

TERMS AND CONDITIONS FOR APPLICATION TO OPERATE AN EXPORT PROCESSING ZONE FOR DEREGISTERED VEHICLES

INTRODUCTION

1. In 2003, Land Transport Authority (LTA) introduced the Export Processing Zone (EPZ) scheme to allow deregistered vehicles pending export to be kept for an extended period. Under the EPZ scheme, a deregistered vehicle is allowed to be kept at any authorised EPZ for up to a maximum of 12 months from its deregistration date, after which, the vehicle must be scrapped if it has not been exported. Preferential Additional Registration Fee (PARF) and Certificate Of Entitlement (COE) rebates are granted once the deregistered vehicle is accepted for storage at any authorised EPZ.
2. As of 3 January 2005, a standing invitation is open to all interested companies who wish to submit an application to LTA for EPZ operations. If the applicant is successful, the applicant is required to sign a formal Agreement with the Authority and shall operate the EPZ for a period of minimum three (3) years and on such terms and conditions as stipulated in the Agreement.

EPZ MINIMUM OPERATING REQUIREMENTS

3. All applicants shall take note of the following minimum requirements for operating an Export Processing Zone:-

- 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 years of 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. Tenancy Period

The applicant must identify a suitable site for EPZ operations, and the tenancy period for the proposed site shall be a period of three years (3) 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 applicant shall be solely responsible for ensuring that **ALL** relevant and necessary approvals for the usage of the site is sought from **ALL** relevant authorities, such authorities may include the National Environment Agency (NEA); Urban Redevelopment Authority (URA)¹; etc.

iii. Minimum Capacity

Each EPZ shall at the minimum have capacity for storing 300 units of vehicles at 13.5m² per vehicle. Circulation space must be allowed between vehicles. For example, the minimum land area for storing 300 units of passenger vehicle shall not be less than 4,050m². The applicant shall in his application, declare the maximum number of vehicles to be stored within the EPZ.

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

For EPZ operators who want to expand their EPZ at subsequent branch sites, the minimum storage capacity at each of these branch sites shall be 100 vehicle lots.

iv. Site Security

The perimeter of the Operating Location² of the EPZ shall be fully fenced up, the entire area shall be well lit up and a security guard shall be posted on duty at all times at the Operating Location. The applicant shall ensure that there is a tight security arrangement in place to prevent unauthorised exit of vehicles stored in the EPZ and illegal usage of such vehicles outside the EPZ.

The 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 applicant 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

The applicant shall provide all required documents such as Deregistration Application forms and any other supporting documents to the Authority within the specified timeframe. The applicant must also undertake to monitor and collect

² Operating Location refers to the tract of land designated for the Services. i.e. the entire premise which the EPZ will be operating on.

Disposal Documents from their clients and forward them to the Authority within the approved timeframe.

iv. Security Labels

The applicant shall ensure that 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 only be purchased from the Authority and the usage of ALL Security Labels shall be accounted for by the applicant.

v. Compulsory Stuffing of Vehicles into Containers

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

vi. Complete Knock Down (CKD) of Vehicles

The applicant may apply for CKD activities to be conducted within the premises of the Operating Location. This however, is subject to the written approval of the Authority.

vii. Undertaking to Safeguard Official Information

All staff, employees and officers of the applicant shall be required to sign the above-mentioned form. These forms shall be submitted to the Authority within one month of commencement of operations.

viii. Liquidated Damages

The Authority shall have the right to impose liquidated damages for any non-compliances or omissions or failure to comply with the instruction issued by the Officer-in-Charge for suspension of operation as prescribed in the Service Agreement.

d) Fees and Deposits Payable

i. EPZ Entry Fee

An EPZ entry fee of \$37.45³ (inclusive of GST) is payable by the applicant to LTA each time a vehicle is accepted for storage at the EPZ. The applicant shall set up a GIRO account with the Authority for the collection of this payment.

ii. Cost of Security Labels

The security labels will be made available to the applicant at \$4.28 (inclusive of GST) per pair, and must be properly affixed on each vehicle that enters the EPZ.

iii. Security Deposit

The applicant shall lodge a Security Deposit of S\$100,000 in the form of an unconditional banker's guarantee or insurance bond for declared storage capacity of up to 300 passenger vehicles. For every increase of 100 (or part thereof) vehicles beyond 300, the applicant shall furnish an additional \$35,000 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 applicant shall be required to enter into a Service Agreement with LTA. The appointment of the successful applicant shall be for a period of 3 years. The final terms and conditions for the operation of an EPZ will be detailed in the Service Agreement.

³ The Temporary Exit (Inspection / Repair) fee of S\$37.45 (inclusive of GST) will also be imposed onto each vehicle leaving the EPZ for inspection or repairs.

DOCUMENTS REQUIRED

6. The applicant shall submit a proposal for the Authority's evaluation and the proposal shall include but not 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 Operating Location. 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 Operating Location and 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 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
Customer Service Centre, Level 1
Counter 20, 21 or 22
VRL Service Operations Division
10 Sin Ming Drive
Singapore 575701

APPLICATION FEE PAYABLE

10. An **application fee of \$642** (inclusive of GST) will be payable by the applicant. 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.
11. The application fee is non-refundable, save only in the instance whereby an applicant withdraws his application as a result of the Authority changing the requirements stated in this application form after the applicant has submitted and paid for his application.

EVALUATION

12. 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.
13. 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

14. 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 inspection⁴ 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.
15. 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

16. For enquiries, please contact the following officers:

<u>Name</u>	<u>Tel No</u>
Mr Kash Loh	6553 5208
Ms Eunice Ang	6553 5203
Ms Kartini Binte Mohd Ali	6553 5351
Mr Andy Wuu	6553 5292
Mr Jerome Lee	6553 5238

Updated on August 2018

⁴ 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.

