

TERMS AND CONDITIONS FOR APPLICATION TO OPERATE AN EXPORT PROCESSING ZONE FOR DE-REGISTERED VEHICLES

INTRODUCTION

1. LTA introduced an Export Processing Zone (EPZ) scheme in 2003 to allow for an extended period for keeping de-registered vehicles pending export. Preferential Additional Registration Fee (PARF) and Certificate Of Entitlement (COE) rebates are granted once the de-registered vehicle is accepted for storage at any authorised EPZ. Under the EPZ scheme, a de-registered vehicle is allowed to be kept at any authorised EPZ for up to a maximum of twelve (12) months from its de-registration date, after which, the vehicle must be scrapped if it has not been exported.

2. From 3 January 2005, a standing invitation is open to all interested companies who may wish to submit an application to LTA for EPZ operations. Upon successful application, the applicant shall operate the EPZ for a period of two (2) years.

EPZ MINIMUM OPERATING REQUIREMENTS

3. The applicant shall meet the following requirements for operating an EPZ:-

a) Company

i. General

The applicant must be a Business or Company registered with the Accounting & Corporate Regulatory Authority (ACRA).

ii. Experience

Demonstrate at least three (3) years experience in the import and/or export of vehicles or logistics trade.

iii. Financial

Have a positive net worth and exhibit strong financial stability.

b) Site**i. Minimum Tenancy Period**

The applicant must identify a suitable site for EPZ operations, and the tenancy period for the proposed site shall be a minimum period of two (2) years to cover the period of the Agreement. In the event that the application to operate an EPZ is unsuccessful, the Authority shall not be liable for any cost incurred in securing the site.

ii. Approval From Other Authorities

The responsibility lies with the operator to ensure that approval for the usage of the site is sought from **ALL** relevant authorities/ parties such as the National Environment Agency (NEA); Urban Redevelopment Authority (URA)¹; etc. These approvals for the usage of the proposed site must at least cover the duration of the Agreement (i.e. a minimum period of two (2) years).

iii. Minimum Capacity

Each EPZ shall have a minimum capacity for storing 400 units of vehicles² at 15m² per vehicle. If more than one site is to be used as an EPZ, these sites must be contiguous, unless otherwise approved by the LTA. Circulation space must be allowed between vehicles. For example, the minimum land area for storing 400 units of passenger vehicle shall not be less than 6,000m². The applicant shall in his application, declare the maximum number of vehicles to be stored within the EPZ.

If stuffing of vehicles into containers is to be carried out in the EPZ, the applicant is required to provide space in addition to the abovementioned.

iv. Site Security

The perimeters of the EPZ shall be fully fenced up, the entire area shall be well lit up and a security guard shall be on duty at all times at the EPZ. A tight security arrangement shall be in place to prevent unauthorised exit of vehicles stored in the EPZ and illegal usage of such vehicles outside the EPZ.

¹ The applicant shall seek "Planning Approval" from URA and submit a copy of the approval together with his application to LTA.

² Vehicles that are acceptable for storage must be in complete units.

The successful applicant shall maintain records on the entry and exit of vehicles stored in the EPZ and such records shall be presented for inspection as and when required by the Authority.

c) Administration and Operations

i. Online Application System

The EPZ operator shall install a computer terminal linked to the LTA System to enable online application to LTA to keep a vehicle in and retrieve a vehicle from the EPZ.

ii. Records Control

The applicant shall propose a comprehensive records control and inventory system for the operation of the EPZ.

iii. Submission of Documents Upon Commencement of Operations

Upon commencement of operations, the EPZ operator shall provide documents such as De-registration Application forms and any other supporting documents, as and when required by the Authority or its authorised personnel within the specified timeframe. The operator must also undertake to monitor and collect Disposal Documents from their clients and forward them to the Authority within the approved timeframe.

iv. Security Labels

Vehicles stored in EPZ shall be fitted with special Security Labels, and these Security Labels shall not be removed until the vehicle exits the EPZ for export or scrap. Such Security Labels shall be obtained from the Authority and the usage of ALL Security Labels shall be accounted for by the EPZ operator.

v. Compulsory Stuffing of Vehicles into Containers

All vehicles in the EPZ which are to be exported as containerised cargo must be stuffed into the containers within the EPZ, unless permission has been obtained by the EPZ operator from the Authority for a third-party appointed by the EPZ operator to carry out the stuffing on its behalf at the third-party's premises. The EPZ operator shall arrange for towing of the container directly to the port for export.

vi. Complete Knock Down (CKD) of Vehicles

EPZ operators may apply for CKD activities to be conducted within the premises of the Zone. This however, is subject to the written approval of the Authority.

vii. Undertaking to Safeguard Official Information

All staff of a successful EPZ applicant shall be required to sign an undertaking form to safeguard the disclosure of official information to unauthorised parties. These forms shall be submitted to the Authority within one month of commencement of operations.

d) Fees and Deposits Payable

i. Processing Fee

A processing fee of S\$25 (subject to GST) is payable by the authorised EPZ operator to LTA each time a vehicle is accepted for storage at the EPZ. A GIRO account must be set up with the Authority for the collection of this payment.

ii. Cost of Security Labels

The security labels will be made available to the operator at S\$4 (subject to GST) per pair, and must be properly affixed on each vehicle that enters the EPZ.

iii. Security Deposit

The appointed EPZ operator shall lodge a minimum Security Deposit of S\$250,000 in the form of an unconditional banker's guarantee or insurance bond for declared storage capacity of up to 1,500 passenger vehicles. For every increase of 200 vehicles (or part thereof) beyond 1,500 vehicles, the authorised EPZ operator will furnish an additional S\$30,000 in the form of an unconditional banker's guarantee or insurance bond.

4. The above minimum operating requirements are preliminary and provided to assist the applicant in his business assessment. The Authority reserves the right to amend any of the above requirements.

5. The successful applicant shall be required to enter into a Service Agreement with LTA. The appointment of the successful applicant shall be for a period of two (2) years. The final terms and conditions for the operation of an EPZ will be detailed in the Service Agreement.

DOCUMENTS REQUIRED

6. The applicant shall submit a proposal for the Authority's evaluation and the proposal shall include but shall not be limited to information in the following areas:
- a) Background of the company, including the current business operations.
 - b) Location and site layout of the proposed EPZ, size of site, duration of lease (if applicable).
 - c) Site security arrangements and staffing.
 - d) Administrative procedures for documents and records control.
 - e) Arrangement for the stuffing of vehicles to be exported as containerised cargos at the EPZ. If the applicant intends to appoint a third party, which must be approved by LTA, to undertake the stuffing, please state how the operations would be carried out.
 - f) Proposed layout plan for the EPZ, including but not limited to, the guard house, office for the acceptance/retrieval of vehicles, areas for storage of vehicles, stuffing of vehicles into containers, etc. Please provide also the maximum number of vehicles that could be stored at the proposed EPZ site, after taking into consideration the space required for circulation of vehicles and the stuffing of vehicles into containers at your EPZ. The Authority reserves the right to revise the maximum declared storage capacity.
 - g) Clearances/approvals from all relevant government authorities/ parties as required in paragraph 3 (b) (ii).
7. In addition, the applicant shall submit the Company's audited financial statements for the last three financial years.
8. Documents submitted for this application will be treated as confidential and will not be returned.

APPLICATION SUBMISSION

9. The application submitted by the Applicant shall be delivered to:-
Land Transport Authority
VRL Service Operations Division
EPZ Section
10 Sin Ming Drive
Singapore 575701

APPLICATION FEE PAYABLE

10. A **non-refundable** application fee of **S\$600 (subject to GST)** would be payable. The application fee shall be paid in the form of a Cheque or Cashier's Order **made payable to 'Land Transport Authority'** and submitted together with

the application form. All applications will not be considered prior to settlement of the application fee.

EVALUATION

11. Evaluation of the applications may include an **on-site assessment** at the proposed EPZ site. The applicant or his representative shall provide a guided tour of the proposed EPZ site to facilitate the on-site assessment at a date and time specified by LTA. The date and time of the on-site assessment will be notified at least one week in advance.

12. It should be noted that the appointment of an EPZ operator can only be assessed on the basis of information submitted and applicants should not rely on their general reputation without providing adequate information as this may prejudice their applications. The decision of the Authority shall be final and the Authority is under no obligation to appoint the applicant as an EPZ operator.

ON-SITE INSPECTION PRIOR TO COMMENCEMENT OF EPZ OPERATIONS

13. A letter of notification will be sent to all successful applicants. Upon receiving the letter, the successful applicant is required to prepare the site for the Authority's on-site inspection³ within a period of 2 calendar months from the date of the letter of notification. The application shall deem to have lapsed if the site is not ready for the Authority's inspection by the above-said period.

14. The successful applicants shall commence its EPZ operations after the Authority's site inspection and upon receipt of official approval given by the Authority. Inadequacies found during the site inspection shall be rectified by the successful applicants to the satisfaction of the Authority prior to the commencement of the EPZ operations.

ENQUIRIES

15. For enquiries, please contact the following officers:

<u>Name</u>	<u>Tel No</u>
Ms Kartini Binte Mohd Ali	6553 5351
Mr Andy Wu	6553 5292
Mr Kash Loh	6553 5208
Mr Eric Chan	6553 5203

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³ The site shall be completely ready for EPZ operations before the site visit is conducted. This includes, but is not limited to the flooring, fencing, lighting, security and office being thoroughly set up.

