DRAFTING NOTE

SPECIAL ECONOMIC ZONES ACT 2026

1. Status and purpose of this note

This drafting note is explanatory and is not part of the proposed Assembly Act. It identifies the legislative need, the relationship with earlier Eritrean law, the principal matters retained, the modernization choices made and the place of the draft within the emerging constitutional statute book. The instrument remains a consultation draft and should be finalized only after legal, institutional, fiscal and public review.

2. Legislative need and prior law

The draft replaces fragmented free-zone and customs arrangements with a statute capable of attracting investment without creating law-free enclaves or opaque fiscal privileges.

3. What the draft retains

It retains customs facilitation, bonded treatment, infrastructure concentration and simplified administration for export and investment activity.

4. What the draft updates and modernizes

It requires legislative authority for incentives, transparent designation and developers, labour and environmental law, beneficial ownership, land and compensation safeguards, electronic single-window services, competitive access, fiscal reporting and judicial review.

5. Constitutional, code and treaty fit

The draft is framed under the Constitution of Eritrea 1997 and must be read with the Civil Code, Penal Code, Civil Procedure Code and Criminal Procedure Code of Eritrea 2015 where those Codes govern. It is also coordinated with the other institutional, financial, commercial, land, labour, administrative and sectoral drafts in this collection. References to international or regional standards guide compatibility and implementation; they do not bypass the Treaty-Making Act or convert an unincorporated instrument into domestic law.

6. Scope and organization

The principal divisions address preliminary provisions; national policy and designation of zones; special economic zones authority; planning, land, infrastructure and environment; developers and operators; zone enterprises and business operations; customs, taxation, finance and trade facilitation; workers, communities and human development; digital administration, security and continuity; compliance, enforcement and review; transitional and final provisions.

7. Transition, implementation and consultation

The draft preserves lawful accrued rights, completed transactions, pending proceedings and institutional continuity where appropriate, while preventing temporary savings from preserving unconstitutional coercion or indefinite executive discretion. Before enactment or issuance, authentic predecessor instruments and amendments should be verified, cross-references and fiscal capacity confirmed, implementing regulations and digital systems prepared, and affected institutions, professions, communities and the public given a practical opportunity to comment.

CONSULTATION DRAFT — NOT ENACTED LAW

ACT NO. ___ OF 2026

SPECIAL ECONOMIC ZONES ACT 2026

(ASSEMBLY ACT)

AN ACT TO PROVIDE FOR THE EVIDENCE-BASED DESIGNATION, DEVELOPMENT, OPERATION AND SUPERVISION OF SPECIAL ECONOMIC ZONES; ESTABLISH THE SPECIAL ECONOMIC ZONES AUTHORITY; FACILITATE INVESTMENT, PRODUCTION, TRADE, TECHNOLOGY, EMPLOYMENT AND REGIONAL DEVELOPMENT; PRESERVE CONSTITUTIONAL GOVERNMENT, PUBLIC REVENUE, LABOUR RIGHTS, LAND RIGHTS, ENVIRONMENTAL PROTECTION, COMPETITION AND NATIONAL SOVEREIGNTY WITHIN EVERY ZONE; AND PROVIDE FOR RELATED MATTERS.

PREAMBLE

WHEREAS Articles 8, 9, 21, 23, 24, 32, 42 and 55 of the Constitution of Eritrea require sustainable development, responsible use of resources, lawful economic activity, protection of property, fair administration, legislative control, accountable executive government and independent audit;
WHEREAS Eritrea may use its ports, transport corridors, workforce, diaspora, location and productive capacity to support competitive industry, logistics, services, exports and technological development, but a zone shall be created only where evidence demonstrates additional public value;
WHEREAS international experience shows that a successful zone requires genuine commercial demand, reliable infrastructure, competent administration, integration with the domestic economy and transparent measurement, and that indiscriminate tax concessions, land displacement and regulatory exemptions create public loss;
WHEREAS every zone remains an inseparable part of Eritrea and shall be governed by the Constitution, the Codes, Assembly Acts, independent courts and Eritrea's lawfully binding international obligations;
WHEREAS customs, tax, foreign-exchange and investment facilitation shall be predictable and digital, while labour, human-rights, environmental, public-health, competition, anti-corruption, national-security and criminal law shall apply fully;
NOW, THEREFORE, the National Assembly of Eritrea, acting under Articles 8, 21, 23 and 32 of the Constitution, enacts as follows:

CHAPTER I
PRELIMINARY PROVISIONS

Article 1 — Short title

This Act may be cited as the “Special Economic Zones Act 2026”.

Article 2 — Objects

1. to establish a lawful, transparent and commercially credible framework for special economic zones;
2. to attract additional productive investment, employment, skills, exports, technology and infrastructure;
3. to connect zones with Eritrean enterprises, workers, communities, ports and regional markets; and
4. to prevent zones from becoming opaque enclaves, tax shelters, land-displacement devices or exceptions from constitutional government.

Article 3 — Constitutional status of a zone

1. A zone is part of the territory and legal order of Eritrea and creates no separate sovereignty, jurisdiction or immunity.
2. The Constitution, Codes and Assembly Acts apply within every zone except for a specific differential treatment expressly authorized by an Assembly Act.
3. No agreement may transfer legislative, judicial, police, military, port, territorial or taxation authority to a foreign State, investor, developer or operator.
4. A person in a zone has the same constitutional rights and access to Eritrean courts as a person elsewhere in Eritrea.

Article 4 — Application

1. This Act applies to the proposal, designation, planning, development, operation, expansion, suspension and termination of every zone.
2. It applies to a public, private, cooperative, joint or public-private developer, operator, enterprise and service provider in a zone.
3. It applies at Massawa, Assab, another port, airport, border, industrial area, technology district or other designated location.
4. A customs warehouse, duty-free shop, industrial estate or business park is not a zone unless designated under this Act.

Article 5 — Interpretation

1. “Authority” means the Special Economic Zones Authority established by Article 28;
2. “developer” means a person licensed to plan, finance, construct or materially expand zone infrastructure;
3. “enterprise” means a person licensed to conduct an approved productive or commercial activity within a zone; and
4. “operator” means a person licensed to manage common facilities, access, services and daily administration of a zone.

Article 6 — Further definitions

1. “beneficial owner” means a natural person who ultimately owns, controls or materially benefits from an applicant, licence or transaction;
2. “designation order” means an Assembly-approved instrument establishing the boundary, purpose and essential conditions of a zone;
3. “master plan” means the approved spatial, infrastructure, environmental, social, financial and phasing plan for a zone; and
4. “zone” means a geographically defined special economic zone designated under Chapter II.

Article 7 — Guiding principles

1. A zone shall be demand-driven, additional to ordinary investment, integrated with national development and proportionate to public cost.
2. Administration shall be transparent, digital, time-bound, nondiscriminatory and coordinated without displacing an independent regulator.
3. Public land, money, infrastructure, tax expenditure and guarantees shall be valued, authorized, disclosed and audited.
4. Workers, villages, pastoral and fishing communities, women, youth and persons with disabilities shall participate fairly in benefits and decisions.

Article 8 — International obligations

1. This Act shall be implemented consistently with a treaty lawfully binding on Eritrea under the Constitution and the Treaty-Making Act.
2. An incentive shall be designed and notified consistently with applicable trade, customs, tax, labour, environment and anti-corruption obligations.
3. No export-performance, local-content or import-substitution condition shall be imposed where a binding obligation prohibits it.
4. International practice may guide administration but cannot create a domestic tax exemption, coercive power or private right absent Eritrean law.

Article 9 — Relationship with other laws

1. The Investment Act governs investment treatment and facilitation, and this Act governs the additional requirements arising from zone status.
2. The Commercial Code governs formation, governance, transactions, insolvency and commercial remedies of zone enterprises.
3. Customs, tax, labour, land, planning, construction, environment, competition, finance, data, immigration and sector laws remain applicable.
4. Where provisions conflict, the more specific lawful provision applies without defeating constitutional rights or an express safeguard in this Act.

Article 10 — No entitlement to designation or incentive

1. No person has a right to designation of land, admission to a zone, public infrastructure or an incentive merely by applying.
2. A decision shall nevertheless use published criteria, equal treatment, reasons and an effective review procedure.
3. A representation by an unauthorized official does not create zone status, tax relief, a land interest or State liability.
4. Legitimate reliance on a lawful final decision is protected according to the Constitution, the Civil Code and this Act.

CHAPTER II
NATIONAL POLICY AND DESIGNATION OF ZONES

Article 11 — National zones policy

1. The Cabinet shall propose, and the National Assembly shall approve, a national zones policy before designation of the first zone.
2. The policy shall identify economic rationale, locations, sectors, infrastructure limits, fiscal limits, environmental constraints and domestic linkages.
3. It shall compare zones with economy-wide reform and explain why geographically differentiated treatment is necessary.
4. The policy shall be reviewed at least every five years after public consultation and independent evaluation.

Article 12 — Permitted types of zone

1. A zone may be designated for diversified industry, port logistics, free trade, technology, services, agro-processing, fisheries processing or another defined productive purpose.
2. A single zone may contain separately controlled customs, industrial, residential and service areas where the master plan justifies them.
3. A zone shall not be designated principally for gambling, passive property speculation, anonymous finance, waste disposal or regulatory avoidance.
4. A military base, foreign territorial concession or extractive licence is not a special economic zone.

Article 13 — Initiation of proposal

1. The Government, a local government, a village association, a public enterprise or a private person may submit a zone concept to the Authority.
2. The concept shall identify land, demand, investors, infrastructure, finance, employment, environmental and community implications and alternatives.
3. A private proposal confers no preference in later procurement of a developer or operator unless competitive law permits a disclosed advantage for original work.
4. The Authority shall publish a nonconfidential concept and accept preliminary objections and expressions of interest.

Article 14 — Feasibility study

1. A designation proposal requires an independent feasibility study proportionate to scale and public exposure.
2. The study shall test actual demand, market access, logistics, utilities, workforce, land, climate, security, governance, cost, revenue and alternatives.
3. It shall include conservative, base and adverse scenarios and identify who bears construction, demand, currency and termination risk.
4. A study funded by a proponent shall be independently commissioned or reviewed and its conflicts disclosed.

Article 15 — Additionality and economy-wide reform

1. The study shall demonstrate that likely investment or public benefit would not occur on comparable terms without the proposed zone.
2. A zone shall not substitute for necessary national reform of licensing, customs, electricity, finance, land administration or judicial enforcement.
3. Benefits attainable through a generally applicable law shall ordinarily be provided nationally rather than restricted to a zone.
4. Pilot procedures tested successfully in a zone shall be considered promptly for lawful national adoption.

Article 16 — Fiscal-cost assessment

1. The Ministry responsible for finance shall prepare an independent statement of tax expenditure, land value, infrastructure cost, guarantees and contingent liabilities.
2. The assessment shall state the present value, budget source, beneficiaries, duration, opportunity cost and sensitivity to nonperformance.
3. A benefit whose public cost cannot be reasonably measured shall not be approved until a lawful cap and monitoring method are established.
4. Fiscal analysis and assumptions shall be published before legislative approval, subject only to narrow protection of legitimate bid information.

Article 17 — Environmental and social assessment

1. Strategic environmental and social assessment shall precede designation and shall not be deferred to individual projects.
2. It shall address water, coast, marine life, fisheries, grazing, agriculture, biodiversity, pollution, climate, heritage, housing, health and cumulative effects.
3. The assessment shall identify no-go areas, carrying capacity, mitigation, monitoring, emergency response and closure obligations.
4. Project-level assessment remains required under environmental law and shall not be replaced by the strategic assessment.

Article 18 — Land and community due diligence

1. The Authority shall identify every lawful public, village, customary, pastoral, residential, agricultural, fishing and other land or resource interest affected.
2. A map or registry gap does not establish that land is vacant or that use, access, route, water or livelihood rights do not exist.
3. Consultation shall begin before site selection becomes irreversible and shall be accessible to women, mobile communities and diaspora rights-holders.
4. No displacement or acquisition may occur except under the Constitution and the Land Act with due process and fair compensation.

Article 19 — Public consultation

1. The Authority shall publish the proposal, studies, draft boundary, public commitments and a plain-language summary for at least ninety days.
2. Hearings shall be held in affected villages and local governments and may also be conducted electronically for national and diaspora participation.
3. Comments, alternatives and the proponent's response shall be recorded and published in relevant working languages.
4. Consultation is meaningful only if the proposal may be changed, conditioned, relocated or rejected in light of evidence.

Article 20 — Local-government and village views

1. An affected local government and village body shall adopt a reasoned position after open local consultation.
2. Their support does not waive an individual's property, livelihood, environmental or procedural right.
3. Their objection shall be reported separately to the National Assembly and answered expressly in any designation recommendation.
4. A benefit agreement shall not purchase silence or restrict lawful participation, criticism or judicial review.

Article 21 — Authority recommendation

1. The Authority shall recommend approval only where studies establish net public benefit, financial viability, manageable risk and consistency with national policy.
2. The recommendation shall specify boundaries, purpose, duration, phases, public contributions, essential conditions and measurable performance indicators.
3. It shall disclose material dissent among regulators, ministries, local governments, villages and independent reviewers.
4. The Authority may recommend rejection, redesign, competitive retender or a limited pilot rather than full designation.

Article 22 — Approval by the National Assembly

1. A zone may be designated only by an Assembly Act or a designation order affirmatively approved by resolution of the National Assembly.
2. Approval shall state the geographic boundary, zone purpose, maximum duration, public fiscal ceiling and any specially authorized legal treatment.
3. The National Assembly may approve, reject or return the proposal with conditions but shall not select a private developer through the designation decision.
4. Approval does not appropriate money, acquire land, grant a licence or create a tax concession except to the extent the enacted instrument states expressly.

Article 23 — Designation order

1. After Assembly approval, the President may issue a designation order giving effect to the approved terms without enlarging them.
2. The order shall attach a surveyed map, commencement conditions, responsible institutions, implementation timetable and public register reference.
3. It shall be published in the Gazette and digitally before any licence, land transfer or zone-specific treatment takes effect.
4. A discrepancy between the order and Assembly approval is resolved in favour of the narrower lawful authorization.

Article 24 — Duration and phased activation

1. Designation shall have a stated term not exceeding thirty years and may be renewed only after evaluation and legislative approval.
2. Separate phases may be activated only after land, finance, infrastructure, environmental and operational conditions for that phase are verified.
3. Unactivated land shall remain under its existing lawful administration and shall not be sterilized for speculative future use.
4. A designation expires as to an uncommenced phase after five years unless the National Assembly approves a reasoned extension.

Article 25 — Boundary alteration

1. A material expansion, reduction or relocation follows the designation process and requires Assembly approval.
2. A technical survey correction that affects no right, fiscal exposure or development area may be made by published Authority decision after notice.
3. Boundary alteration shall not evade environmental assessment, procurement, land rights, fiscal ceilings or performance review.
4. Every historic and current boundary shall remain accessible in the public geospatial register.

Article 26 — Suspension or termination of designation

1. The National Assembly may suspend or terminate designation for persistent failure, corruption, insolvency, danger, unconstitutional operation or absence of public benefit.
2. Urgent temporary suspension may be ordered by a court or the Authority to prevent serious harm, subject to prompt hearing and legislative notification.
3. Termination shall protect workers, lawful residents, creditors, public assets, environmental restoration and legitimate investments through a published transition plan.
4. No operator or investor is entitled to compensation for the loss of an unlawful benefit or for proportionate enforcement of generally applicable law.

Article 27 — National register of zones

1. The Authority shall maintain a free digital register of proposals, designations, boundaries, licences, beneficial owners, incentives and performance.
2. The register shall include studies, decisions, contracts, land interests, public contributions, inspections, sanctions and termination arrangements.
3. A protected trade secret may be withheld only by itemized decision stating the legal ground and duration of protection.
4. Historic versions and downloadable machine-readable data shall be preserved for audit, research and public accountability.

CHAPTER III
SPECIAL ECONOMIC ZONES AUTHORITY

Article 28 — Establishment of the Authority

1. The Special Economic Zones Authority is established as a body corporate with perpetual succession.
2. The Authority may own property, contract, employ staff and sue or be sued in its own name.
3. Its principal office shall be in Asmara, with accessible offices or services at each operating zone.
4. The Authority shall not itself own an enterprise competing with persons it licenses or supervises.

Article 29 — Institutional position and independence

1. The Authority is an executive regulatory and coordinating institution responsible to the ministry administering trade and industry.
2. It shall exercise licensing, monitoring, technical recommendation and enforcement functions independently according to law and evidence.
3. The President or a minister may issue lawful general policy but shall not direct admission, inspection, sanction, procurement or dispute outcome in an individual case.
4. The Authority is accountable to the National Assembly, Auditor General, courts and public through this Act.

Article 30 — Functions

1. The Authority shall evaluate zone proposals, advise on designation and supervise master plans, developers, operators and enterprises.
2. It shall coordinate one-stop services, maintain registers, measure results and remove unnecessary administrative delay.
3. It shall protect constitutional, fiscal, labour, land, community, environmental, competition and integrity safeguards within zones.
4. It shall promote credible investment without promising a benefit or approval beyond lawful authority.

Article 31 — Board

1. A Board of seven voting members shall govern the Authority and provide strategy, oversight and institutional independence.
2. Members shall collectively possess expertise in trade, industry, ports, finance, law, labour, land, environment, technology, infrastructure and local development.
3. At least three voting members shall be women, and no more than two may be serving public officers.
4. The chief executive attends without vote and shall not serve as Chairperson.

Article 32 — Appointment and tenure

1. The President shall appoint Board members after an open merit process and approval by the National Assembly.
2. A member serves one five-year term, and initial terms shall be staggered by transparent lot.
3. Vacancies shall be filled through the same process for the remainder of the term.
4. Appointment and reasons shall be published with qualifications and declared interests.

Article 33 — Eligibility and disqualification

1. A member shall possess integrity, competence, independent judgment and no incompatible private or political obligation.
2. A serving party officer, zone bidder, developer, operator, enterprise controller or transaction adviser is ineligible.
3. A material ownership, family, financing or professional interest shall be disclosed and may require divestment, recusal or disqualification.
4. Liberation history, military rank, political loyalty, ethnicity, region, religion or wealth is not an appointment qualification.

Article 34 — Removal and suspension

1. A member may be removed only for incapacity, serious misconduct, corruption, undisclosed conflict, persistent neglect or statutory ineligibility.

2. Removal requires written allegations, fair opportunity to respond, independent inquiry and published reasons.
3. Temporary suspension may protect an inquiry but shall not predetermine the outcome or exceed a reasonable period.
4. A lawful removal is subject to judicial review.

Article 35 — Board procedure

1. The Board shall meet at least quarterly, and four voting members constitute a quorum.
2. A decision requires a majority of members present and voting, with the Chairperson having no casting vote.
3. Minutes shall record attendance, evidence, dissent, recusals, decisions and reasons and shall be published subject to lawful redaction.
4. A matter concerning designation, major enforcement, budget or conflict policy shall not be decided by circulation alone.

Article 36 — Chief executive

1. The Board shall appoint a chief executive through open competition for one five-year term renewable once after performance review.
2. The chief executive administers the Authority, implements Board decisions, controls staff and accounts and is accountable for service standards.
3. The chief executive shall not hold a political, military, developer, operator or enterprise office.
4. Acting appointment may not exceed six months without a new competitive process.

Article 37 — Staff and expertise

1. Staff shall be appointed on merit under the Civil Service Administration Act or lawful public-employment terms specified by an Assembly Act.
2. The Authority shall maintain expertise in economics, finance, engineering, customs, law, labour, land, environment, technology, statistics and community engagement.
3. Secondment from another authority shall preserve professional independence and avoid divided supervisory responsibility.
4. National-service personnel shall not be used as involuntary, unpaid or below-lawful-wage Authority labour.

Article 38 — Delegation

1. The Board or chief executive may delegate an administrative function in writing to a qualified officer subject to limits and review.
2. Power to recommend designation, issue a developer or operator licence, impose a major sanction or decide an appeal shall not be delegated below a level prescribed by law.
3. Delegation does not remove accountability of the delegating authority.
4. Every current delegation shall be recorded and accessible to affected persons.

Article 39 — One-stop coordination

1. The Authority shall provide a single digital and physical point through which an applicant may submit common information and track required decisions.
2. A competent regulator retains final decision-making power under its Act and shall not be instructed by the Authority to approve unlawfully.
3. Institutions shall share verified data lawfully and shall not demand repeated submission without reason.
4. A one-stop process shall publish responsible officers, requirements, fees, deadlines, reasons for delay and review routes.

Article 40 — Service agreements with other institutions

1. The Authority may conclude published administrative agreements with customs, tax, immigration, local government, utilities, ports and regulators.
2. An agreement may coordinate staff, systems, time limits and information but cannot transfer a statutory discretion without legislative authority.
3. Costs and performance standards shall be transparent and audited.
4. Failure by an institution to meet a service standard shall be reported and corrected without deeming approval where safety or rights require substantive review.

Article 41 — Finance and accounts

1. The Authority is financed by lawful appropriation, published fees and grants accepted consistently with independence and public-finance law.
2. A fee shall reflect lawful administrative cost and shall not become an undisclosed tax or negotiated barrier.
3. Revenue shall be paid into and expenditure made from accounts controlled under the Public Finance Management Act.
4. Borrowing, guarantees, retention of revenue and investment of funds require express authority under applicable Assembly Acts.

Article 42 — Audit, reporting and performance

1. The Auditor General shall audit the Authority, zone public assets, incentives, contracts, systems and performance information.
2. The Authority shall publish annual financial statements and a report comparing actual investment, jobs, exports, wages, linkages and public cost with approved targets.
3. The report shall distinguish commitments from realized outcomes and gross activity from activity displaced from elsewhere in Eritrea.
4. The chief executive and Board shall appear before the National Assembly when lawfully required.

Article 43 — Integrity and prohibited interests

1. A member, employee, adviser or close family member shall not hold an undisclosed interest in a zone decision or regulated person.
2. Gifts, facilitation payments, political contributions linked to decisions and post-service benefits intended to influence action are prohibited.
3. A conflicted person shall disclose, withdraw and refrain from receiving information beyond that needed for accountability.
4. Declarations, recusals and breaches shall be recorded, investigated and sanctioned under public-integrity law.

Article 44 — Public records and confidentiality

1. Authority records are public unless a specific lawful ground protects personal data, security, active enforcement or genuine trade secrets.
2. Confidentiality shall be decided item by item, narrowly, for a stated period and without concealing public obligations, beneficial ownership or environmental harm.
3. A bidder or enterprise designation of information as confidential is not conclusive.
4. Access, correction, preservation and appeal are governed by information and data-protection law.

CHAPTER IV
PLANNING, LAND, INFRASTRUCTURE AND ENVIRONMENT

Article 45 — Approved master plan

1. No physical development may begin before approval of a master plan consistent with the designation order and spatial-planning law.
2. The plan shall define land uses, phases, density, transport, utilities, housing, public space, buffers, emergency routes and environmental limits.
3. It shall state costs, responsible parties, performance milestones, maintenance and closure arrangements.
4. The approved plan and geospatial data shall be publicly accessible, with lawful protection only for narrowly sensitive security details.

Article 46 — Planning approval

1. The competent planning authority shall decide the master plan after technical review and public participation under the Spatial Planning Act.
2. The Authority may coordinate but shall not replace a planning, environment, heritage, water, port or local-government approval.
3. A condition imposed by one institution shall be visible to all institutions through the single-window system.
4. Conflicting conditions shall be resolved through law and recorded inter-institutional process, not private negotiation.

Article 47 — Land interests

1. A developer or operator may receive only a lease, licence, easement or other use interest lawfully available under the Constitution and the Land Act.
2. Zone designation does not itself extinguish, transfer or encumber any land, water, grazing, route, fishing, residence or resource interest.
3. Every allocated interest shall state boundary, duration, rent, permitted use, performance, transfer limits, restoration and reversion.
4. A land interest shall be registered and its public terms disclosed before possession.

Article 48 — Village and community land safeguards

1. A village or customary community shall participate through its lawful institutions and through inclusive meetings of affected rights-holders.
2. Collective decision-making shall not exclude women, pastoral users, tenants, minority groups or households absent for seasonal or diaspora reasons.
3. A community benefit or development agreement supplements and does not replace compensation, consent where required, public services or legal remedies.
4. Intimidation, fabricated consent, secret payment or retaliation invalidates reliance on a purported community approval.

Article 49 — Compulsory acquisition

1. Compulsory acquisition for zone purposes is exceptional and permitted only where a specific public necessity cannot reasonably be met by agreement or alternative land.
2. Acquisition shall follow the Land Act, individualized notice, hearing, independent valuation, prompt fair compensation and judicial review.
3. Land shall not be compulsorily acquired principally to transfer speculative gain to a private person.
4. If acquired land is not used within the approved period, former holders shall receive the reversion or priority remedy provided by the Land Act.

Article 50 — Livelihood restoration

1. Where a zone affects farming, fishing, grazing, trade, residence or access, the responsible parties shall restore sustainable livelihood in addition to paying compensable loss.
2. Measures may include replacement land, access routes, housing, skills, finance, market space, jobs and transitional income chosen with affected persons.
3. Results shall be independently monitored for a period adequate to establish restoration.
4. Failure triggers corrective action, security realization and enforceable remedies.

Article 51 — Public infrastructure commitments

1. Every public infrastructure commitment requires lawful appropriation, procurement, fiscal appraisal, implementation responsibility and published service standards.

2. Zone infrastructure shall be sized and located to create reasonable national and local benefit where technically and financially practicable.
3. Public funds shall not finance private luxury or speculative components unrelated to approved productive purpose.
4. Cost overruns and scope changes exceeding an approved threshold require renewed public-finance and legislative authorization.

Article 52 — Private and public-private infrastructure

1. A developer may finance and construct common infrastructure under a competitively awarded agreement and approved master plan.
2. A public-private partnership, concession or availability payment shall comply with public-finance, procurement and public-debt law.
3. Ownership, access, tariffs, quality, maintenance, step-in, handback and termination shall be stated in the agreement.
4. No private agreement may pledge sovereign assets or future public revenue without express authority.

Article 53 — Water security

1. A zone shall demonstrate a lawful and climate-resilient water source before activation of water-intensive activity.
2. Allocation shall protect drinking water, ecosystems and existing lawful community and livelihood uses under the Water Resources and Services Act.
3. Desalination, recycling, efficiency, wastewater treatment and monitoring shall be required where appropriate.
4. Groundwater depletion, salinization or diversion shall not be externalized to communities or future users.

Article 54 — Energy and communications

1. Electricity and communications shall be supplied under applicable sector laws, licences, technical standards and nondiscrimination duties.
2. A zone may use renewable generation, storage, microgrids and shared digital infrastructure subject to lawful grid, spectrum and safety requirements.
3. Public or exclusive network access shall use transparent tariffs and interoperability.
4. Critical systems shall maintain resilience, backup, cyber security and emergency restoration plans.

Article 55 — Ports, airports and corridors

1. A zone connected to Massawa, Assab, an airport or land corridor shall coordinate with the lawful port, maritime, aviation, customs and transport authorities.
2. Zone status confers no ownership or control of a port, airport, border or international route beyond a separately authorized interest.

3. Access, slots, berths, handling and corridor services shall be transparent and competitively neutral.
4. Security controls shall facilitate lawful trade without creating unreviewable detention, search or surveillance powers.

Article 56 — Housing and social infrastructure

1. The master plan shall address realistic worker housing, transport, health, education, markets, sanitation, public space and emergency services.
2. Employer housing shall comply with building, tenancy, health and labour law and shall not become coercive confinement.
3. Costs shall be allocated transparently among developer, operator, enterprise and public authorities.
4. Informal settlements and displacement risk shall be anticipated rather than used later to justify forced eviction.

Article 57 — Environmental approvals

1. Each project requiring assessment or permit under environmental law shall obtain it before construction or operation.
2. The Authority shall not issue or imply environmental approval and shall not shorten a statutory participation or appeal period.
3. Environmental conditions shall be integrated into zone licences and monitored jointly without reducing regulator independence.
4. A serious breach may justify immediate protective suspension notwithstanding another licence.

Article 58 — Pollution prevention and circular production

1. Developers, operators and enterprises shall apply resource efficiency, cleaner production, waste hierarchy and best available proportionate techniques.
2. Shared systems shall track water, energy, emissions, effluent, hazardous materials and waste transfers.
3. Industrial symbiosis and recycling may be encouraged but shall not disguise unlawful waste import, dumping or dilution.
4. Polluters bear prevention, control, cleanup, health-monitoring and restoration costs according to law.

Article 59 — Prohibited hazardous activities

1. A zone shall not receive foreign toxic, radioactive or hazardous waste for disposal.
2. An activity presenting unacceptable catastrophic, marine, public-health or national-security risk shall not be licensed.
3. Import or handling of a hazardous material requires the permits, capacity, insurance, tracking and emergency arrangements prescribed by law.
4. An agreement purporting to waive these rules is void and creates no right to compensation.

Article 60 — Climate resilience and disaster planning

1. Design shall account for sea-level rise, heat, drought, flood, storm, earthquake, fire, industrial accident and supply disruption.
2. Critical infrastructure and hazardous installations shall use independent safety review, redundancy and evacuation standards.
3. The operator shall coordinate an all-hazards plan with local government, health, fire, police, ports and disaster authorities.
4. Plans, drills, incidents and corrective actions shall be reviewed and publicly summarized.

Article 61 — Construction and occupancy

1. Construction, inspection, completion and occupancy are governed by the Building and Construction Act and applicable professional standards.
2. The Authority may coordinate applications but shall not authorize unsafe or uninspected use.
3. A developer shall keep reliable digital records of design, materials, inspections, changes and as-built conditions.
4. Defects, delay and insolvency shall be addressed through performance security, insurance, step-in and lawful completion arrangements.

CHAPTER V
DEVELOPERS AND OPERATORS

Article 62 — Requirement for developer licence

1. A person shall not represent itself as a zone developer or commence zone development without a licence under this Act.
2. The licence authorizes only the location, phase, works and term stated and does not replace another statutory approval.
3. Public construction shall be procured under the Public Procurement Act unless a lawful public-private arrangement expressly governs selection.
4. A private landholder is not entitled to a developer licence merely because its land lies within a proposed boundary.

Article 63 — Selection of developer

1. A developer receiving public land, exclusivity, finance, infrastructure, guarantee or another material public benefit shall be selected competitively.
2. Selection criteria shall test finance, experience, technical capacity, integrity, environmental performance, local linkages and value for public support.
3. A consortium shall identify each member, role, beneficial owner, financing source and responsibility.
4. The tender, evaluation, award, contract and material amendments shall be published subject to narrow protection of legitimate bid information.

Article 64 — Developer application

1. An application shall include corporate, beneficial-ownership, integrity, technical, financial, land, programme, environmental and social information.
2. It shall disclose affiliates, lenders, public officials, political exposure, litigation, insolvency, sanctions and prior project performance.
3. Forecasts shall distinguish committed funding and tenants from expressions of interest.
4. A material false statement or concealed controller is ground for rejection, cancellation and other lawful action.

Article 65 — Developer evaluation

1. The Authority shall evaluate an application using published criteria and independent technical, financial and integrity review.
2. It shall consult the planning, land, environment, competition, customs, tax, utility, local-government and security authorities as relevant.
3. The applicant shall receive notice of material concerns and reasonable opportunity to respond before adverse decision.
4. The decision, conditions and reasons shall be published after protection of narrowly confidential information.

Article 66 — Developer licence terms

1. A licence shall state land and phase, approved works, milestones, investment, performance security, access duties, reporting and expiry.
2. It shall allocate design, finance, construction, utilities, environment, community, maintenance, insurance, handback and closure responsibility.
3. It shall prohibit unauthorized transfer, mortgage, change of control, subdevelopment and use outside the master plan.
4. The licence and developer agreement shall be consistent, and the Act prevails over an inconsistent contractual term.

Article 67 — Performance security

1. A developer shall provide a bond, guarantee, insurance, escrow or other reliable security proportionate to public and completion risk.
2. Security shall cover milestones, site protection, unpaid public charges, environmental restoration and orderly handback as specified.
3. The issuer, amount, duration, claims procedure and reduction schedule require Authority approval.
4. Release shall follow independently verified performance and shall be recorded publicly.

Article 68 — Developer obligations

1. A developer shall construct according to the approved plan, quality standards, timetable and cost responsibilities.
2. It shall provide equal and transparent access to common infrastructure and shall not favour an affiliate.
3. It shall maintain records, report progress, protect land and communities and cooperate with regulators and audit.
4. It remains responsible for contractors and may not avoid a statutory duty through subcontracting.

Article 69 — Delay and failure to commence

1. The developer shall notify a material delay promptly with cause, effect and recovery plan.
2. The Authority may require cure, realize security, reduce the phase, procure substitute performance or recommend termination proportionately.
3. A time extension requires evidence, public reasons and confirmation that delay is not speculation or avoidable undercapitalization.
4. Public cost arising from developer default shall be recovered where law and agreement permit.

Article 70 — Requirement for operator licence

1. A person shall not manage zone access, shared facilities or zone administration without an operator licence.
2. A developer may also operate only if separately qualified, licensed and organizationally able to discharge both roles.
3. An operator exercises no legislative, judicial, police, customs, tax or immigration power.
4. Private rules bind users only as lawful contractual operating conditions consistent with this Act.

Article 71 — Selection and evaluation of operator

1. An operator controlling publicly supported common facilities shall be selected through transparent competition.
2. Evaluation shall consider technical systems, service quality, finance, integrity, neutrality, cyber security, emergency capacity and user charges.
3. A developer selecting an operator remains responsible for consistency with the developer licence and approved agreement.
4. The Authority shall approve selection and licence the operator independently.

Article 72 — Operator licence terms

1. The licence shall state facilities, services, standards, charges, access, records, safety, continuity, complaints and expiry.

2. It shall require separation of regulated common services from competitive affiliate activities.
3. A service interruption, emergency, cyber incident, discrimination or material noncompliance shall be reported immediately.
4. The licence shall provide for step-in and continuity if the operator fails or becomes insolvent.

Article 73 — Operator obligations

1. The operator shall maintain safe, reliable, accessible and competitively neutral common services.
2. It shall publish rules, tariffs, service levels, available capacity, planned outages and complaint routes.
3. It shall preserve transaction and access records and permit lawful inspection and audit.
4. It shall not deny access, retaliate or use confidential user information to advantage itself or an affiliate.

Article 74 — User charges

1. A common-service charge shall be cost-reflective, transparent, nondiscriminatory and authorized by licence or applicable sector law.
2. The methodology shall distinguish capital recovery, operating cost, public subsidy, taxes and reasonable return.
3. An affiliate shall pay on the same basis as a comparable independent user.
4. A user may challenge an unreasonable or incorrectly applied charge before the Authority or competent sector regulator.

Article 75 — Access and open capacity

1. Available common infrastructure shall be offered through published objective criteria and a transparent queue.
2. Capacity shall not be reserved indefinitely without payment, milestones and use-it-or-release conditions.
3. Scarce capacity shall be allocated competitively or by a regulator-approved method consistent with public purpose.
4. Denial or curtailment requires reasons and an effective review route.

Article 76 — Transfer and change of control

1. A developer or operator licence, material interest or control shall not be transferred without prior Authority approval.
2. Approval shall repeat fitness, competition, financial, security and beneficial-ownership review and shall not extend the original term automatically.
3. An indirect transfer, merger, nominee arrangement or enforcement of security that changes control is covered.

4. An unauthorized transfer is ineffective against the State and may lead to suspension or cancellation after due process.

Article 77 — Subcontracting

1. A developer or operator may subcontract a specialized function under transparent, capable and accountable arrangements.
2. A material subcontract and beneficial ownership shall be disclosed to the Authority before effect.
3. Subcontracting does not transfer the licence or reduce the licensee's responsibility.
4. A security, customs, utility or regulatory function may be subcontracted only to the extent its governing Act permits.

Article 78 — Insurance

1. A developer and operator shall maintain insurance appropriate to construction, property, liability, environment, cyber, business interruption and worker risk.
2. Coverage, exclusions, insurer strength and continuity shall be reviewed at least annually.
3. Self-insurance requires demonstrable capacity, reserves and Authority approval.
4. Insurance does not limit statutory responsibility or the polluter-pays principle.

Article 79 — Records and reporting

1. A licensee shall maintain reliable financial, engineering, land, contract, service, environmental, employment and incident records.
2. Records shall be interoperable with public systems, retained for the statutory period and protected against alteration or loss.
3. Reports shall be certified by responsible officers and independently assured where risk warrants.
4. False, misleading or materially incomplete reporting attracts proportionate sanction and correction.

Article 80 — Expiry, handback and closure

1. A licence shall include an orderly plan for expiry, nonrenewal, insolvency or early termination.
2. The plan shall protect continuity, workers, users, public property, data, environmental restoration and legitimate creditors.
3. Assets subject to handback shall be maintained to the defined condition and independently inspected before transfer.
4. Closure obligations and security survive expiry to the extent necessary for performance and remedy.

CHAPTER VI
ZONE ENTERPRISES AND BUSINESS OPERATIONS

Article 81 — Enterprise licence

1. A person shall obtain an enterprise licence before conducting a zone activity entitled to zone-specific treatment.
2. The licence is additional to company registration and any sector, professional, environmental, health or safety authorization.
3. An ordinary business may lawfully operate near or serve a zone without an enterprise licence or zone incentive.
4. The Authority shall maintain a public register of enterprise licences and current status.

Article 82 — Enterprise eligibility

1. Eligibility shall be based on the approved zone purpose, additional investment, productive activity, capacity, integrity and anticipated public benefit.
2. Criteria may consider employment, skills, technology, export or domestic value, resource efficiency, local linkages and infrastructure use.
3. Nationality alone shall not determine eligibility except for a narrow lawful reservation protecting a legitimate constitutional interest.
4. A shell, passive asset-holding arrangement or activity relocated principally to obtain tax advantage is ineligible.

Article 83 — Application and beneficial ownership

1. An applicant shall provide formation, controllers, beneficial owners, finance, activity, site, employment, environmental, technology and market information.
2. Natural-person ownership and control shall be verified to the level required by company, tax and anti-money-laundering law.
3. A nominee, trust or layered entity shall disclose the persons on whose behalf it acts.
4. Information shall be updated promptly upon a material change.

Article 84 — Decision and time limit

1. The Authority shall decide a complete application within a published period not exceeding sixty days unless a sector assessment lawfully requires longer.
2. A request for additional information shall be relevant, specific and made without repetitive delay.
3. Approval, conditions, refusal or deferral shall state reasons, effective date and review rights.
4. Silence does not approve an activity affecting safety, environment, land, finance or national security.

Article 85 — Licence conditions

1. A licence shall state approved activity, premises, term, investment, commencement, employment, reporting and any performance condition.
2. A condition shall be lawful, proportionate, measurable and related to zone purpose or risk.
3. An unpublished promise or condition has no effect against the licensee.
4. A material variation follows notice, evidence, reasons and review, except for an agreed beneficial correction.

Article 86 — Commencement and performance

1. An enterprise shall commence within the stated period and report realized capital, production, employment and market activity.
2. Performance shall be measured against lawful licence conditions rather than promotional estimates alone.
3. A shortfall caused by force majeure or material public failure shall receive proportionate adjustment where justified.
4. Persistent unexplained inactivity may lead to loss of scarce land, capacity or incentive after notice and hearing.

Article 87 — Equal treatment and competition

1. Comparable applicants and enterprises shall receive equal treatment under published criteria.
2. A State-owned or politically connected enterprise receives no preference except a transparent public-service measure authorized by law.
3. A developer, operator or dominant enterprise shall not tie access, exclude rivals, discriminate, collude or abuse confidential information.
4. Competition law and the powers of the competition authority apply fully within a zone.

Article 88 — Domestic market sales

1. A zone enterprise may sell into the Eritrean domestic market subject to ordinary customs, tax, standards, competition and sector requirements.
2. Domestic entry shall be declared and applicable duty and tax paid without discriminatory administrative barriers.
3. No quantitative limit shall be imposed merely to protect an inefficient domestic producer unless an Assembly Act lawfully provides it.
4. Origin, value and transfer pricing shall be verified under applicable law.

Article 89 — Exports and regional trade

1. Export and re-export shall use simplified lawful procedures, reliable origin evidence and digital logistics records.
2. The Authority shall support access to African and international markets without guaranteeing sales or misrepresenting treaty preferences.

3. An enterprise remains responsible for product, sanctions, export-control and destination-law compliance.
4. Trade data shall be collected without disclosing protected customer information improperly.

Article 90 — Local enterprise linkages

1. The Authority shall facilitate transparent supplier, subcontracting, repair, logistics, finance, training and technology linkages with Eritrean enterprises.
2. Participation shall be based on capability and fair opportunity, with assistance for small, women-owned, youth-owned, cooperative and village enterprises.
3. A linkage programme shall not become a hidden quota, political allocation or prohibited trade condition.
4. Enterprises shall report realized local procurement using verifiable definitions and excluding related-party inflation.

Article 91 — Technology and skills development

1. The Authority may coordinate voluntary training, apprenticeships, research, testing, digital adoption and university-industry collaboration.
2. Public support shall use transparent eligibility, measurable results, intellectual-property safeguards and open evaluation.
3. An enterprise shall not be compelled to transfer proprietary technology without law, consent and fair terms.
4. Skills developed through public support shall remain portable and shall not bind a worker to an employer through debt or document retention.

Article 92 — Standards and product responsibility

1. Goods and services produced in a zone shall comply with applicable standards, metrology, safety, labelling and consumer-protection law.
2. Export production shall not justify unsafe conditions, counterfeit goods, deceptive origin or dumping of rejected products domestically.
3. Testing and certification shall be performed by competent, independent and recognized bodies.
4. Traceability, recall, notice and remedy systems shall be maintained according to risk.

Article 93 — Business records and audit

1. An enterprise shall keep accounts, tax, customs, employment, production, environmental and beneficial-ownership records under applicable law.
2. Transactions with affiliates shall be documented on arm's-length terms and subject to transfer-pricing rules.
3. Digital records shall preserve origin, integrity, accessibility and audit trail.
4. Records may be inspected only by authorized institutions for lawful purpose with confidentiality and privilege safeguards.

Article 94 — Change, transfer and cessation

1. A material change of activity, premises, ownership, control or financing requires prior approval where prescribed by licence.
2. Transfer of an enterprise licence is not automatic with sale of shares or assets.
3. Cessation shall address workers, customs goods, taxes, creditors, land, waste, data and site restoration.
4. A lawful licence condition and accrued liability survive cessation to the extent necessary for compliance and remedy.

CHAPTER VII
CUSTOMS, TAXATION, FINANCE AND TRADE FACILITATION

Article 95 — Customs control

1. A zone remains subject to the Customs Act and shall have the control status stated in the designation order.
2. Goods may receive suspension, warehousing, processing, transit or other treatment only as authorized by customs law.
3. The Customs Service retains control, inspection, sealing, audit, assessment and enforcement powers and shall use risk-based methods.
4. The operator shall provide secure facilities and data but shall not exercise coercive customs power.

Article 96 — Entry, inventory and removal of goods

1. Goods entering, moving within or leaving a controlled zone shall be electronically declared or recorded as prescribed.
2. Inventory systems shall identify ownership, customs status, location, processing, waste and destination.
3. Removal to domestic circulation requires release and payment of applicable duty and tax.
4. Shortage, diversion, tampering or unexplained loss shall be reported immediately and investigated proportionately.

Article 97 — Simplified customs procedures

1. Customs may provide pre-arrival processing, periodic declarations, trusted-trader treatment, electronic seals and coordinated inspection.
2. Simplification shall be based on compliance and risk rather than private negotiation or political connection.
3. Release shall be separated from final determination where adequate security protects revenue.
4. Performance shall be measured by time, predictability, examination rate, revenue accuracy and trader cost.

Article 98 — Tax treatment only by law

1. No tax, duty, levy, rate, exemption, deduction, credit, holiday or remission arises from zone designation, a licence or an executive agreement alone.
2. Zone tax treatment shall be stated in a generally applicable tax Act or a specific Assembly Act identifying beneficiary class, conditions, duration and fiscal ceiling.
3. The Authority, developer, operator, minister and local government shall not privately waive or stabilize a tax.
4. An unlawful tax promise does not bind the State and shall be reported for accountability.

Article 99 — Principles for incentives

1. An incentive shall be necessary, additional, proportionate, time-limited, transparent and evaluated against measurable public benefit.
2. It shall avoid discrimination, harmful tax competition, profit shifting, artificial relocation and subsidy prohibited by binding international law.
3. Direct infrastructure or training support may be preferred to an open-ended profit exemption where more transparent and effective.
4. A beneficiary shall not receive duplicative incentives for the same cost or activity.

Article 100 — Incentives register and tax expenditure

1. The tax administration shall maintain a public register of legal authority, eligible class, duration and aggregate fiscal cost of zone incentives.
2. A beneficiary shall be identified where disclosure is required by tax, public-finance or State-aid law, subject to legitimate taxpayer confidentiality.
3. The annual budget shall report actual and forecast zone tax expenditure and compare it with investment and employment results.
4. An incentive without current legal authority, appropriation where required and a monitoring code shall not be administered.

Article 101 — Sunset and clawback

1. Every zone incentive shall expire on a stated date unless renewed by an Assembly Act after evaluation.
2. Material fraud, diversion, artificial arrangement or failure of an express essential condition may trigger withdrawal and proportionate recovery.
3. Clawback shall distinguish controllable breach from good-faith commercial failure and shall follow notice, response, reasons and review.
4. Accrued ordinary tax liability, interest and lawful penalties remain enforceable.

Article 102 — Transfer pricing and anti-avoidance

1. Transactions between a zone person and an affiliate shall comply with arm's-length, beneficial-ownership and anti-avoidance rules.

2. A zone shall not facilitate treaty shopping, false invoicing, circular trade, base erosion, customs fraud or concealment of income.
3. Tax and customs authorities may exchange information lawfully and conduct coordinated risk review.
4. A genuine commercial transaction shall not be recharacterized arbitrarily and remains entitled to reasoned independent review.

Article 103 — Foreign exchange

1. A zone enterprise may hold, receive, convert, transfer and repatriate lawful funds under the Investment Act, National Bank law and generally applicable foreign-exchange rules.
2. No forced conversion at an artificial confiscatory rate may be imposed under colour of zone administration.
3. Anti-money-laundering, sanctions, tax, prudential and verified reporting obligations apply equally.
4. A restriction shall be lawful, published, proportionate, reviewable and not targeted for political or private advantage.

Article 104 — Financial services

1. Banking, payment, insurance, securities, digital-finance and other regulated financial services require licences under their governing Acts.
2. Zone status does not create an offshore, secrecy or unregulated financial centre.
3. A sandbox or pilot requires express authority, participant safeguards, time limits, monitoring and an exit decision.
4. Customer funds, deposits and digital assets shall receive the same prudential, conduct and remedy protections applicable nationally.

Article 105 — State aid and public support

1. A grant, loan, guarantee, land discount, utility subsidy or exclusive right is public support and shall be valued and disclosed.
2. Public support requires authority under public-finance, public-debt, land, procurement, competition and State-enterprise law as applicable.
3. Support shall not be conditioned on political contribution, affiliation, secrecy or surrender of a legal remedy.
4. The Authority shall report cumulative support by zone and compare it with verified outcomes.

Article 106 — Fees and payments

1. Application, licence and service fees shall be established under law, published in advance and paid through traceable systems.
2. No unofficial payment, expedited private channel or discretionary facilitation fee is permitted.
3. An invoice and receipt shall identify legal basis, service, amount and review route.

4. Overpayment shall be refunded promptly with interest where unreasonable retention is attributable to a public authority.

CHAPTER VIII
WORKERS, COMMUNITIES AND HUMAN DEVELOPMENT

Article 107 — Application of labour law

1. The Labour Code, occupational-safety law, social-insurance law and lawful collective agreements apply fully in every zone.
2. No licence, agreement, incentive or operator rule may reduce a minimum wage, working-time, leave, equality, safety, association or remedy right.
3. A more favourable lawful contractual or collective term remains enforceable.
4. The Authority shall refer labour matters to the competent labour institutions and shall not replace them.

Article 108 — Prohibition of forced labour

1. Forced or compulsory labour, trafficking, document retention, debt bondage and coercive recruitment are prohibited.
2. National service shall not supply involuntary labour to a developer, operator, enterprise or commercial project.
3. A person completing national service may work in a zone only through free, paid and terminable employment governed by law.
4. A public or private actor benefiting from prohibited labour is liable to corrective, civil, administrative and criminal consequences under applicable law.

Article 109 — Employment contracts and wages

1. Every worker shall receive a written or reliably electronic contract in a language the worker understands.
2. Wages shall be paid fully, regularly and through a verifiable method without unauthorized deduction or coercive exchange.
3. Equal pay, minimum standards, overtime and wage protection apply regardless of nationality, residence or enterprise incentive.
4. A worker shall receive an itemized wage statement and accessible complaint route.

Article 110 — Freedom of association and bargaining

1. Workers and employers may form and join independent organizations and bargain collectively under the Constitution and Labour Code.
2. A zone enterprise shall not condition hiring, housing, immigration support or promotion on withdrawal from lawful organization.
3. Peaceful worker meetings and lawful industrial action are not zone-security threats merely because they affect production.
4. Retaliation, blacklisting and interference are prohibited and subject to effective remedy.

Article 111 — Occupational safety and health

1. A developer, operator and employer shall identify, prevent and control construction, industrial, chemical, marine, heat, ergonomic and psychosocial risks.
2. Workers shall receive training, protective equipment, medical surveillance and a right to report or leave imminent serious danger without retaliation.
3. Serious injury, disease, dangerous occurrence and fatality shall be reported immediately and independently investigated.
4. Shared hazards require coordinated responsibility without diluting each employer's duty.

Article 112 — Labour inspection

1. Labour inspectors retain unrestricted lawful access, document, interview, direction and enforcement powers within a zone.
2. The operator shall facilitate private worker interviews and shall not receive advance notice where it could defeat inspection.
3. Inspection selection shall use risk and worker information and shall not be influenced by investor status.
4. Findings and systemic indicators shall be shared with the Authority while protecting complainants and personal data.

Article 113 — Skills, apprenticeships and transition

1. Zone programmes shall support rapid, portable and recognized skills for demobilized national-service members, youth, women and displaced workers.
2. An apprenticeship shall provide training, supervision, safety and lawful compensation and shall not replace an ordinary job indefinitely.
3. Publicly funded training shall use transparent provider selection, outcomes and certification.
4. Participation shall be voluntary and shall not revive national service under another name.

Article 114 — Foreign workers

1. A foreign worker requires lawful immigration and work authorization under generally applicable law.
2. Facilitation shall be timely and may recognize scarce skills, management transition, training and legitimate project needs.
3. Foreign and Eritrean workers are protected equally by minimum labour, safety and dignity standards.
4. A work permit shall not bind a worker to abuse, prevent complaint or authorize an employer to retain travel documents.

Article 115 — Housing, transport and recruitment

1. Employer-provided housing and transport shall be safe, voluntary where practicable, fairly charged and separate from disciplinary control.
2. Recruitment fees shall not be imposed on workers where labour law prohibits them, and deceptive recruitment terms shall be corrected.
3. A worker shall be free to reside outside employer housing and use lawful transport subject to reasonable safety requirements.
4. Termination of employment shall not result in immediate homelessness without the notice and protections required by law.

Article 116 — Community benefit agreements

1. A major zone shall negotiate transparent benefit arrangements with affected local governments and village or community bodies.
2. Arrangements may address infrastructure, access, training, enterprise opportunities, environment, heritage, grievance and monitoring.
3. Benefits shall not substitute for tax, compensation, public duty or an individual's right and shall not be controlled by an unaccountable intermediary.
4. Funds and delivery shall be independently audited and reported to the community.

Article 117 — Local access and public space

1. A zone shall preserve lawful routes to homes, farms, grazing, coast, fishing grounds, markets, worship and public services unless an authorized alternative is provided.
2. Security fencing shall be limited to genuine operational, customs or safety need and shown in the master plan.
3. Public roads, shore access and community facilities shall not be converted to exclusive use without lawful process.
4. A person may challenge disproportionate exclusion before the Authority and courts.

Article 118 — Gender equality and inclusion

1. Zone planning and operation shall assess and address unequal effects on women, young people, persons with disabilities and marginalized communities.
2. Facilities, recruitment, training, procurement, transport and grievance systems shall be accessible and nondiscriminatory.
3. Sexual harassment, exploitation and gender-based violence require prevention, confidential reporting, protection and remedy.
4. Aggregate equality information shall be published without exposing personal data.

Article 119 — Health and public services

1. Public-health, food-safety, sanitation, disease-control and emergency-health law apply fully within a zone.

2. A developer or enterprise creating exceptional service demand may be required to fund proportionate capacity through a lawful transparent arrangement.
3. Private clinics or emergency services shall meet licensing and professional standards and coordinate with public systems.
4. A health emergency shall be managed through lawful, necessary and proportionate measures subject to review.

Article 120 — Grievance mechanism

1. Each zone shall maintain an accessible, multilingual and nonretaliatory mechanism for workers, residents, communities, enterprises and visitors.
2. The mechanism shall receive, track, refer and report complaints without replacing a court, regulator, union or statutory remedy.
3. Anonymous and confidential reporting shall be available where practicable, with protection against retaliation.
4. Systemic complaints and corrective action shall be published in aggregate form.

CHAPTER IX
DIGITAL ADMINISTRATION, SECURITY AND CONTINUITY

Article 121 — Digital zone platform

1. The Authority shall maintain a secure digital platform for applications, approvals, payments, inspections, reporting, complaints and public information.
2. A user shall be able to identify requirements, responsible institution, status, deadline, reason and review route without repeated office visits.
3. Open standards and interoperable interfaces shall avoid dependence on one vendor.
4. A lawful accessible alternative shall serve persons unable reasonably to use the digital platform.

Article 122 — Electronic legal effect

1. An electronic application, signature, permit, invoice, record, notice and payment has legal effect under applicable electronic-transactions law.
2. Reliability shall be assessed by identity, authority, integrity, time, retention and audit trail appropriate to risk.
3. A person shall not be denied service solely because a public system failed or a required digital method was unavailable.
4. Correction and version history shall preserve the original record and responsible action.

Article 123 — Data protection

1. Personal data shall be collected and used only for lawful, specified and proportionate zone administration under the Data Protection and Privacy Act.
2. Institutions shall minimize data, define access, retain only as necessary and protect against loss, alteration and unauthorized disclosure.

3. Automated decisions with significant effect require understandable reasons and meaningful human review.
4. A commercial applicant shall not receive personal or competitor data merely because it develops or operates the zone.

Article 124 — Cyber security

1. The Authority, operator and critical enterprises shall maintain risk-based cyber governance, access control, monitoring, backup, response and recovery.
2. A material incident affecting safety, continuity, personal data, customs, finance or critical infrastructure shall be reported promptly to competent authorities.
3. Security testing shall be independent and shall respect legal privilege, privacy and responsible disclosure.
4. A vendor shall not retain undisclosed remote control, data access or disabling capability.

Article 125 — Open data and statistics

1. The Authority shall publish timely machine-readable data on licences, investment, employment, wages, trade, land, public cost, environment and enforcement.
2. Definitions, revisions, limitations and methodology shall accompany the data.
3. Statistics shall distinguish residents from jobs, approvals from operations and gross exports from domestic value added.
4. Anonymization shall protect individuals and legitimate confidential information without defeating accountability.

Article 126 — Physical security

1. The Police Service and other lawful public authorities retain responsibility for public security and coercive enforcement in a zone.
2. An operator may employ licensed private security only for protective functions permitted by law.
3. Private security has no power to punish, interrogate, detain beyond lawful necessity, search without authority or suppress labour and political activity.
4. Use of force, incidents, complaints and cooperation with police shall be recorded and independently reviewable.

Article 127 — National security review

1. A narrowly defined investment affecting a port, communications, energy, data, defence supply or other critical asset may receive security review under the Investment Act.
2. Review shall use evidence, confidentiality, time limits, reasons to the greatest lawful extent and independent review.
3. National security shall not be invoked to favour a competitor, conceal corruption, suppress criticism or avoid ordinary regulation.
4. A foreign State or State-controlled person shall not acquire authority over territory, armed forces, customs or public coercion through a zone transaction.

Article 128 — Emergency powers

1. An imminent threat to life, environment, critical infrastructure or lawful customs control may justify temporary protective directions within statutory authority.
2. A direction shall be necessary, proportionate, recorded, time-limited and communicated with reasons as soon as practicable.
3. It shall receive prompt review by the competent regulator or court and shall not be used to alter tax, land or ownership rights permanently.
4. Emergency cost and compensation are governed by the Constitution, applicable Acts and fault or risk allocation.

Article 129 — Business continuity

1. The operator and critical enterprises shall maintain tested continuity plans for utility, logistics, cyber, finance, health, staffing and supply disruption.
2. Plans shall identify minimum services, dependencies, backups, communication, recovery objectives and responsible decision-makers.
3. The Authority may require coordinated exercises and corrective measures proportionate to risk.
4. Sensitive details may be protected, but general readiness and material failures shall be publicly reported.

Article 130 — Records preservation and exit portability

1. Public systems and licensees shall preserve records in durable, exportable and verifiable formats for the applicable retention period.
2. The State shall possess current copies and access credentials necessary to continue essential administration upon contractor or operator failure.
3. A technology contract shall include data ownership, portability, escrow where appropriate, security, transition and deletion obligations.
4. A vendor lien, licence termination or foreign hosting restriction shall not disable sovereign public records or essential services.

CHAPTER X
COMPLIANCE, ENFORCEMENT AND REVIEW

Article 131 — Risk-based supervision

1. The Authority shall supervise according to activity risk, compliance history, public exposure and reliable intelligence.
2. Low-risk compliant persons should receive simplified reporting and fewer duplicative inspections.
3. Risk models shall be tested for accuracy, bias and manipulation and shall not be based on protected political or social identity.

4. Selection criteria may remain operationally protected but shall be governed, audited and reviewable for legality.

Article 132 — Inspection powers

1. An authorized officer may enter licensed business premises at a reasonable time, inspect relevant operations and records and take lawful samples or copies.
2. A dwelling, privileged material or intrusive search requires consent or judicial authority except in a narrowly defined emergency.
3. The officer shall identify authority, purpose and rights and shall provide a record of items taken or directions issued.
4. Inspection shall be proportionate and coordinated to avoid unnecessary interruption and duplication.

Article 133 — Compliance direction

1. Where a correctable breach is found, the Authority may issue a written direction stating facts, law, required action, time and consequences.
2. The person shall ordinarily receive an opportunity to respond before the direction becomes final.
3. Urgent interim action may prevent serious harm but requires prompt hearing and confirmation.
4. A direction shall not impose a penalty, tax or obligation beyond statutory authority.

Article 134 — Administrative monetary penalty

1. A material contravention may attract a proportionate administrative monetary penalty only where an Assembly Act defines the contravention and liable person and enacts the applicable maximum.
2. Amount shall consider seriousness, duration, benefit, loss, cooperation, remediation, recurrence and ability to pay.
3. A penalty shall not duplicate criminal punishment for the same essential conduct contrary to law.
4. No monetary penalty may be imposed until those statutory elements are in force, and reasons, payment, appeal and publication shall follow lawful regulations.

Article 135 — Suspension

1. The Authority may suspend a licence or benefit where continued operation presents serious risk or a material breach remains uncured.
2. Suspension shall be limited by activity, location, duration and conditions to what protection requires.
3. Workers, customers, customs goods, safety, environment and essential services shall be addressed in a continuity direction.
4. The licensee receives prompt hearing, reasons and appeal.

Article 136 — Cancellation

1. A licence may be cancelled for fraud, concealed control, abandonment, persistent serious breach, insolvency without continuity or fundamental ineligibility.
2. Cancellation requires notice, access to material evidence, reasonable response, independent decision and reasons, except where a court orders otherwise.
3. The decision shall specify wind-down, handback, worker, creditor, customs, tax, data and environmental duties.
4. Cancellation does not extinguish accrued liability or a lawful third-party right.

Article 137 — Restitution and corrective orders

1. The Authority or competent court may order correction of records, repayment of unlawful benefit, restoration, consumer or worker remedy and disgorgement as law permits.
2. A remedy shall correspond to proven loss, gain, risk and responsibility and shall avoid double recovery.
3. Public money recovered shall be paid according to public-finance law and shall not become discretionary Authority revenue.
4. A corrective order may require independent verification and publication of completion.

Article 138 — Offences

1. Fraudulent procurement of designation or licence, corruption, deliberate customs diversion, obstruction and falsification are prosecuted under the Penal Code and applicable Acts.
2. This Act shall not create criminal liability through an unpublished rule, licence condition or administrative guidance.
3. A legal person may be liable according to the Penal Code without relieving a responsible natural person.
4. Administrative referral shall preserve evidence, privilege, presumption of innocence and prosecutorial independence.

Article 139 — Whistleblowers and complainants

1. A person may report corruption, coercion, safety risk, environmental harm, tax abuse or other serious wrongdoing through protected channels.
2. Identity and information shall be protected to the extent compatible with fair process and effective investigation.
3. Dismissal, exclusion, threat, immigration retaliation, contract loss or other reprisal is prohibited.
4. Protection and remedies are governed by public-integrity, labour, witness and applicable procedural law.

Article 140 — Internal reconsideration

1. An affected person may request reconsideration of an Authority licensing, fee or enforcement decision within a reasonable published period.
2. A person not materially involved in the original decision shall decide reconsideration on the record and any permitted new evidence.
3. Reconsideration shall be prompt, reasoned and free of a fee that impedes access.
4. It does not bar urgent judicial relief or another statutory appeal.

Article 141 — Administrative and judicial review

1. Every final public decision under this Act is subject to the General Administrative Procedure Act and review by a competent independent court.
2. Review may address authority, procedure, evidence, reasonableness, proportionality, equality, legitimate expectation and constitutional rights.
3. A court may suspend, set aside, remit, declare, compel lawful action and grant another remedy within its jurisdiction.
4. A contract or licence shall not exclude review of public power.

Article 142 — Commercial disputes

1. A commercial dispute among private zone persons is governed by contract, the Codes and ordinary court or lawfully agreed arbitration procedure.
2. Arbitration requires valid consent and shall not determine criminal liability or invalidate an Act.
3. An investor-State arbitration requires separate clear consent under the Investment Act, Treaty-Making Act or an authorized agreement.
4. Settlement involving public money, tax, land, regulation or concession shall be authorized, reasoned, recorded and disclosed.

Article 143 — No stabilization of constitutional regulation

1. No agreement may freeze the Constitution or prevent nondiscriminatory human-rights, labour, environment, health, safety, competition, tax-administration or criminal law.
2. A change in generally applicable law does not alone constitute expropriation, breach or compensable event.
3. A narrow contractual adjustment for a specific authorized fiscal commitment shall not excuse corruption, illegality or failure of an express performance condition.
4. Disputes shall distinguish legitimate reliance from an attempt to preserve unconstitutional privilege.

Article 144 — Limitation and enforcement coordination

1. Limitation periods and collection procedures are governed by the applicable substantive and procedural Acts.

2. The Authority shall coordinate with tax, customs, competition, labour, environment, police and prosecutorial institutions without directing their independent decisions.
3. Evidence may be shared only under lawful purpose, security, confidentiality and use controls.
4. Parallel proceedings shall be managed to preserve fairness, avoid inconsistent orders and prevent double punishment.

CHAPTER XI
TRANSITIONAL AND FINAL PROVISIONS

Article 145 — Initial national assessment

1. Within twelve months after commencement, the Government shall publish a national assessment of whether and where a zone is justified.
2. The assessment shall examine Massawa, Assab and other possible sites without presuming that any site must be designated.
3. It shall compare port, customs, power, water, national licensing and judicial reforms that may deliver broader benefit at lower cost.
4. No land acquisition or developer exclusivity may precede the lawful designation process.

Article 146 — Establishment period

1. The Authority Board shall be appointed and its essential systems established within nine months after commencement.
2. A temporary implementation unit may preserve records, conduct studies and prepare systems but shall not designate a zone or grant a licence.
3. Staff recruitment, procurement and data architecture shall follow open lawful processes.
4. The implementation budget and milestones shall be published and audited.

Article 147 — Existing industrial and customs areas

1. An existing industrial estate, bonded area, port facility or duty-free operation continues under its current lawful status pending review.
2. It does not acquire zone status or an incentive by being described informally as free, special, export or industrial.
3. The Authority and competent institutions shall inventory legal basis, land, users, public support, controls and liabilities within twelve months.
4. Conversion to a zone requires the full process in Chapter II and shall not validate a prior defect.

Article 148 — Existing rights and contracts

1. A lawful existing land interest, licence, employment right, customs authorization and contract continues according to its terms and applicable law.
2. Continuity does not validate corruption, lack of authority, unconstitutional disposition, tax waiver or secret public liability.

3. A proposed modification shall use good faith, evidence, due process and protection of legitimate reliance.
4. Authentic records shall be preserved and uncertainty disclosed rather than resolved by silent alteration.

Article 149 — Review of prior instruments

1. The Authority, Advocate General and affected institutions shall review prior proclamations, legal notices, directives and agreements relating to free or industrial zones.
2. The review shall identify instruments that are valid, obsolete, inconsistent, unpublished or require replacement.
3. A proposed repeal or saving shall be submitted to the National Assembly with an authenticated schedule and reasons.
4. An unpublished instrument shall not be used to impose a duty or grant a continuing public concession.

Article 150 — Relationship with legacy customs instruments

1. Customs Proclamation 112/2000 and prior customs legal notices are governed by the repeal and transition provisions of the Customs Act.
2. This Act does not revive an exemption, free-zone privilege or administrative practice repealed or unsupported by current customs and tax law.
3. A necessary operational rule shall be remade through published regulations under the proper Act.
4. Historic records remain relevant evidence and shall be preserved.

Article 151 — Regulations

1. The President may issue regulations on recommendation of the Authority and responsible minister for operational implementation of this Act.
2. Regulations may prescribe applications, studies, registers, licence procedure, service standards, reporting, inspections, penalties within statutory maxima and transition.
3. They shall not designate a zone, acquire land, create a tax incentive, transfer sovereign power, establish an offence or waive an Assembly Act.
4. A generally applicable draft shall receive public consultation and publication before effect except for a narrowly justified temporary technical measure.

Article 152 — Authority rules and guidance

1. The Authority may issue forms, interoperable data standards, technical procedures and nonbinding guidance within this Act.
2. A binding rule requires express delegated authority, consultation, publication and a stable identifier.
3. Guidance shall be identified as nonbinding and cannot alter a right, fee, eligibility criterion, deadline or sanction.
4. Historic versions and commencement dates shall remain publicly accessible.

Article 153 — Independent evaluation

1. Every operating zone shall receive an independent evaluation at least every three years and before renewal, expansion or material additional support.
2. Evaluation shall measure additional investment, domestic value, jobs, wages, skills, exports, public cost, tax leakage, environment, communities and displacement.
3. It shall compare outcomes with the approved counterfactual and national alternatives and shall disclose methodology and uncertainty.
4. The report, Authority response, Government response and corrective plan shall be submitted to the National Assembly and published.

Article 154 — Periodic legislative review

1. A comprehensive review of this Act shall begin five years after commencement and at intervals not exceeding five years thereafter.
2. The review shall examine institutional capacity, rights, fiscal sustainability, international obligations, technological change and whether zone treatment should become national law.
3. Workers, communities, enterprises, local governments, regulators, academia, diaspora and civil society shall be invited to provide evidence.
4. The National Assembly may amend, consolidate, continue or terminate the framework in light of results.

Article 155 — Commencement

1. This Act enters into force ninety days after publication in the Gazette.
2. Articles concerning preservation of records, prohibition of unauthorized promises, land safeguards and public study apply immediately upon publication.
3. No zone-specific tax or customs treatment commences before the required tax and customs laws, systems and controls are operational.
4. Implementation shall proceed only through lawful appropriation and a published institutional plan.

Made at Asmara, this ___ day of __________ 2026.

THE NATIONAL ASSEMBLY OF ERITREA