الهيئة المصرية العامة للثروة المعدنية
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Arab Republic of Egypt

Presidency

Official Gazette

Annex (A) to the Official Journal

Issue No. 49 Of December 9, 2014

DECREES

The Promulgation of the Mineral resources Law no. 198, for the year 2014

THE PRESIDENT

Having reviewed the following:-

- The Constitution;
- The Penal Law;
- Law no. 129 for the year 1947 on Public Utilities Obligations;
- The Civil Law;
- Law no. 66 for the year 1953 on Mines and Quarries;
- Law no. 388 for the year 1953 on Business Records;
- Law no. 86 for the year 1956 on Mines and Quarries;
- Law no. 151 for the year 1956 on imposing production fees on salts extracted by evaporation and the regulation of the use thereof;
- Law no. 61 for the year 1958 on granting privileges to investing in mineral resources and public utilities and amending privileges conditions;
- Law no. 58 for the years 1962 on annulling production fees on salts extracted by evaporation;
- Public Institutions law no. 61 for the year 1963;
- Local Administrative System law no. 43 for the year 1979;
- Law no. 59 for the year 1979 on Establishing New Urban Communities;

- Stamp Tax law no. 111 for the year 1980;
- Law on the Employment in Mines and Quarries no. 27 for the year 1981;
- Law no. 143 for the year 1981 on Desert Lands;
- Law no. 159 for the year 1981 on joint stock companies, companies limited by shares, and limited liability companies;
- Antiquities Protection law no. 117 for the year 1983;
- Expropriation of Property for Public Benefit law no. 10 for the year 1990;
- Law no. 7 for the year 1991 regarding some provisions on private state property;
- Environment law no. 4 for the year 1994;
- Investments Guarantees and Incentives law no. 8 for the year 1997;
- Law no. 114 for the year 2008 on the General Budget and amending the provisions of a number of laws;
- Law on Regulating Nuclear and Radioactive activities no. 7 for the year 2010.

And having consulted with the Cabinet and Council of State,

President of the Arab Republic of Egypt Decides

Article I

The provisions of the attached law governs the mineral resources i.e. resources obtained from mines, quarries, and salines.

Nuclear and radioactive materials are regulated by their own designated laws.

Article II

The provisions of the attached law governs agreements on exploring and using metals made under and regulated by any law without violating any article(s) of said agreements.

Article III



Concessions for mines, quarries, and salines obtained before promulgating the attached law shall remain valid and its provisions shall remain obligating. However, the provisions of the attached law shall regulate the value of the annual rent, royalty fees, and exploration and exploitation concession fees when the concessions are renewed.

The Egyptian Mineral Resources Authority (EMRA) and concerned governorates at any given time can negotiate with the licensees applying the provisions of the attached law to the value of the annual rent, royalty fees, and exploration and exploitation concession fees of their obtained concessions.

Article IV

Article (24A) of the law no. 66 for the year 1953 on Regulating Fuel Ores, article no. 86 for the year 1956 on Mines and Quarries, and article no. 151 for the year 1956 on Imposing Production Fees on Salts Obtained by Evaporation and Regulating Its Exploitation are all hereby annulled. Furthermore, any provision that contradicts one or more of the provisions of the attached law is hereby annulled.

Article V

The Cabinet shall issue the Implementing Regulations and any other regulation(s) necessary for enacting the provisions of the attached law within six months of the enactment of its provisions. Until the Implementing Regulations are issued, active Regulations and decisions remain valid unless they violate the provisions of the attached law. The Designated Minister and governor under whose authorities lies the mineral resources affairs, each according to their responsibility, shall issue the concessions forms stipulated in this law.

Article VI

This decree shall be published in the official Egyptian Gazette and shall be effective as of the date of publication.

This is a publication of the Egyptian Presidency on Safar 17th, 1436 AH (corresponding to December 9th, 2014 AD)

Signed by President/ Abdul-Fatah Al-Sisi

Arab Republic of Egypt

Presidency

Official Gazette

Annex (A) to the Official Journal

Issue No. 49

Of December 9, 2014.

Mineral Resources Law

Chapter One

Definitions and General Provisions

Part One

Definitions

Article I

In applying the provisions of this law, the following words and terms shall each mean the opposite designated definition:

Designated Minister: The minister on whom the authority to manage the mineral resources affairs has been conferred.

The Authority: The Egyptian Mineral Resources Authority (EMRA), which is responsible for managing activities related to mineral resources.

Governorate: The administrative body within its jurisdiction lies the authority to manage quarries and salines.

Designated Authority: The minister responsible for issuing mines ores exploration and exploitation concessions or the governor responsible for issuing quarries and salines ores concessions, as the case maybe.

Exclusive Economic Zone (EEZ): A maritime area where Egypt exercises special rights in exploration and exploitation in conformity with standing international agreements and treaties.

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Mining Ores: Metals and their ores, precious stones and similar mineral materials, stones, metal and chemical precipitants, mineral water for the purpose of extracting mineral resources, and salts extracted by evaporation where ever they may exist, be it on the surface, underneath it, in the regional waters, or in the EEZ.

Metals: Hard homogenous non-organic materials formed by natural factors with distinct molecular formulae.

Quarries Ores: Materials used in construction, paving, and similar operations.

Precious Metals: Economically valuable chemical elements such as gold, silver, platinum, and others.

Precious Stones: Metals and natural materials used in ornamenting and making jewelry.

Mines: Areas of extracting mines ores from the surface or underneath it.

Quarries: Areas of extracting quarries ores.

Salines: Natural or artificial locations where salts are extracted.

Exploration: Examining a land's surface or subsoil to assess its feasibility for economic exploitation.

Exploitation: Extracting ores from the surface of land, its subsoil, or its solutions.

Mining: Extracting ores and preparing them for use.

Part Two

General Provisions

Article II

Ores in the mines, quarries, and salines on Egyptian soil, in Egyptian regional waters, and in the Egyptian EEZ are the people's property; the state shall preserve and exploit them optimally.

Article III

The Authority alone regulates and supervises the exploration for and exploitation of mines ores, according to this law, to protect and use them optimally.

The Authority shall, in coordination with the responsible Governorates, manage the ores of the quarries and salines within the jurisdiction of said Governorates according to this law's provisions.

Article IV

The Authority or the Governorate, as the case maybe, shall issue the exploration and exploitation concessions for the ores of mines, quarries, and salines. The Designated Minister shall approve the mining concessions while concessions for quarries and salines shall be approved by the designated governor, all in accordance with the Authority's stipulations governed by this law's Implementing Regulations.

Governorates shall demarcate the quarries and salines -within their jurisdiction- they intend to exploit after obtaining the Cabinet's approval and in accordance with the Implementing Regulations.

The Authority can explore for and exploit mines ores on its own in certain areas after obtaining a timed permit from the Designated Minister.

Article V

The Authority can establish a company specialized in operations and activities related to mines, quarries, and salines, buy stocks in, or join one, in accordance with the Implementing Regulations of this law.

Article VI

Certain areas can be put up for mining exploration and exploitations concessions based upon the Authority's decision after obtaining the approval of the Designated Minister or the designated governor, as the case may be.

Exploration and exploitation in these areas shall be regulated by special implementing regulations disregarding the provisions of bids and tenders. The regulations shall include ways and procedures of contracting, putting up, and awarding as regards to different ores from mines and quarries.

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The Authority or Governorate, as the case may be, shall consult with the Defense Ministry, and abide by its decision, in matters related to national security.

Designated divisions at the Defense Ministry shall explore for and exploit ores stated in this law in areas within the Ministry's jurisdiction.

Article VII

The Designated Minister can issue a law authorizing a company, an association, or an organization to explore for and exploit mines ores disregarding the provisions of this law, the law issued by the Minister shall stipulate the necessary provisions.

The same goes to the designated governor regarding ores from quarries and salines.

This article governs fuel ores mentioned in law no. 66 for the year 1953 on Regulating Fuel Ores.

Article VIII

Without violating article 7, mines ores explore and exploit concessions shall be issued by the Designated Minister with the Authority's approval, exploration and exploitation concessions for mines not exceeding 1 square kilometer shall be issued by the Authority. A special law licensee can obtain concession for only one mine.

Article IX

No exploration and exploitation concessions for areas exceeding 16 square kilometers or exploration and exploitation concessions for precious metals or precious stones shall be issued without a law.

Article X

The licensee shall pay to the Authority the rent and royalty fees annually, these sums then go to the state's general treasury.

The Implementing Regulations shall stipulate the value of the rent.

The rent shall be paid annually and in advance.

The Authority's Board of Directors can suggest changing mines rental fees, every four years, with the approval of the prime minister and after consulting with the Designated Minister.

A royalty fee shall not be less than 5% of the value of the annual exploited ores, the Implementing Regulations may stipulate different percentages for different ores.

The licensee shall pay the Authority 1% of the annual value of ore production from mines to be allocated to developing communities in the Governorate where the mines are located, according to the Implementing Regulations.

Article XI

The Governorate can exploit ores from quarries and salines on its own or jointly, within its jurisdiction, after obtaining the Cabinet's approval, in accordance with the Authority's provisions and under its supervision.

The licensee pays the Governorate annually the rent and a royalty fee for the area the former exploits, these sums then go to the state's general treasury.

The Implementing Regulations shall stipulate the value of the rent.

The rent shall be paid annually and in advance.

The governor can suggest changing quarries and salines rental fees, every four years, with the approval of the prime minister and after consulting with the Designated Minister.

A royalty fee shall not be less than 5% of the value of the annual exploited ores; the Implementing Regulations may stipulate different percentages for different ores.

The licensee shall pay the Authority 1% of the annual value of ore production from quarries and salines to be allocated to developing communities in the Governorate where the mines are located, according to the implementing regulations.

Article XII

Without violating laws on importing and exporting, this law's Implementing Regulations shall stipulate the ores that cannot be exported and the conditions the Authority shall oblige by when it agrees on exporting any of these ores.

Article XIII

Without violating the provisions of article 1145 of Civil Law, as along the concession is valid, the licensee's equipment, tools, means of transportation, and towing machines used in mines, quarries, and salines cannot be confiscated.

Article XIV

Landowners with registered contracts can get a concession to explore their lands and exploit the ores stated in this law as long as the owner is technically competent and possesses financial solvency. Landowners shall be exempted from paying the stipulated rent but if they exploit the ores, they shall pay the royalty fee in full, according to the Implementing Regulations.

Article XV

Exploration and exploitation concessions cannot be relinquished to any other party except if they possess the qualifications stated in the law on concessions and licenses or this law's Implementing Regulations. Concessions' holder who relinquish their licenses shall pay the Authority or the Governorate, as the case maybe, twice the value of the stipulated rent. Transfer of the concession shall not be considered valid if the Designated Minister or the designated governor, as the case may be, did not approve it.

Article XVI

The Authority or the Governorate, as the case may be, shall record in its own registries areas of lands whose prices have risen and areas of lands whose concessions have expired. Available areas shall be put to public bids in accordance with the Implementing regulations mentioned in article 6 of this law.

Chapter Two

Provisions on Mines

Part One

Exploration Concessions

Article XVII

Requests for exploration concessions shall be presented to the Authority in the designated form. A request shall contain the documents that prove the requester's technical competence and financial solvency, the fee stipulated by the law must be paid.

The Implementing Regulations shall stipulate how the aforementioned request form will be, required information, required documents, conditions for obtaining a concession, and value of a fee which shall not exceed five thousand Egyptian pounds.

Article XVIII

A concession for mines exploration shall be issued by the Designated Minister, with the approval of the Authority's Board of Directors, and shall be valid for two years. A concession can be renewed only once for the same period of two years.

Article XIX

If the piece of land under an exploration or exploitation concession turns out to be an area of public benefiting, and if that interferes with exploration or exploitation operations carried out by the licensee, the Authority, with the licensee's approval, can compensate the latter by transferring them to another area.

Article XX

Holder of an exploration concession cannot extract samples from the ores expect for the purpose of examination. However, before extracting any samples, the licensee must first obtain the Authority's written approval, which will state the size of the sample.

Part Two

Exploitation Concessions

Article XXI

Obtaining a concession for exploiting an ore requires a standing exploration concession for said ore in the same area of intended exploitation. An exploitation concession can be obtained for an area within the area of the exploration concession.

Requester of an exploitation concession must present a technical report to prove the existence of the ore to be exploited and the economic feasibility of exploiting it. The technical report must also include the exploitation plan and program, and necessary guarantees for carrying out the exploitation operation.

The Authority reserves the right to accept or refuse the exploitation request with a reasoned decision.

If a substantial amount of certain ore -economically feasible to exploit- is found in an area under an exploration concession, and the holder of the concession refuses to exploit it, the Authority reserves the right to exploit it on its own or through one of its companies; the Implementing Regulations shall stipulate the procedures for that.

With the exception of the above, an exploitation concession can be given without a standing exploration concession for areas that the authority knows have exploitable ores through putting up said areas to public bids.

Article XXII

With the exception of exploitation concessions issued with a law, the Designated Minister, with the approval of the Authority's Board of Directors, must decree the issuing and renewing of exploitation concessions. Exploitation concessions can be issued for one or more terms but the sum of terms must not exceed fifteen years, an exploitation concession can be renewed for another term that exceeds the aforementioned time period but with a law.

The Implementing Regulations stipulate the procedures for issuing an exploitation concession.

Article XXIII

If holder of a concession to exploit an ore fails to extract it because of being inseparable from another ore, they can extract both ores after notifying the Authority within thirty days of discovering it.

Holder of an exploitation concession cannot use the mixed ore except after adding the other ore to their concession and paying its royalty fee, according to this law's Implementing Regulations.

Part Three

Concessions on Quarries

Article XXIV

Quarries exploitation concessions shall be issued by the Governorate and shall meet the technical specifications stipulated by the Authority. The Authority shall supervise the extraction of ores, in accordance with the Implementing Regulations.

A concession's period, including renewals, must not exceed fifteen years, concessions can be renewed for a period exceeding fifteen years but with a law.

Article XXV

Holder of a concession to exploit mines ores can also extract construction materials necessary for mining operations present in their concession's area without paying an extra royalty fee.

Article XXVI

The governor shall exchange a quarry with another for holder of a concession - in the nearest area for the remaining time of the concession- in each for the following cases:

1- The Egyptian state needs the quarry, or part of it, for public benefitting, military purposes, or because it contains antiquities.

2- The concession holder can not continue with the exploitation operations because of reasons beyond their power. If the quarry cannot be exchanged, the concession holder shall receive the remaining value of paid rent.

3- Mixed mines ores or mines ores mixed with quarries materials are found.

Article XXVII

No quarries exploitation concessions shall be issued for agricultural areas.

Part Four

Provisions on Salines

Article XXVIII

Natural and artificial salines exploitation concessions shall issued by the Governorate and they shall meet the technical specifications stipulated by the Authority. The Authority shall supervise the extraction of ores, in accordance with the Implementing Regulations.

A concession's period, including renewals, must not exceed fifteen years, concessions can be renewed for a period exceeding fifteen years but with a law.

Part Five

Provisions on Suspending and Revoking Exploration and Exploitation Concessions

Article XXIX

The Designated Minister, based on the Authority's Board of Directors decision as well as the designated governor's, as the case may be, can temporarily suspend an exploration or exploitation concession if the exploration or exploitation operation(s) put(s) the lives of workers or others or the area under concession in grave danger. Right of temporary suspension of concessions shall also apply if the Authority presents two technical reports detailing violations in the exploitation or exploration operation(s), the Implementing Regulations shall stipulate the rules and procedures of suspending and reauthorizing concessions.

Article XXX

The licensee can request their concession be suspended for (a) technical reason(s) the Authority or the Governorate, as the case may be, find(s) acceptable. The temporary suspension decision shall be reasoned and shall include its period and consequences.

Article XXXI

The Designated Minister, with the approval of the Authority's Board of Directors, can revoke a mines exploration or exploitation concession in the following cases:

1- Nonpayment of rent or royalty fee within sixty days of due date.

2- Violation of any provision of this law or its Implementing Regulations.

3- Violation of any provision or condition of the concession.

4- The licensee is adjudicated bankrupt.

5- The company holding the license is liquidated or terminated.

6- Licensed operation(s) does/do not begin within a month of taking over the area because of reasons related to the licensee. The operation(s) stop(s) for three consecutive days without the Authority's written permission. The licensee manifests lack of seriousness for six consecutive months.

7- The licensee relinquishes their concession to a third party or subleases the area or part of the area under concession without the Authority's written permission.

8- The licensee stores extracts outside the area under concession without a rent contract.

9- The licensee extracts ores from outside the area under concession.

10- Holder of a standing license dies and their heir(s) do/does not request replacing them within ninety days of death date or they request and are found unfit.

11- The licensee violates an operation provision and does not correct the violation within sixty days of the Authority's warning regarding said violation.

12- The licensee pollutes area under concession and does repair the damage after receiving a warning from the designated authority.

13- The licensee has presented false information or forged documents to the Authority.

Part Six

Miscellaneous Provisions

Article XXXII

Holder of a concession must obtain the designated authority's permission before setting up any facilities required for operations in the mines, quarries, and salines, the Implementing Regulations shall stipulate the conditions for these permissions and suitable facilitations.

Article XXXIII

The licensee shall pay an annual rent for the piece of land they occupy to carry out facilities-related work outside their concession's area. The rent goes to the state's general treasury except for 25%, which is allocated to the governorates. Minister of Finance can increase this percentage with the approval of the Cabinet.

Article XXXIV

Requester of a concession shall give the Authority or the Governorate, as the case may be, in advance, a financial insurance such as a year's rent to guarantee implementing the concession's conditions.

Article XXXV

The licensee shall present to the Authority or the Governorate, as the case may be, quarterly reports that shall include the data of:- their employees, extracted ore, its analysis, and what's transported from it, what's in store and what's sold, average selling price, explosives used, their amount, and what's remaining from it, and other data that shall be stipulated by the Implementing Regulations to guarantee seriousness.

These data shall be confidential and shall not be disclosed to any other party except in accordance with the law.

Article XXXVI

Authority or Governorate, as the case may be, shall take over all maps and information relevant to concessions in case of the termination, waiver or expiration thereof. Maps and information related to concessions given to the Military Forces are exempted from this provision.

Article XXXVII

The concession shall include an obligation on its holder to abide by laws of environment, the executive regulations and the decisions issued in the same respect.

The concession shall also contain an obligation on the holder to suspend works in case he finds any antiquities or rare geological remnants so as to inform the Authority or the Governorate so that any of them take the required action. The procedures to be taken in this respect shall be governed by the executive regulations of this law.

Article XXXVIII

Upon the expiry of the concession, the holder shall reformat and adjust the land subject to concession as shown in the executive regulations which provide for the required guarantees in this respect.

Article XXXVIIII

Inspectors from the governorate or the authority, as the case may be, are to be specified by the Minister of Justice in collaboration with the competent minister, and shall act in the capacity of judicial officers to report any crimes or violations of law.

Article XL

The licensee shall be responsible for the transportation of any equipment and tools as well as any stored quantities from the land subject to concession within a maximum period of three months of the expiration of the concession. The concession holder shall pay the double of the rental in consideration of the said period.

The Authority or the Governorate, as the case may be, then reserves the right to transport the equipment and tools to a place outside the concession area at the expense of the licensee. It can also sell the stored ores if it fears they will be damaged, stolen, or destroyed, or if they impede the exploitation of the piece of land. If the royalty fee of the stock ores had not been paid, it is deducted from the sum of money. The Implementing Regulations shall stipulate the necessary procedures.

A court of competent jurisdiction may rule that the remaining amount of ores or tools and equipment be devolved to the state.

In all cases, if the royalty fee of the stored ores had not been paid -regarding the mentioned case-, it is exempted when the property is devolved.

Article XLI

The chairman of the board of directors of the Authority can confiscate any kind of equipment or tools owned by any entity used in any mining activity without a concession. Confiscated items will be disposed of in accordance with the law.

The governor has the same authority regarding exploiting a saline or a quarry without a concession.

Part Seven

Penalties

Article XLII

Without abating any harsher penalty stipulated by another law, the person who extracts an ore or a similar material from a mine, a saline, or a quarry without a concession shall be sentenced to no less than one year in prison and fined no less than two hundred and fifty thousand Egyptian pounds.

A licensee who extracts ores from outside their concession area shall be fined no less than two hundred and fifty thousand pounds and no more than five million pounds.

In all cases, all equipment and tools used in the crime in addition to all extracted ores shall be confiscated. Double the value of the extracted ore(s) shall be paid.

Article XLIII

Any person who is proven involved by any means in granting or a concession for mining, quarrying or exploitation on an agricultural land shall be imprisoned for a period not less than one year, and shall pay a fine ranging from two hundred thousand pounds to one million pounds, without prejudice to any other penalty mentioned in any other law. Similar penalties shall be imposed on the holder of such concessions.

The court shall order to remove any violations and confiscate the equipment and instruments used in the said crime.

Article XLIV

In case any violations of article XXXV are committed, a fine ranging from 100 thousand EGP to 300 thousand EGP shall be imposed without prejudice to the penal and civil liability, as the case may be.



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