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Proposed Bill Seeks to Amend Mining Act

- Minimum capital investment for mining licence increased
- Minister empowered to declare critical and strategic minerals
- Time limitation for payment of application fee prescribed
- Penalties for false information in submission of mineral data provided
- Payment of royalty on imported minerals clarified
- Penalty for late payment of inspection fee stipulated
- Exceptions allowing gemstone exportation expounded

The Written Laws (Miscellaneous Amendments) Bill, No. 4 of 2024 (the Bill) intends to amend the Mining Act (the Act) amongst other laws. This update focuses on the proposed changes that are key to the Act.

The Act defines mining licence as a licence for medium scale mining operation whose capital investment is between USD 100,000 and USD 100,000,000 or its equivalent in TZS. The Bill intends to increase the minimum capital investment for Mining Licence from USD 100,000 to USD 5,000,000.

Besides, the Bill intends to empower the Minister, upon recommendations from the Geological Survey of Tanzania (GST), to declare certain minerals as critical or strategic for Tanzania. The Bill considers a certain mineral to be critical where it becomes essential to the national economic, geopolitical consideration, technology, industrial use, and its supply is limited or threatened. Further, strategic minerals is defined to be mineral resources with diplomatic or defence importance.

The Bill also provides for time limitation for payment of application fee for grant of mineral rights to be 28 days from the date of notification of such payment, failure of which will lead to the said application to be deemed as withdrawn.

The Bill seeks to amend section 27F of the Act by adding new subsections. These proposed provisions impose penalties on mineral right holders who fail to submit accurate mineral data or provide false information. It is also proposed to make it a requirement for mineral data on samples that are required to be exported out of Tanzania by mineral right holders to be verified by GST.

Regarding payment of royalty on imported minerals, the Bill intends to exempt importers from paying royalty for imported minerals where there is proof of payment of the same from the country of origin. The aim is to avoid double payment of royalty.

It is also noteworthy that, prior to the proposed amendments, no penalty was payable in respect of delayed payment of inspection fee. The Bill proposes imposition of a penalty for delayed payment of inspection fee which is 25% for individuals and 50% for bodies corporate of the unpaid amount.

While the Act restricts issuance of licence or permit for exportation of raw minerals and mineral concentrates by requiring the same to be beneficiated within Tanzania, the Bill proposes that gemstones disposed of during government organized mineral auctions or international gem fairs may be exported.

To read the Written Laws (Miscellaneous Amendments) Bill No. 4 of 2024, [click here](#)

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