

**Law No. 9/2000 Concerning Regulation of
Transit Goods & Free Zones**

People's Congress General

Executing what has been decided by the basic People's Congresses in their ordinary session for the year 1999.

And

Reference to:

- Law No.10/1959 for Free Zones.
 - Law No.38/1968 for exportation.
 - Law No.65/1970 for Traders and trading companies and their supervision and the amendments thereof.
 - Law No.64/1971 for importation,
 - Law No.67/1972 for customs and amendments thereof.
 - Law No.21/1985 for institution of ports company .
 - Law No.12/1989 for exempting the Arabic originated products from customs duties.
 - Law No9/1992 for exempting Arabic originated goods from importing restrictions stipulated in law No. 64/1971.
 - Law No. 1/1993 for banks, cash and credit.
 - Law No. 5/1997 for encouragement of foreign investment.
 - Law No1/2000 for regulation of People's Congresses and People's Committees
- has drawn up the following Law

Article (1)

Definitions

In the application of this law, unless the context otherwise requires, the following words shall have the meanings assigned to each:

Transit Goods: The goods entered GSPLAJ through the customs access to be taken out through another customs access.

Transit Enterpriser: Any natural or juridical entity undertaking the responsibility of transit goods transportation .

The Authority: The authority legally authorized

The Administration: The Administration of free zone .

Investor or Utilizer: Any natural or juridical entity authorized to invest in Free Zones or to utilize any facility, offering any service performing any job or activity therein

Investment or Utilization:

Establishment of any industrial commercial or service project or performing any job or activity in the free zone.

Project: Plants, offices, stores, warehouses, utilities, sale galleries, equipment, supplies, transport and communication means and all establishments and other materials in free zone required for investment or utilizations .

Article (2)

Free Zone shall be established by resolution from People's Committee General in any part of GSPLAJ, Such resolution shall clearly stipulate the sites and boundaries of zones. Free zone shall mean the zones free of taxes. Customs, commercial monetary and other restrictions which shall be announced to all interested in investing therein or utilizing the same for achieving the purposes of Free Zone.

There may be established special free zone for the purpose of setting up certain project or utilization of a specific body or performing a specified activity in which some or all privileges specified for investors and utilizers may be granted within the scope of the purpose of free zone.

Free zone might have a sea port, airport or boundary port of entry in whole or in part provided that such facilities are free zones exclusive.

The detailed stipulations of this article application shall be regulated in the implementing regulations of the law .

Article (3)

The establishment of free zones aims at encouragement of transit goods different manufacturing and processing operations which change the nature of goods or prepare them according to the trading and market requirements, offering the banking, insurance, investing and other services of whatever kind and transfer of know-how and technology and promoting the same in a free area in a way supporting and benefiting the national economy in GSPLAJ and contributing in development of commercial, goods and service exchange leading to create advanced industrial and service basis. The license given to the investors and to the utilizers of these areas shall mainly aim at attaining mutual interest for national economy and the investor or utilizer and at opening horizons of work , training and employment for national personnel in projects and services of the free zones and attaining the investment returns of establishments located within such zones.

Article (4)

The administration shall carry out its duties in accordance with the rules corresponding to its nature.

The administration shall institute special systems for work, motivation, salaries and work running without being restricted with the rules applicable in the administrative units nor those related to the public services provided such rules should be approved by the People's Committee General. The administration shall fully supervise and direct all the bodies working in free zone and shall issue licenses to establish projects for investors and utilizers as well as disposing ,exploiting, utilizing, benefiting the real estates and buildings located therein .

The implementing regulations shall stipulate the work system and the powers of each body in free zone.

Article (5)

Neither the projects, investors nor utilizers of free zone shall be subject to registration requirements of exporters and importers register or commercial register.

The administration shall set-up the rules and the procedures of registration of projects, investors and utilizers . Neither projects,goods, commodities, services, money, nor incoming, outgoing or running trading in free zone shall be subject to customs duties or any similar duties or taxes, they shall not also be subject to any applicable control restrictions or systems except those in relation with faith, morals, domestic and national security or health or environment protection.

The implementing regulations shall set-up the applied rules and procedures for carrying the transit goods.

Article (6)

The projects and so all the generated incomes in free zones, whether by natural or juridical entities, shall be exempted from any kind of tax and fee. The disposals, documents, assets, exchanges, money transfers and credit movement within free zone or between free zone and the outside shall be exempted as well . Such exemption shall not negate the right of bodies offering services or facilities in free zones from collecting their dues for such services or facilities .

Article (7)

All projects, monies of investors and utilizers and the transit goods shall be considered private monies whoever the entity possessing them, such monies shall not be retained, possessed by entry or put under custody except by the means of law provisions or judicial execution in GSPLAJ .

Article (8)

There shall be no nationalization , expropriation dispossessing ,confiscation or freezing for the projects established in free zones and they shall not be subjected to remedies having the same impact except by force of law and against a fair compensation.

Article (9)

The implementing regulations of this law shall be issued by a resolution from People's Committee General and shall include:

Free zones management system and powers of each body .

B) The rules and regulations concerning exit and entry of transit goods .

Article (10)

Law No. (10) of 1959 regarding free zones is hereby repealed and so are any other provisions that may contradict the provisions of this Law.

Article (11)

This law shall be published in the official gazette and in different media and be effective as of its publications.

Peoples Congress General issued:in Sirt on 1/3/2000