

Law No. (9) of 2000
on the organisation of transit trade and free zones

The General People's Congress

In execution of the resolutions adopted by the Basic People's Congresses in their annual session of 1429 FBP;

Upon review of:

- Law No. (10) of 1959 on free zones;
- Law No. (38) of 1968 on export;
- Law No. (65) of 1970 on merchants, trading companies, supervision over them and the amendments thereof;
- Law No. (64) of 1971 on import;
- Law No. (67) of 1972 and the amendments thereof;
- Law No. (21) of 1985 on the establishment of a joint-stock company for ports;
- Law No. (12) of 1989 on the exemption of Arab products from customs duties;
- Law No. (9) of 1992 on the exemption of goods of Arab origin from the import restrictions stipulated by Law No. (64) of 1971;
- Law No. (1) of 1993 on banks, money, and credit;
- Law No. (5) of 1425 FBP on the encouragement of foreign capital investment;
- Law No. (1) of 1430 FBP on the organisation of popular congresses and popular committees;

drafted the following law:

Article (1)

Definitions

In this law, the words mentioned below shall have the meanings adjacent to each of them, unless the context indicates otherwise.

“Goods in transit”: Goods entering the Great Jamahiriya through customs offices for the purpose of exiting from the Great Jamahiriya through a different customs office.

“Transit contractor”: Any civilian or legal entity that assumes or is contracted with the responsibility of transporting goods in transit.

“Competent authority”: The legally competent authority.

“Administration”: Free zone administration.

“Investor or utilizer”: Any natural or legal person licensed to invest in the free zone, use any facility, provide any service, or practice any profession or activity therein.

“Investment or utilization”: The establishment of any industrial, commercial, or service project, or the engagement in any profession or activity inside the free zone.

“Project”: Factories, offices, storehouses, warehouses, utilities, sales halls, equipment, supplies, transport and communications means, and all other facilities and necessary items in the free zone for the purpose of investment or utilization.

Article (2)

Free zones shall be established in any part of Libya by a decree of the General People's Committee. The decree shall clearly stipulate the locations and borders of these zones.

“Free zones” shall refer to areas that are exempt from tax, customs, trade, cash, and other restrictions. They shall be announced to parties seeking to invest in or utilize them to achieve the purposes of the free zone.

The establishment of special free zones for the purpose of establishing a specific project, utilizing a body, or practicing a specific activity in which all or part of the designated benefits are granted to investors and utilizers within the scope of achieving the purposes of the free zone.

The free zone may be fully or partially composed of a sea port, airport, or border port, provided that these facilities are prepared for free zone uses.

The executive regulation of this law shall determine the guidelines necessary for the application of this Article.

Article (3)

The establishment of free zones shall aim to encourage transit trade, various manufacturing and transformative operations that change the state of goods and prepare them in accordance with the requirements of commercial exchange and the market. They shall provide all types of banking, insurance, investment, and other services. They shall transfer, localize, and develop knowledge and technology in an unrestricted environment to serve and boost the Great Jamahiriya’s national economy, and contribute to the development of commercial, commodity, and service exchange, leading to the creation of an advanced service and industrial base.

The licensing of free zone investors and utilizers shall primarily aim to achieve the joint interest between the national economy and the investor or utilizer. It also aims to widen work and training horizons, increase absorption of the domestic workforce in free zone projects and services, and achieve return on investment for enterprises that fall within these zones.

Article (4)

The administration shall carry out its activities in accordance with rules that are consistent with its nature. It shall draft its own regulations for work, incentives, salaries, and management unrestricted by the rules prescribed for administrative units or those related to public functions. These systems shall be approved by the General People’s Committee. The administration shall assume full supervision and direction over all entities operating in the free zone. It shall be responsible for issuing project-establishment licenses for investors and utilizers, as well as disposing of, exploiting, utilizing, and enjoying the usufruct of properties and facilities therein. The executive regulation shall determine the work system and competencies of each entity within the free zone.

Article (5)

Projects, investors, and utilizers in the free zone are not subject to registration requirements in the importer and exporter registers and the commercial register. The administration shall draft the rules and procedures pertaining to the registration of its projects, investors, and utilizers.

Projects, goods, commodities, services, funds, and exchanges – whether incoming, outgoing, or circulating – in the free zone shall not be subject to any customs or other fees or similar taxes. They shall not be subject to any restrictions or oversight in force, with the exception of those

pertaining to doctrine, morals, domestic and national security, health, or environmental protection.

The executive regulation of this law shall determine the rules and procedures to be followed in transporting goods in transit.

Article (6)

Projects and all income generated in free zones, whether by natural or legal persons, are not subject to any taxes or fees. Transactions, stocks, assets, exchanges, cash transfers, and credit movement in the free zone and between it and an external party shall not be subject to taxes, fees, or restrictions.

This exemption shall not prevent entities that provide services or facilities in the free zone from collecting a consideration for such.

Article (7)

All investor and utilizer projects and funds in free zones, as well as goods in transit, are considered private property regardless of the entity that owns them. These funds may not be seized, appropriated, or sequestered except by virtue of a legal text or legal action enforceable in the Great Jamahiriya.

Article (8)

Projects established in free zones shall not be subject to nationalization, expropriation, seizure, confiscation, freezing, or procedures of the same effect except by virtue of a law and in exchange for a just compensation.

Article (9)

The executive regulation of this law shall be issued by a decree from the General People's Committee containing the following:

1. Administrative system of free zones and competencies of each body;
2. Procedures and rules pertaining to the entry and exit of goods in transit.

Article (10)

Law No. (10) of 1949 on free zones shall be repealed. Any text contrary to the provisions of this law shall also be repealed.

Article (11)

This law shall be published in the Official Gazette and shall enter into force from its date of issuance.

The General People's Congress – Libya

Issued in Sirte

On 25 Dhu al-Qaada

Corresponding to 01 March 1430 FBP

