

TANZANIA

1. Mineral Sector Policy

The Mineral Policy of Tanzania, 1997 stresses on private sector led mineral development while the major roles of the government are regulating, promoting and facilitating. The public roles consist of the inter alia:

- Policy formulation to accommodate the overall and sectoral government policy framework.
- Advising on legislation, regulation and fiscal matters related to the sector.
- Revenue collection through royalties, annual rents, prospecting rights and licenses.
- Monitoring of mining activities.
- Collection and maintenance of geo-technical data for promotional purposes.
- Provision of extension services to small scale miners.
- Administration and inspection of mining activities, and
- Carrying out research on minerals.

The mineral policy objectives are:

- to stimulate exploration and mining activities;
- to regulate and improve artisanal mining;
- to ensure that wealth generated from mining support sustainable economic and social development; to minimise or eliminate adverse social and environmental impact of mining activities
- to promote and facilitate mineral and mineral based products' marketing arrangements;
- to alleviate poverty especially for artisan and small scale miners;
- to promote and develop Tanzania as the gemstone centre of Africa

2. The Mining Act, 1998

Mineral Sector Legal and Regulatory Salient features of the Mining Act 1998 are as follows:

1. The application of the Act extends to and in respect of the sea-bed and subsoil of the continental shelf, as well as the land and the land beneath the territorial sea, of the United Republic of Tanzania. The Act does not apply to the search for or production of petroleum.
2. The entire property and control over minerals on, in or under the land to which this Act applies, is vested in the United Republic of Tanzania. No person shall prospect for minerals or carry on mining operations except under the authority of a Mineral Right granted, or deemed to have been granted.
3. The following types of Mineral Rights may be granted under this Act:
 - a) Under Division A
 - i) Prospecting Licence
 - ii) Retention Licence
 - b) Under Division B
 - i) Special Mining Licence
 - ii) Mining Licence
 - iii) Gemstone Mining Licence
 - c) Under Division D
 - i) Primary Prospecting Licence
 - ii) Primary Mining Licence
4. No Primary Prospecting Licence or no Primary Mining Licence may be granted to an individual, partnership or body corporate unless:
 - a) The individual is a citizen of Tanzania;
 - b) The partnership is composed exclusively of citizens of Tanzania; and

- c) The corporate body is a company and:
 - i) Its membership is composed exclusively of citizens of Tanzania;
 - ii) Its directors are all citizens of Tanzania; and Control over the company is exercised from within Tanzania by persons all of whom are citizens of Tanzania.

- 5. No Gemstone Mining Licence may be granted to a not Tanzanian citizen unless the Gemstone Mining Licence is held by that person in undivided participating shares with a citizen or citizens of Tanzania whose undivided participating share or shares amount not less than 25% either alone or in aggregate.

- 6. An application may be made for Prospecting Licence for: all minerals other than building materials and gemstones, building materials and gemstones.

- 7. The Holder of a Prospecting Licence other than a Prospecting Licence for building materials or gemstones may apply for the grant of retention licence on the grounds that:
 - a) Identified a mineral deposit within the prospecting area which is potentially of commercial significance; and
 - b) The mineral deposit can not be developed immediately by reasons of technical constraints, adverse market conditions or other economic factors which are, or may be of a temporary character.

- 8. Any person may apply for the grant of:
 - a) A Special Mining Licence, for mining of minerals other than building materials;
 - b) A Mining Licence, the mining of minerals other than gemstone; or
 - c) A Gemstone Mining Licence.

9. A Special Mining Licence granted to an entitled applicant shall be for such period, not exceeding 25 years, as the applicant requests, or the estimated life of the ore body which it is proposed to mine, whichever is shorter;
10. The initial period for which a Mining Licence may be granted is ten years, but the licence may be renewed for a period for which renewal application has been made, but not exceeding the years.
11. A Gemstone Mining Licence shall confer the holder the right to prospect for and mine gemstones.
12. Every authorised miner shall pay to the government a royalty on the net back value (market value of minerals FOB at the point of export from Tanzania, less cost of transport and refining) of minerals produced under the licence at the rate:
 - a) In the case of diamonds, of 5%; and
 - b) In the case of any other minerals, of 3%