

No. S 81

**FREE TRADE ZONES ORDER, 2014**

**FREE TRADE ZONES (MANUFACTURE) REGULATIONS, 2014**

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**FREE TRADE ZONES ORDER, 2014**

**FREE TRADE ZONES (MANUFACTURE) REGULATIONS, 2014**

In exercise of the power conferred by section 36(1) of the Free Trade Zones Order, 2014, the Minister of Finance, with the approval of His Majesty the Sultan and Yang Di-Pertuan, hereby makes the following Regulations —

**Citation and commencement.**

1. These Regulations may be cited as the Free Trade Zones (Manufacture) Regulations, 2014 and shall commence on the same date as the Free Trade Zones Order, 2014.

**Powers of officer of customs.**

2. Officer of customs shall have and exercise all powers conferred on the Authority by these Regulations, subject to the general direction and supervision of the Authority.

**Application particulars.**

3. An application for the approval of the Minister under section 8 for the manipulation or manufacture of goods in a free trade zone shall be made in writing to the Authority specifying —

(a) the name and address of the applicant;

(b) the name and address of —

(i) every director if the applicant is a company;

(ii) every partner if the applicant is a firm;

(c) the number of the certificate of registration if the applicant is registered under the Business Names Act (Chapter 92);

(d) the exact place or premises in the free trade zone where it is proposed to carry on the manufacturing operation;

(e) a full description of the manufacturing operation, including the nature of the goods to be manufactured, the estimated output and the quantities to be manufactured for local consumption or for export or both;

(f) the estimated annual duty which may be exempted or paid on the raw materials to be used for the purpose of manufacture or on the semi-finished and finished products, as the case may be;

*(g)* the means of identification of the raw materials, semi-finished or finished products; and

*(h)* such other information as the Authority may require.

**Plan of factory.**

4. (1) The Authority may inspect the place or premises where the goods are to be manufactured and may require an applicant to submit a plan setting out in detail the layout or construction of the factory.

(2) The Authority may require an applicant to make such alterations in the plan as are necessary for the protection of the revenue.

**Requirements from Authority.**

5. The Authority may require an applicant to make the following provisions in respect of the place or premises to be used for manufacturing operation —

*(a)* separate storage space for —

(i) raw materials; and

(ii) semi-finished and finished products;

*(b)* identification marks for semi-finished and finished products;

*(c)* security for the due payment of all customs duties and fees and for the proper conduct of the business; and

*(d)* any other requirement the Authority considers necessary in order to ensure adequate protection of the revenue.

**Alteration of premises.**

6. Structural alteration or addition shall not be made to a place or premises used for the purpose of manufacture in a free trade zone except with the written permission of the Authority.

**Records to be kept.**

7. (1) Every manufacturer in a free trade zone shall keep and maintain in a form and manner satisfactory to the Authority at the place or premises used for manufacture —

(a) stock book for recording the quantity, description, country of origin and other relevant details of all raw materials received at that place or premises;

(b) a register in which shall be entered the quantity and description of all raw materials used for manufacture, the quantity and description of the semi-finished and finished products including by-products resulting from the manufacture and the manner of their disposal;

(c) a stock book for recording particulars of waste material resulting from manufacture;

(d) books of account, invoices, customs permits and other documents connected with the manufacturing operations; and

(e) a record of the description and quantity of physical loss resulting from evaporation, spillage, leakage, ullage or other causes.

(2) Every such manufacturer shall —

(a) produce on demand at anytime for the inspection of an officer of customs, the books, records and documents referred to in sub-regulation (1) and allow that officer to make extracts therefrom;

(b) allow at any time a senior officer of customs to examine, inspect, weigh or check the stocks of raw materials and of semi-finished and finished products including by-products kept at the place or premises of manufacture and, for this purpose, that officer may require to see every package containing goods and the contents thereof and also to draw samples of the raw materials and semi-finished or finished products for the purpose of analysis;

(c) allow the officer of customs to place seals on packages and cases of products for export;

(d) inform the officer of customs in advance of the hours of manufacturing operation and any change therein;

(e) give information which may be required by a senior officer of customs;

(f) pay on demand to the Authority the customs duty on any dutiable goods which cannot be satisfactorily accounted for; and

(g) permit the officer of customs to inspect all labels, wrappers or containers used or attached, or intended to be used or attached, in connection with the product manufactured by him.

**Returns to be furnished.**

8. Every manufacturer in a free trade zone shall, not later than the 10th day of each month, furnish to the Authority a return, in such form and manner as the Authority may decide, giving details of —

(a) all dutiable raw materials received at the place or premises of manufacture during the preceding month;

(b) production of semi-finished and finished products including by-products and their releases for local consumption and for export;

(c) waste stocks and the manner of their disposal;

(d) loss through spillage, evaporation and other causes; and

(e) the balances of all dutiable raw materials and of the semi-finished and finished products including by-products stocked at the place or premises of manufacture as at the close of business on the last day of the month.

**Movement of products between free trade zone and customs area.**

9. (1) Semi-finished or finished products which had been removed from a free trade zone into customs area shall not be returned to the free trade zone except with the written permission of the Authority.

(2) Dutiable raw materials removed in to a free trade zone shall not be returned to the customs area except with the written permission of the Authority.

**Declaration for movement of goods.**

10. (1) Whenever a manufacturer in a free trade zone wishes to remove into customs area a semi-finished or finished product which are subject to customs duty from his place or premises of manufacture for local consumption, export or destruction, he shall submit to the officer of customs a declaration, in such form and manner as the Authority may decide, of the goods to be removed.

(2) The officer of customs shall thereupon authorise in writing the removal of the goods and, in so doing, may impose conditions for safeguarding the revenue.

**Destruction of materials or products in free trade zone.**

11. Raw materials, semi-finished or finished products may not be destroyed in a free trade zone unless in the presence of a senior officer of customs.

**Revocation of approval.**

12. The Minister may revoke an approval granted to a person for the manufacture of goods in a free trade zone without assigning any reason.

Made this 28th. day of Safar, 1436 Hijriah corresponding to the 21st. day of December, 2014.

HIS MAJESTY  
THE SULTAN AND YANG DI-PERTUAN  
BRUNEI DARUSSALAM  
Minister of Finance.