

## LICENSING PROCEDURES - EPZ DEVELOPER

### Stage 1:

**Investor:** makes an enquiry on area of interest.

**EPZA:** provides relevant information on the EPZ programme and on how to have the land gazetted.

### Stage 2:

**Investor:** makes 2 written applications as follows:

- 1) Application for designation of the land area as an EPZ
- 2) Application for developer/operator license

The **application or designation of the land area as an EPZ** must have the following information:

1. Land reference number and map of the site and surroundings
2. Area of the site in acres
3. Layout of on-site infrastructure facilities including roads & buildings
4. Designs for proposed infrastructure including:-
  - Proposed roads according to established standard
  - Provision of power at the zone at 11 KV
  - Water supply of 25 cubic metres per day
  - Clearance between boundary wall and buildings of atleast 6 metres
  - Security wall or fence with adequate illumination
  - Adequate area for customs inspection and a holding area
  - Adequate working areas for workers with acceptable indispensable basic services
  - Any other standards that the Authority may determine

The **Application for developer/operator license** provides the following information:

1. Share-holders and directors
2. Company name and registered office
3. Zone Concept
4. Project Cost
5. Project financing
6. Zone marketing
7. Zone operation

**EPZA:** evaluates applications, opens a file for the project and sends blank application forms with a dummy as an example (provided project proposal is in line with desired EPZ activities). Investor is advised on any amendments necessary.

### Stage 3:

**Investor:** lodges duly completed application forms with a payment of US\$ 250 non-refundable application fee.

**EPZA:** Acknowledges receipt of application, visits and evaluates the site and advises on any necessary amendments. The formal application then undergoes project appraisal and goes through the License Review Committee.

### Stage 4:

**EPZA:** advises investor on the acceptance of project within 30 days of receipt of completed application. This is done in the form of a letter of approval in principle outlining terms and conditions to be met before licensing. It also states the conditions to be contained in the licence.

**Investor:** Meets conditions, incorporates EPZ company, registers the lease or land title in its name & forwards certified copies to EPZ Legal Department.

#### **Stage 5:**

**EPZA:** Project is presented to EPZA Board which then recommends the gazettelement of the new zone to the Minister for Trade & Industry who then approves it. The Minister's approval is sent to the Attorney General's Chambers and the land is gazetted as an EPZ

**Investor:** Pays US\$5,000 annual licence fee & can begin operations.

#### **For an area to be gazetted as an EPZ, the developer must:**

1. Own the the land on freehold basis or have a leasehold title valid for a minimum of 30 years, and
2. The land title should be free of any encumbrances (in a case where the title has been used as collateral for a loan, a "letter of no objection" must be obtained from the lending institution).

#### **Criteria: EPZ projects are evaluated on the following basis:**

1. Established incremental production investment.
2. Development of new export products and new export markets (with at least 80% export orientation).
3. Linkage development with the Kenyan economy.
4. Job generation, technology transfer & local Linkages.

#### **Important notes:**

i) Registration of the lease is usually done at the land registry responsible for that particular locality and EPZA provides the applicant with a letter informing the land registrar that the project is an EPZ one and is as such, exempt from paying stamp duty.

ii) Before registration of the company the draft memorandum and articles of association must be forwarded to the Corporate Department of EPZA for approval. On approval, a EPZA issues a letter addressed to the registrar of companies indicating that the company has been approved as an EPZ enterprises and is therefore exempt

**[Click here to download & fill the Developer Project Proposal Form](#)**