CONTENT

Regulation No 417/2017

Industrial Parks Council of Ministers Regulation

Council of Ministers Regulation No 417/2017

COUNCIL OF MINISTERS REGULATION ON INDUSTRIAL PARKS

This Regulation is issued by the Council of Minister pursuant to Article 5 of the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 916/2015 and Article 32(1) of the Industrial Parks Proclamation No. 886/2015.

SECTION ONE

GENERAL

1. Short Title

This Regulation may be cited as the “Industrial Parks Council of Ministers Regulations No. 417/2017”.

2. Definitions

In this Regulation, unless the context otherwise requires:

1/ “Proclamation” means the Industrial Parks Proclamation No. 886/2015;

2/ “Investment Proclamation” means the Investment Proclamation No. 769/2012, (as amended);

3/ “Board” means the Ethiopian Investment Board;

4/ “Commission” means the Ethiopian Investment Commission;
3. **Main Duties of the Board**

The Board, with the view to implementing the Proclamation and this Regulation, shall have the following main duties:

1/ provide high-level guidance for the development, operation, and management of industrial parks and institution building and control;

2/ designate industrial parks, make amendments to and cancel the designation;

3/ decide on policy matters regarding industrial park end-users and follow up the implementation of its decisions;

4/ ensure that the concerned government organs, through cooperation and coordination, put in place a sustainable system as regards one-stop shop $ 9917

5/ adopt strategies and studies that enable to create and
5. Ensure that industrial park enterprises get streamlined one-stop shop service within the park.

6. Develop infrastructure and facilities that can engage in the development of industrial parks.

7. Ensure that industrial park enterprises get back support and assistance from the government and other stakeholders.

8. Facilitate conditions necessary for industrial park enterprises to grow and expand their operations.

9. Develop and implement a series of strategies to ensure the success and sustainability of industrial parks.

10. Ensure that industrial park enterprises get access to necessary machinery and equipment.

11. Recruit suitable investors that can engage in the development of industrial parks.

12. Ensure that industrial park enterprises get access to necessary support and assistance from the government and other stakeholders.

13. Develop and implement a series of strategies to ensure the success and sustainability of industrial parks.

14. Ensure that industrial park enterprises get access to necessary machinery and equipment.

15. Recruit suitable investors that can engage in the development of industrial parks.

16. Ensure that industrial park enterprises get access to necessary support and assistance from the government and other stakeholders.

17. Develop and implement a series of strategies to ensure the success and sustainability of industrial parks.
9/ conduct studies to identify policy issues of relevance to industrial park end-users, submit and cause decision of the Board and implement same;

10/ coordinate the responsibilities of relevant bodies with regard to recruitment and training of industrial park workforce, and enhance work morale of workers of industrial park enterprises at plant-level by making use of community radio transmission and other means of communication;

11/ submit to the Board and other relevant bodies up-to-date reports containing necessary data and analysis of industrial park end-users land development and construction performance, utilisation of factory and other buildings, manufacturing and export trade performance, employment status of domestic and foreign workers, one-stop shop service delivery and other important information.

SECTION TWO
DESIGNATION OF INDUSTRIAL PARK AND INVESTMENT PERMIT

5. Designation of an Industrial Park

1/ The Corporation or any other investor that wants to develop an industrial park shall apply to the Commission for the designation of an undeveloped or a developed land as an industrial park.

2/ The application for designation shall consider the provision of Article 25(2) the Proclamation.

3/ Without prejudice to the provision of the Proclamation and sub-article (2) of this Article, the application for the designation of an industrial park shall demonstrate the following:

   a) creation of job opportunities for citizens;
   b) transfer of knowledge, skill and technology;
   c) potential to increase export;
   d) backward and forward linkages of input;
   e) contribution to national and regional infrastructure development and
   f) Availability of human resource necessary for an industrial park.

4/ The Board may determine the minimum size of land to be designated as an industrial park in light of the peculiarities of each project.
5/ The land to be used for factory building, facilities for common use, infrastructure, residence and related buildings within the industrial parks area shall neither be less than 50 per cent nor exceed 75 percent of the land under possession; provided, however, that the Board may decide otherwise, in ways that conserve the environment, where an application is submitted to develop into an industrial park land that is suitable neither for agriculture nor for pasture.

6/ The Commission shall asses the application for designation and submit its recommendation to the Board within thirty days.

7/ The Board shall, based on the recommendation of the Commission, determine the size of land designated as an industrial park and its lease price and decide that the same be transferred to the selected industrial park developer.

8/ An industrial park developer shall submit the following documents before commencing construction:

   a) an economic feasibility study document prepared by the industrial park developer, a park development plan and hydrological study;

   b) evidence of financial capacity;

   c) Letters from pertinent governmental institutions indicating the social and environmental impact assessment reports of the project have been considered and giving their go ahead for the project.

9/ The Commission shall notify the applicant in writing of the Board's decision within seven official working days.

6. Designation of a Specialised Industrial Park

1/ The Board may, where appropriate, designate an industrial park as specialising in textile and apparel, integrated agro-processing, technology, pharmaceuticals, metalworking or any other specialised field.

2/ Without prejudice to sub-article (1) of this Article, the Board may designate an area as a free trade park or export processing zone in which goods may be landed, handled, manufactured or reconfigured, and re-exported or supplied as input for industrial parks in consultation with the Authority.
3/ The application for a specialised designation may be made by the Commission or the Corporation or another industrial park developer.

4/ Without prejudice to Article 5 of these Regulations, the application for a specialised designation shall clearly demonstrate the following information:

a) such a designation contributes to the attainment of special developmental goals of the region or locality;

b) the importance of such designation in enhancing competitiveness through creation of linkages among enterprises in the park;

c) the suitability of the locality chosen for the supply of input.

5/ The Board may grant special incentives to a park designated as a specialised industrial park pursuant to sub-article (1) to (4) of this Article.

7. Investment Permit of an Industrial Park Developer

1/ Any domestic or foreign investor shall apply to the Commission and secure an investment permit in order to become industrial park developer.

2/ Industrial park developer shall comply with the following requirements for the issuance of investment permit:

a) an undertaking is made to develop a park for use by industrial park enterprises that engage in special manufacturing sectors identified as priority by the Government;

b) the applicant demonstrates availability of sufficient capital for the implementation of the project and

c) other requirements for the issuance of investment permit provided for under the investment law.

3/ Where the Commission finds the application comply the requirements, it shall conclude a memorandum of understanding with the applicant and issue an investment permit to the industrial park developer within seven official working days.

4/ The investment permit issued to an industrial park developer shall indicate the investment sector on which the park focuses.

8. Investment Permit of an Industrial Park Operator

1/ Any domestic or foreign investor shall apply to the Commission and secure an investment permit to become an industrial park operator.
2/ An industrial park operator shall comply with the following requirements for the issuance of investment permit:

a) detailed declaration demonstrating availability of professionals and possession of experience in rendering similar or related service;

b) administrative and financial plan demonstrating availability of funds and capacity to deploy sufficient experienced professionals; and

c) Other requirements for the issuance of investment permit provided for under the investment law.

3/ The Commission shall issue investment permit to the applicant within seven official working days where it finds that the application complies with the requirements.

4/ An industry park developer, who seeks to operate industrial park that he developed, shall apply for investment permit to operate the park upon complying with the requirements provided under sub-article (2) of this Article.

9. Investment Permit of an Industrial Park Enterprise

1/ Any domestic or foreign investor shall apply to the Commission and secure an investment permit in order to become an industrial park enterprise.

2/ An industrial park enterprise shall comply with the following requirements for the issuance of investment permit:

a) detailed project proposal;

b) export or import substitution plan depending on the type of the project;

c) declaration of financial standing and a ten-year forecast;

d) environmental impact assessment report and

e) Other requirements for the issuance of investment permit provided for under the investment law.

3/ The Commission shall issue investment permit to the applicant within seven official working days where it finds the application complies with the requirements.
SECTION THREE

10. Land Leasehold Certificate of Industrial Park Developer and Enterprise

1/ The Corporation shall, as provided under Article 5(2) of its establishment Regulation No. 326/2014, keep in the land bank the land that it obtains from Regions through agreement with and get a site plan to develop by it or to transfers to other industrial park developers. The agreement shall be reached to enable the Corporation to develop such land by itself or transfer the same in leasehold to another industrial park developer.

2/ With regard to the land it has received pursuant to sub-article (1) of this Article, the Corporation shall, as regards land that it seeks to develop itself, secure lease-hold certificate that enables it to do so from an appropriate regional institution.

3/ The Corporation shall transfer land in leasehold from the land bank to another industrial park developer that has secured investment permit only after the Commission notifies it of the decision of the Board to that effect. Following the conclusion of such leasehold, the industrial park developer shall get lease-hold certificate from the Commission.

4/ The Commission shall issue certificate of sub-leasehold to an industrial park enterprise that has acquired a developed industrial park land on the basis of sub-lease from the Corporation or another industrial park developer.

11. Construction by Industrial Park Developer or Enterprise

1/ An industrial park developer that wishes to carry out construction of a factory building or engage in any other construction permissible in a park for rent or sale shall secure a construction permit from the Commission. The Commission shall seek professional assistance from the Corporation or another appropriate institution in the course of discharging this responsibility.

2/ An application for a construction permit by an industrial park developer shall clearly show with the following requirements:

a) that the land to be used for factory building and related construction in the park complies with the requirements under Article 5 (5) of this Regulation;
b) inclusion of facilities for, one stop-shop service, medical service, residential buildings, sport centre, green area, and the like sufficiently in manner accessible to persons with disability;

c) Inclusion of adequate fire prevention and fighting facilities, CCTV and similar systems necessary for security, customs control and cargo examination, parking, loading and unloading space, weighbridge, stores, offices, human and factory waste treatment facility.

3/ A industrial park developer shall conclude an agreement with the Commission regarding the implementation of the construction of its project.

4/ An industrial park enterprise shall conclude an agreement regarding the implementation of factory and related construction with the industrial park developer or an operator designated by the industrial park developer.

5/ The Commission shall grant construction permit, other permits related to construction, and examine and approve bill of quantities following the conclusion of agreements indicated under sub-articles (3) and (4) of this Article.

6/ An industrial park developer or enterprise that wishes to make changes to construction that was carried out in compliance with the agreement shall, as appropriate, seek the approval of the Commission or industrial park developer.

7/ The Commission shall oversee and ensure that the implementation of the project of the industrial park developer or factory and related construction of an enterprise conforms to the relevant laws. The Commission may discharge these regulatory responsibilities making use of its own professionals or those of the Corporation or by hiring a consulting firm.
SECTION FOUR

CONDITIONS UNDER WHICH INDUSTRIAL PARK DEVELOPER, OPERATOR AND ENTERPRISE UNDERTAKE THEIR INVESTMENT ACTIVITIES

12. Conditions under which an Industrial Park Developer Develops a Park

Without prejudice the provisions of the Proclamation, an industrial park developer shall have the following responsibilities:

1/ provide facilities that are necessary during construction stage such as for first aid, cafeterias, toilets, and ensure the security and well-being of construction workers;

2/ carry out construction of buildings, develop infrastructure and service facilities in compliance with the requirements of these Regulations, terms of the investment permit and agreement in a timely and adequate manner;

3/ include buildings and facilities to be used for the provision of certification service regarding product quality and other requirements taking into account the investment sector on which the park focuses;

4/ transfer experience garnered regarding park development to Ethiopians;

5/ submit detailed quarterly report to the Commission regarding performance of the project particularly the performance of the industrial park land development and construction activities within the park, use of factory and other buildings.

13. Conditions under which an Industrial Park Operator Operates a Park

Without prejudice the provisions of the Proclamation, an industrial park operator shall have responsibility to ensure the following:

1/ activities in the park are carried out in compliance with the relevant laws and terms of the operator agreement;

2/ administration of the park is in conformity with reasonable trade practice;

3/ provision of service in the park without discrimination;
4. Activities are carried out in compliance with by laws developed in consultation with the association of industrial park enterprises, in particular:

a) modifications to buildings comply with relevant laws;

b) movement of people and vehicles inside the park and at the gates is streamlined;

c) parking space and cargo terminals are properly utilised;

d) adequate security is provided inside the park and its surrounding;

e) fire and accident prevention and control system is in place and readily available for use;

f) removal of liquid and solid waste and cleanliness of common spaces is ensured;

g) develop common space and green areas and look after them;

h) properly maintain and preserve infrastructure, ensure that they are in working order;

5/ conclusion of agreement with third parties for provision of certain services;

6/ ensure security within the park, where need be, by calling upon government security forces for support;

7/ make use of modern technological means to secure the industrial park in ways that are suitable to users and implementation of customs laws;

8/ transfer to Ethiopians of knowledge and skill in regard to administration of an industrial park;

9/ submission of detailed quarterly report to the Commission regarding the discharge of its duties particularly the performance of the industrial park land development and construction activities within the park, use of factory and other buildings.

14. Conditions under which an Industrial Park Enterprise Carries out Investment

Without prejudice to the provisions of the Proclamation, an industrial park enterprise shall have the following responsibilities:

1/ put in place a system for work conditions, productivity and particularly provide access to
health care coverage, day care, cafeterias, and where appropriate, transportation;

2/ submit annual report to the relevant governmental institutions regarding activities carried out to transfer to Ethiopians knowledge and skill;

3/ submit annually to the Commission information regarding its employees, based on a format to be prepared by the Commission in consultation with pertinent governmental institutions;

4/ submit monthly report to the Commission on its performance, particularly as regards production and export.

SECTION FIVE
ONE-STOP SHOP SERVICE AND RELATED MATTERS

15. One-stop Shop Service

1/ An industrial park developer, operator or enterprise that has been issued investment permit by the Commission shall have access to the following one-stop shop services at a park level:

a) renewal, amendment, change or replacement of investment permit or issuance of investment permit for expansion of investment project;

b) change or amendment of commercial registration or issuance of substitute certificate of commercial registration;

c) issuance and renewal of business license, or issuance of substitute business license;

d) amendment or change of the name of a business organisation;

e) registration of trade name, giving substitute trade name, amendment of trade name certificate or its cancellation;

f) registration and renewal of registration of the association of industrial park enterprises;

g) registration of foreign direct capital;

h) issuance and renewal of visa, issuance and renewal of residence permit;

i) issuance of work permit, its renewal, replacement and cancellation;

j) approval of exemption from customs duty and franco valuta importation of goods;

k) approval of income tax holiday;
l) receipt and entertainment of requests for transfer of construction materials, capital goods, spare parts and motor vehicles from an industrial park enterprise entitled to exemption from customs duty to another enterprise with the same entitlement within a single industrial park;

m) authentication of documents including memorandum of association, articles of association and amendments thereto;

n) issuance of tax identification number to employees in the industrial park and communication of decisions regarding income tax holiday to expatriate employees;

o) registration of industrial park enterprises for value added tax, refund of value added tax, granting permits and rendering services such as in relation to implementation of voucher and other export incentives;

p) provision of declaration of tax, payment of tax, tax refund, tax audit and other services pertaining to tax;

q) conduct of registrations pertaining to employers and workers;

r) issuance of certificate of origin and other supporting certificates necessary to benefit from special market opportunities;

s) approval of environmental impact assessment studies and issuance of certificate;

t) issuance of a certificate of competence, and other certificates required in the marketing of products, where necessary;

u) provision of banking, insurance, shipping, logistical and other services of relevance to the park;

v) issuance of certificate of residence to industrial park residents;

w) collection of contributions from employers and employees to the private organisations pension fund;

x) follow up and give support regarding the safety and health of workers in relation to work;

y) Handling complaints and resolving disputes or creating conducive condition for resolution of disputes by appropriate organs, especially using alternative dispute resolution methods.
2/ All relevant government organs that are required to
give service to industrial park end-users shall have
duty to provide service either presence in the one-
stop shop service or designate the Commission or
another appropriate institution to provide such
service on their behalf within a park.

3/ An industrial park developer or operator shall, as
part of one-stop-shop service within each park,
provide water, electricity, telecom including voice,
video, data and other related services, remove liquid
and solid waste and other necessary services either
directly or through the instrumentality of a third
person.

4/ Governmental institutions that are responsible for
rendering one-stop shop service in the park shall set
up structure and detailed operational procedures that
take into account the nature of industrial parks.

5/ Relevant government organs shall, under the
coordination of the Commission, conclude
agreement among themselves with the view
integrating and making one-stop shop service
effective.

16. Visa and Residence Permit

1/ The Commission may facilitate the processing of
visa and residence permit applications of foreign
citizens who come to Ethiopia in relation to
investment and that of their dependent family
members.

2/ A foreign citizen who happens to be outside his
country of residence may apply for Ethiopian visa
from the third country where the reason for travel to
Ethiopia pertains to investment.

3/ A multiple entry visa, that is valid for 5 (five) years
or residence permit may be issued, based on an
assurance from the Commission, to an owner or
shareholder of an industrial park developer or
enterprise.

4/ A multiple entry visa, that is valid for 3 (three) years
or residence permit may be issued, based on an
assurance from the Commission, to a foreign
operator that works in an industrial park, to an
industrial park product buyer, worker, manager,
executive officer from head quarters, board member
or high level professional staff.
17. Issuance of Work Permit

1/A work permit shall be issued by the Commission to a foreign citizen to be employed by an industrial park developer, operator or enterprises that has been given investment permit in relation to an industrial park.

2/A work permit may be issued to the spouse of a foreign industrial park worker who lives in Ethiopia.

18. Transfer of Knowledge, Skills and Technology

1/The Ministry of Industry and other relevant organs shall make sure that industrial parks recruit workers, foster skills development and transfer, and transfer and upgrading of technology; they shall also ensure supply of input and creation of market linkage; and render support in regard to the realization of these.

2/The Ministry of Industry shall design training programs that enable transfer of skills and knowledge to Ethiopian workers; and support and follow up to see if that an industrial park developer, operator and enterprise provide the training.

3/The Ministry of Industry shall, in collaboration with relevant bodies, put in place mechanisms that facilitate technology transfer; particularly, the Ministry shall have the responsibility to foster partnership between government and industrial park enterprises with the view to enhancing the transfer and advancement of technology, increase productivity and quality of industrial products and cause the conduct of studies and research.

4/The Ministry of Industry shall cause institutes accountable to open its branch offices, as may be appropriate, within parks or assign experts in order to discharge its responsibilities under the Proclamation and these Regulations.

SECTION SIX
CUSTOMS PROCEDURE AS CONCERNS INDUSTRIAL PARK

19. Customs Control

1/All customs procedures shall be completed in an industrial park.

2/An industrial park may either in its entirety or partly be a customs controlled area.
3/ Customs control in connection with industrial parks shall be carried out at the entry and exit gates of the customs territory as well as at the gates of the industrial parks.

4/ Goods transported by an industrial park developer or operator or enterprise to or from customs controlled area of an industrial park shall be cleared by simplified customs procedure.

5/ Cargo shipped by an industrial park enterprise from port of entry into the customs territory to an industrial park shall neither be stopped nor examined en route. The goods shall, however, be sealed in a container and the shipping documents that clearly indicate the industrial park to which the cargo is destined.

6/ An industrial park enterprise that has undertaken to export its entire produce shall be exempted from any customs duty and tax on raw materials it may import; provided, however, where an industrial park enterprise sells parts of its produce to the customs territory, it shall be subject to appropriate customs duty and tax on the difference.

7/ An industrial park enterprise that sells its products as input to another industrial park enterprise that exports its produce shall not be subject to payment of customs duty and tax.

8/ Any enterprise located within the customs territory that supplies input produced anywhere within the country to an industrial park enterprise engaged in export shall not be subject to payment of any customs duty or tax on such transaction; an industrial park enterprise that exports products that it produced using input that it purchased in the customs territory shall also not be subject to payment of customs duty and tax on the input used.

9/ An industrial park enterprise that has undertaken to export its entire produce may keep up to one year raw material that it imported without payment of customs duty and tax. Where such enterprise establishes good cause to retain such raw material for a period exceeding one year, the Commission may allow additional time.

10/ An industrial park enterprise that has undertaken to export its entire produce may not, under any circumstance, sell its products within the customs territory; provided, however, it may under special circumstances, if authorised by the Board, sell its products within the customs territory subject to
payment of appropriate customs duty and tax.

11/ Where an industrial park enterprise that is required to export its entire produce provides proof that its products could not meet export standards or its produce has been sent back after being exported owing to defects:

a) may, after securing permission from the Commission, sell such products at a special sales event to be organised only twice per year each for a continuous period not exceeding one week within the park at a place designated for such purpose, subject to payment of value added tax or;

b) may donate such products to a charity lawfully established within the country or;

c) get rid of such products by other means.

12/ An industrial park enterprise may sell by-products within the customs territory subject to the payment of only value added tax. The value added tax due from the enterprise shall be computed on the basis of the price at which the enterprise sells the by-products.

13/ An industrial park developer or enterprise may, by furnishing a letter of guarantee to the Authority, send abroad defective, damaged or incomplete capital goods, spare parts and accessories and have them replaced or repaired; and the Authority may not require any payment as regards this.

14/ Where customs duty or tax is not due on goods imported franco valuta by an industrial park developer or enterprise such goods may be sent abroad by the industrial park developer or enterprise, by securing permission from the Authority, without making payments that are charged in relation to goods sent back abroad.

15/ An industrial park enterprise may, by adducing evidence to the Authority from a relevant governmental institution, cause the removal of input that has expired or is defective.

20. Violation of Customs Procedures

An industrial park end-user that violates the customs and other laws shall be held accountable under the relevant law.
SECTION SEVEN
COMPLAINT HANDLING AND DISPUTE RESOLUTION

21. Principles

1/ Administrative complaints, civil and commercial disputes that arise in an industrial park shall be settled in efficient, effective and balanced manner.

2/ Complaints and collective or individual labour disputes that arise between a worker and his employer in an industrial park shall be resolved pursuant to the Labour Law by giving priority to alternative dispute mechanism.

22. Administrative Measure

1/ Where an industrial park developer or operator violates the conditions for the issuance of its permit, these Regulations, directives or other relevant laws, the Board shall issue it a warning requiring that corrective measures be taken in less than sixty days; a similar warning shall be issued by the Commission where the foregoing violation is committed by an industrial park enterprise.

2/ Where an industrial park developer, operator or enterprise fails to take corrective measures within the time limit provided for under sub-article (1) of this Article, the Board, or as may be appropriate the Commission, may suspend its permit for not more than sixty days.

3/ Where an industrial park developer or operator or enterprise whose permit has been suspended fails to take corrective measures and fails to resume work within the time limit fixed pursuant to sub-article (2) of this Article, the Board may decide that the matter be referred to an appropriate body for a provisional trustee that takes appropriate measures to preserve the rights of third parties be appointed.

23. Lodging Complaint against Decision of the Commission

1/ Any industrial park end-user may lodge complaint to the Board against administrative measures taken by the Commission.

2/ The complaint against the decision or administrative measure taken by the Commission shall be made in writing; a copy of the decision or measure taken by the Commission shall be submitted together with the pleading.

3/ Where a party with vested interest requests that the decision or administrative measure taken by the Commission be given to it in writing, the Commission shall give that within seven official working days of the request.
24. Appeal Against Decision of the Board

1. A party aggrieved by a decision of the Board may lodge appeal to an appropriate court.

2. Where a complainant requests the copy of decision of the Board be given to him in writing, the Secretariat of the Board shall give it within seven official working days of the request.

25. Complaints Lodged Against Other Government Institutions

1. An industrial park end-user may submit complaint to the Commission against decisions made and administrative measures taken by any other government institution in relation to an industrial park.

2. The Commission may cause resolution of complaint submitted pursuant to sub-article (1) of this Article at each industrial park's one-stop shop service.

3. Where a complaint is submitted to the one-stop shop service for resolution pursuant to sub-article (1) of this Article, the Commission shall consult the relevant parties and come up with a written recommendation to solve the grievance, within thirty days of the submission.

26. Conciliation

1. The Commission shall cause resolution of disputes arising between industrial park end-users through negotiation at the one-stop shop service.

2. The service specified under sub-article (1) of this Article shall be provided only if the parties to the dispute agree to seek that and submit their request in writing.

3. Where a request for conciliation service is submitted to the Commission, the conciliator at the one-stop shop service shall consult the relevant parties, if need be, and come up with a written final recommendation to solve the dispute, within thirty days of submission of the complaint.

4. The parties shall be bound by the terms of the recommendation drawn up by the Commission only if they in writing confirm their acceptance.

5. The recommendations shall be deemed rejected, if all the parties to the dispute fail to in writing confirm their acceptance of the terms of recommendation within fifteen days from the time such recommendations were made known to them.
6/ The parties shall settle expenses incurred in connection with the conciliation; and they shall undertake to do that beforehand.

27. Resolution by Arbitration

1/ Industrial park end-users may agree to resolve disputes between themselves by arbitration.

2/ The agreement referred to under sub-article (1) of this Article shall be concluded in writing; the details shall be governed by Article 3325 and the subsequent provisions of the Civil Code of Ethiopia.

28. Roster of Professionals that may Serve as Arbitrators

1/ The Commission shall, based on the recommendation of industrial park end-users, compile a roster of credible professionals that can serve as arbitrators.

2/ The Commission shall update the roster specified under sub-article (1) of this Article biennially.

29. Appointment of Arbitrator

1/ Parties that have agreed to resolve their differences by arbitration may appoint as an arbitrator a person that appears on the roster specified under Article 28 of these Regulation or any other person.

2/ Where the arbitration agreement fails to specify the number of arbitrators or the manner in which they shall be appointed, each party shall appoint one arbitrator.

3/ Unless otherwise agreed, where there is an even number of arbitrators, they shall, before assuming their functions, appoint another arbitrator who shall as of right preside over the arbitration tribunal. Where the arbitrators fail to reach agreement, the Arbitration Institute of Addis Ababa Chamber of Commerce and Sectoral Association shall, upon the request of one of the parties to the dispute, appoint an arbitrator from the roster specified under Article 28 of these Regulations.

4/ Where their number is odd, the arbitrators shall appoint the presiding arbitrator from among themselves. Where the arbitrators fail to reach agreement, the Arbitration Institute of Addis Ababa Chamber of Commerce and Sectoral Association shall, upon the request of one of the parties to the dispute, appoint the presiding arbitrator from among the arbitrators.
30. Applicable Law

Industrial park end-users that have agreed to resolve their differences by arbitration are at liberty to choose the substantive and procedural law to be applied by the tribunal.

31. Arbitrator Fee

The Commission shall, in consultation with appropriate bodies, prepare arbitration rate of fee schedule to be applied to determine fees due to arbitrators that resolve disputes among industrial park end-users.

32. Assignment of Federal Court Circuit Bench

The Commission shall, in consultation with the Federal Supreme Court, facilitate conditions for the assignment of a circuit bench of appropriate federal court in industrial parks.

SECTION EIGHT

MISCELLANEOUS PROVISIONS

33. Personal Effects

1/ A foreign investor engaged in an industrial park or an Ethiopian that resides abroad or a person of Ethiopian origin may import duty-free and without paying other taxes personal effects such as those used in living room, bedroom, kitchen, bathroom, sports appliances, lap top and desk top computers, musical instruments, camera, electronic gadgets, TV, CD player, for use if he lives or works in an industrial park; the details of which shall be prescribed by a directive.

2/ A foreign investor engaged in an industrial park or an Ethiopian that resides abroad or a person of Ethiopian origin that has imported personal effects pursuant to sub-article (1) of this Article may:

a) transfer such goods to another person with similar rights without payment of customs duty and tax;

b) Transfer such goods to another person that does not have similar rights or take them outside the park for his own use subject to the payment of appropriate customs duty and tax in advance.
34. Exemption from Tax on Salary

Foreign nationals employed by an industrial park enterprise that has undertaken to export its produce shall be exempted from paying income tax on their salary during five consecutive years starting from the date on which the enterprise obtained business license.

35. Tripartite Committee

1/ A tripartite committee consisting of the Ministry of Labour and Social Affairs, the Ministry of Industry, industrial park developer, operator or enterprise and employees’ representatives shall be established in a park.

2/ The tripartite committee shall be responsible for:

   a) ensuring the rights and duties of workers are respected and creating conducive conditions to prevent conflict through continuous consultation and engagement;

   b) ascertaining, in consultation with the Ministry of Industry, that transfer of knowledge, skill and technology takes place and productivity increases;

   c) Carrying out other activities that help attain industrial peace.

3/ The Commission shall, in consultation with the Ministry of Industry, follow up and provide assistance that the Committee discharges the responsibilities entrusted to it under sub-article (2) of this Article; the Commission shall also regulate the activities of the Committee.

36. Law Enforcement and Exchange of Information

1/ The Commission shall cause cooperation and coordination of appropriate security and law enforcement bodies operate within industrial parks with that of the industrial park developer, operator or enterprise.

2/ Where a law enforcement organ or any another relevant body comes to know of violation of the terms of permit by an industrial park developer, operator, enterprise or manager or any other organ that initiates any investigation into such matters, shall forthwith inform the Commission about such violation or commencement of investigations.
37. Transitory Provisions

1/ Without prejudice to the provisions of other appropriate laws, memorandums of understanding concluded with industrial park developers, operators and enterprises and decisions taken as concerns industrial parks designated before the coming into force of these Regulations shall continue to apply.

2/ Provisions of this Regulation that confer better rights on industrial park end-users shall be applicable to industrial parks designated before the coming into force of this Regulation.

38. Issuance of Directives

1/ The Commission shall, in consultation with stakeholders draft directives, concerning: designation of industrial park, permit, construction, operation, one-stop shop service, visa and residence permit, customs, export trade, complaint handling and dispute resolution and other matters of relevance to industrial park cause them to be approved by the Board.

2/ The Commission or other pertinent governmental institutions shall issue detailed implementation directives enabling the enforcement of the directives issued by the Board pursuant to sub-article (1) of this Article. The Commission shall follow-up and coordinates the issuance of such directives by the appropriate governmental institutions.

39. Inapplicable Laws

No regulation, directive and practice shall, in so far as it is inconsistent with this Regulation, have force or effect with respect to matters covered by this Regulation.

40. Entry into Force

This Regulation shall enter into force on the date of publication in the Federal Negarit Gazette.

Done at Addis Ababa, this September, 15th day of 2017.

HAILEMARIAM DESALEGN
PRIME MINISTER OF THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA