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PART II

**Statutory Notifications (S.R.O.)**

GOVERNMENT OF PAKISTAN  
**MINISTRY OF INDUSTRIES AND PRODUCTION**

NOTIFICATION

*Islamabad, the 16th February, 2024*

**S. R. O. 349(I)/ 2024.**—In exercise of the powers conferred by section 26 of the Export Processing Zones Authority Ordinance, 1980 (IV of 1980), the Federal Government is pleased to make the following rules, namely:—

1. **Short title and commencement.**—(1) These rules may be called the Private and Public Participated Export Processing Zones Rules, 2023.

(2) They shall come into force at once.

2. **Definitions.**—In these rules, unless there is anything repugnant in the subject or context;

(i) “appendix” means appendix to these rules;

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- (ii) “authorized industrial or commercial activities” means the manufacturing, trading, processing, mining, recycling, refurbishing, reconditioning, repairing, assembling of machinery including industrial and agriculture machinery and vehicle and provision of services which may be allowed in the EPZs to EPZ enterprises;
- (iii) “board of management (BOM)” means Board of Management of Private EPZ;
- (iv) “company” means a company within the meaning of the Companies Act, 2017 or a company incorporated outside Pakistan but registered in Pakistan under the Companies Act, 2017;
- (v) “capital investment” means the total capital expenditure including land, building, plant, machinery and equipment;
- (vi) “development agreement” means a duly approved agreement between the developer and operator and Authority and agreed to and endorsed by the Authority or Board for the development, establishment and operation of Private and PP EPZ embodying the contents stipulated at Appendix-III;
- (vii) “developer and operator” means a company incorporated in Pakistan which has entered into an agreement with Authority for the development and operation of Private and Public Participated Export Processing Zone, including foreign investor as defined in the EPZA Rules, 1981 with or without the collaboration with residential or non-residential Pakistani for the development and operation of Private and PP EPZ;
- (viii) “EPZ” means Export Processing Zones;
- (ix) “EPZA” means Export Processing Zones Authority;
- (x) “infrastructure” means industrial, commercial, or social infrastructure or other facilities necessary for the development and operations of Private and PP EPZ or such other facilities set out at Appendix-VI or as may be prescribed by Authority;
- (xi) “license” means a license issued under these Rules;
- (xii) “manufacture” means to make, produce, fabricate, refurbish, recondition, repair, assemble, recycle, process or bring into existence, by hand or by machine, product having a distinctive name, nature, size, shape, composition, character, quality or use.

- (xiii) “management committee” or MC means Management Committee for PP EPZs;
- (xiv) “master plan” means a plan developed by the developer and operator, depicting the borders and layout of Private or PP EPZ and the basic civil engineering specifications;
- (xv) “Ordinance” means Export Processing Zones Authority Ordinance, 1980 (IV of 1980);
- (xvi) “PP” means Public Participated;
- (xvii) “private export processing zone” means Zone developed and operated by a company incorporated in Pakistan and shall also include single entity Zones;
- (xviii) “public participated export processing zone” means Zone developed by a company incorporated in Pakistan and operated by Export Processing Zones Authority through an agreement duly approved by Authority or Board;
- (xix) “risk management committee” means a committee constituted by the Authority or Board.
- (xx) “risk management System” means the systematic application (online) of EPZA and Private and PP EPZ to aggregate data and evaluate the potential risk area;
- (xxi) “sanction” means approval;
- (xxii) “sanctions” means fines and penalties;
- (xxiii) “tariff area” means the whole of Pakistan including the territorial waters and continental shelf but does not include the areas of Export Processing Zones;
- (xxiv) “zone” means a geographically defined and delimited area is declared by the Federal Government or Authority to be a Zone under the Ordinance by notification in the official Gazette for economic, industrial and commercial activities;
- (xxv) “zone admission criteria” means the criteria devised by BOM in the light of EPZA policy rules and regulations;
- (xxvi) “zone application” means an application as prescribed in appendix-I (a) and appendix-I(b) to these rules;

(xxvii) “zone development plan” means a plan for infrastructure development works of Private and PP EPZ; and

(xxviii) “zone enterprises” means an investor who intends to engage in authorized industrial or commercial activities as per the Zone admission criteria and may be a Single Member Company (SMC), private limited company, public limited company, entity, firm, Association of Persons (AOP) or a sole proprietor.

3. **Zone to be bonded area.**—Every Zone shall be a bonded area.

4. **Establishment of Private and PP EPZ.**—The Authority with the approval of the Board may establish EPZs in collaboration with private parties under various modes of collaboration including exclusively through the private companies or Public Participated as provided under the Ordinance.

5. **Investment to be in PKR or foreign currency.**—(1) Private and PP EPZ developer and operator may execute the infrastructure development works either in PKR or in any convertible foreign currency.

(2) All the investments by the Zone enterprises established in Private and PP EPZ will be in foreign convertible currency as laid down in Rule 4 of EPZA Rules, 1981.

6. **Type of industries to be set up.**—(1) The type of industries to be set up in Private and PP EPZ shall include manufacturing, trading to the extent of export purpose only, processing, mining, recycling, refurbishing, reconditioning, repairing, assembling of machinery including industrial and agriculture machinery, vehicles, as well as spare parts of vehicles and machinery, and provision of services which may be allowed in the EPZs to zone enterprises.

(2) The Authority on case-to-case basis may or may not allow more than one Private or PP EPZs to be setup for the same or similar type of the industry;

7. **Eligibility criteria for the zone enterprise in Private or PP EPZ.**—The eligibility standard for the zone enterprise for establishment and start of authorized industrial or commercial activities shall be in accordance with the zone admission criteria.

8. **Eligibility as developer and operator of Private and PP EPZ.**—(1) A company shall be eligible as a developer and operator who is incorporated or registered in Security Exchange Commission of Pakistan (SECP) for developing and operating an EPZ.

(2) The company shall have necessary capital or capital plan and preferably having expertise required for developing and operating the EPZs.

(3) The company shall have minimum size fifty of (50) acres leased or fully owned land for the establishment of Private and PP EPZ.

(4) The company may enter into joint venture with the lessee or the owners of land on agreed terms and conditions, however:

- (i) the parties or lessee or owners of the land shall authorize the company with all rights for the purpose of establishment of Private and PP EPZ;
- (ii) the details of the joint venture for use of land along-with copies of legal instruments to this effect shall be shared separately by the company to the Authority for determining the viability of joint venture;
- (iii) once land under joint venture is notified as a zone by the Federal Government, it shall not be de-notified before 50 years;
- (iv) all communication with the Authority, the Board, the Federal Government, or any other forum, shall be made only by the company and not by other parties in joint venture; and
- (v) the company shall act as a sole developer and operator of Private or PP EPZ as the case may be:

Provided that the developer and operator of Private or PP EPZ may transfer the title of land lease or ownership to the Authority along-with all rights and privileges under an agreement after issuance of license under Rule 17 (2).

(9) **Application for setting up of Private and PP EPZ.**—(1) A company desiring to establish a Private or PP EPZ shall submit its application completed in all respects to the Authority as per performa set out in Appendix-I (a) and Appendix-I (b).

(2) Each application shall be accompanied by a non-refundable fee specified by the Authority from time to time.

(3) Each application shall also be accompanied by documents as specified in Appendix-II.

**10. Evaluation process for the Private and PP EPZ applications.**— The evaluation process of applications for Private or PP EPZ shall be conducted by EPZA, within fifteen working days of receipt of application, on the basis of

feasibility provided by the applicant and shall include but not limited to the following namely:—

- (i) appropriateness of site location;
- (ii) feasibility or Possession of land and acquisition plan;
- (iii) result of the feasibility study;
- (iv) adequacy of planned infrastructure;
- (v) viability of implementation plans;
- (vi) appropriateness of industrial or commercial or other specific activities;
- (vii) appropriateness of zone admission criteria; and
- (viii) Environmental impact assessment (EIA) of the Project.

**11. Approval of Private and PP EPZ.**—(1) All applications for Private and PP EPZ shall be submitted to the Board by the Authority, after evaluation process, for approval.

(2) The Board may approve or reject a zone application, within fifteen working days of the receipt of such application.

(3) In case Board rejects a zone application, the reasons of rejection shall be communicated to the applicant.

(4) The zone application shall be resubmitted after removing the deficiencies.

(5) In case Board approves a zone application, the approval letter shall be issued within seven working days which shall provide the terms and condition, if any, of such approval including but not limited to conditions for land acquisition, the development agreement, and arrangements for public utilities.

(6) In case Board approves a zone application with additional conditions to be met, the same shall be communicated to the applicant with a deadline for acceptance or fulfilment of such conditions, as the case may be, and if the applicant accepts or fulfils such additional conditions within the stipulated time, the said zone application shall be approved within seven days.

12. **Private and PP EPZ approval criteria.**— (1) Following shall be the criteria for the approval of Private and PP EPZ:

- (i) the company fulfils all the specified requirements and has submitted all the requisite documents;
- (ii) the minimum size of Private and PP EPZ shall be at least fifty acres;
- (iii) the company shall undertake not to use more than forty percent of the entire area of Private and PP EPZ for infrastructure and other requisite amenities (including commercial areas) and rest of the land shall be utilized for the purpose of operations of the zone enterprises;
- (iv) the land utilized for Private and PP EPZs shall either be on ownership basis or public-owned land leased for a period of at least fifty years extendable for further period of fifty to ninety-nine years;
- (v) the company must undertake to comply with all environmental, labour and other laws or rules applicable in EPZA;
- (vi) the Private and PP EPZ developer and operator shall ensure that construction activities shall be started within six months after receipt of all required approvals and permissions from all governmental authorities concerned, failing which the permission will be withdrawn and agreement shall be terminated or revoked;
- (vii) zone enterprise must begin construction activities within six months and resume business operations within six months after the completion of construction activities and the installation of the requisite machinery within twelve months or extendable for another period of six months, failing which the license or agreement with the zone enterprise may be cancelled by the Authority or BOM, as the case may be, however, such requirements and timelines shall not be applicable to any such zone enterprises whose sole purpose is to provide amenities or utilities to the Private and PP EPZ;
- (viii) the developer and operator shall ensure that during the construction period no zone enterprise shall be allowed to transfer its unit to any other investor;
- (ix) the company has submitted development plan, development agreement and criteria for admission of zone enterprise in the zone;

- (x) the developer and operator shall ensure to have sufficient capital or capital plan for the purpose of development of Private and PP EPZs to the satisfaction of Authority; and
- (xi) in case the infrastructure development work of Private and PP EPZs is not completed within the stipulated time period the developer and operator shall be liable to pay @ 0.01% per day up-to maximum 2% of the project cost as per agreement.
- (xii) In case the Authority is satisfied with the justification put forward for delay in performance of responsibility by developer and operator in Private and PP EPZ, it can give reasonable relaxation in time frame for performance of the particular responsibilities.

13. **Approval of development agreements.**—(1) If a Private or PP EPZ application is approved by the Board, the Authority shall require development agreement from the developer and operator, which shall be signed jointly by the CEO of the company and the secretary of the Board.

(2) There shall be a provisional approval by the Authority subject to fulfilment of all such conditions necessary for final approval according to laid down criteria.

(3) The Board may condition its approval of a development agreement on the fulfilment of such conditions as it deems fit and according to the laid down criteria.

(4) After final approval, the development agreement shall be signed jointly by the Secretary of the Board on behalf of the EPZA and by the Chief Executive Officer of the concerned approved Private and PP EPZ on behalf of the company.

(5) If the Board does not approve a development agreement submitted to it, the Authority may resubmit the development agreement after either re-negotiating the terms of the proposed development agreement with the Private and PP EPZ developer and operator concerned or after reaching agreement with a different developer and operator selected in accordance with the applicable zone rules.

(6) In case of any grievances, Private and PP EPZ developer and operator may approach the Board directly or through the Authority and the Board shall have the authority to consider, modify or set aside any decision.



**14. Development agreement by developer and operator of Private EPZ.**—(1) Each development agreement for Private EPZ shall be in accordance with Appendix-III and will include:

- (i) all undertakings of the developer and operator regarding the development and operation of the EPZ concerned, with the zone development plan or business concept of proposed EPZ model as an integral part of the development agreements;
- (ii) submission of the detailed development plan to the Authority for approval to take exemption in construction material or plant and equipment on the basis of the approved Plan;
- (iii) submission of quarterly performance report to the Authority for onward submission to the Board by the Authority;
- (iv) admission of the enterprises into the EPZ in accordance with the zone admission criteria and allot land to them in accordance with agreed eligibility criteria and procedures;
- (v) all financial obligations of the developer and operator, including any obligation to make payment for the acquisition of land and provision of services by public authorities;
- (vi) clear provisions regarding the responsibility of maintenance of infrastructure and utility services;
- (vii) rights, protections and entitlements of the developer and operator of Private EPZs and zone enterprises with respect to the EPZ concerned, established or allowed to be established under the Ordinance and these Rules; and
- (viii) provision for the settlement of disputes, including disputes on behalf of zone enterprises through arbitration.

**15. Development Agreement for PP EPZ.**—(1) Each development agreement for PP EPZ shall be in accordance with Appendix-III and will include:

- (i) submission of development plan or business concept of proposed EPZ as an integral part of the development agreements by the developer and operator of PP EPZ;
- (ii) permission to enterprises for admission into the EPZ in accordance with the zone admission criteria and allotment of land to them in accordance with agreed eligibility criteria and procedures;

- (iii) all financial obligations of the developer of PP EPZ including any obligation to make payment for the allocation of land and provision of services by public authorities; and
  - (iv) clear provisions regarding the responsibility of maintenance of infrastructure and utility services.
- (2) A development agreement shall also include:
- (i) rights, protections and entitlements of the developer and operator with respect to the EPZ concerned, established or allowed to be established under the Ordinance and these rules;
  - (ii) rights, protections and entitlements of zone enterprises in the EPZ concerned allowed under the Ordinance or EPZA Rules, 1981 and other rules made thereunder, together with a prescribed procedure for the invocation of such rights, protections and entitlements by the developers; and
  - (iii) provision for the settlement of disputes, including disputes on behalf of zone enterprises through arbitration.

16. **Maintaining bank account of development charges.**—(1) The developer and operator of the Private and PP EPZ shall maintain a separate account in a bank, under intimation to the Authority, for deposit of all development charges received from potential zone enterprises during the development phase of the zone.

(2) The amount withdrawn from the bank account shall be utilized only on development works of the zone or as further approved by the (BOM) or (MC), as the case may be.

(3) In order to establish transparency and give protection to deposits of zone enterprises, internal audit function for purpose of sub-rule (2) shall be outsourced by BOM or MC, as the case may be, to an external audit firm on the Authority's panel, the fee of which shall be paid by the developer and operator.

(4) The audit firm shall undertake audit function independently and submit monthly report to the Authority on regular basis.

(5) The audit firm shall submit a report to the Authority immediately in case it finds any irregularity in funds withdrawn from the account by the developer and operator and utilization thereof.

(6) The Authority may, if so required, ask the developer and operator to furnish bank statement of the account.

(7) The Authority shall take legal action against the developer and operator in case of violations.

**17. Issuance of License to developer and operator.**—(1) After signing of development agreement between Authority and the developer and operator of Private and PP EPZ, the proposal shall be forwarded to Ministry of Industries and Production for notifying the new Private or PP EPZ within sixty days.

(2) After issuance of notification, the Authority shall issue the license after receipt of the requisite fee and necessary documents:

Provided that the developer and operator of Private or PP EPZ may, after completion of infrastructure development works under the development agreement and leasing out or allotment of plots to entrepreneurs under Rule (18), clause (v) of sub-Rule 7 of Rule (20) and sub-Rule (6) of Rule (22), transfer the title of lease or ownership of EPZ land to the Authority along-with all rights, privileges and future obligations (if any) under the development agreement, for which there shall be no liability on account of any action by the developer and operator at the time of handing over the zone to Authority, whatsoever, on part of the Authority, the Board or the Federal Government:

Provided further that the Authority, after approval of the Board, shall submit the case to the Ministry of Industries and Production for taking over the Private or PP EPZ, as the case may be, for amendment in the notification:

Provided further that such EPZ shall be maintained and operated by the Authority as a zone under the EPZA Rules, 1981.

**18. Responsibilities of developers and operators of Private and PP EPZs.**—(1) All Private and PP EPZs shall be developed and operated by developers and operators within a specified time period as mentioned in the development agreement.

(2) All developers and operators of Private and PP EPZs shall:

- (i) implement their zone development plans in accordance with the terms of development agreement;
- (ii) approve zone enterprise for admission and allot land or lease land or built-up area to such enterprise in accordance with the applicable zone admission criteria, and the development agreement; charge or collect development charges and rent or fees etc. for other services provided in convertible foreign currency;

- (iii) monitor and ensure the compliance of zone enterprises with all applicable EPZA rules and regulations and other relevant laws or rules;
- (iv) ensure collection and deposit of the Presumptive Tax @ 1% on behalf of Federal Board of Revenue (FBR) which shall be deposited directly by the developer in to the relevant head of account of FBR for Presumptive Tax as per time period specified by FBR. Besides, Service Charge @ 0.5% on FOB value of exports from the zone enterprises shall be collected by the developer and operator prior to the issuance of export gate pass which shall be shared equally between the Authority and developer and operator;
- (v) maintain adequate and proper accounts and records in relation to its business activities and submit report on zone activities including performance and development to the Authority on annual basis or as required by the Authority and in case of failure shall be liable to a fine or penalty as determined by the Authority; and
- (vi) submit to the Authority quarterly activity-based report pertaining to zone and zone enterprise as per format as prescribed by the Authority.

(3) The private EPZ shall approve Zone enterprise for admission and allot land or lease land to such enterprise in accordance with the applicable Zone admission criteria, and the development agreement; charge rent or fees etc. as approved by BOM for other services provided in convertible foreign currency.

(4) The developer and operator shall ensure that 20-30% electricity of the zone is generated through alternate energy sources.

(5) In case of default on the above responsibilities, the agreement shall stand terminated after serving proper notices as per agreement and EPZA shall take over the Zone for running operational activities till the settlement.

**19. Sanctions against developer and operator of Private and PP EPZ.—**(1) The Authority may, if it is satisfied after notice and a hearing that a developer and operator is not performing in accordance with the terms of its development agreement, or is in violation of applicable zone regulations or applicable legislation and has failed to rectify such violation despite notice to this effect, after due notice in writing, suspend the development agreement of such developer and operator and move for cancellation of such agreement or impose such other penalty as may be provided under the applicable zone regulations or the development agreement.

(2) Upon receipt of an application from the Authority seeking cancellation of a development agreement, the Board shall give notice to the developer and operator concerned, asking it to show cause, why its development agreement should not be cancelled or why such penalty as may be provided under applicable zone regulations should not be imposed. The developer and operator may also be afforded an opportunity of personal hearing if he desires to avail so.

(3) Pending the final decision of the Board on a proposal for cancellation of a particular development agreement, the Authority may appoint an interim administrator or take following interim measures as it is necessary to do so namely:—

- (a) in the public interest; or
- (b) to prevent any of the affairs of any EPZ being conducted in a manner detrimental to the interests of stakeholders, zone enterprises or other persons whose interests are likely to be affected or in a manner prejudicial to the interests of the EPZ.

(4) Pending the final decision of the Board, on a proposal for cancellation of a particular development agreement, the Authority may, if it is satisfied that it is necessary to secure the proper management of any zone, issue directions to any developer to carry out such changes as are necessary to rectify the situation and the developers shall be bound to comply with such directions.

(5) After hearing in person, in which the developer and operator may be represented by counsel, the Board may impose such penalty as is provided by the applicable zone regulations or the development agreement, which may include cancellation of a development agreement or cancellation of any benefits allowed to a developer, provided that any cancellation of benefits to a developer and operator shall be without prejudice to the rights and privileges of zone enterprises. The Board shall give ex-parte decision in case the developer does not appear for personal hearing.

(6) The Board may only cancel a development agreement if it finds that—

- (i) the developer and operator has violated its development agreement; and
- (ii) the developer and operator has failed to rectify such violation despite notice.

(7) In addition to the rights of a developer and operator to seek relief through arbitration, a developer and operator aggrieved by any decision of the Board or by the imposition of sanctions by the Authority or by the suspension or cancellation of its development agreement may appeal before the High Court of the relevant Province.

(8) In case of no further extension in lease period due to any reason or if the developer and operator of Private and PP EPZ does not continue further operation or defaults due to any reason, the relevant EPZ shall be taken over by the Authority with approval of the Board, in accordance with its handover or takeover process as per the agreement and the matter shall be processed for arbitration, if required.

**20. The Board of management of Private EPZ.—**(1) The Private EPZ shall have a (BOM) for developing and managing the Zone.

(2) The BOM shall comprise of five Members and headed by chairman elected by the members of BOM.

(3) The BOM members shall include CEO of the Private EPZ and three other members of Private EPZ.

(4) The Authority shall be represented in the BOM by a nominated officer by the Authority which may be director or general manager (investment promotion).

(5) It shall hold the meetings at least on a quarterly basis.

(6) Complete application for entry into a private EPZ shall be received by the BOM which shall process it for approval. The approved application shall be forwarded to the Authority for issuance sanction within five working days without scrutiny or objection.

(7) The functions of BOM of Private EPZ shall include:

- (i) administration and managements of zone as per EPZA standard and EPZA rules and regulations;
- (ii) effective coordination with all stakeholders including investors;
- (iii) developing and implementing the zone admission criteria for the zone enterprise;
- (iv) ensuring provision of all incentives, utilities and facilities for the zone enterprises of Private EPZs;

- (v) scrutiny and approval of application investment proposals of zone enterprises for setting up their units as per EPZA rules and regulations;
- (vi) allowing necessary permissions, permits, lease agreements, licenses, NOCs etc. relating to his business operations of zone enterprises;
- (vii) ensuring in coordination with EPZA that zone enterprises avail all the incentives, concessions and facilities as per EPZA laws, Rules and regulations;
- (viii) ensuring one-window facility to the zone enterprises;
- (ix) deciding fees or charges leviable on zone enterprises such as license fees, renewal fees, transfer fees, annual ground rent (AGR) etc.; and
- (x) ensuring that no trading of land or units is allowed in any zone:
  - (a) in case of PP EPZ, the Authority shall regularly monitor sale or purchase or transfer of land and units in the PP EPZ, and
  - (b) in case of Private EPZ, the BOM shall regularly monitor sale or purchase or transfer of land or units and submit quarterly report to the Authority.

21. **Powers of BOM to accept or reject any application.**—(1) BOM of concerned Private EPZ may accept or reject any zone enterprise application without assigning any reason.

(2) If an application is accepted, BOM shall issue letter of sanction to the zone enterprise containing the terms and conditions subject to which such authorized industrial, commercial, etc. unit shall operate.

22. **The management committee of PP EPZ.**—(1) The PP EPZ shall have an (MC) for developing and managing the zone.

(2) The MC shall comprise of five members and headed by the chairman elected by the members of MC.

(3) The MC members shall include CEO of the PP EPZ and three other members nominated by CEO, and one of them shall be the chairman.

(4) The Authority shall be represented in the MC by an officer nominated by the Authority.

- (5) It shall hold the meetings at least on a quarterly basis.
- (6) Complete application for entry into a PP EPZ shall be received by the MC and after scrutiny of the application, MC shall recommend to the Authority for issuance of sanction within five working days.
- (7) If the Authority finds any deficiency in the application, the same shall be communicated to MC within five working days.
- (8) The functions of MC of PP EPZ shall include:
- (i) administration and management of infrastructure development and maintenance of zone as per EPZA standard and EPZA rules or regulations;
  - (ii) effective coordination with all stakeholders including investors;
  - (iii) developing and implementing the zone admission criteria for the Zone enterprise in consultation with the Authority;
  - (iv) ensuring provision of all utilities and facilities for the zone enterprises of PP EPZ in coordination with the Authority;
  - (v) allowing lease agreements or licenses, permissions for NOCs pertaining to utilities for zone enterprises;
  - (vi) ensuring that zone enterprises avail all the concessions or facilities as per EPZA laws, rules or regulations in coordination with the Authority;
  - (vii) ensuring one-window facility to the zone enterprises;
  - (viii) deciding fees or charges leviable on zone enterprises such as license fees, renewal fees, transfer fees, annual ground rent (AGR) etc.
  - (ix) ensuring that no trading of land or units is allowed in any zone for which the Authority shall regularly monitor sale or purchase or transfer of land or units in the PP EPZ.
- (9) The Authority shall deal with operational matters of the zone, which may include approval of the investment proposal, NOCs for import and export, security of zone, necessary NOCs or permissions for internal sale of goods, auction of waste material etc. in the PP EPZ.
- (10) No zone enterprise in PP EPZ shall be allowed to engage in any business activity which is not approved by the Authority.



23. **Powers of MC of PP EPZ to recommend.**—(1) The MC of concerned PP EPZ may recommend the investment proposal of zone enterprise for acceptance or rejection to the Authority.

(2) On the recommendations of the MC of PP EPZ, the Authority shall issue approval to the zone enterprise as per Authority's rules and policy, or otherwise as the case may be.

24. **Admission of zone enterprises to Private and PP EPZs.**—(1) Zone enterprises shall be admitted into Private EPZs by their BOM in accordance with zone admission criteria, EPZA rules and regulations and the terms of the development agreement.

(2) The zone enterprise wishing to establish and conduct its authorized industrial or commercial activities etc. in Private or PP EPZ shall submit its application to the BoM or MC, as the case may be, complete in all respects in the forms set out in Appendix-IV and V.

(3) The zone enterprises shall be admitted into PP EPZ by Authority on zone enterprises investor's request on Appendix-IV and developer or operator of PP EPZ shall allot the land.

(4) Each application shall be accompanied by a non-refundable fee specified by the concerned BoM or MC as the case may be.

25. **Time for implementation of sanction of zone enterprise.**—(1) The PP EPZ applicant, after receiving the letter of sanction, shall be required to implement and complete the construction of unit within the period specified in the letter of sanction and follow the EPZA building bye-laws failing which such sanction shall stand cancelled, provided that the Authority may, on reasonable grounds, extend the said period.

(2) The Private EPZ applicant, after receiving the letter of sanction, shall be required to implement and complete the construction of unit within the period specified in the letter of sanction and follow the building requirements set by the BOM in consultation with the Authority, failing which such sanction shall stand cancelled, provided the BoM may on reasonable grounds, extend the said period.

26. **Sanctions against zone enterprises of Private EPZ.**—(1) The Authority shall issue policy or SOPs in respect of Private EPZ as per EPZA law in consultation with BOM which provide for sanctions against zone enterprises and the manner in which such sanctions may be imposed by BOM.

(2) The BOM may, if it is satisfied that it is necessary to do so to secure the proper management of any zone enterprise, issue directions to zone enterprises generally or to any zone enterprise in particular to carry out such changes as are necessary to rectify the situation and the zone enterprise of Private EPZ shall be bound to comply with such directions.

(3) The BOM may cancel, revoke, withdraw the sanction or expel a zone enterprise from Private EPZ after giving it notice to show cause if it finds that:

- (i) the zone enterprise has failed to carry out purpose for which, or has not fulfilled the conditions of the sanction accorded to it;
- (ii) the zone enterprise is in violation of its obligations; and
- (iii) the zone enterprise has failed to rectify such violation despite notice.

(27) **Sanctions against zone enterprises of PP EPZ.**—(1) The Authority shall issue policy or SOPs in respect of PP EPZ as per EPZA law to provide for sanctions against zone enterprises and the manner in which such sanctions may be imposed by MC.

(2) The MC may, if it is satisfied that it is necessary to do so to secure the proper management of any zone enterprise, issue directions to zone enterprises generally or to any zone enterprise in particular to carry out such changes as are necessary to rectify the situation and the zone enterprise of PP EPZ shall be bound to comply with such directions.

(3) Any action taken under sub-rule (2) shall be intimated to the Authority.

(4) The MC may recommend to the Authority to withdraw the approvals given to the zone enterprise of PP EPZ after giving it notice to show cause if it finds that:

- (i) the zone enterprise has failed to carry out purpose for which, or has not fulfilled the conditions of the sanction accorded to it;
- (ii) the zone enterprise is in violation of its obligations; and
- (iii) the zone enterprise has failed to rectify such violation despite notice.

**28. Maintaining of accounts and records by zone enterprises of Private and PP EPZs.**—(1) The zone enterprises of Private and PP EPZs shall

maintain adequate and proper accounts and other records as prescribed by the Authority in consultation with the BOM.

(2) If the zone enterprise fails to maintain such accounts and other records, it shall be guilty of an offence and liable to fine or penalty as determined by the Authority in consultation with the BOM.

29. **Audit of zone enterprises of Private and PP EPZs.**—(1) BOM shall ensure.

30. that the zone enterprises get their annual audit conducted.

(2) Developer or operator of PP EPZ shall ensure that the zone enterprises get their annual audit conducted.

(3) Such audit reports of zone enterprises shall be submitted to the Authority for review and appropriate action.

31. **Audit of the Private and PP EPZs.**—(1) BOM shall ensure to get audit of the Private EPZ conducted from the reputed chartered accountant firm.

(2) Developer and operator of PP EPZ shall ensure to get audit of the PP EPZ conducted from the reputed chartered accountant firm.

(3) Such audit reports shall be submitted to the Authority for review and appropriate action.

32. **Applicable operating administrative procedures.**—(1) The Board and the EPZ authorities shall promote the adoption of simplified administrative procedures for Private and PP EPZs and zone enterprises with the relevant Federal and Provincial authorities and agencies.

(2) Such procedures shall in particular facilitate the following, namely:—

(i) issuance of licenses, permits and other approvals to zone enterprises required for their business activities;

(ii) satisfy customs and other export or import requirements by zone enterprises; and

(iii) fulfilment of tax obligations by zone enterprises.

33. **Application of labour laws in Private and PP EPZs.**—Each EPZ developer and operator shall ensure to implement all the relevant labour laws applicable in Private or PP EPZ as per EPZA labour laws.

34. **Security of Private and PP EPZs.**—(1) Each Private EPZ shall be responsible for providing security for the protection of Private EPZs and it shall be mandatory to establish security division.

(2) In case of PP EPZ, security shall be provided by EPZA as per EPZA rules and regulations.

(3) The Private and PP EPZ shall ensure properly constructed boundary wall of prescribed height around the zone and place surveillance or security cameras and establish check posts for controlling entry, exit of goods, vehicles or people in the zone, or as otherwise stipulated in the development agreement.

(4) The Private and PP EPZ shall ensure effective coordination with Collectorate of Customs for deployment of their personnel or Customs staff for effectively controlling the entry, exit of goods or vehicles in the zone.

(5) The Private and PP EPZ shall ensure that the zone has one entry and one exit gate with possibility of multiple lanes as per the master plan of the zone, or as otherwise stipulated in the development agreement.

(6) The Private and PP EPZ shall ensure to arrange proper armed security personnel with necessary arms, equipment and vehicles for security and patrolling of the zone.

(7) The Private and PP EPZ shall ensure that no illegal goods, vehicles or people are allowed entry or exit in the zone and shall ensure implementation of EPZA Regulations (SRO 214(KE)/94 date 21-11-1994 *i.e.* Control of Entry and Exit of Person and Goods Regulations, 1994.

35. **Incentives for Private and PP EPZs.**—On execution of development agreements, the developer and operator of Private and PP EPZ as well as all zone enterprises in that EPZ shall be entitled to get all available benefits or incentives of EPZ provided under certain SROs.

36. **Additional facilitation by the Authority.**—The Authority shall facilitate the developer and operator of Private and PP EPZ for:

- (i) obtaining any government related approvals;
- (ii) development and deployment of IT infrastructure in the zones;
- (iii) automation of processes and procedures;
- (iv) linkage with customs through WeBOC system; and
- (v) automated management of entry or exit gates.

37. **Incentives for zone enterprises in Private and PP EPZ.**—All zone enterprises of Private and PP EPZ shall be entitled to the following benefits, namely:—

- (i) exemption from Customs duty, Sales tax and Income tax on imported plant, machinery, equipment “not manufactured locally” and raw materials;
- (ii) no foreign exchange regulations and controls as per laws and Rules; and
- (iii) onsite customs documentation and inspection by Customs Staff.

38. **Designs for proposed infrastructure and facilities.**—(1) The developer and operator of Private and PP EPZ shall ensure:

- (i) construction of all proposed roads according to international standards;
- (ii) provision of power or energy at the zone as per their requirement;
- (iii) water supply or water resource arrangement as per required quantity per day;
- (iv) distinction and adequate distance between peripheral boundary wall and buildings;
- (v) security check points along wall or fence with adequate illumination;
- (vi) adequate area for customs offices, examination yard and warehouse for storage of confiscated goods by Pakistan Customs;
- (vii) adequate working areas for workers with acceptable indispensable basic services;
- (viii) firefighting facilities,
- (ix) adequate Medical facilities;
- (x) waste water treatment;
- (xi) adequate communication services;
- (xii) development of infrastructure as per EPZA building bye-laws; and

- (xiii) compliance with environment protection policy of Federal and Provincial governments.

(2) The Authority may determine any other standards from time to time in addition to sub-rule (1).

39. **Area of investments in Private and PP EPZs.**—Following types of industries or businesses shall be allowed for Private or PP EPZs, namely:—

- (i) processing of ferrous and non-ferrous metal;
- (ii) plastic recycling;
- (iii) manufacture of agro foods or halal foods;
- (iv) manufacture of halal beverages;
- (v) manufacture of animal/pet food;
- (vi) manufacture of tobacco and tobacco products;
- (vii) manufacture of textiles and textile products;
- (viii) manufacture of leather, fur, feather and related products;
- (ix) manufacture of furniture;
- (x) manufacture of paper and paper products;
- (xi) processing for refurbishing of agriculture, industrial and construction machinery;
- (xii) repair, refurbishment and reconditioning of used vehicles, machinery including industrial, agriculture machinery, construction machinery and spare parts of all machinery and vehicles;
- (xiii) manufacturing of sport goods, cutlery and surgical items;
- (xiv) processing or recycling of used textiles clothing;
- (xv) information technology/software firms;
- (xvi) high-tech firms;
- (xvii) minerals and mining;
- (xviii) manufacturing of pharmaceutical and medicine;

- (xix) manufacturing of consumer and electronic goods;
- (xx) manufacturing of non-strategic drones; and
- (xxi) gems and jewellery.

(2) Authority with the approval of Board may add any other area of investments in addition to the investments specified in sub-rule (1).

40. **Prohibited areas for investments in private and PP EPZs.**—(1) Following types of industries or businesses shall not be allowed to be established in Private or PP EPZs namely:—

- (i) narcotics;
- (ii) alcoholic drinks;
- (iii) arms, ammunition and defense related items including drones; and
- (iv) products causing environmental hazards.

(2) The Federal Government may include any area of investment as prohibited or remove any area of investment under sub-rule (1).

(41) **Application or license fees for developers and operators of Private and PP EPZ.**— Private and PP EPZ developers and operators shall pay the following fees, namely:—

- (i) application fee (non-refundable) - US\$ 1,000/-; and
- (ii) annual license fee - US\$ 10,000/-.

42. **Zone enterprise admission criteria.**—The following shall be zone enterprise admission criteria:

- (i) prescribed application form;
- (ii) requisite financial viability;
- (iii) articles or memorandum of association, SECP registration (if applicable);
- (iv) requisite business activity expertise (export preferably);
- (v) requisite machinery and equipment;

- (vi) marketing arrangements for exports;
- (vii) actionable plans for achievement of committed export targets;
- (viii) adequate arrangements for skilled and unskilled labour; and
- (ix) compliance of EHS.

(43) **Dispute resolution or arbitration.**—(1) In case of any dispute or controversy relating to interpretation of provisions of any agreement made under the Ordinance and these rules between the Authority and EPZ developer and operator, or the rights granted or the liabilities imposed or insolvency or default, steps shall be taken for amicable resolution through negotiations.

(2) In case of no amicable settlement of the dispute or controversy is reached within thirty days of first conferring, the matter shall be referred for arbitration. Each party in sub-rule (1) shall appoint one arbitrator and the appointed arbitrators shall appoint an umpire. The unanimously pronounced award of the arbitrators shall be final and binding. In case of a difference of opinion between the arbitrators, the decision of the umpire shall be final and binding.

(3) Before resorting to initiation of arbitration proceedings, the aggrieved party will give the other party a fifteen days prior written notice describing the points of dispute and claim to which it intends to initiate action.

(4) The arbitrators shall have no authority to consider for pronouncement of award or ruling that is not in conformity with terms and conditions of the agreement and beyond the scope of agreement.

(5) The arbitration shall be governed by the Arbitration Act, 1940 (X of 1940).

(6) Venue of arbitration shall be at Karachi or Islamabad as the aggrieved party may opt.

44. **Risk management system.**—(1) the Authority and Private and PP EPZ shall have systematic strategy for monitoring, evaluating, analyzing, reviewing and maintaining the record of incoming and outgoing of products, inventory details including capital cost.

(2) The developer and operator shall be responsible for the development of risk management system in respect of zone enterprises for



monitoring, evaluating, analyzing, reviewing and maintaining the record of incoming and outgoing of products and inventory details.

(3) The developer and operator must inform the Authority of any risks or issues so these may be captured and effectively managed and mitigated.

45. **Areas of risk for establishing Private and PP EPZ.**—(1) The potential areas of risk may include but are not limited to the following, namely:—

- (i) financial default and financial irregularity;
- (ii) infrastructural damages due to natural calamities;
- (iii) energy crises;
- (iv) security concerns arising out of abnormal situations;
- (v) software crash and data loss; and
- (vi) violation of sanctions.

(2) The Authority shall ensure to monitor the situation as per sub-rule (1) of rule 37 and shall take appropriate remedial measures or adopt risk mitigating measures accordingly.

46. **Risk management committee.**—(1) To mitigate risks associated with the zone enterprises, BOM will constitute a risk management committee, which shall be responsible for identifying risks associated with the EPZ.

(2) A risk management system shall be designed by BOM as per the risks identified by the risk management committee, for which a risk register shall be maintained, which shall be reviewed in the quarterly meetings of BOM.

(3) For Private EPZ the risk management committee shall comprise of three members of the concerned Private EPZ as appointed by the developer and operator of Private EPZ, one of which shall be the chairman of the committee, and two members of the Authority.

(4) For PP EPZ, the Authority with approval of the Board may constitute the risk management committee.

47. **Applicability of Export Processing Zones Authority Rules, 1981.**—The provisions of Export Processing Zones Authority Rules, 1981, not covered under these rules, shall remain enforceable on Private and PP EPZs.

**Appendix-I (a)**  
**{See Rule-9(1)}**

**APPLICATION FOR PRIVATE AND PP EPZ DEVELOPER/OPERATOR'S LICENSE**

**A. PARTICULARS OF THE APPLICANT COMPANY:**

Name: \_\_\_\_\_

Present Address: \_\_\_\_\_

Name of Country: \_\_\_\_\_

Permanent Address: \_\_\_\_\_

Name of Country: \_\_\_\_\_

Telephone: \_\_\_\_\_

Cell Number: \_\_\_\_\_

Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_

Web Site: \_\_\_\_\_

**B. COMPANY PROFILE:**

4. Date of Incorporation: \_\_\_\_\_
5. Particulars of Directors/Shareholders:

<i>Name of Shareholders</i>	<i>Nationality</i>	<i>Number and Value of Shareholders</i>	<i>Residential Address</i>

6. Description of The Company intending to be a Developer/Operator of Private EPZ.
- a. Experience as Developer/Operator of Private EPZ or Fresh  
\_\_\_\_\_
- b. Location of the Proposed Private EPZ  
\_\_\_\_\_
- c. Land information for Private EPZ: Minimum 50 Acres leased or owned land in favor of company or more details of Revenue record:  
\_\_\_\_\_
- d. Capital Structure: \_\_\_\_\_

## (a) Total Capital:

i. Authorized capital: \_\_\_\_\_

ii. Paid up capital: \_\_\_\_\_

## (b) Investment Outlay:

Foreign Equity	Local Equity	Foreign Loan	Local Loan	Suppliers Credit	Others	Total

## e. Development Plan of Private/PP EPZ

Description	Plan for execution	Time required for completion (Months)	Estimated Cost In US\$ or PKR	Remarks if any
Land Acquisition				
Area of the Proposed Private/PP EPZ(in acres)				
Leveling & Grading				
Infrastructure Development Works of Civil works				
Infrastructure Development works of Electrical/Mechanical works				
Project Closures				

## f. Capital Expenditure Structure for Development /Operation of the EPZ

Description	1 <sup>st</sup> Year	2 <sup>nd</sup> Year	3 <sup>rd</sup> Year	4 <sup>th</sup> Year	Total Amount
Premises (Building – if constructed at your cost or rented)					
Equipment					
Working capital					
Others					
O&M costs of the Project					
Total					

## C. DETAIL OF MACHINERY/EQUIPMENT:

Major items of Machinery	Condition (New or Used)	Country of Origin	Cost

## D. CONSTRUCTION MATERIAL/ COMPONENTS FOR DEVELOPMENT OF EPZ:

Construction Materials/Components/Machinery & Equipment's	Source		Quantity	Value
	Local	Foreign		

## E. UTILITY REQUIREMENTS FOR PRIVATE EPZ:

Please indicate utility requirements of Private EPZ during Development and Operation in terms of:

Electricity: MD (Maximum Demand): \_\_\_\_\_ KVA.

Water – Development of EPZ and Zone Enterprises of Private EPZ: \_\_\_\_\_ Gallons/day

Gas of Zone Enterprises of EPZ: \_\_\_\_\_ Cubic meters/day

Telephone: \_\_\_\_\_ No. of Lines (including Faxes)

Others: \_\_\_\_\_

**F. EMPLOYMENT GENERATION SCHEDULE:**

Employment Category	1 <sup>st</sup> Year		2 <sup>nd</sup> Year		3 <sup>rd</sup> Year	
	Local	Foreign	Local	Foreign	Local	Foreign
Management Staff						
Technical and Supervisory Staff						
Workers						
(a) Skilled						
(b) Unskilled						
Other						

**I. LIST OF ATTACHMENTS:**

1. copy of Land Papers in name of Developer/ Operator of Private EPZ.
2. copy of the Memorandum of Association/Charter/Constitution of the Company.
3. copy of the Certificate of Incorporation.
4. copy of the Articles of Association or Rules for Conduct of business.
5. bankable Feasibility Report of the Proposed Private EPZ.
6. EIA Report of Project from the concerned Environmental Control Authority.
7. copy of Receipts of the necessary initial fees.

**J. DECLARATION:**

I am aware that the information given hereinabove constitutes the basis upon which the Agent may grant the License for Development and Operations in the Export Processing Zones. Any Information which proves to be false and contrary to what have been declared hereinabove is, consequently and offence under the Export Processing Zones Ordinance, 1980.

I \_\_\_\_\_ (Name of Signatory) \_\_\_\_\_ whois \_\_\_\_\_ (Title of Signatory) of \_\_\_\_\_ Limited, the applicant, hereby declare that to the best of my knowledge and belief, all the particulars furnished, in the application are true and correct. I, therefore, undertake to indemnify the EPZA for any misrepresentation, deliberate omission and any information that may, in the future, prove to be false.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_ and Seal/Stamp

**NOTES AND GUIDELINES FOR COMPLETING THE APPLICATION FORM**

1. The information provided in the Application Form will assist us in approving your Project in the Export Processing Zones. It is important that you assess your requirements such as Facility, Utility, affluent treatment and Manpower accurately before filling in the Application Form.
2. An incomplete Application Form could result in delays in approving your application.
3. The submission of this Form does not constitute an automatic acceptance or approval by the Export Processing Zones Authority of your Application.
4. The information provided in the Application Form will be treated as confidential.
5. Application Form duly completed should be submitted to the Export Processing Zones Authority, Landhi Industrial Area Ext. Mehran Highway Landhi, Karachi-75150.

**Appendix-I(b)**  
**{See Rule-9(1)}**

**FORMAT OF APPLICATION FOR DEVELOPMENT OF PRIVATE AND PUBLIC PARTICIPATED EXPORT PROCESSING ZONES**

The Secretary  
Export Processing Zones Authority  
Landhi Industrial Area Extension  
Mehran Highway  
Karachi - Pakistan

Date:  
Reference:

Dear Sir,

**ZONE APPLICATION**

We, the (name of the proposed Private or PP EPZ) \_\_\_\_\_ hereby apply for the approval of above captioned Private and PP EPZ. The requisite documents duly filled in are attached herewith.

Briefly, the proposed EPZ shall cover an area of \_\_\_ Acres and its total estimated cost is US\$ \_\_\_\_\_. It will generate commercial activities worth US\$ \_\_\_\_\_ including exports of US\$ \_\_\_\_\_ and \_\_\_\_\_ number of jobs in the first five years of operations.

We hereby undertake to abide by all the Rules and Regulations of EPZ and all the applicable laws of Export Processing Zones Authority.

You are requested to kindly process the Application in due course of time and meanwhile issue us an acknowledgement and oblige.

Thanking you

Sincerely

Signature \_\_\_\_\_ [stamp]

Name of the Authorized Signatory

Email Address:

Phone No:

Fax No:

**Appendix-II**  
{See Rule 9(3)}

**Requirements and requisite documents for Developers/ Operators for Private/ PP EPZ**

- (i) Company Registration Certificate
- (ii) Memorandum and Articles of Association
- (iii) NTN Certificate and STRN Certificate
- (iv) Financial Statements and Income Tax Returns for the last three years if applicable.
- (v) List of owners and key managerial staff with their NIC, NTN, cell, email and addresses along with their CVs/profiles. In case of foreigners, their passport numbers instead of NIC are required
- (vi) Document for land owned by the Developers and Operators
- (vii) Master Plan of proposed Private and PP EPZ as per Appendix-V
- (viii) Basic business proposition or model for the Private and PP EPZ
- (ix) Preliminary Private and PP EPZ Layout plan for the development (complete phase wise plan with timelines)
- (x) Financial Resources (details required for the own Capital or any investment consortium).
- (xi) Bankable feasibility report/Investment Plan for Private and PP EPZ. It shall include Development Plan, Marketing Plan, Financing Plan and Management Plan.
- (xii) Details of Capital Investment in US\$
- (xiii) Details of Plant & Machinery required for the business activity
- (xiv) Security Arrangement Plan as per EPZA requirement
- (xv) Building for Customs offices and examination yard
- (xvi) Total land/capacity of Energy/Electricity/Gas Plan
- (xvii) Water supply and conservancy for the entire Zone
- (xviii) Criteria applicable to the admission of industrial, commercial / trading or processing, recycling, refurbishing, reconditioning, repairing, assembling of machinery and spare parts including industrial and agriculture machinery and vehicles units and spare parts as per eligibility criteria.
- (xix) Area allocations for service sector like Banks/Insurance/Courier/Post Office/clearing Agents/Medical/Fire/Canteen/Masjid.
- (xx) Draft Development Agreement
- (xxi) Application Fee in the shape of PO/DD



**Appendix-III**  
**{See Rule 2(vi), 14(1) and 15(1)}**

**CONTENTS OF DEVELOPMENT AGREEMENT**

1. **Introduction** of parties
2. **Preamble** of agreement
3. **Project site and related rights** encompassing leasehold rights, execution of indenture of lease period, acceptance of project/lease rights, consequences of acceptance and scope of project.
4. **Rights, protections and entitlements of the developer / operator** with respect to the Private/PPEPZs concerned, established or allowed under the EPZA Ordinance or any other applicable law;
5. **Conditions precedent for developer**, preparation and submission of Master Plan, design and drawings etc.
6. **Financial closure** encompassing clearances and approval, specific formats of lease and sub-lease agreements, extension or termination of agreement if conditions precedent not complied or satisfied and consequences of non-fulfillment of conditions precedent.
7. **Financial considerations to Private/PP EPZ**, land premium for leasehold rights, annual lease premium, midterm development fee, penalty for failure in achieving milestones and penalty for the late payment of any sum etc.
8. **Milestones** that the Developer / operator and operator required to achieve in order to have the Private and PPEPZ deemed operational.
9. **Project development & Operations** encompassing obligations of development, construction and development, implementation plan and progress reports, marketing and sub-lease arrangements, operations & maintenance, payments to Private/PP EPZ Authority, appointment of contractors, general obligations and responsibilities of the developer/ operator and obligations of the Private/PPEPZ will be the Developer / operator and operator of Private/PP EPZ.
10. **Restriction in changes in developer**, insurance, audit & accounts and change in law will be responsibility of developer / operator and operator of Private/PP EPZ.
11. **Force Majeure** encompassing non-political events, indirect political events, political events, notice of force majeure events, reporting requirements, performance of obligations and termination due to a force majeure event.
12. **Representations and Warranties** from developers of Private/PP EPZ will rest with Developer / operator and operator.
13. **Event of Default & Termination** encompassing developer's event of default, of private developer/operator and operator of private/PPEPZ Export Processing Zones Authority will not be responsible in this case of event for termination of force majeure and divestment requirement.

14. **Remedies for non-performance:** Based on undertakings that the Developer/operator and Developer/operator of Private/PP EPZ commits to, the parties shall agree to remedies and financial and non-financial sanctions.
15. **Transfer of rights:** The Developer/operator shall be allowed to transfer its ownership of the EPZ or the rights for operation in whole or in part to one or more parties that are approved by the Board and the EPZ Authority subject to such conditions as may be imposed by either or both.
16. **Dispute resolutions** encompassing governing law, amicable resolution, alternative dispute resolution, arbitration, arbitrators, procedure, place of arbitration, language, enforcement of award, fee & expenses and performance during arbitration. This segment will also encompass the provisions relating to disputes on behalf of the Zone enterprises through arbitration.
17. **Miscellaneous Provisions** encompassing third party agreements, articles to survive termination, proportionate responsibility, several obligations, severability, notices, waiver, amendments, modification, violation of terms, independent right, counterparts, no assignment, consequential loss, expenses, no agencies, no third-party beneficiaries, employees of the developer / operator and exclusion of implied warranties etc.
18. **All Undertakings of the developer / operator** regarding the development and operations of the EPZ, with the Zone development plan and business concept of proposed EPZ model;
19. **All authorities conferred on the developer / operator** with respect to the EPZ concerned, including specifically any provisions pertaining to the developer's authority to:
- a) Admit enterprises into the EPZ in accordance with the Zone admission criteria and allot land/lease land/built up area to them in accordance with agreed eligibility criteria and procedures;
  - b) Act as a liaison and facilitating agency between the relevant EPZ authority and Zone enterprises;
  - c) All financial obligations of the developer, including any obligation to make payment for the allocation of land and the provision of services by public authorities; and
  - d) Clear provisions regarding the responsibility of maintenance of infrastructure and utility services.
20. **Rights protections and entitlement of Zone enterprises** in the EPZ concerned established or allowed under the Act or any other applicable law, together with a prescribed procedure for the invocation of such rights, protections and entitlements by the developer;

**Appendix-IV**  
**{See Rule 24(2) & (3)}**

Reference No.

Date:

Subject: **INVESTMENT PROPOSAL FOR SETTING UP OF INDUSTRIAL/TRADING /  
COMMERCIAL / MANUFACTURING ENTERPRISE IN 'NAME OF ZONE'**

Enclosed herewith the Investment Proposal for setting up of 'Industrial/Trading/Processing/Recycling/Manufacturing/Assembling/Commercial' Enterprise in "Name of Zone". By submitting this investment proposal, we have read and understand the EPZ Laws/Rules & Regulations/Customs Rules/SROs for doing business in "Name of Zone".

We undertake to abide by these Laws/Rules in its true spirit. The particulars of sponsor/owner/partners/directors and cost break-ups/details of the investment proposal along with the requisite documents annexed for kind consideration and approvals.

Yours Sincerely,

Name

Address / Contact No. / email address

Official Stamp to be affixed

**Appendix-V**  
**{See Rule 24(2)}**

## Application Form for Zone Enterprises

For Investment in Private/PP EPZ

**BRIEF INTRODUCTION OF APPLICANT/COMPANY**

1. **PART-ONE**

- 1.1 **Name of Applicant:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Phone No.** \_\_\_\_\_ **Fax** \_\_\_\_\_ **Cell#** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_  
**website:** \_\_\_\_\_
- 1.2 **Name of Proposed/Registered Enterprise:** \_\_\_\_\_
- 1.3 **Type of Enterprise** \_\_\_\_\_ (please select one)  
 Public Limited/Private Limited/Partnership/Sole Proprietorship:  
 (SECP, Registrar of Firms, Article & Memorandum of Association as the case may be):
- 1.4 **Name of Zone:** \_\_\_\_\_  
**Type of Activity** \_\_\_\_\_  
 (Manufacturing, Trading, Refurbishment, Warehousing, Commercial / financial, Services, others)
- 1.5 **Applicants' official representative or Focal Person to deal with Zone:**  
**Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**CNIC/Passport No.** \_\_\_\_\_ **Phone** \_\_\_\_\_  
**No.** \_\_\_\_\_  
**Fax** \_\_\_\_\_  
**Cell #.** \_\_\_\_\_  
**Email Address:** \_\_\_\_\_  
**website:** \_\_\_\_\_  
 (Please provide photographs and copy of CNIC/Passport of focal person/ official representative)

1.6 **Particular of Sponsors/Partners/Directors:**

S. No	Name	Nationality	NIC/Passport No	Status in the company	% Of Shares

1.7 **NTN:**

**2. PART TWO (General information about Business)****2.1 Type of Business to be established in "Private and PP EPZ".**

Industrial/ Manufacturing	Trading	Commercial /Financial	Processing/ Re-Cycling/ Refurbishing	Packaging / Warehousing	Assembling	Others (please specify)

**2.2 Financial Aspect:**

- a) Total Project Outlays / Cost (US \$): \_\_\_\_\_
- i. Building structure cost US\$: \_\_\_\_\_
  - ii. Utilities cost (water/electricity, gas & others) US\$: \_\_\_\_\_
  - iii. Cost of Imported Machinery US\$ \_\_\_\_\_
  - iv. Cost of local Machinery US\$: \_\_\_\_\_
  - v. Financial cost during construction US\$: \_\_\_\_\_
  - vi. Any other (please specify) US\$: \_\_\_\_\_
- b) Equity Share of Sponsor / Owner / Partners / Directors (US \$): \_\_\_\_\_
- c) Type of Equity (Own / Loan): \_\_\_\_\_
- d) Any foreign funding with complete details and its type (US \$): \_\_\_\_\_
- e) Any foreign collaboration its nature i.e. technical / consultancy / permission to use LOGOs / Patens etc. (use separate sheet for its detail)

**2.3 Size of Plot(s) for the proposed enterprises: \_\_\_\_\_**

Type	Complete Build Unit	Industrial Open Plot	Warehouse - Open Plot / Build Unit	Commercial Plot	Bank Square	Others (please specify)
Size						

**2.4 List of Plant, Machinery & Equipment's (Local / Imported) stating PCT Codes**

\_\_\_\_\_

**2.5 Nature of Raw Material (Local / Imported its %age) stating PCT Codes:**

\_\_\_\_\_

**2.6 0 %age of value additions: \_\_\_\_\_****2.7 Input & Output Ratio with justifications: \_\_\_\_\_****2.8 %age of industrial waste and mode of disposal: \_\_\_\_\_****2.9 Time required for implementation of project: \_\_\_\_\_****2.10 Start of Production: \_\_\_\_\_****2.11 First consignment of exports: \_\_\_\_\_****2.12 Permission/approval from Environmental Protection Agency EPA): \_\_\_\_\_****2.13 Fire Fighting Equipment's / Plan and training of staff: \_\_\_\_\_**

**3. PART THREE (Information / Data about Productions / Exports)**

3.1 Projected / Targeted / Committed Production on full capacity per annum (US \$): Projected / Targeted / Committed Exports on full capacity per annum (US \$): \_\_\_\_\_

3.2

(AT 100% CAPACITY)

Activity Type	Production / Import		Sale / Export	
	In Units	In USD	In Units	In USD

3.3 Proposed line of Production / Import: \_\_\_\_\_

3.4 Future Production plan / Items to be produced / manufactured / Imported and Exported: \_\_\_\_\_

3.5 Uses of the Products: \_\_\_\_\_ (In house, within Zone, Export)

3.6 Details of local / foreign technical collaboration. If yes, please furnish copy of agreement or Memorandum of understanding: \_\_\_\_\_

3.7 Manufacturing in brand names. If yes, please indicate. Also furnish copy of licensing contract, if any: \_\_\_\_\_

3.8 Sales/Marketing/Licensing/Franchise arrangements or agreements: \_\_\_\_\_

3.9 Estimated Cost of Production / Import (US\$)

Particulars	Imports	Locally Produced	
	In USD	In USD	Equivalent PKR
Raw Materials			
Finished Goods			
Overheads -Manufacturing - Fixed			
Overheads - Other Manufacturing - Variable			
Overheads - non-manufacturing			
Administrative / Marketing			

3.10 Pre-operational expenses: \_\_\_\_\_

3.11 Ex- factory cost: \_\_\_\_\_

3.12 Detail of wastages: \_\_\_\_\_

3.13 PCT of Raw Material: \_\_\_\_\_

3.14 PCT of Final Product: \_\_\_\_\_

3.15 Estimated Wages & Salaries: \_\_\_\_\_

Please provide details of manufacturing value addition process, manufacturing process & Plant outlay. (Separate Sheet to be attached).

Year-Wise projections of Exports for Five (5) years: \_\_\_\_

S. No	Category	Local Employment	Foreign Employment	Total Employment
-------	----------	------------------	--------------------	------------------

Committed annual export	Date of Commencement of export	1 <sup>st</sup> year of export	2 <sup>nd</sup> year of export	3 <sup>rd</sup> year of export	4 <sup>th</sup> year of export	5 <sup>th</sup> year of export

**4. Internal Sale Facility vide Rule 235 of SRO 450(I)/2001 Dated 18<sup>th</sup> June, 2001 (Yes/No):**

- 4.1 Sub-Contracting & Reverse Sub-Contracting to and from tariff area (Yes / No): \_
- 4.2 Exports in 80:20 Ratio (Yes/No) or 100% Exports to abroad or Exports under SRO 492(1)/2009 dated 13<sup>th</sup> June, 2009:
- 4.3 Estimated cost of production and %age of profit: \_\_\_\_
- 4.4 Committed annual export (FOB Value): \_\_\_\_\_
- 4.5 Cost of production (ex-factory): \_\_\_\_\_
- 4.6 EPZA Charge 0.5% of FOB Value of exports: \_\_\_\_\_
- 4.7 Presumptive tax: \_\_\_\_\_
- 4.8 Net Sales Revenue: \_\_\_\_\_
- 4.9 Value addition in the Zone (%): \_\_\_\_\_
- 4.10 Number of employees required for the enterprises: \_\_\_\_\_
- 4.11 Finish Products to be sold / marketed / exported to: \_\_\_\_ Comprehensive/Bankable  
"Feasibility Report" of the proposed enterprise: (enclose separately)

S. No	Category	Local Employment	Foreign Employment	Total Employment
1	Managerial			
2	Technical			
3	Highly Skilled			
4	Semi-Skilled			
5	Un Skilled			

5. **PART FOUR (Land & Utility Requirements):**

Type	Complete Build Unit	Industrial Open Plot	Warehouse – Open Plot / Build Unit	Commercial Plot	Bank Square	Others (please specify)
Size						

- 5.1 Requirement of built-up area:
- for allotment: \_\_\_\_\_
  - For Hiring (on rent) (Subject to availability): \_\_\_\_\_
- 5.2 Utility Requirements for the proposed enterprise (i.e. Electricity, Water, Gas & Telephone): \_\_\_\_\_
- 5.3 Disposal of Industrial Waste / Effluents: \_\_\_\_\_
- 5.4 Future requirement of additional plot(s) for expansion of business (If any): \_

5. **UNDERTAKING**

WE THE SPONSORS OF M/s \_\_\_\_\_ DO HEREBY UNDERTAKE THAT THE ABOVE INFORMATION / DATA AND ENCLOSED DOCUMENTS ARE TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF. WE FURTHER UNDERTAKE THAT WE SHALL ABIDE BY THE LAWS / RULES & REGULATIONS / CIRCULARS STIPULATED TIME TO TIME BY EXPORT PROCESSING ZONES AUTHORITY (EPZA) / BOARD OF MANAGEMENT (BOM) IN ITS TRUE SPIRIT AND THEM.

WE FULLY AWARE AND UNDERSTAND THAT IN CASE OF ANY VIOLATION / MIS-REPRESENTATION(s) / INCORRECT STATEMENTS; THE APPROVAL OF OUR INVESTMENT PROPOSAL IS LIABLE FOR CANCELLATION OR ANY LEGAL ACTION AS DEEMED APPROPRIATE.

IT IS, THEREFORE, REQUESTED THAT OUR INVESTMENT PROPOSAL MAY KINDLY BE CONSIDERED FOR APPROVAL. ALL REQUISITE DOCUMENTS ARE ENCLOSED HERewith. WE WILL MEET ANY OTHER REQUIREMENTS AND ARE

READY TO RESPOND TO QUERIES RAISED FOR CLARIFICATIONS IN RESPECT OF OUR INVESTMENT PROPOSAL FOR "NAME OF EPZ".

Yours Sincerely,

Name:

Address / Contact No. / email address

Official Stamp to be affixed

Date: \_\_\_\_\_



**Check List of Documents enclosed:**

- Feasibility Report / Business Profile of the Project
- Copy of Registration with SECP / NTN / GSTN / Partnership Agreement duly registered with the 'Registrar of Firms', (if applicable)
- Memorandum & Article of Associations (if applicable)
- Copy of Income Tax Returns for the last three (3) years (if applicable)
- Audited Financial Statements of existing business for the last three (3) years (if applicable)
- Bank Statements of existing business accounts of one (01) year (if applicable)
- Copy of CNICs / Passport / Identification Cards (in case of foreign partner(s)/director(s), Passport size Photographs of all partners / directors / focal & authorized person
- Power of Attorney in original issued to focal & authorized person on behalf of sponsors
- Power of Attorney in original issued to focal & authorized person on behalf of foreign sponsors (duly certified & attested from the Embassy of Pakistan of the respective country)
- Pay Order No. \_\_\_\_\_ Dated: \_\_\_\_\_ Drawn on \_\_\_\_\_ as 'Application Fee'
- Any other additional information / documents relates to the investment proposal

**\*\* Any change in Address and Telephone/Mobile Numbers/Email Addresses should be intimated immediately to concern Private/PP EPZ in writing.**

**FOR USE OF PRIVATE/PP EPZ**

Date of receipt of proposal: \_\_\_\_\_

Processed by: \_\_\_\_\_

Name and Designation: \_\_\_\_\_

Decision communicated to sponsor date: \_\_\_\_\_

**Guidelines for filling the Application form:**

7. The applicant is advised use this application form in original. All fields shall be completely filled.
8. The information should be furnished in original application form and along with supporting documents as per mentioned in field (if any).
9. All estimated price should be expressed in US Dollars thousand or million as case may be.
10. If any particular aspect of the investment proposal which does not cover in application form, all such information may be submitted in separate sheet together with application form.
11. Incomplete application form and short requisite documents, the investment proposal will not be considered.
12. The form should be signed and stamped

**Appendix-VI****(Rule 37)****INFRASTRUCTURE DEVELOPMENT GUIDE LINES FOR MASTER PLAN**

(t) The road reserves shall, unless otherwise determined by the Authority, meet the following criteria-  
*Linear measurements in meters*

i. Arterial access or carriageway.....	50.0 m
ii. Internal access road.....	30.0 m
iii. Minor access roads.....	25.0 m
iv. Side roads and back lanes.....	15.0 m

(u) all roads comply with the standards for pavement thickness specified by the Ministry for the time being responsible for public works; and is adequate bearing capacity to carry container traffic load as per American Association of State Highway and Transportation Official (ASHTOO) Standards;

(v) the power supply shall be 11 KV;

(w) Electrical Network System of the zone having distribution stations for feeding electricity to zone entrepreneurs

(x) maintain a water supply of 50 cubic meters per day per Zone enterprise;

(y) maintain a minimum distance of Twenty-five (25) meters between the fence boundary wall of the Private and PP EPZ and the adjoining building;

(z) Water supply network including installation of fire hydrants for mitigation of fire incident;

(aa) Proper sewerage system network of the zone;

(bb) Proper surface drain network to cater the storm water in case of rain;

(cc) Adequate capacity of underground and overhead water tanks;

(dd) Adequate security arrangement shall be provided by way of a boundary wall with adequate illumination on the boundary;

(ee) Adequate area for custom check points at the gates shall be provided and adequate facilities for customs officers and examination yards stations and (holding area) made available for keeping confiscating goods by Pakistan customs;

(ff) Provision of proper Custom offices and Examination Yard including availability of Scanners and Ware Housing facility for storage of seized/confiscated goods;

(gg) Dumping yards for collection of industrial waste and its disposals as per standing order of Pakistan customs from the zone;

(hh) Proper Security Check Posts at the Entrance and Exit and other appropriate places within the Zone area;

(ii) Installation of Weigh Bridges having capacity of 120 metric tons at Entry and Exit of the Zone;

(jj) Firefighting facilities;

(kk) Adequate Medical facilities; and

(ll) Any other standards that may be determined by the Authority.

[F. No. 1(16)/2021-IID-II.]

SHAHADAT ALI KHAN,  
*Section Officer.*