedure of assignment of goods

33. Goods deposited inside the free zone may be assigned by the assignment document according to the form prepared therefor in front of the competent official after the approval of the administration company according to the following procedure :-

- (a) filling and signing the assignment document by the depositor or whoever he may authorize explaining the number of application, kind, specification, quantity of the goods and all information including the name of the assignee , be it a natural person or a corporate body;**
- (b) assignment of :-**
 - (i) goods belonging to the corporate body shall be made by a person legally authorized to sign;**
 - (ii) goods belonging to a natural person or a corporate body residing outside the country shall be made by a person, holding legal agency authenticated by the Sudanese mission outside the country.**
- (c) Where the assignment is made :-**
 - (i) by an investor to another investor inside the duty-free zone, the assignee shall be responsible before the free zone for any fees or fines in respect of such goods from the date of the assignment;**
 - (ii) by an investor in the duty free zone to any other body which is not an investor the assignor and assignee shall be jointly or severally responsible for the goods, or any fees or fines against such goods up to the date of the withdrawal of such goods by original customs data, or the deliver of the same to the Secretary of Depots and the Public Yards for storing thereof.**
- (d) Period of assignment shall not exceed one month, after which the assignment document shall be terminated .**

Procedure of withdrawal of goods from the free zone

34. The goods withdrawn from the duty free zone shall be treated according to the condition it has been found in when presented to the customs, whether at being laid for local consumption or dispatched on transit as follows :-
- (a) for transit purpose :-
- (i) goods withdrawn from the free zone to outside the country shall be treated as transit goods;
 - (ii) application of withdrawal of the goods from the duty free zone shall be submitted in the form prepared thereto accompanied by the specifications of kind, number and weight and signed by the competent official of the duty-free zone and the representative of the clearance company;
 - (iii) the data of transit shall be registered at the concerned customs centre upon the submission of the application of withdrawal provided for in paragraph (ii) ;
 - (iv) all fees imposed on the mentioned goods shall be paid to the free zone before being sent to the customs closure;
 - (v) the competent official of the duty-free zone shall jointly with the authorized representative of the clearance company directly supervise loading, and the authorized person shall write down the information on the side margin of the transit data and sign it ;
 - (vi) the loading vehicle shall be transferred under the supervision of the free zone and the clearance company to the customs closure to complete the procedure of the particulars of the transit by customs;

- (vii) the competent customs officer shall complete the particulars of the free zone official and the clearance company and he may open reasonable percentage of the loaded goods to verify the accuracy of the particulars whenever he deems it necessary .
- (b) for local consumption purposes :-

 - (i) the application for the withdrawal of goods intended to be cleared for local consumption shall be submitted by the depositor, investor or the person authorized by the clearance company including all the particulars concerning the kind, sort, number and weight of goods;
 - (ii) the goods intended to be cleared for local consumption shall be transferred to the customs closure to complete the procedure of clearance according to the conditions and restrictions of importation followed therein, under the supervision of the duty free zone official the and the person authorized by the clearance company . Where the transfer becomes impossible, the customs authorities may complete the customs procedure in respect of the goods concerned in its site inside the free zone in co-ordination with the administration company;
 - (iii) the competent customs officer may inspect the consignment to verify the accuracy of the particulars.

Clearance companies

35.(1) The manifesto, lists of consignment or applications of deposit of goods in the free zone shall not be submitted on behalf of others save for the companies and persons that correspond with the definition of depositor and their legally authorize persons .

- (2) The administration company may issue license to the clearance companies (authorized by the customs authorities) to submit applications for depositing, withdrawing or receiving goods from the duty free zone on behalf of the owners upon presenting the legal authorization in the form prepared for the same and in accordance with the conditions it may impose. In this case the administration company and the owners of the goods shall be severally and jointly responsible towards the free zone for all matters related to the goods including the storage and services fees.
- (3) The administration company may in co-ordination with the customs authorities determine the number of clearance companies authorized according to the market needs to work inside the duty free zone.
- (4) The clearance companies shall provide bank guarantee to the administration company, as may be prescribed thereby, as a pre-requisite to exercise its work in the duty-free zone, to cover any contraventions made thereby or by its employees and to satisfy storage and services fees which may be levied on the goods deposited on behalf of the owners of goods.

Mortgage of the investors goods

36. The movable goods of investors may be mortgaged after the presentation of sufficient reasons therefor according to the conditions and restrictions made by the administration company and approved by the Council.

Lease and fees in the duty free zones

- 37.(1) The administration company may lease the lands and establishments prepared for investment in the free zone to any investing company .
- (2) Lands and establishments leased for investment shall be used in the fields licensed therefor.

- (3) Lands and establishments shall be leased according to the contract concluded therefor and the conditions agreed upon between the administration company and the investing company.

Term of lease in the duty-free zones

38. The term of lease inside the duty free zone shall be determined according to the period suggested by the administration company and approved by the Council for each activity .

Collection of fees and rents inside the free zone

39. The administration company shall :-
- (a) present proposals in respect of the schedules and the rates of the different fees and rents to the Council for approval thereof.
 - (b) collect the fees and rents approved by the Council from the investing companies.

Amendment and revision of schedules of fees and leases

- 40.(1) The Council, may by a decision thereof, upon the recommendation of the administration company, amend and revise of the schedules of fees and rents .
- (2) Notwithstanding the provisions of sub-section (1) the Council may revise and amend the schedules of fees and rents whenever it deems it necessary and compatible with the general policies of the Council.

Currencies used inside the duty free zones

41. The Currencies used in the different transactions inside the duty free zones shall be the foreign currencies.

Chapter V

Duty-free shops

Conditions required for Licensing to manage the duty-free shops

42. The conditions for licensing to manage the duty-free shops shall be as follows; to :-
- (a) present a financial ability certificate from a bank;
 - (b) prove the ability of the company for development and modernization;
 - (c) provide :-
 - (i) a reasonable leased or owned site;
 - (ii) a sufficient technical experience in the field;
 - (iii) all services necessary for the work of the halls of the duty-free shops and the means of modern exhibition .

Requirements for licensing

43. Where the conditions provided for in section 42 are satisfied, the applicant shall annex the following documents :-
- (a) the application for licensing in the form prepared therefor ;
 - (b) the certificate of incorporation, and the memorandum and articles of association ;
 - (c) a special account to be opened in a Sudanese bank and the deposit of the insurance money specified by the Council, provided that the withdrawal therefrom shall be for the establishment of the free shop;
 - (d) C.V. of the project and a plan of work;
 - (e) maps of the buildings, preparations and means of exhibition .

Grant of Licence

- 44.(1) The Council shall grant the licence for the administration company where it satisfies the requirements provided for in section 43 for fifteen years from the date of licence.
- (2) The Council shall evaluate the performance of the administration company on the light of the objectives provided for in Act for the purpose of granting the renewal for another period.
- (3) The administration company shall pay the licence fees of 50,000 dollars or an equivalent thereto of any foreign currency.
- (4) The administration company shall annually pay the renewal of the licence fees of 25,000 dollars or an equivalent thereto of any foreign currency for each hall to the Council or whoever it may authorize .
- (5) The Council may by a decision therefrom amend from time to time fees of licence and renewal provided for in sub-section 3 or 4.

Functions and duties of the administration company of free shops

45. The administration company of the free shops shall have the following functions and duties :-
- (a) managing and developing the free shops;
 - (b) providing instruments of exhibition according to the advanced means and specifications;
 - (c) advertizing and selling the Sudanese products;
 - (d) striving to train cadres and cope with the development in the field of free shops;
 - (e) providing needs of diplomatic organizations and missions and holders of customs exemptions according to the restrictions issued by the competent bodies;
 - (f) concluding any financing or advertisement agreements with companies having foreign or Sudanese experience.

- (g) Concluding contracts between the employees and the administration company, providing for the work of the employees inside the free zones shops, determining the salary, over time, leaves, post-service benefits, social insurance, termination of the contract and compensation in case of injury and medical care as may be consistent with the international laws of labour provided that a copy of the signed contract shall be served to the Council or whoever it may authorize .

Powers of the administration company

In the duty free shops

46. The administration company in the duty free shops shall have the following powers and capacities :-
- (a) importing commodities and goods without paying customs duties ;
 - (b) selling commodities and goods inside the halls of the duty free shops in foreign currency;
 - (c) co-ordinating with the customs authorities and the relating bodies to import commodities and goods permitted for sale within the duty free shops;
 - (d) importing commodities and goods from the duty free zones or the local market according to the applicable restrictions and bases.

Prohibition of import and entery of some goods

47. There shall be prohibited the import and entery of goods to the duty free shops where such goods are barred from the duty free shops by decisions issued by the competent bodies in the State.

Chapter VI

General provisions

Agreement of administration

- 48.(1) The administration company shall sign the agreement prepared by the Council, provided that the administration company shall abide by the conditions and restrictions mentioned therein .
- (2) Where the administration company does not comply with the conditions and restrictions provided for in the agreement, the Council may inflict any of the sanctions provided for in section 53.

Lands over which duty-free zoneis to be established

- 49.(1) The duty free zone shall be established over lands appropriated thereto by the State after consultation with the concerned state or over lands owned by the administration company.
- (2) The term of appropriation of the land to the duty free zone shall be 49 years, after the termination of which , the Council of Ministers shall decide on the renewal of the appropriation upon the recommendation of the Council.
- (3) The geographical boundaries of the duty free zone shall be drawn according to longitudes and the latitudes in co-ordination with the competent bodies.
- (4) Change in the purpose of the land appropriated to the free zone or disposal therein or in or any part thereof by way of sale, mortgage, assignment any disposal that transfers the ownership shall not be allowed save with the approval of the Council of Ministers upon the recommendations of the Council .

Non-subjection of foreign currency transactions to control

- 50.(1) Fiscal transactions concluded inside the duty-free zone shall not be subject to the provisions and procedure of control on foreign currency applicable in Sudan.
- (2) Organization of control over banks working inside the duty free zones shall be subject to the special regulations issued by the Central Bank of Sudan with the approval of the Council .

Prohibition of some acts inside the free zones and shops

- 51.(1) The following acts shall be prohibited inside the free zones and shops :-
- (a) striking fire, smoking or use of liquid or gases for light in the places prescribed by the administration company;
 - (b) building establishments for driving force or lighting save with the approval of the administration company ;
 - (c) any act endangering the environment according to the laws regulating the environment protection ;
 - (d) transfer of goods from depots or yards of the free zone to the leased places or vice-versa, save with the approval of the administration company;
 - (e) putting goods for local consumption inside the duty free zone or its yards or the places leased save with the approval of the administration company;
 - (f) residence of employees and workers in the free zone save in the places specified for the same .
- (2) Subject to the provisions of sub-section (1) the administration company may permit the ships and aircrafts to carry food, tobacco, cigarettes, fuel and lubricants from the duty free zone or shop .

Settlement of disputes

52. Where a dispute arises between the administration company and the investing company or between the investing companies among themselves, or between the investing company and any employee, such dispute shall be settled amicably; and failing amicable solution, the dispute shall be referred to arbitration or to the competent court provided for in section 21 of the Act.

Contraventions and sanctions

53.(1) Without prejudice to the generality of the provisions of section 33 of the National Investment Encouragement Act 2013, and section 20 of the Act, the administration company shall be deemed to commit a contravention where it contravenes :-

- (a) the provisions provided for in these regulations;
- (b) the conditions and restrictions provided for in the agreement of administration;
- (c) the circulars and rules issued by the Council;
- (d) the time restraints concerning the execution or development of the duty-free zone or shop;
- (e) the proper use of the privileges or bonuses granted by the provisions of the Act or these regulations;
- (f) the activities approved to be exercised in the duty-free zone or shops.

(2) The Council may inflict on the administration company in case of its commission of any contravention provided for in sub-section (1) any of the following sanctions :-

- (a) warning in addition to the obligation to remove the contravention during the period specified by the Council;
- (b) cancellation of the licence with the recommendation to the Council of Ministers to restore the project land .

Claim

54. The administration company may raise a claim to the Council of Ministers during a maximum period of one month from the date of the decision of cancellation of the licence.

Issue of circulars

55. The Council may issue the circulars and detailed rules necessary for the implementation of the provisions of these regulations.

I hereby witness that the National Council for the Duty-Free Zones and Shops has passed the Duty-Free Zones and Shops Regulations 2013 in its sitting convened on the 8th Ragab of 1434 A.H. being the 18th of May 2013 A.D.

D. Mustafa Osman Ismail

Minister of the Higher Council of Investment

Chairman of the National Council of the Duty-Free Zones and Shops