LEGAL UPDATE FB ATTORNEYS



19 September 2025



Mining Local Content Regulations Amended

- Restrictions for non-indigenous Tanzanian companies tightened
- Submission of joint venture agreement required
- Deemed approval of revised local content plan resuscitated
- Supplies exclusively by indigenous Tanzanian companies to be listed
- Sole source procurement threshold introduced

In view of addressing regulatory and practical issues pertaining to compliance with the Mining Local Content Regulations, 2018 (the Regulations), on 12 September 2025 the Minister for Minerals issued the Mining (Local Content) (Amendment) Regulations (the amendments) vide Government Notice No. 563 of 2025.

As per the amendments, a non-indigenous Tanzanian company that seeks to supply goods or services to a contractor, subcontractor, licensee, or the Corporation in Tanzania's mining sector is required to establish a joint venture with an existing indigenous Tanzanian company (ITC) that is wholly owned (100%) by Tanzanian citizens and operates within the same line of business as the goods or services to be supplied, provided that the ITC should hold a minimum equity participation of twenty percent (20%) unless the goods and services fall under the list of those that are to be exclusively provided by ITCs. This amendment means that ITCs now must be 100% Tanzanian owned to enter into such JVs, as opposed to prior arrangements where such ITCs were owned 20% by Tanzanians and 80% foreign entities.

In a bid to fortify the joint venture requirement and further protect ITCs, the Amendments require contractors, subcontractors, licensees or other allied entities to submit a joint venture agreement to the Commission for approval, before commencement of mining activities. Such an agreement should specify: (i) the role and responsibilities of the ITC; (ii) the equity participation of the ITC; and (iii) the strategy for the transfer of technology and know-how to the ITC. It is noteworthy that previously, the Regulations only required submission of a plan, and not a joint venture agreement, specifying the above-mentioned aspects.

Furthermore, previously upon submission of a local content plan, the Regulations provided that where the Commission rejected to approve the submitted plan, the applicant was required to revise the local content plan considering the recommendations of the Commission; and within 14 working days, submit the revised local content plan to the Commission. In terms of the Amendments, and to increase efficiency, where the Commission fails to notify the applicant of its approval or otherwise of the revised plan, the revised plan is deemed to have been approved upon expiry of 50 working days of its submission.

Moreover, in a bid to strengthen the requirement for use of domestically-produced goods and services, the Amendments now introduce a requirement for the Commission to, from time to time, publish in the Gazette, on the Commission's website, and in media of nation-wide circulation, a list of goods and services that are exclusively to be provided by an ITC that is one hundred percent (100%) owned by Tanzanians.

The Amendments now enjoin a contractor, subcontractor, licensee or other allied entity to inform the Commission in writing of each proposed contract or purchase order related to mining activities which is to be sole sourced and whose value is estimated to be over an amount in Tanzania shillings equivalent to USD 10,000. Previously, a contractor, subcontractor, licensee or other allied entity was required to inform the Commission in writing of each proposed contract or purchase order related to mining activities which was to be sole sourced regardless of the value of such proposed contract

To read the Mining (Local Content) Regulations, 2018 <u>click here</u>

For further information on legal updates please contact:

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