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THE MINING (MINERAL ROYALTY SHARING) REGULATIONS, 2026

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Mining Act

The Mining (Mineral Royalty Sharing) Regulations, 2026

Legal Notice 3 of 2026

Legislation as at 29 January 2026

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The Mining (Mineral Royalty Sharing) Regulations, 2026 (Legal Notice 3 of 2026)

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MINING ACT

THE MINING (MINERAL ROYALTY SHARING) REGULATIONS, 2026

LEGAL NOTICE 3 OF 2026

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Part I — PRELIMINARY PROVISIONS

1. Citation

These Regulations may be cited as the Mining (Mineral Royalty Sharing) Regulations, 2026.

2. Interpretation

In these Regulations, unless the context otherwise requires—

"committee" means the Community Mineral Royalties Management Committee established under regulation 10(1);

"mineral royalty" means the royalty paid by a holder of a mineral right pursuant to section 183(1); and

"Secretary" means the secretary to a Community Mineral Royalties Management Committee under regulation 10(2)(c); and

"State Department" means the State Department for the time being responsible for the management of minerals and mining activities.

3. Object of Regulations

The objective of these Regulations is to give effect to section 183(5) of the Act to provide for the sharing of mineral royalties among the national government, county governments and communities.

4. Use of royalties

The ten per cent share of royalties payable to communities shall be used to facilitate projects identified by the community.

Part II – COLLECTION OF MINERAL ROYALTIES

5. Identification of community

(1) A community identified by an applicant of a mining license through the report submitted under section 101(2)(i) of the Act shall be the community for the purpose of these Regulations.

(2) The Cabinet Secretary shall within thirty days of issuing a mining license, verify the identified community under subregulation (1) and publish a list of communities on the Ministry's website.

6. Mineral Royalties Collection Account

(1) The Principal Secretary in the State Department shall open a Mineral Royalties Collection Account upon the authorisation of the National Treasury in accordance with section 28(1) of the Public Finance Management Act (Cap. 412A).

(2) Community Mineral Royalties Account

The Principal Secretary in the State Department shall, on the authorization of the National Treasury open the Community Mineral Royalties Account, into which ten per cent of all the Mineral Royalties shall be paid and held as a trust for communities.

(3) Individual Operation Minerals Royalty

The Principal Secretary in the State Department shall, on the authorisation of the Cabinet Secretary open a special purpose Individual Operation Minerals Royalty Account with a commercial bank at county level for receipt of funds in respect of each benefitting community.

7. Payment of Mineral Royalties

A holder of a mineral right shall pay a mineral royalty to the account as established under regulation 6(1) in respect of the mineral classes won in accordance with section 183(1).

8. Submission of schedule of royalties

(1) The Principal Secretary in the State Department shall prepare and submit a schedule of royalties to the National Treasury, on or before the fifteenth day after the expiry of three months.

(2) The schedule of royalties submitted under subregulation (1) shall contain the amount of royalties—

(a) received from holders of mineral rights; and

(b) payable to the national government, the relevant county governments and each community.

(3) The schedule of royalties submitted under subregulation (1) shall be published and on the Ministry's website.

9. Distribution of mineral royalties

(1) The Principal Secretary in the State Department shall prepare and submit to the National Treasury a schedule of royalties where—

(a) seventy percent of the mineral royalties shall be retained in the Consolidated Fund as a distribution to the National Government in accordance with section 183 (5)(a) of the Act;

(b) twenty per cent of the mineral royalties shall be remitted to the respective County Revenue Fund Accounts in the proportion specified in the schedule of royalties submitted under regulation 6 in accordance with section 183(5)(b); and

(c) ten per cent of mineral royalties shall be remitted to a Community Mineral Royalties Account.

(2) The transfer of mineral royalties shall be in accordance with the Public Finance Management Act (Cap. 412A).

(3) The Community Minerals Royalty Account shall be a trustee account which shall hold royalties to be distributed to the community in accordance with section 183(5)(c).

Part III – MANAGEMENT OF COMMUNITY MINERAL ROYALTIES

10. Community Mineral Royalty Management Committee

(1) There shall be established a committee for each community to be known as the Community Mineral Royalty Management Committee.

(2) The Committee shall consist of—

(a) the Deputy County Commissioner of the county in which the community is found or a representative nominated in writing;

(b) the Sub-county Administrator in the sub-county in which the community is found or a representative nominated in writing;

(c) the respective County Mining Officer of the county in which the community is found, who shall be the secretary to the Committee and an *ex officio* member of the committee without the right to vote at the meetings of the Committee;

(d) one representative from among the village elders of the benefitting community;

(e) one representative of women from the benefitting community;

(f) one representative of persons living with disability from the benefitting community; and

(g) two representatives of the youth, one each of either gender, from the benefitting community.

(3) The Cabinet Secretary shall in a notice in the *Gazette* appoint members under paragraph 2(d), (e), (f) and (g) who shall be selected from and by the community.

(4) The members appointed under subregulation (2) (d), (e), (f) and (g) shall serve for a period of three years and they may be re-appointed only once for a further term of three years.

(5) The Chairperson of the Committee shall be elected in the first meeting of the Committee, the person shall be elected from the people appointed in paragraph (2)(d), (e), (f) and (g).

(6) The quorum for the meetings of the Committee shall be two-thirds of the members.

(7) Subject to these Regulations, the Committee shall regulate its own procedure.

(8) The Committee shall meet at least once in every three months and more than three months shall not elapse between one meeting of the Committee and the next.

11. Administration and operating costs of the Committee

The administrative and operational costs of the Committee shall be paid out of the share royalties paid to the benefitting community and shall not be exceed three per cent of that sum.

12. Co-opted members

(1) The Committee may co-opt any person with expertise or technical knowledge to attend a meeting of the Committee to assist it in its deliberations.

(2) A person co-opted to the Committee shall serve for a specified period and shall not have voting rights in the Committee.

13. Functions of the Committee

The functions of the Committee shall be to—

(a) ensure that the projects or other interventions to be financed by the mineral royalties paid to the benefitting community are well planned, evaluated, monitored and based on the actual needs of the community;

(b) provide a platform for the community to identify, discuss and approve, through a participatory process, the projects or interventions to be financed by royalties;

(c) ensure that the benefits of any project or intervention financed by royalties are accessible to a wider cross-section of the community;

(d) approve project work plans and budget;

(e) consider and approve reports prepared by the Secretary under subregulation 14(d);

(f) facilitate continuous engagements between the Committee and members of the community and among the members of the benefitting community and serve as the link among all relevant stakeholders; and

(g) facilitate the settlement of disputes or complaints that may arise between members of the community in relation to the uses to which the royalties are put.

14. Responsibility of the Secretary to the Committee

The Secretary shall—

(a) incur expenditure and be accountable for management of finances for the benefitting community;

(b) prepare and be accountable for implementation reports, statements of expenditure and monitoring and evaluation reports;

(c) submit the projects or interventions approved by the community to the Principal Secretary;

(d) prepare and submit budget reports and work plans for projects identified by the committee for approval by the Cabinet Secretary; and

(e) prepare and submit annual budgets together with quarterly and annual financial reports to the Committee and the Principal Secretary supported by the relevant documents.

15. Project identification criteria

The Committee shall identify projects and interventions to be financed by royalties and shall—

(a) undertake public participation among the members of the community;

(b) prioritize the identified projects and interventions;

(c) build consensus within the community on identified priority projects and interventions; and

(d) ensure that each identified project or intervention is within the approved parameters.

16. Preparation and approval of work plans

(1) The Committee shall prepare a work plan based on identified priority projects and interventions for the community.

(2) The Secretary shall submit to the Principal Secretary the work plans, which shall be included in the annual budget estimates of the State Department in accordance with the Public Finance Management Act (Cap. 412A).

17. Depositing of royalties

(1) The Principal Secretary in the State Department shall subject to subregulation 6(3) deposit royalties into Individual Operation Minerals Royalty Account.

(2) The royalties deposited in the Individual Operation Minerals Royalty Account shall, facilitate the financing of projects identified by a community.

(3) The Principal Secretary in the State Department shall only disburse funds to the Individual Operation Minerals Royalty Account where the amount payable into the account not less than Kenya Shillings one hundred thousand shillings.

(4) A community may request the Principal Secretary in the State Department to deposit the funds into the Individual Operation Minerals Royalty Account where the amount due to the community could be used for a particular purpose, the Principal Secretary may cause the amounts to be disbursed for that purpose.

(5) The Principal Secretary shall designate an officer in the State Department to be the custodian of the Individual Operation Minerals Royalty Account and to facilitate operations of the account.

18. Programmes and Reporting

(1) The procurement of any project or intervention by a community shall be carried out in accordance with the Public Procurement and Asset Disposal Act (Cap. 412C).

(2) The secretary shall prepare and submit to the Principal Secretary in the State Department a quarterly report on the implementation of the projects or programmes identified by the Committee.

(3) A report prepared under subregulation (2) shall include—

- (a) information relating to the procurement of services and works in relation to the projects and programmes under the work plan;
- (b) a schedule of the works required to be undertaken and status of the implementation of projects and programmes;
- (c) the timelines for completion of specific phases of projects and programmes;
- (d) the manner in which the funds received have been utilized in relation to any project or programme;
- (e) the monies disbursed and any balance of unspent funds; and
- (f) such other information as may be required by the Principal Secretary.

19. Audit of accounts

(1) The Principal Secretary in the State Department shall, within three months after the end of the financial year, submit to the Auditor-General the accounts relating to the community projects and the same forwarded to the Cabinet Secretary responsible for matters relating to finance.

(2) The accounts submitted under subregulation (1) shall be accompanied by—

- (a) a statement of the expenditure of the community projects during the financial year; and
- (b) a statement of the assets and liabilities on the last day of that financial year.

Part IV – MISCELLANEOUS PROVISIONS

20. Dispute resolution

(1) The Committee shall establish a dispute resolution mechanism for the resolution of disputes relating to handling of interventions or projects of the community.

(2) The Committee shall ensure every dispute is amicably settled through the established alternative disputes resolutions mechanisms.

(3) A person dissatisfied with a decision of the Committee may apply to the Cabinet Secretary for review of the decision.

(4) A person dissatisfied with the decision of the Cabinet Secretary may appeal to the High Court against the decision.

21. Offences and penalties

(1) A person who—

(a) misappropriates any funds;

(b) misuses assets or assists; or

(c) causes any person to misappropriate or apply the funds otherwise than in the manner provided in these Regulations,

commits an offence and shall, upon conviction, be liable to the penalty prescribed under section 215 of the Act.

22. Winding up of Committees

(1) A committee shall cease to exist where the community mineral royalty share is exhausted or upon closure of mining operations by a mineral rights holder.