

**AN ACT TO REPEAL
CHAPTER 5 OF THE PUBLIC AUTHORITIES LAW CREATING
THE LIBERIA INDUSTRIAL FREE ZONE AUTHORITY, AND TO
ENACT IN LIEU THEREOF A NEW CHAPTER 5
TO BE KNOWN AS
THE SPECIAL ECONOMIC ZONES ACT OF 2017**

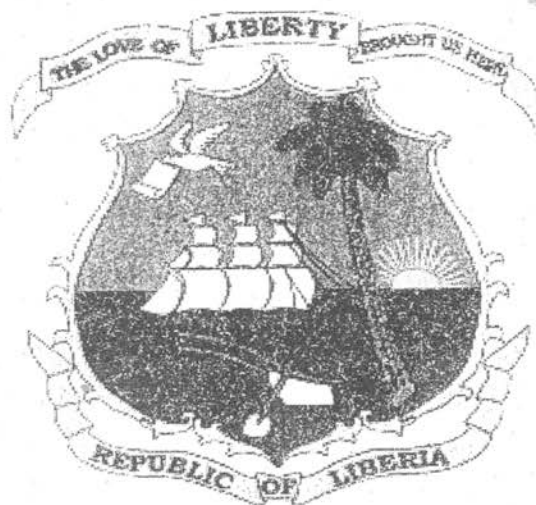



Table of Contents

PREAMBLE.....	1
Section 1 Repealer	1
Section 2 Short Title.....	1
Section 3 Definitions.....	1
Section 4 Purposes of the Act.....	6
Section 5 Scope	7
Section 6 The Authority's Objectives.....	7
Section 7 The Authority's Mandate, Administrative Powers and Duties	8
Section 8 Establishment of the Liberia Special Economic Zone Authority	11
Section 9 Administrative autonomy, Independence and oversight of the Authority	12
Section 10 Funding of the Authority	12
Section 11 Financial Safeguards	13
Section 12 The Authority's Staff Rules.....	14
Section 13 Composition of the Authority Board	14
Section 14 Appointment of the Executive Chairman.....	15
Section 15 Code of Conduct, Conflict of Interest, Confidential Information, and Sanction Provisions Applicable to the Authority Administrators and Related Persons	15
Section 16 One-Stop Shops.....	16
Section 17 Administrative Coordination with Other Government Authorities	16
Section 18 Issuance of SEZ License	17
Section 19 SEZ License Application Requirements and Eligible Applicants	18
Section 20 Delegation of Rights	18
Section 21 Developer Rights	18
Section 22 Developer Obligations.....	19
Section 23 Operators Rights.....	20
Section 24 Operator Obligations	21
	22
Section 26 Revocation of the SEZ Licenses.....	22
Section 27 Taxation of SEZ Enterprises.....	24
Section 28 SEZ Customs-Controlled Areas and SEZ Customs Treatment	24
Section 29 Exceptions and Exclusions	24
Section 30 Application of International Customs Standards.....	25
Section 31 Customs Requirements Governing Goods Entering and Exiting the SEZs.....	25

Section 32	Transfer of Funds.....	27
Section 33.	Penalties, Fines, and Sanctions	27
Section 34	Pre-Emption and Grandfathering treatment of Prior Administrative Acts....	27
Section 35	Settlement of Disputes.....	28
Section 36	Pending Applications.....	28
Section 37	Transitional Provisions.....	28
Section 38	Severability and Enforceability	29
Section 39	Effective Date.....	29

Special Economic Zones Act 2017

AN ACT TO REPEAL CHAPTER 5 OF THE PUBLIC AUTHORITIES LAW CREATING THE LIBERIA INDUSTRIAL FREE ZONE AUTHORITY, AND TO ENACT IN LIEU THEREOF A NEW CHAPTER 5 TO BE KNOWN AS THE SPECIAL ECONOMIC ZONES ACT OF 2017

PREAMBLE

WHEREAS, the Government of Liberia recognizes the need for economic growth and development in order to respond to the challenges of domestic and global economic conditions;

WHEREAS, the Government of Liberia remains steadfast in taking the requisite measures in the implementation and enhancement of domestic investment and to increase direct foreign investment opportunities;

WHEREAS, the Government has identified Special Economic Zones as a mechanism that will contribute to the realization of economic growth and national development goals and is committed to support and facilitate the designation, regulation and development of Special Economic Zones in Liberia;

WHEREAS, the establishment of Special Economic Zones requires the enactment of laws and the development of regulations that encompass all activities of Special Economic Zones throughout the Republic of Liberia; and

NOW THEREFORE,

It is enacted by the Senate and House of Representatives of the Republic of Liberia, in Legislature assembled:

Section 1 Repealer

From and immediately after the passage of this Act, An Act to Amend the Public Authorities Law to Create the Liberia Industrial Free Zone Authority as approved July 9, 1975, is hereby repealed.

Section 2 Short Title

This Act shall be cited as the Special Economic Zones Act 2017.

Section 3 Definitions

The following terms, phrases, and expressions shall have the following meanings wherever used under this Act and the implementing regulations:

- (1) **Administrator** Any natural person who is (i) a member of the Authority Board or Board Committee, (ii) the Authority Executive Chairman, and (iii) any other staff, director, manager, executive, internal auditor, agent, or representative of the Authority and any branch or representative office of it.
- (2) **Applicant** Any Enterprise that applies for a license to establish, develop, operate, manage, maintain, and promote a SEZ in Liberia.
- (3) **Asset (s)** All public and private property rights and interests relating to a SEZ in Liberia, whether movable or immovable, tangible or intangible, including, but not limited to, SEZ Lands, buildings, structures, facilities, long-term leases, concessions, easements, plant and equipment, machinery, furniture, vehicles, Infrastructure, improvements, intellectual property rights, other installations, contracts, and other assets set forth in the Regulation.
- (4) **Authority** The Special Economic Zones Authority, SEZ Authority, Liberian Special Economic Zones Authority, or LSEZA shall all refer to the administrative entity that has the national regulatory jurisdiction over all SEZs in Liberia subject to this Act and the Implementing Regulation.
- (5) **Authorized Economic Activity** Any lawful economic activity that a SEZ Enterprise is authorized to carry out in a SEZ under this Act including any agricultural-processing, commercial, high-technology, industrial, logistic, natural resource, recreational, residential, service, or tourism pursuit, including professional or financial services that (i) does not contravene applicable public morality or other provisions, public safety or security regulations (such as activities related to weapons and explosives), or public hygiene or health norms, (ii) does not endanger human or animal health or life, (iii) does not violate any vested intellectual property rights and (iv) is not related to oil, gas, and mineral exploration and exploitation.
- (6) **Competent Agency** Any national, regional, district, village, municipal, or local government agency or authority or ministries having concurrent or shared regulatory jurisdiction over SEZ sites and activities in Liberia, including the competent national security, police, labor, immigration, environment, business-registration, urban-planning, health, safety, tourism, industrial, customs, and tax authorities.
- (7) **Customs-controlled area** The area deemed to fall outside the Domestic Customs Territory and which is exempted from customs duties and internal duties, levies, tariffs, and other customs charges. However, all other customs rules, procedures, and formalities provided for by national customs law and Implementing Regulation including such rules, procedures, and formalities governing the treatment of abandoned or seized merchandise shall continue to apply to the said SEZ customs-controlled area.
- (8) **Developer** The Enterprise that designs, constructs, and develops a SEZ in Liberia pursuant to a SEZ License and a Development Agreement.

- (9) **Development Agreement** The agreement executed by the Authority and a Developer pursuant to which a Developer designs, constructs, and develops a SEZ, including the development and servicing of SEZ Lands, the construction of Infrastructure, and the provision of other services related to the SEZ.
- (10) **Development/Operator Agreement** The agreement executed by the Authority and a Developer/Operator and that combines the legal rights and obligations of both a Development and an Operator Agreement under one contract.
- (11) **Dispute** Except for tax disputes which are subject to applicable national tax Regulation and/or the respective provisions of the Memorandum of Understanding defined below, any administrative, civil, or commercial challenge, controversy, claim, legal claim, tort claim, or contractual claim that directly or indirectly arises under, out of, in relation to, in connection with, or regarding this Act, the Implementing Regulation, their interpretation and application and a SEZ Investment, including any breach, violation, or termination of any agreement executed hereunder.
- (12) **Domestic Customs Territory** Unless otherwise specified in this Act, the geographical area of the national territory of Liberia situated outside any SEZ customs-controlled area, in which the Liberian domestic customs legislation is applicable, and customs import and internal duties, taxes, levies, tariffs, and other customs charges are assessed and collected.
- (13) **Enterprise** Any privately- or governmentally-owned entity constituted or organized for profit under Applicable Law, such as a corporation, company, partnership, sole proprietorship, branch, joint-venture entity, including a public-private partnership, association, or other organization. An Enterprise may be a Liberian Enterprise or a Foreign Enterprise.
- (14) **Implementing Regulation** The Government Measures designed to implement the provisions of this Act.
- (15) **Expropriation** Any taking, nationalization, condemnation, or other Government Measure having, either alone or in aggregate, a confiscatory effect of private property rights or interests carried out for any public purpose in accordance with the Constitution of Liberia, this Act, or any Liberian expropriation law.
- (16) **Final Determination** Any final administrative decision or determination issued by the Authority in connection with this Act and the Implementing Regulation and includes, but is not limited to, (i) the granting or denial of any license, certificate, approval, permit, or authorization under this Act or the Implementing Regulation, (ii) the denial, suspension, rescission, cancellation, revocation, withdrawal or modification of any license, approval, permit, certificate, authorization, lease, or other contract or agreement pursuant to this Act or the Implementing Regulation, (iii) zoning determination rendered in connection with this Act or the Implementing Regulation, (iv) the imposition of any administrative penalties, sanctions, or fines pursuant to this Act and the Implementing Regulation or (v) any other final determination described in the Implementing Regulation.
- (17) **Foreign**

- Enterprise** Any Enterprise in which the domicile, residence, or place of management, incorporation, or organization is situated in a foreign country or territory, as well as any Liberian branch or subsidiary of a Foreign Enterprise and any Liberian enterprise the majority of shareholding which is owned by a Foreign person and or foreign entity.
- (18) **Foreign National** Any natural person who is a citizen of a foreign country.
- (19) **Government** Any municipal executive government authority, such as any ministry, agency, instrumentality, organization, department, or establishment, and includes the Authority.
- (20) **Government Measure or Applicable Law** Unless the context otherwise provides, Government Measure is a measure taken by the Government and includes the Constitution of Liberia, any statute, law, code, or legislation, any resolution, provision, decision, or order, any executive regulation, instructions, by-law, circular, license, permit, authorization, rule, norm, requirement, determination, decree, procedure, practice, usage, agreement, and every other instrument having the force and effect of law in Liberia, including this Act, the Implementing Regulation and any international agreement, convention, charter, or treaty signed and ratified by Liberia.
- (21) **Infrastructure** The basic physical facilities, installations, and utilities and related services needed to facilitate SEZ development and activity in Liberia and includes, but is not limited to, roads, dams, reservoirs, bridges, drainage facilities, sewers, fences, electricity generation equipment, wastewater and refuse treatment facilities, solid-waste disposal systems, transportation networks, and other land improvements, as well as to such services as water distribution and telecommunications.
- (22) **Liberian Enterprise** Any Enterprise constituted or organized under the Applicable law of Liberia that may be owned and controlled in whole or in majority by (i) Persons or enterprise of Liberia nationality, (ii) Liberian public entities or (iii) any combination of the foregoing.
- (23) **Memorandum or Memoranda of Understanding** The administrative legal and binding agreement signed by the Authority with Competent Agencies and that set forth the rules, procedures, formalities, technical operating standards, performance requirements, and scope of authority pursuant to which the Authority, and each Competent Agency coordinates their respective powers, duties, and functions with regard to SEZs designated pursuant to this Act.
- (24) **Off-Site Infrastructure** Infrastructure provided outside the perimeters of any SEZ and includes public-utility, transport, and other Infrastructure connections to a SEZ, whereas such infrastructure may be part of the SEZ for purposes of the SEZ Enterprise and the associated Development and Operating Agreement.
- (25) **One Stop Shop** The administrative coordination facility that is designated and implemented at each SEZ site and which is designed to facilitate the development, operation, and regulation of each SEZ for the benefit of SEZ Enterprises.

- (26) **On-Site Infrastructure** Infrastructure provided inside the perimeters of a SEZ.
- (27) **Operator** The Enterprise that operates, maintains, and promotes a SEZ in Liberia in accordance with a SEZ License, an Operator Agreement.
- (28) **Operator Agreement** The agreement executed by the Authority and an Operator pursuant to which an Operator operates, maintains, and promotes a SEZ in Liberia, in addition to providing other specialized support-facility services related to the SEZ.
- (29) **Person** Any Enterprise or private natural person of Liberian or foreign nationality.
- (30) **Special Economic Zone or SEZ** Unless otherwise provided in this Act, a SEZ refers to: a) any designated, physically-secured, and fenced-in geographic area comprising serviced lands that is designated as a SEZ under this Act, including any free zone, free trade zone, free-port, or technology or industrial area, park, or estate, that has on-site administrative regulation, management, Infrastructure, and related services and is dedicated to any single or multi-use Authorized Economic Activity, including tourism, agribusiness, forestry, renewable energy, electricity generation, petrochemicals, education, health, industry, commerce, manufacturing, logistics, high-technology, scientific-research, and residential development, and/or b) a set of activities executed in one or multiple locations outside the Special Economic Zone geographic area but serving principally the Authorized Economic Activity of the SEZ and is therefore tied to the purpose and objectives of the SEZ, and /or c) properties, concessions and equipment principally dedicated to supplying the raw materials for a SEZ enterprise as approved by the LSEZA.
- (31) **SEZ Certificate of Residency** The certificate issued by the Authority to any natural person, whether a Liberian or Foreign National, that authorizes such natural person to reside in a residential area of a SEZ as a SEZ Resident in accordance with this Act and the Implementing Regulation.
- (32) **SEZ Enterprise** Any Enterprise that is a SEZ Licensee (i.e. Developer and Operator), or SEZ User, as well as any private Enterprise performing subcontracting services on behalf of a Developer or an Operator.
- (33) **SEZ Investment** The acquisition or creation by a SEZ Investor of a new Asset (including the expansion, restructuring, or rehabilitation of an existing Enterprise to operate as a SEZ Enterprise) that a SEZ Investor owns, possesses, or controls, whether directly or indirectly, and that has the characteristics of a new investment, including such features as the commitment of new capital or other resources, the expectation of gain or profit, or the assumption of risk. Forms that a SEZ Investment may take under this Act include the following: (i) a SEZ Enterprise; (ii) shares, stock, and other forms of equity or ownership participation in a SEZ Enterprise; (iii) bonds, debentures, loans, and other debt instruments (excluding debt instruments executed with a public entity), and other credit instruments; (iv) futures, options, and other derivatives; (v) legal rights under a contract or agreement relating to any Asset of a SEZ Investor, including turnkey,

construction, development, management, operation, production, or revenue-sharing contracts and, in particular, a Development or Operator Agreement; (vi) intellectual property rights, including patents, copyrights, trademarks, and service marks; (vii) any rights conferred pursuant to Applicable Law, such as authorizations, permits, and licenses, including a SEZ License; (viii) other related private property rights, such as leases, mortgages, liens, pledges, and any other real property rights; and (ix) any other investment forms prescribed by the Implementing Regulation.

- (34) **SEZ Investor** Any person, whether of Liberian or foreign nationality, including a SEZ Enterprise, that attempts to make, is making, or has made a SEZ Investment through any of the recognized investment forms set out in Subsection 3(33). A SEZ Investor includes an Applicant.
- (35) **SEZ Lands** All public and private lands comprising a SEZ situated in Liberia including all related real estate rights and assets such as buildings and infrastructure.
- (36) **SEZ License** The administrative grant of authority issued by the Authority that authorizes and obligates the SEZ Licensee to establish, develop, operate, maintain, manage, and promote a SEZ in Liberia and, as provided for under the relevant agreement with the Authority, to delegate in whole or in part its development, operation, maintenance, management, and promotion rights and obligations to third party developers and operators under this Act and the Implementing Regulation.
- (37) **SEZ Licensee** The Enterprise that is granted a SEZ License.
- (38) **SEZ Resident** The natural person of Liberia or foreign nationality that is granted a SEZ Certificate of Residency by the Authority.
- (39) **SEZ User** The private Enterprise that holds a SEZ User License.
- (40) **SEZ User License** The administrative grant of authority issued by the Authority or Operator that entitles a private Enterprise to conduct Authorized Economic Activities in a SEZ as a SEZ User.
- (41) **Settlement of disputes** The dispute resolution process chosen by the claimant to settle any disputes arising from a conflict between the parties involved with a SEZ enterprise, including the Liberian Special Economic Zone Authority or any other Liberian Government Authority, including the Liberian Revenue Authority.

Section 4 Purposes of the Act

- (1) This Act creates a national special economic zone regime in the Republic of Liberia to be administered by the Liberian Special Economic Zone Authority (LSEZA) established under Section 7 of this Act.

- (2) The purposes of this Act are to regulate the establishment, development, operation, maintenance, and management of single, multiple, and mixed-use Special Economic Zones (SEZs) in Liberia to increase cross-border investment opportunities, act as a platform to strengthen the competitiveness of the nation's economy, create new employment opportunities, improve Liberians' skills, upgrade the country's Infrastructure, encourage private-sector development, promote land reform, carry out de-urbanization of highly populated cities, achieve long-term environmental, labor, and gender sustainability, promote the advancement of human rights, increase its standard of living, reduce poverty levels, and achieve sustainable economic development.
- (3) This Act establishes a SEZ framework to promote industrial, commercial, manufacturing, agribusiness, forestry, renewable energy, petrochemical, electricity-generation, high-technology, scientific-research, trade, service, tourism and other professional activities in Liberia.
- (4) The Special Economic Zones may also be used by key stakeholders as a policy instrument to pilot legal and economic reforms on a nationwide basis to encourage investment, export activity, Infrastructure development, and capacity-building in Liberia.
- (5) This Act aims to foster and facilitate entrepreneurial activity by granting the SEZ Authority the delegated powers of all the ministries and agencies of the Government of Liberia to engage prospective SEZ Enterprises to finalize investment agreements and operating agreements from a holistic basis out of one centralized authority to launch new businesses.

Section 5 Scope

This Act and the provisions of Applicable Law which do not contravene this Act, shall apply to all SEZs and all authorized economic activities undertaken in any SEZ, as well as to any person conducting activities in any SEZ, including SEZ Enterprises.

Section 6 The Authority's Objectives

The administrative policy objectives of the Authority under this Act include achieving the following:

- (1) To create new job opportunities in Liberia in the SEZs;
- (2) To increase the supply of serviced lands throughout the country and each political subdivision;
- (3) To promote effective & efficient development of SEZs in Liberia including integrated tourism resorts;
- (4) To encourage the private sector to participate in the development, operation, maintenance, and management of SEZs in Liberia including the provision of Infrastructure;
- (5) To coordinate with the private sector to train and improve the capacity of the Liberian workforce, and ensure the protection of workers' rights;
- (6) To develop a high-quality business and residential climate in each SEZ that protects the environment, water supply, natural resources, biological diversity, labor resources, and public health, safety, and welfare consistent with international conventions;

- (7) To streamline business-registration, licensing, and permit procedures, encourage competition within a SEZ or promote a SEZ enterprise that can compete effectively internationally.
- (8) To pilot land, labor, environment, and security reforms at the national level.
- (9) To minimize the administrative burden and costs for the SEZ Enterprise, Developers and Operators to achieve full compliance with the Liberian laws and regulations and the terms of the associated agreements (SEZ License, Development Agreement, Operator Agreement)
- (10) To negotiate SEZ related Tax & investment Agreements with prospective SEZ Enterprises (Developers and Operators) to attract the investment capital to Liberia to realize the objectives of the SEZ and the SEZ Enterprise.
- (11) To negotiate and provide a legal framework for final dispute resolution for SEZ related Investment, Development, and Operating Agreements based on dispute resolution mechanism in accordance with Section 35 of this Act (Settlement of Disputes).

Section 7 The Authority's Mandate, Administrative Powers and Duties

The powers, duties, functions, and responsibilities of the Authority under this Act shall include the following:

- (1) Establish and cancel SEZs subject to dispute resolution mechanism provided for in this Act
- (2) Formulate and implement the national strategic policy and regulation including:
 - (a) Proposing sites for SEZ development;
 - (b) To conclude administrative Memoranda of Understanding with all Competent Agencies;
 - (c) To coordinate with all Competent Agencies to facilitate on an expedited basis the issuance of all applicable licenses, permits, certificates, registrations, approvals, visas, and other publicly-required authorizations through its one-stop shops pursuant to the governing Memoranda of Understanding;
 - (d) To issue and propose the issuance in accordance with applicable Law, Implementing Regulation that implement the provisions of this Act, including establishing a special regulatory framework for SEZ labor, immigration, environment, fiscal, and customs matters;
 - (e) To issue the standard operating rules and procedures governing the Authority for instance its employees' cadre system; and
 - (f) To promote SEZs nationally and internationally.
 - (g) Solicit Developers and Operators and contract with those parties to operate SEZ Enterprises
- (3) Regulate, Supervise and monitor SEZs

- (a) To have regulatory jurisdiction over the establishment, development, operation, management, and promotion of all SEZs including supervising and monitoring the same throughout the country in accordance with the provisions of this Act, the Implementing Regulation and all other Applicable Law;
 - (b) To apply the provisions of this Act and the Implementing Regulation;
 - (c) To prohibit or restrict in the SEZs any activities that contravene Liberian public morality, threaten Liberia public safety, order, security (such as activities related to weapons and explosives), hygiene, or health, endanger, human, animal, or plant health or life, or violate any intellectual property rights in addition to activities related to related to oil, gas, and minerals exploration and exploitation; and
 - (d) To regulate, in coordination with the Competent Agencies, all utilities and related services provided in the SEZs.
 - (e) To regulate, supervise, and monitor all SEZs to ensure that all SEZ activities, such as the provision of services and Infrastructure, are in conformity with all applicable Government Measures and to ensure that all SEZ Enterprises are in compliance with their respective licenses;
 - (f) To apply the provisions of this Act and the Implementing Regulation
- (4) Day to Day activities
- (a) To collect fees and payments for applications, licenses, permits, authorizations, certificates, approvals, services, leases, or other contracts or agreements granted, provided, or entered into by the Authority under this Act and the Implementing Regulation;
 - (b) To impose and collect administrative penalties, sanctions, and fines for any administrative violations of this Act and the Implementing Regulation;
 - (c) To require all SEZ Enterprises and their staff to submit all documents, books, or accounts and to answer any questions on any matter arising under this Act or the Implementing Regulation;
 - (d) To monitor at each SEZ site the protection of the environment, water resources, natural resources, and biological diversity in conformity with this Act, the Implementing Regulation, and any other Applicable Law;
 - (e) To execute at each SEZ site under its jurisdiction, in coordination with the national customs authorities, SEZ customs policy and procedures;
 - (f) To review the annual reports submitted by the Developers and Operators. and
 - (g) To perform all functions in the respective SEZ, including regulating the construction and provision of Infrastructure and other Assets, issue building codes and zoning requirements, and approve the master development plan for the SEZ in conformity with the relevant Memoranda of Understanding and Applicable Law.

- (h) To exercise control of urban-area development, zoning, or municipal government powers in each SEZ consistent with the applicable administrative memorandum of understanding;
 - (i) To arrange for the provision of Off-Site Infrastructure with the competent Government authorities or any Developer/Operator;
 - (j) To execute Public-Private-Partnership Agreements with one or several private SEZ Developers/Operators for the development, operation, and management of each SEZ, including the provision of On-Site Infrastructure;
 - (k) To collect, compile, analyze, and disseminate general information on Developers/ Operators, SEZ Users and SEZ Residents in accordance with this Act, including such information concerning Investment opportunities, the overall SEZ Investment climate in Liberia, sources of SEZ Investment, available, SEZ incentives, and other data deemed relevant by LSEZA;
 - (l) To coordinate with the relevant national, regional, county, and municipal government agencies having concurrent regulatory jurisdiction over SEZs sites, operations, and activities and conclude Memoranda of Understanding to create a conducive and efficient business and residential environment for the establishment, development, and operation or management of the SEZs and provide investors with all required licenses, permits, certificates, authorizations, approvals, and other publicly-issued requirements on a fast-track or expedited basis
- (5) Issuance and revocation of SEZ Licenses (Development/Operation) - SEZ User Licenses – SEZ Certificates of Residency
- (a) To grant SEZ Licenses, as well as any other certificates, approvals, permits, and related authorizations deemed necessary under this Act;
 - (b) To grant SEZ User Licenses, as well as any other certificates, approvals, permits, and related authorizations in accordance with this Act, including certificates of origin, or to delegate any such powers to the relevant Operator;
 - (c) To issue SEZ Certificates of Residency allowing their owner to reside in the SEZ.
 - (d) To approve the master development plan designed for a designated SEZ in accordance with this Act, the Implementing Regulation, and other Applicable Law approval and to monitor, in coordination with the relevant urban-planning authorities through Memoranda of Understanding for the implementation of all land-use, zoning, urban plans and design, construction, and provision of infrastructure relating to the SEZ consistent with the approved master development plan of the local community and that of the SEZ;
 - (e) To delegate SEZ development, operation, maintenance, and management powers in whole or in part to public and private parties pursuant to this Act and the Implementing Regulation, including Developers, and Operators;
 - (f) To enter into and execute Development and Operator Agreements, in addition to any other agreements, contracts, or arrangements in accordance with this Act, including revenue-sharing arrangements with any public authority; and

- (g) To revoke, cancel, rescind, suspend, or modify for cause any SEZ License, Development Agreement, Operator Agreement, SEZ User License, SEZ Certificates of Residency as well as any other certificate, permit, authorization, approval, lease, or contract or agreement previously granted or executed, in accordance with the criteria set out in this Act, the Implementing Regulation and Applicable Law.
- (6) Miscellaneous
 - (a) To own, hold, preserve, register, administer, mortgage, lease, sell, transfer, and regulate all Assets, including SEZ Lands as the SEZ land administrator, by means of any legal mechanism consistent with the requirements designated in the Implementing Regulation and relevant Memoranda of Understanding;
 - (b) To prepare and submit an annual report to the President that provides the information required by the Implementing Regulation including the monitoring and evaluation report;
 - (c) To acquire public lands to be used as SEZ Lands from other government authorities and to convert public lands into private lands in accordance with Applicable Law with direct coordination with the Land Authority without the need of passing through any other entity notwithstanding any provisions to the contrary under applicable laws;
 - (d) To do all things and undertake all other activities, duties, functions, and responsibilities that shall be necessary and proper for carrying out the foregoing enumerated powers.
- (7) Except as otherwise provided in this Act, the Authority shall not constitute a SEZ Licensee or SEZ User.

Section 8 Establishment of the Liberia Special Economic Zone Authority

- (1) The Liberia Special Economic Zone Authority (LSEZA) is hereby established as a public independent administrative authority having the following rights:
 - (a) To sue and be sued in its official name, including the right to submit claims before any competent judicial court or arbitral authority;
 - (b) To determine, fund, and administer its internal budgets as approved by the LSEZA Board of Directors in accordance with applicable law;
 - (c) To control its funds, revenues, earnings, and income from whatever source and to allocate such proceeds as it deems appropriate in accordance with this Act and the Implementing Regulation;
 - (d) To determine the manner in which its financial obligations are undertaken and expenses paid;
 - (e) To hire staff, define staff duties, transfer staff to other Government entities, and determine staff compensation, including performance or other incentives and bonuses, in accordance with this Act and the Implementing Regulation; and
 - (f) To enjoy all requisite legal authority to perform all acts necessary to achieve the purposes, objectives, and policies of this Act, such as the full legal capacity to enter into, execute, conclude,

perform, or modify contracts, agreements, leases, or other transactions for the conduct of its business, including executing and concluding agreements with any Person, foreign government, foreign agency, international organization, or foreign or local non-governmental organization in accordance with the requirements designated by all applicable Government Measures.

- (2) LSEZA shall have sole and exclusive regulatory jurisdiction at the national level over all SEZs situated in Liberia.
- (3) All SEZ licenses, development agreements, operating agreements or other associated documentation and agreements tied to a SEZ enterprise, shall be valid for the duration of those agreements and shall be automatically grandfathered in case of any changes to this Act or the Liberia Special Economic Zone Authority.

Section 9 Administrative autonomy, Independence and oversight of the Authority

- (1) The Authority shall have full independent legal personality and enjoy financial and administrative autonomy and shall report directly to, and be subject to the oversight authority of the President. The principal office of the Authority shall be located in the city of Monrovia, Liberia.
- (2) May decide as deemed necessary to create branches in any location in Liberia including in any SEZ to be designated.

Section 10 Funding of the Authority

- (1) Subject to Applicable Law, the Authority is authorized to receive financial resources including from the following sources:
 - (a) Amounts allocated from the general budget of the Government;
 - (b) Fees, income, revenue, fines, and penalties collected under this Act and the Implementing Regulation, including income received from the disposition of Assets, fees charged under any lease agreement, or fees assessed for licenses, applications and for services provided in SEZs;
 - (c) Grants, loans, donations, and other financial assistance or aid received from international organizations, foreign governments or agencies, and other institutions, including foreign and local non-governmental organizations;
 - (d) Domestic loans approved in accordance with Liberian law
 - (e) Interest charged by LSEZA with regard to any financing granted by the latter under this Act and the Regulations;
 - (f) Financial returns realized by the Authority by virtue of any investments including returns from time deposits;

- (g) Fees from the national customs authorities (in counterpart of services rendered by the Authority as agreed upon between the two parties); and
 - (h) Any other financial resource that might be set forth in Applicable Law or the Implementing Regulation.
- (2) Funds obtained by the Authority pursuant to Subsection 1 of this Section shall constitute public property that cannot be owned by virtue of prescription. Notwithstanding the previous sentence, such funds shall not comprise part of the State's treasury.
 - (3) Except as otherwise provided in this Act or the Implementing Regulation, no part of the funds, revenues, earnings, income, profits, or property of the Authority shall inure to the benefit of any Authority's Administrator or related person, and all the Authority funds, revenues, earnings, income, profits, and property shall be used exclusively to carry out and fulfill the purposes of this Act and the Implementing Regulation.
 - (4) Notwithstanding Subsection 3 of this Section, the Authority is authorized to use any of its disposable funds to pay any expenses accruing under its respective operating budget. The Authority is authorized to establish, fund, and administer its respective internal independent budgets, as approved by the Authority's Board, in accordance with the budget rules applicable to private Enterprises (as an exception to the provisions governing public corporations or authorities); To control its funds, revenues, earnings, and income from whatever source and to allocate such proceeds as it deem suitable in accordance with Applicable Law and to determine the manner by which its financial obligations are managed.
 - (5) All the Authority's funds shall be subject to the internal and external audit procedures in accordance with the Applicable Law.

Section 11 Financial Safeguards

- (1) The Authority shall have the same fiscal year as the Government.
- (2) Maintenance of the Authority books, records as required by any applicable Government Measure, including any governing public finance management laws, this Act, and the Implementing Regulation.
- (3) The LSEZA Executive Chairman and Board of Directors shall ensure at all times that the LSEZA books and records, including its financial statements, are prepared and maintained in conformity with international financial reporting standards (IFRS), including the use of full accrual accounting on a daily basis.
- (4) LSEZA shall publish by December 31st of each calendar year on the official Government of Liberia website for SEZs its audited, annual financial statements as signed by the LSEZA Executive Chairman and Chief Financial Officer and approved by the LSEZA Board of Directors. Such statements shall show the complete financial condition and performance of LSEZA as of the last business day of the preceding calendar year.

- (5) The LSEZA Internal Audit Department, shall perform periodic audits of LSEZA operational activities and review its financial statements as updated on a monthly basis. The Chief Internal Auditor shall be appointed by the LSEZA Audit Committee for the discharge of his or her duties, functions, and responsibilities.
- (6) Eligibility, nomination, and appointment criteria, term limits, and auditor compensation, as well as the auditor's powers, duties, functions, and responsibilities, conflict-of-interest provisions, grounds for resignation or removal, and other procedures, shall be set forth in an audit committee charter as approved by the LSEZA Board of Directors.
- (7) In addition to the internal audit procedures set forth in this Section, LSEZA shall be subject to the external audit requirements designated by any applicable Government Measure, including those set forth in the governing public finance management laws and the Implementing Regulation.

Section 12 The Authority's Staff Rules

- (1) The Authority employees shall be exempt from the Civil Service standing orders. The Authority shall implement for itself a special cadre system in accordance with this Act that establishes *inter-alia*, flexible, competitive and fair hiring, termination and firing practices, staff selection criteria, special criteria and technical bases for evaluating and assessing the performance staff, setting wages and salaries, promotion, and human-resource management protocols.
- (2) The special cadre system shall be issued by virtue of a President approval after submission thereof by the Authority's Board.
- (3) The Authority can hire, fire, transfer, staff and consultants, promote staff and define staff qualifications and duties, and determine staff compensation, including performance or other incentives and bonuses, in accordance with the cadre mentioned.

Section 13 Composition of the Authority Board

- (1) The Authority shall be administered by an independent Board comprising of five (5) members satisfying the eligibility criteria and representing both the public and private sectors. The Board of Directors shall report to the President through the Executive Chairman.
- (2) The Authority Board shall be responsible for developing sector policies and decide on the general duties, functions, and responsibilities discharged by the Authority under this Act and the Implementing Regulation. The Board shall be exempted from the provisions of the Associations Law and its amendments that are in conflict with the provisions of this Act and the Implementing Regulation.
- (3) The Executive Chairman and Four (4) other members of the Authority Board of Directors shall be appointed by the President.
- (4) To serve on the Board, a person must satisfy the following requirements:
 - (a) be a natural person,

- (b) be at least 35 years of age,
 - (c) hold a University degree or have equivalent experience
 - (d) have at least 10 years of management, government, or private-sector business experience in the fields of economic development, civil engineering, financial analysis, law, large-scale real estate projects, including architecture and urban planning skills, entrepreneurship and any other relevant government or private business experience,
 - (e) Have not been convicted of an offense requiring imprisonment, unless such sentence is based on such person's religious or political views or activities.
- (5) A Board Member shall hold office for the term to which he or she is appointed during good behavior. A member may however be removed from office by the President for proven misconduct, gross breach of duty, violation of the code of conduct for Public Officials, conviction of a felony, incapacity and incompetence or other proved acts incompatible with the office. Notwithstanding his or her appointment for a specific term, a commissioner may resign his or her position upon giving thirty days' notice to the President.
 - (6) All Board Members, excluding the Executive Chairman, may hold office for one term of 3 years and shall be reappointed to the Authority for an additional term but not for more than 2 consecutive terms. However, a Board Member may be removed for reasons stipulated under Subsection 13(5) of this Act.
 - (7) The quorum for any meeting shall be three (3) Board members. The decisions adopted, and the resolutions issued by the Authority shall be by a simple majority vote of the members present and voting. In the event of an equality of votes, the Chairman shall have a casting vote.

Section 14 Appointment of the Executive Chairman

The President shall appoint an Executive Chairman to a term of five (5) years, which may be renewed for an additional terms of five (5) years. The Executive Chairman shall meet the eligibility criteria. The nomination, appointment and re-appointment procedures, term limit, compensation, and powers, as well as the duties, functions, responsibilities, grounds for resignation and removal, and other rules and procedures applicable to the Executive Chairman shall be set forth in the Implementing Regulation. The Executive Chairman shall act as the legal representative and shall be responsible for the daily administration of LSEZA, including the implementation of all guidelines and resolutions issued by the LSEZA Board of Directors, as subject to the provisions of this Act and the Implementing Regulations.

Section 15 Code of Conduct, Conflict of Interest, Confidential Information, and Sanction Provisions Applicable to the Authority Administrators and Related Persons

Code of conduct, conflict of interest, confidential information, and sanction provisions applicable to the Authority Administrators and related persons shall be set forth under the Implementing Regulation.

Section 16 One-Stop Shops

- (1) Each SEZ site shall have a One-Stop Shop providing administrative services including facilitating the issuance of licenses, registrations, permits, approvals, collections, and authorizations required by this Act, the Implementing Regulation, and any other Applicable Law.
- (2) All relevant Competent Agencies shall be represented at each One-Stop Shop through competent staff members appointed by their respective agencies.
- (3) The administration of each One-Stop Shop shall be governed by the procedures designated in the Implementing Regulation and Memoranda of Understanding. Each One-Stop Shop shall perform its duties, functions, and responsibilities under the direct oversight of the Authority.
- (4) The Implementing Regulation and Memoranda of Understanding shall prescribe the rules and procedures that apply in cases in which any Competent Agency does not adequately discharge its duties, functions, or responsibilities arising under this Act and the Implementing Regulation, including complying with applicable time limits.

Section 17 Administrative Coordination with Other Government Authorities

- (1) All other Competent Agencies shall not retain their respective administrative jurisdiction to regulate SEZs in accordance with this Act and its Implementing Regulation, the Memorandum of Association, and Applicable Law provisions that do not contravene this Act.
- (2) Notwithstanding Subsection 1 of this Section, all Competent Agencies shall enjoy the legal right and obligation under this Act to delegate to the Authority certain functions by virtue of Memoranda of Understanding to ensure the effective coordination in SEZs of all duties, functions, and responsibilities arising under this Act and the Implementing Regulation, provided that such delegation complies with Liberian public policy and the Constitution of Liberia. Such functions shall include, but shall not be limited to, streamlining, facilitation, issuance of permits, certificates, authorizations, approvals, licenses, and registrations relating to labor, immigration, environment, health, safety, building-code, business-registration, industry, urban-planning, tax, and customs matters, as well as to any other duty, function, or responsibility specified in the Implementing Regulation.
- (3) The Memorandum of Understanding executed by the Authority and the Ministry of Interior shall ensure the adoption of security measures in the SEZs that comply with the Implementing Regulation.
- (4) If, based upon its evaluation of the purposes of this Act, the Authority determines that any administrative Memorandum of Understanding executed with a Competent Agency has not been fulfilled in whole or in part, then the Authority, as the case may be, may invoke the pre-emption provisions of Section 34(2).
- (5) The Authority shall have the authority to delegate to Developers and Operators, any of the Competent Agencies respective powers, duties, functions, and responsibilities arising under this Act, including the power to issue licenses, to collect direct and indirect taxes customs import and internal

duties, levies, tariffs, and other customs charges, and to inspect the premises of SEZ Users, provided that such delegation complies with Liberian public policy and the Constitution of Liberia.

- (6) The President may compel any Competent Agency to cooperate with the Authority in fulfillment of Section 17(1),(2),(3),(4),(5), and (6), each such agency shall be obligated, upon the direction of the President, to cooperate with the Authority; and additionally to furnish it upon demand with such records, documents, papers, and information related to its powers.

Section 18 Issuance of SEZ License

- (1) Any Applicant wishing to develop, operate, maintain, and manage, or promote a SEZ should submit an application with the Authority for review and approval in accordance with this Act and the Implementing Regulation. Such application must satisfy the legal conditions and criteria set out in the Implementing Regulation in addition to the ones provided in Sections 18 - 26 of this Act. The Authority shall have to take into accounts all the studies completed by or submitted to it for the specific SEZ in the process of establishment of the SEZ and the resolutions it already adopted.
- (2) The Authority shall select one or several Developers and the Operators for a SEZ located on public Assets pursuant to an international selection process as prescribed by the Implementing Regulation and the selection is therefore exempted from the public procurement process under the Applicable Law.
- (3) Notwithstanding Subsection 2 of this Section, Developers and Operators that (i) are public entities, or (ii) own the land proposed for the SEZ site on a freehold or leasehold basis, or (iii) have submitted a written request to the Authority for the establishment of the said SEZ or (iv) whose request fall on development or operation on private assets, or (v) who are in joint ventures with the public sector shall be exempt from such international selection process. Such Developers and Operators are not exempt from the application requirement, obtaining the SEZ License, and executing a Development and Operator Agreement, or both.
- (4) After the international selection process the Authority shall, within a reasonable time issue a Final Determination that either grants a SEZ License to the Applicant or denies the application.
- (5) The Final Determination granting the SEZ License shall be published in the official gazette and shall (i) set forth a detailed statement of the reasons, together with the legal basis, for the administrative determination, (ii) provide the specific terms and conditions governing the establishment, development, operation, maintenance, and management of the SEZ, (iii) specify whether the SEZ Licensee shall act as a Developer, Operator, or both, whether the SEZ Licensee is delegating any of its development, operation, maintenance, and management rights and obligations to third party developers or operators by virtue of any lawful contractual arrangement, including a subcontracting arrangement, whether the same SEZ will have more than one Developer and Operator and (iv) provide such supplementary information as the name of the SEZ Licensee, the license duration, license-renewal conditions, geographical location, specific metes and bounds, map coordinates, and property registrations of the SEZ, Authorized Economic Activities. The Final Determination denying the application do not have to be published in the official gazette but needs to set forth a detailed statement of the reasons, together with the legal basis, for the administrative determination.
- (6) The issuance of a SEZ License shall be followed by the execution with the Authority and the selected Developer and Operator of a Development or Operator Agreement or Development/Operator

Agreement. As such to qualify as Developer or Operator, the Enterprise should be the holder of a SEZ License and party to a Development or Operator Agreement or Development/Operator Agreement. Such agreements will be entered into upon the finalization of the following main documents that will be attached and constitute integral parts of the said agreements, the detailed feasibility study and master development plan for the designated SEZ, including the land-use and zoning plans, as approved by the Authority in coordination with the Competent Agencies and in conformity with all Applicable Law.

Section 19 SEZ License Application Requirements and Eligible Applicants

- (1) To obtain a SEZ License, an Applicant must include in its application the information detailed by the Authority and in the Implementing Regulation, together with supporting documentation.
- (2) The application procedures governing the issuance of a SEZ License, including the application format, administrative fees, and applicable rules and time limits for incomplete or deficient applications, shall be set forth by the Authority and in the Implementing Regulation.

Section 20 Delegation of Rights

- (1) A SEZ Licensee is authorized to:
 - (a) Act as the exclusive Developer or the exclusive Operator of the SEZ, or both, for the duration of the SEZ License unless the SEZ License provides for several Developers and Operators for the same SEZ; and
 - (b) With the Authority of the Board of Directors, delegate in whole or in part its SEZ development, operation, maintenance, and management rights and obligations to authorized third party developers, operators (sub-developer or sub-operator) by means of any legal arrangement, including a subcontracting agreement, in conformity with the SEZ License.
- (2) Notwithstanding Subsection 1(b) of this Section, the SEZ Licensee (master Developer or Operator) shall bear the ultimate legal responsibility for the development, operation, maintenance, and management of the designated SEZ, regardless of whether such SEZ Licensee delegates some or all of its development, operation, maintenance, and management rights and obligations to third party developers or operators (sub-developers or sub-operators). The said subcontractors shall be accorded the same legal status as the SEZ Licensee for the said relevant subcontracting activities only.
- (3) Unless otherwise approved in writing by the Authority, a SEZ Licensee shall not sell, convey, assign, or transfer in whole or in part a SEZ License to any third party. Failure to comply with this provision shall result in the automatic revocation of the SEZ License in conformity with SEZ Users General Requirements provision and the imposition of monetary penalties in accordance with the Implementing Regulation.

Section 21 Developer Rights

- (1) Developers shall enjoy the following legal rights and may conduct the following economic activities in a SEZ:

- (a) To dispose or transfer SEZ Lands or other Assets for purposes of implementation of this Act and the Development agreement, on a freehold or leasehold basis, including through subleases, and to receive payment or collect rental fees for such transactions;
 - (b) To develop, exploit, and service SEZ Lands and other Assets in conformity with Applicable Law, including the governing SEZ License and Development Agreement;
 - (c) To provide utilities and other services in the SEZ, in accordance with the applicable SEZ License or Development Agreement, and to charge fees for such services;
 - (d) To provide utilities and other services in Liberia outside the SEZ in conformity with Applicable Law; and
 - (e) To employ both Liberian nationals and Foreign Nationals, including managers, without any legal impediments or restrictions, subject to the applicable national labor law;
 - (f) To be entitled to the customs treatment set out in Sections 27 - 31 of this Act;
 - (g) To enter into contracts with private third parties for the development, exploitation, and servicing of the SEZ, SEZ Lands, and other Assets, including On-Site and Off-Site Infrastructure;
 - (h) To enter and freely participate in international financial markets, without any legal impediments or restrictions, to obtain funds, credits, guarantees, and other financial resources; and
 - (i) To exercise any other rights under this Act and the Implementing Regulation, as well as those stipulated in the applicable SEZ License and Development Agreement.
- (2) Any private Enterprise performing subcontracting services on behalf a Developer shall be entitled to employ both Liberian nationals and Foreign Nationals under the same conditions as a Developer.

Section 22 Developer Obligations

Developers shall comply in a SEZ with the following legal obligations in addition to those provided under the Implementing Regulation:

- (1) To acquire if not already acquired, within 2 months from the date the SEZ License is obtained, SEZ Lands and other Assets on a freehold or leasehold basis;
- (2) To adhere to all Applicable Law, including the governing SEZ License and Development Agreement;
- (3) To construct Assets on SEZ Lands, including On-Site Infrastructure, transportation connections, employee quarters, and office space and other facilities for use by the one-stop shops and the national customs authorities, in accordance with international standards, the applicable SEZ License or Development Agreement;
- (4) To set fees for any utilities or other services provided in the SEZ by the Developer in conformity with reasonable commercial terms;

- (5) To develop the SEZ in a reasonable commercial fashion in accordance with Applicable Law, including the SEZ License and the governing Development Agreement, and consistent with the long-term sustainable economic development goals of Liberia;
- (6) To adhere to the performance requirements of the phased development schedule for the SEZs as specified in the SEZ License and any applicable Developer Agreement, as well as to the financial development obligations required by the Authority, such as the amount of, and time schedule for, capital and debt financing;
- (7) To comply with the environment and labor obligations prescribed by this Act the Implementing Regulation and Applicable Law; and
- (8) To comply with any other obligation under Applicable Law, including the governing SEZ License and any applicable Developer Agreement.

Section 23 Operators Rights

- (1) Operators shall enjoy the following legal rights and may conduct the following economic activities in a SEZ:
 - (a) To dispose or transfer SEZ Lands and other Assets for purposes of implementation of this Act and the Operator Agreement, on a freehold or leasehold basis, including through subleasing agreements, and to receive payment or collect rental fees for such transactions;
 - (b) To operate or manage the SEZ in accordance with Applicable Law, including the governing SEZ License and Operator Agreement;
 - (c) To provide utilities and other services in the SEZ in conformity with the applicable Operator Agreement, and to charge fees for such services;
 - (d) To provide utilities and other services in Liberia outside the SEZ in conformity with Applicable Law;
 - (e) To employ both Liberian nationals and Foreign Nationals, including managers, without any legal impediments or restrictions, subject to the applicable national labor law;
 - (f) To be entitled to the customs treatment set out in Sections 27 - 31 of this Act;
 - (g) To enter into contracts with private third parties for the operate, maintain, manage, and promote the SEZ and all Assets;
 - (h) To adopt the operational rules and procedures to govern the day-to-day activities of the SEZ; and
 - (i) To enter and freely participate in international financial markets, without any legal impediments or restrictions, to obtain funds, credits, guarantees, and other financial resources; and
 - (j) To exercise any other rights under this Act and the Implementing Regulation, as well as those stipulated in the applicable SEZ License or Operator Agreement.

- (2) Any private Enterprise performing subcontracting services on behalf an Operator shall be entitled to employ both Liberian nationals and Foreign Nationals under the same conditions as an Operator.

Section 24 Operator Obligations

Operators shall comply in a SEZ with the following legal obligations in addition to those provided under the Implementing Regulation:

- (1) To acquire if not already acquired, within 2 months from the date the SEZ License is obtained, SEZ Lands and other Assets on a freehold or leasehold basis;
- (2) To adhere to Applicable Law, including the governing SEZ License and Operator Agreement;
- (3) To monitor and supervise the activities in the SEZs as required by the Authority;
- (4) To provide reasonably equal treatment to, and avoid discriminating against, any SEZ Users;
- (5) To set fees for any utilities and any other services provided in the SEZ by the Operator in accordance with reasonable commercial terms;
- (6) To promote the SEZ, in coordination with the Authority, both domestically and internationally;
- (7) To provide office space and other facilities for use by the one-stop shop and the national customs authorities of the SEZ;
- (8) To operate, maintain, and manage and promote the SEZ in a reasonable commercial fashion in accordance with Applicable Law, including the SEZ License and the governing Operator Agreement, and consistent with the long-term sustainable economic development goals of Liberia;
- (9) To notify the Authority of any SEZ User statutory or regulatory violations or non-compliance;
- (10) To maintain at all times all Assets, as well as all SEZ utilities and other services described in the governing SEZ License and any applicable SEZ Operator or Developer/Operator Agreement, in fully operational condition;
- (11) To adhere to the performance requirements of the operation schedule for the SEZs as prescribed by the SEZ License and any applicable Operator Agreement, as well as to the financial operation obligations required by the Authority, such as the amount of, and time schedule for, capital and debt financing;
- (12) To comply with the environment and labor obligations prescribed by this Act and the Implementing Regulation; and
- (13) To comply with any other obligation under Applicable Law, including the governing SEZ License and any applicable Operator Agreement.

Section 25 Anti-Speculation Provisions Applicable to Developers and Operators

- (1) In the event that a Developer or Operator transfers on a freehold or leasehold basis its SEZ Land to a third party in violation with its respective SEZ License, this Act, the Implementing Regulation, and Development Agreement or Operator Agreement without the prior approval of the Authority, the Authority shall have the right to:
 - a) Revoke the SEZ License in conformity with the SEZ Users General Requirements provision of the Implementing Regulation;
 - b) Impose on the SEZ Licensee the payment of a rent on the said SEZ Land until another SEZ Licensee purchase or rents the said SEZ Land up to a period of 6 months.
 - c) Void and rescind the applicable initial lease and sale agreement, in addition to the applicable Developer Agreement or Operator Agreement and reclaim the purchased Lands or real properties as follows:
 - i. Notify the Lands owner or lessor of the need to remove the violation within a suitable period specified by the Authority for this purpose. If the removal of the violation is not possible or the Land's owner or lessor does not remove the violation within the period specified in the notification, the Authority may decide to:
 - ii. Revoke the lease agreement or reclaim the purchased Lands or real properties against the price received from the purchaser for selling the said Land or against the market price at the time of the reclaiming whichever is less; and
 - iii. Remove any facilities on the reclaimed Land at the purchaser's expense unless the Authority deems that the public interest requires purchasing of such against the like price. Where the violator does not remove the violation within the period set by the Authority for this purpose, the Authority shall undertake necessary procedures to remove the violation on the expense of the violator.
- (2) For purposes of implementation of this Act and namely of this Section, the Authority or the Operator upon the Authority's request shall keep track of the yearly fair market value of SEZ Lands according to a methodology to be defined by the Authority.
- (3) The Authority shall take all the legal and judicial procedures necessary to implement the provisions of this Section according to the provisions of the relevant legislation.
- (4) In case the Authority have delegated to the developer or operator the right to allocate Lands and enter into lease and purchase agreements, or if the Authority deems necessary, the Authority can transfer the right to revoke the lease and reclaim the purchased Lands to the relevant Developer or Operator.

Section 26 Revocation of the SEZ Licenses

- (1) In the event of violations of this Act, the Implementing Regulation, the applicable SEZ License, the provisions of the applicable Developer Agreement or Operator Agreement or other Applicable Law by the SEZ Licensee, the Authority may revoke in whole or in part the SEZ License by virtue of a Final Determination published in the official gazette after having provided the SEZ Licensee with 60 calendar days' prior written notice and provided that the Authority complies with all due-process

safeguards set forth in the Implementing Regulation, affording the latter an opportunity for an administrative hearing and an opportunity to rectify any shortcomings.

- (2) The Authority may also revoke in whole the SEZ License by virtue of a Final Determination published in the official gazette in the following specific cases provided that the Authority complies with all due-process safeguards set out in the preceding provision and the Implementing Regulation:
 - (a) The SEZ Licensee, unless wholly-owned by a Liberian public authority, seeks bankruptcy or insolvency protection under the laws of Liberia or any foreign jurisdiction;
 - (b) Bankruptcy, or the appointment of a trustee, receiver, or other custodian, or any other similar action is declared against the SEZ Licensee, (unless wholly-owned by a Liberian public authority) whether voluntary or involuntary, and is not dismissed within 30 calendar days of such filing;
 - (c) The Applicant provided false information, declarations, or representation in its application upon which the Authority relied when granting the SEZ License;
 - (d) The SEZ Licensee has engaged in any prohibited activity that is specified in the Implementing Regulation or the SEZ License; or
 - (e) The SEZ Licensee did not acquire, within the 2 required months from the date the SEZ License is obtained, SEZ Lands and other Assets on a freehold or leasehold basis;
- (3) The Final Determination issued pursuant to Subsections 1 and 2 of this Section shall be final and conclusive:
 - (a) On the 60th calendar day after its date of publication in the official gazette in the event that the Final Determination is **not** contested pursuant to the dispute-resolution provisions of this Act (Section 35, settlement of disputes); or
 - (b) Effective on the business day on which the Dispute is fully resolved, and the Final Determination maintains the revocation of the SEZ License, in the event that the Final Determination is contested pursuant to the dispute-resolution provisions of this Act.
- (4) On the first business day after which the SEZ License revocation becomes final and conclusive, the Authority shall publish a notice in the official gazette requesting eligible Applicants to substitute in whole or in part for the revoked SEZ Licensee for the duration of the revoked SEZ License. In accordance with its administrative discretion, the Authority shall designate the most competent Applicant as the substitute SEZ Licensee in conformity with this Act and shall publish such designation in the official gazette.
- (5) In cases in which there is no eligible Applicant to substitute for the revoked SEZ Licensee within 180 calendar days after the publication of the notice set forth in Subsection 4 of this Section, the Authority shall coordinate with any Developers, Operators, and SEZ Users of the affected SEZ to arrive at a practical solution to continue the operation of the SEZ under such circumstances.
- (6) The solution referred to in Subsection 5 of this Section shall attempt to continue and maintain, to the extent feasible, all SEZ activities consistent with the terms and conditions of the revoked SEZ License, all Development and Operator Agreements, and all SEZ User Licenses until the expiration

date of the revoked SEZ License, but shall require SEZ closure in cases in which the Authority deems such action necessary.

- (7) Upon the revocation, suspension, or cancellation of a SEZ License, the SEZ Lands acquired by the SEZ Licensee whether on a freehold or leasehold basis shall devolve back to the entity that sold or rented such SEZ Lands to the SEZ Licensee.
- (8) During the transitional period between the final and conclusive revocation of a SEZ License and the designation of a substitute SEZ Licensee, the Authority shall exercise all of the legal rights and fulfill all of the legal obligations corresponding to the revoked SEZ Licensee.

Section 27 Taxation of SEZ Enterprises

National tax and incentive regimes designated by Applicable Law shall not apply in the SEZs.

Section 28 SEZ Customs-Controlled Areas and SEZ Customs Treatment

- (1) An entire SEZ or any part thereof would constitute a customs-controlled area.
- (2) All classes or kinds of semi-finished, intermediate, and finished goods, merchandise, products, materials, and services of foreign or Liberian origin (that are not otherwise restricted or prohibited by this Act or the Implementing Regulation), including raw materials, construction materials, components, inputs, parts, supplies, tools, machinery, equipment, vehicles, and other goods or services that are admitted by SEZ Enterprises into a SEZ customs-controlled area shall be exempt from the assessment, collection, and payment of national customs import and internal duties, levies, tariffs, or other customs charges, as well as from the imposition of any trade-related restrictions, including quantitative restrictions provided that such SEZ Enterprise complies with all other applicable Liberian national customs procedures.
- (3) The exemption referred to in Subsection 28(2) shall apply regardless of whether such admission is for storage, exhibition, assembly, manufacture, further-processing, or re-exporting operations or any other activity. The modalities for the implementation of such exemption shall be set forth in the Implementing Regulation and the applicable Memorandum of Understanding executed by the Liberian national customs authorities and the Authority.
- (4) Any SEZ customs-controlled area shall be subject to the supervision and oversight of a Liberian customs office designated on-site at such area.

Section 29 Exceptions and Exclusions

Notwithstanding Subsection 28(2), any goods, merchandise, equipment, or other materials of foreign origin referred to in that provision that are admitted by a SEZ Enterprise into a SEZ customs-controlled area in accordance with the governing Liberian national customs procedures shall be subject to the assessment, collection, and payment of all applicable national customs import and internal duties, levies, tariffs, or other customs charges, whenever such Enterprise elects in writing such treatment in accordance with the Implementing Regulation.

Section 30 Application of International Customs Standards

- (1) Notwithstanding any contrary provision set out in the Applicable Law, the Implementing Regulation issued in collaboration with the national customs authorities shall establish streamlined special customs rules, procedures, and formalities that shall govern all goods entering into, stored, and exiting from any SEZ customs-controlled area. Such customs rules, procedures, and formalities shall streamline all export- and import-licensing and permit requirements in the SEZs, except those governing risk-based items and restricted goods as prescribed by the Liberian national customs law.
- (2) The Authority shall enter into and conclude Memorandum of Understanding with the national customs authorities pursuant to which all Liberian customs-related Government Measures unless otherwise provided for under this Act and the Implementing Regulation, shall be implemented in the SEZs in accordance with World Customs Organization (WCO) procedures, standards, and requirements including those specified in the International Convention on the Simplification and Harmonization of Customs Procedures, as amended, with respect to the entry, admission, storage, transit, transfer, exit, and other movement of merchandise in the SEZ customs-controlled areas including:
 - (a) Global Positioning System (GPS) cargo tracking;
 - (b) Standardized single, consolidated, and electronic customs declarations;
 - (c) Risk-based entry examinations;
 - (d) Automated customs-clearance procedures;
 - (e) Post-entry audits, including on-line audit measures;
 - (f) Certificate-of-origin declarations; and
 - (g) Prohibited and restricted goods profiling.

Section 31 Customs Requirements Governing Goods Entering and Exiting the SEZs

- (1) Any movement or transit of goods entering into, and exiting from any SEZ customs-controlled area, as well as all transfer of goods between SEZ Enterprises in SEZ customs-controlled areas, together with any loss or destruction of merchandise sustained by a SEZ Enterprise, shall be subject to the completion of a SEZ customs form, unless otherwise exempted by the Authority and the national customs authorities.
- (2) Every SEZ Enterprise shall be subject to the customs monitoring, compliance, inspection, and audit procedures and controls set forth in the Implementing Regulation. The Authority or national customs authorities, as the case may be, may require every SEZ Enterprise to furnish additional information, including documents, books, or accounts, regarding its entries, admissions, importations, shipments, exportations, inventories, and other related transactions and movements of goods as necessary to regulate such activities.
- (3) Every SEZ Enterprise shall maintain an automated inventory-control system and registry that records the entry, admission, storage, further-processing, substantial-transformation, transit, exit, shipment, exportation, and customs-duty and tax status of all goods acquired, transferred, or sold by such Enterprise. Every SEZ Enterprise shall undertake on an annual basis a physical inventory and audit, as well as an inventory reconciliation of all SEZ goods and financial accounts, in accordance with the applicable Liberian national customs law and the Implementing Regulation as implemented by the Authority and in coordination with the national customs authorities.

- (4) SEZ goods that are sold, transferred, or otherwise moved within the same or to another SEZ customs-controlled area, or to a bonded warehouse under customs control, shall be exempt from the assessment, collection, and payment of national customs import and internal duties, levies, tariffs, or other customs charges, as well as from the imposition of any trade-related restrictions, including quantitative restrictions.
- (5) Notwithstanding Subsection 4 of this Section, any SEZ goods the sale, destruction, or loss of which is not documented by a valid customs form or declaration evidencing its exportation outside the SEZ customs-controlled area, its shipment to the Domestic Customs Territory, or its destruction or loss shall be subject to the assessment, collection, and payment of all applicable national customs import and internal duties, levies, tariffs, or other customs charges.
- (6) SEZ Enterprises may sell their goods in the Domestic Customs Territory, and such sales, together with any undocumented merchandise referred to in Subsection 5 of this Section, shall be subject to all Applicable Law, including the national customs legislation. The assessment, collection, and payment of applicable national customs import and internal duties, levies, tariffs, or other customs charges on any product of a SEZ Enterprise imported into the Domestic Customs Territory from a SEZ customs-controlled area shall be based on the original value of any foreign materials, including raw materials, constituent parts, or inputs, incorporated into such product in its condition as initially admitted into such customs-controlled area. Such imported goods shall not be subject to any additional customs charges, provided that any such previously paid charges have not been refunded. Goods originating from any SEZ customs-controlled area of a SEZ and entered into the Domestic Customs Territory shall be deemed imported into such territory on the date of exit from such customs-controlled area for purposes of calculating the applicable national customs import and internal duties, levies, tariffs, or other customs charges.
- (7) Goods of foreign origin shipped from any SEZ customs-controlled area of a SEZ to the Domestic Customs Territory shall not receive most-favored-nation treatment upon their entry into the Domestic Customs Territory.
- (8) Vehicles, machinery, and equipment of foreign origin required by a SEZ Enterprise, for the purposes other than direct sale and transfer of said asset(s), and which are not lost or stolen, may be move freely between the SEZ Customs-Controlled Territory or Domestic Customs Territory without the assessment, collection, and payment of applicable national customs import and internal duties, levies, tariffs, or other customs charges. The process for regulating the free movement of these assets will be set forth in the implementing regulation.
- (9) All merchandise substantially transformed into a finished export product in any SEZ customs-controlled area from admitted raw materials, components, parts, inputs, semi-finished merchandise, or other materials of foreign origin referred to in Section 28(2) shall be deemed under this Act as originating in Liberia, as evidenced by a certificate of origin issued by the Authority or Operator or customs authority, as the case may be, provided that such product satisfies the applicable Liberian rule-of-origin criterion and the governing international treaties duly ratified by Liberia that are in force at the time of exportation.
- (10) Any goods of Liberian origin shipped from the Domestic Customs Territory to any SEZ customs-controlled area shall be deemed to constitute export shipments that shall be entitled to customs-duty drawback pursuant to this Act and the Implementing Regulation.

- (11) Personal or household effects owned by Foreign Nationals employed by a SEZ Enterprise or by Foreign National SEZ Residents may be entered or admitted as the case may be, into any SEZ and shall be exempt from the assessment, collection, and payment of domestic customs import and internal duties, levies, tariffs, or other customs charges.

Section 32 Transfer of Funds

- (1) Every SEZ Enterprise, as well as its foreign employees, shall enjoy the freedom to obtain convertible foreign currency in any SEZ and the legal right to carry out freely, without delay, and without restrictions all transfers of funds, including all foreign exchange transactions, provided that such Enterprise and its foreign employees have paid all outstanding tax obligations arising under Applicable Law, and provided further that the requirements of the Implementing Regulation have been satisfied.
- (2) No foreign exchange controls shall apply to any foreign exchange transaction of any SEZ Enterprise or its foreign employees. No government charges or taxes of any kind shall be assessed for the attainment of any foreign currency in any SEZ. No prior foreign exchange authorizations shall be required for any foreign exchange transactions in any SEZ.
- (3) The Central Bank of Liberia shall regulate the activities of all commercial banks and financial institutions licensed to operate in any SEZ.

Section 33. Penalties, Fines, and Sanctions

- (1) The Authority is in addition to the provisions of the Liberian Penal Code and Applicable law, entitled to impose penalties provided for under this Act such as to revoke licenses, impose fines and administrative sanctions for any violation of this Act or the Implementing Regulation or any licenses, permits, approvals, authorizations, certificates, or contracts or agreements issued or executed pursuant to this Act or the Implementing Regulation. The Authority shall have the right to cumulatively impose sanctions and the revocation of the license. In any event the Authority shall have the right to request the amount of the actual expenses incurred to repair the violation.
- (2) The Authority shall have the authority to enforce and collect such penalties, fines, and sanctions. The Authority shall also be allowed to take any other measure provided for under the Implementing Regulation.
- (3) In cases in which any SEZ Enterprise or SEZ Resident fails to pay in full the administrative penalties, fines, or sanctions imposed pursuant to this Act and the Implementing Regulation, the Authority shall have the legal authority to sell at an auction the Assets forfeited by such Enterprise or SEZ Resident as a result of a judicial ruling and cancel the debt of the Enterprise or resident. The disposition of any remaining balance in favor of such Enterprise or resident shall be governed by Applicable Law.

Section 34 Pre-Emption and Grandfathering treatment of Prior Administrative Acts

- (1) Unless otherwise specified in this Act or the Implementing Regulation, all Government Measures not expressly repealed by this Act shall apply with equal force and effect to all SEZs, their activities, and all SEZ Enterprises.

- (2) Unless otherwise prescribed in this Act, with respect to SEZs, to the extent that a conflict exists between any Government Measure (excluding the Constitution of Liberia and any binding international treaty), whether at the national, regional, county, or municipal level, and this Act and its Implementing Regulation, then this Act and its Implementing Regulation shall prevail without prejudice to the fiscal incentives granted to investors existing prior to the effective date of this Act in the Industrial Free Zone (Including, developers, operators and users or otherwise referred to under previous Liberian laws). Therefore, such fiscal incentives granted to existing investors prior to the effective date of this Act shall remain in force without prejudice only throughout the period for which they were initially granted provided they were not cancelled by other laws or Government Measures.

Section 35 Settlement of Disputes

In the event (i) the Dispute is not related to a Final Determination, (ii) the resolution by the administrative challenge was not satisfactory to any of the parties or (iii) the administrative challenge was not filed by the parties, the parties shall make every effort to reach an amicable settlement within three-month from the first written notification requesting the engagement of such negotiation. Where such a settlement is not reached within the three months period, the Dispute shall be resolved according to the choice from any of the following as agreed to in writing between the parties to the Disputes:

- (a) Liberian commercial courts.
- (b) The rules of arbitration of any ratified domestic, local or regional arbitration center;
- (c) The rules of arbitration of the International Centre for Settlement of Investment Disputes ("ICSID") designated by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, if the ICSID Convention is in force in Liberia and ratified by the country of which the SEZ Investor is a national;
- (d) The rules of arbitration of the International Chamber of Commerce ("ICC") in force at the date of initiation of the arbitration proceedings by the claimant;
- (e) The investor-state dispute-settlement mechanism provided in any bilateral investment treaty or multilateral agreement providing for investment protection to which the Government and the country of which the SEZ Investor is a national, are parties.

Section 36 Pending Applications

Any application that is pending before the Liberia Free Zone Authority (LIFZA) upon the effective date of this Act shall be deemed to be pending before the Authority.

Section 37 Transitional Provisions

- (1) The Authority's Board shall approve the Implementing Regulation and other instructions and operating rules and procedures designed to implement the provisions of this Act.
- (2) The Implementing Regulation instructions and operating rules and procedures shall be issued, promulgated, and published in accordance with the governing administrative requirements under Applicable Law.

- (3) Implementing Regulation and other legal instruments can be issued on any matter needed even when not specifically specified under this Act.
- (4) Transfer of Assets and Liabilities: Immediately upon the coming into force of this Act, all assets and liabilities of the Liberia Industrial Free Zone Authority shall automatically devolve to, and vest within the NIC; and at the expiration of the pilot period, all Government assets and liabilities arising out of the operation of Special Economic Zones shall automatically devolve to and vest within the Authority.
- (5) Contracts/Agreements and Applications: All contracts and agreements now in force or may be in force at the expiration of the pilot period shall remain in force without regard to the change of administration or operation except if there is impossibility to perform under this Act, and all applications now pending or that may be pending at the expiration of the pilot period shall be considered to have been filed with the NIC or the Authority pursuant to the provisions of this Act.

Section 38 Severability and Enforceability

If any provision of this Act is held unconstitutional or otherwise invalid, then the other provisions not affected shall remain in full force and effect.

Section 39 Effective Date

This Act shall take effect immediately upon publication into handbills.

ANY LAW TO THE CONTRARY NOTWITHSTANDING

-2017-

SIXTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA

SENATE'S ENGROSSED BILL NO. 10 ENTITLED:

"AN ACT TO REPEAL CHAPTER 5 OF THE PUBLIC
AUTHORITIES LAW CREATING THE LIBERIA INDUSTRIAL
FREE ZONE AUTHORITY, AND TO ENACT IN LIEU THEREOF A
NEW CHAPTER 5 TO BE KNOWN AS THE SPECIAL ECONOMIC
ZONES ACT OF 2017"

On motion, Bill read. On motion, the Bill was adopted on its
first reading and sent to Committee Room on Tuesday,
August 29, 2017 at the hour of 13:34 G.M.T.

On motion, Bill taken from the Committee Room for its
second reading. On motion, under the suspension of the
rule, the second reading of the Bill constituted its third and
final reading and the Bill was adopted, passed into the full
force of the law and ordered engrossed today, Tuesday,
August 29, 2017 at the hour of 13: 53 G.M.T



SECRETARY, LIBERIAN SENATE, R.L.

-2017-

SIXTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF
THE REPUBLIC OF LIBERIA

HOUSE'S ENDORSEMENT TO SENATE'S ENGROSSED
BILL NO. 10 ENTITLED:

"AN ACT TO REPEAL CHAPTER 5 OF THE PUBLIC
AUTHORITIES LAW CREATING THE LIBERIA INDUSTRIAL
FREE ZONE AUTHORITY, AND TO ENACT IN LIEU THEREOF A
NEW CHAPTER 5 TO BE KNOWN AS THE SPECIAL ECONOMIC
ZONES ACT OF 2017"

On Motion, Bill read. On Motion, the Bill was
adopted on its first reading. On Motion, under the
suspension of the rule, the first reading of the Bill
constituted its second, third and final reading and the
Bill was adopted, passed into the full force of the
law and ordered engrossed today, Tuesday,
September 5, 2017 at the hour of 13:03 G.M.T.



CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.

-2017-

ATTESTATION TO:

"AN ACT TO REPEAL CHAPTER 5 OF THE PUBLIC AUTHORITIES
LAW CREATING THE LIBERIA INDUSTRIAL FREE ZONE
AUTHORITY, AND TO ENACT IN LIEU THEREOF A NEW CHAPTER 5
TO BE KNOWN AS THE SPECIAL ECONOMIC ZONES ACT OF 2017"



VICE PRESIDENT OF THE REPUBLIC OF LIBERIA/
PRESIDENT OF THE SENATE



SECRETARY, LIBERIAN SENATE



SPEAKER, HOUSE OF REPRESENTATIVES, R.L.



CHIEF CLERK, HOUSE OF REPRESENTATIVES, R.L.



SECRETARY OF THE SENATE



The Liberian Senate

CAPITOL BUILDING, CAPITOL HILL, MONROVIA, LIBERIA
WEST AFRICA

SIXTH SESSION OF THE FIFTY-THIRD LEGISLATURE OF THE REPUBLIC OF LIBERIA.

SCHEDULE OF SENATE'S ENROLLED BILL NO. 7 ENTITLED:

AN ACT TO REPEAL CHAPTER 5 OF THE PUBLIC AUTHORITIES
LAW CREATING THE LIBERIA INDUSTRIAL FREE ZONE
AUTHORITY, AND TO ENACT IN LIEU THEREOF A NEW CHAPTER 5
TO BE KNOWN AS THE SPECIAL ECONOMIC ZONES ACT OF 2017.

PRESENTED TO THE PRESIDENT OF THE REPUBLIC OF LIBERIA FOR
EXECUTIVE APPROVAL.

APPROVED THIS 9th DAY OF OCTOBER A.D. 2017

AT THE HOUR OF 12:40 P.M.

THE PRESIDENT OF THE REPUBLIC OF LIBERIA