



Republic of Yemen  
Ministry of Oil and Minerals  
Geological Survey and Mineral  
Resources Board

# Law No. (22) of 2010 Concerning Mines and Quarries

2010

## **Law No. (22) of 2010 Concerning Mines & Quarries**

### **Geological Survey and Mineral Resources Board**

**Sana'a, January 2011**

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**Note: This translation of the original Arabic text is made available to help the reader understand the Law. Where there is any difference from the original Arabic text, original Arabic text shall be considered to prevail.**

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# **Law No. (22) of 2010**

## **Concerning Mines and Quarries**

In the name of the people,  
President of the Republic,  
After perusal of the constitution of the Republic of Yemen  
And after the approval of the Council of Deputies,  
(We issued the following Law)

### **PART ONE**

### **PRELIMINARY PROVISIONS**

#### **CHAPTER ONE**

#### **NOMINATION AND DEFINITIONS**

**Article (1):** This Law shall be known as (the Mines and Quarries Law).

**Article (2):** The words and expressions set out below shall have the meanings assigned to each of them unless the context should indicate to the contrary thereof:-

<b>Republic</b>	: Republic of Yemen.
<b>Government</b>	: Government of the Republic of Yemen.
<b>Ministry</b>	: Ministry of Oil and Minerals.
<b>Minister</b>	: Minister of Oil and Minerals.
<b>Board</b>	: Geological Survey and Minerals Resources Board.
<b>Board of Directors</b>	: Board of Directors of the Board.

- Chairman of the Board** : Chairman of the Board of Directors of the Board.
- Regulation** : Executive regulation of this Law.
- Mineral Resources** : Substances whether in solid, liquid, or gaseous form occurring in or on the earth and which can have economic value including rocks and layers containing metallic minerals and gemstone and semi gemstone and quarry raw materials, excluding oil, gas and water which does not include metals that can be exploited in commercial quantities.
- Metallic Minerals** : Including ferrous metals such as iron, manganese, chrome, nickel, molybdenum, tungsten, aluminum, cobalt, base metals such as copper, lead, zinc, tin, precious minerals such as gold, silver, and platinum group and radioactive elements such as uranium, thorium, and radium, in addition to rare earth elements and gemstone.
- Gemstone** : Minerals and rocks which can be used after cutting and polishing in jewelers & ornaments. It includes gemstone such as diamond, ruby, emerald, blue ruby, peridot, topaz and semi-gemstone such as opal and turquoise.
- Mineral Deposits** : Any natural occurrence containing high concentrations of mineral resources or quarry raw materials which can be of an economic value.

- License** : Reconnaissance license, exploration license, mining license, artisanal mining license, and quarry license granted according to this Law.
- Licensee** : A person holding a license in accordance with this Law.
- Mining** : Mechanical operations aimed at extraction of mineral resources and related necessary works in connection thereto.
- Artisanal Mining** : Means the manual non mechanical operations carried out by any natural person
- Exploitation** : Works or operations aimed at commercial utilization of mineral resources.
- Reconnaissance** : Operations aimed at determining the locations of mineral resources or quarry raw materials by geophysical surveys, geochemical surveys, investigative studies, and photo-geological surveys or other remote sensing techniques and surface geology.
- Exploration** : Operations aimed at the discovery, the determination of characteristics and the evaluation of the economic value of the mineral resources and quarry raw materials.
- Mine** : Any place where operations connected with mining or extraction is carried on, including buildings and erections belonging to or appertaining thereto above or below the ground.

- Quarry** : Natural place from which Industrial and construction materials are extracted from the earth's surface or underground.
- Quarry raw materials** : Mineral substances and rocks of common occurrence which are classified as per applications to:
- Quarry raw materials which are used in construction such as aggregate of all types, brick clay and building stones which are used without polishing.
  - Quarry raw materials used in Industry such as dolomite, magnesite, limestone, sand stone, gypsum, anhydrite, kaolin, palygorskite, sepiolite, bentonite, pyrophyllite, mica, quartz, feldspar, pumice, perlite, zeolite, diatomite, sulfur, graphite, coal, bituminous shale, tar-sands, salt and accompanying salts, and decorative stone which are used after polishing.
- Market price** : The highest price expressed in terms of money or money's worth obtainable in an open and unrestricted market between unconnected parties dealing without prior knowledge.
- Land user** : A person who utilize and occupy the land subject to the license in accordance with the legislations in force.

- Force Majeure** : Force majeure expression within the license includes act of God or any insurrection, or riot or war or strikes and other labor disturbance, fires, floods or any other cause not due to the fault or negligence of the Board, the licensee, or either of them whether or not similar to the foregoing, provided that any such cause is beyond the control of the Board and the licensee or either of them.
- Community Development Agreement** : A community development agreement approved in the mining license in the case of large scale project in accordance with the provisions of the regulation.
- Rehabilitation Plan** : Means the procedures which the licensee should take in order to reinstating the site to the natural conditions as much as possible after completion of all his activities therein and dispose of the waste and debris arising out of the activities of the licensee.
- Metallic products** : Means the end materials resulting from the processing of the mineral resources and increase their purity.

## **CHAPTER TWO OBJECTIVES**

**Article (3):** This Law aims at the following:

1. Regulate the operations of reconnaissance, exploration, mining, extraction of quarry raw materials, and artisanal mining.
2. Regulate the rights and obligations related to reconnaissance, exploration, mining, extraction of quarry raw materials and artisanal mining.
3. Encourage national and foreign capital in the field of reconnaissance, exploration, mining, extraction of quarry raw materials and artisanal mining satisfying the requirements of social and economic development of the State in these fields in the framework of the general policy of the State.
4. Insure ideal exploitation for mineral resources and quarry raw materials in compatibility with sound environmental management.

## **PART TWO LICENCES, COMMON AND GENERAL PROVISIONS**

### **CHAPTER ONE RECONNAISSANCE LICENSE**

**Article (4):** No person may carry out reconnaissance unless after obtaining a license from the Board as per the provisions of this Law.

- Article (5):** a) 1. Obtaining the reconnaissance license shall be upon a written application to be submitted based on the format prepared for this purpose presented to the Board attached with the required documents.
2. After payment of the fee prescribed in the regulation, the application shall be submitted to the Board of Directors for its decision and the applicant shall be notified in writing the decision of the Board related to approval or rejection together with assigning the reasons thereof.
3. The Board after approval of the Board of Directors grants the reconnaissance license within sixty (60) days from the date of completion of the required documents set out in the regulation and the Board may grant another license in the reconnaissance area or any part thereof, whether to the licensee or to other else. The granting of the license shall have the effect of excluding the next permitted area from the reconnaissance area.
- b) The regulation shall set out the rules and detailed provisions integral to the provision of clause a) of this Article.

**Article (6):** Natural and corporate persons are entitled to obtain a reconnaissance license as per the conditions prescribed by the Regulation in accordance with the Laws in force.

**Article (7):** The licensed reconnaissance area should satisfy the following requirements and conditions:-

1. The area should not exceed 10,000 square kilometers as a continuous geometrical shape as prescribed in the Regulation.
2. The license area shall be specified by geographical coordinates as prescribed in the regulation.

**Article (8):** The Board shall not grant to the applicant a reconnaissance license in any of the following cases:-

1. If the area required for reconnaissance license is subject to an exploration license under the provisions of this Law or the previous Mines and Quarries Law.
2. If the area required for Reconnaissance license is subject to a mining license or a quarry license under the provisions of this Law or standing exploitation license under the previous Mines and Quarries Law.

**Article (9):** The reconnaissance license empowers the licensee the following non exclusive rights:-

1. To carry out reconnaissance in the area, subject to his license.

2. To enter on the reconnaissance area, subject to his license and to move within its borders and to fly overhead as per the legislations in force.
3. Sending and exporting the specimen and experimental samples for the purpose of study and checking but not exceeding such limit as prescribed in the Regulation.
4. Utilization from the land, subject of his license within the limits of license purposes and erect temporary camps, installations, and structures necessary and required by the reconnaissance operations.
5. To make use of the timber and water for the purpose of reconnaissance as per the legislations in force.

**Article (10):** Without prejudice to any other obligations provided for in this Law, the reconnaissance licensee undertakes the following:-

1. To carry out reconnaissance within the boundaries of the area, subject of his license.
2. Not carry out exploration drilling, excavations, and dig trenches, and using underground exploration techniques.
3. Submit periodical reports as prescribed in the Regulation.

4. Maintain and restore the land subject of his license from the damages resulting from Reconnaissance activities with observance the provisions of Laws in force related to health, safety and environment protection.
5. Keep at his head office in the Republic of Yemen maps, records, data, and entries pertaining to reconnaissance operations which executed in the area subject to his license, and the mineral resources which have been discovered; and submit these maps, records and data to the intended authorities, provided that the records should include original reports and documents relating to the operations as prescribed in the Regulation.
6. Compensate the landlord whose land is subject to the license for the damages resulting from reconnaissance operations as per the provisions of the standing Laws.

**Article (11):** The reconnaissance licensee shall not transfer his license to others.

**Article (12):** The period of validity of the reconnaissance license is one (1) year and this period may be extended once, for another one year after reducing 50% from the original area of the license area and provided that the licensee has abided by the provisions of this Law and the regulation during the previous period.

- Article (13):** a) 1. The application for extension of reconnaissance license shall be submitted in writing to the Board before the date of expiry thereof with a period not less than three months, showing justifications of the extension.
2. The extension application shall be submitted to the Board of Directors for its decision after payment of the prescribed fee and payment of the prescribed delay penalty if the applicant fails to abide by the period referred in the preceding clause. The applicant shall be notified in writing the decision of the Board of Directors regarding approval or rejection by giving the reasons thereof for rejection within sixty days from the date of submission of the application.
3. The extension of the period of reconnaissance license shall be issued as per a decision by the Chairman of the Board of Directors after approval of the Board of Directors. The extension shall be from the date of expiry of the license.
- b) The regulation shall prescribe the conditions and provisions which integral to the provision of clause a) of this Article.

## CHAPTER TWO EXPLORATION LICENSE

**Article (14):** No person may carry out exploration unless obtaining a license from the Board as per the provisions of this Law.

**Article (15):** a) 1. Obtaining the exploration license shall be upon a written application submitted according to the format prepared for this purpose presented to the Board attached with the required documents.

2. The application may be submitted to the Board of Directors for its decision after payment of prescribed fee.

3. The Board after approval of the Board of Directors grants the exploration license within sixty (60) days from the date of completion of the required documents set out in the regulation.

b) The regulation shall set out the rules and detailed provisions integral to the provision of clause a) of this Article.

**Article (16):** Natural and corporate persons are entitled to obtain an exploration license not inconsistent with Laws in force and as per the conditions prescribed by the regulation.

**Article (17):** The area required for an exploration License area should satisfy the following requirements and conditions:-

1. The area should not exceed 1,000 square kilometers in case of metallic minerals and 5 square kilometers in case of quarry raw materials.
2. The license area shall be specified by geographical coordinates as prescribed in the regulation.

**Article (18):** The Board of Directors may not grant an exploration license for the applicant in any of the following cases:-

1. In case the area required for the exploration license is subject to an exploration license under the provisions of this Law or the previous Mines and Quarries Law.
2. In case the area required for an exploration license is subject to a mining license or a quarry license under the provisions of this Law or standing exploitation contract under the previous Mines and Quarries Law.

**Article (19):** The exploration license empowers the licensee the exclusive rights as stated hereunder:-

1. To carry out an exploration in the area, subject to this license.
2. To enter into the exploration area, subject to his license in any time.
3. Sending and exporting the specimen and experimental samples for the purpose of study and checking as prescribed in the regulation.
4. Sale of mineral resources which obtained from the exploration operations after a written prior approval from the Board.
5. Utilization from the land, subject of his license within the limits of license purposes and erect temporary camps, installations, and structures necessary and required by the exploration operations.
6. To make use of the timber and water for the purpose of exploration as per the legislations in force.
7. Digging of exploration wells and trenches in coordination with the Board as per the legislations in force.

**Article (20):** Without prejudice to any obligations provided for in this Law, the licensee of exploration undertakes as hereunder.

1. To commence execution of exploration operations within the boundaries of the

- area, subject of his license within six months from the date of registration of his license.
2. To honor the requirements of annual work program and budget as per the provisions of the regulation.
  3. Submit periodical reports as set out in the regulation.
  4. Payment of taxes and fees prescribed for operation of sale of specimen of raw materials under provisions of Clause – 4 of Article – 20 of this Law.
  5. Upkeep the land, subject of his license and repair the same from damage sustained as a result of the exploration with regard to provision of standing Laws related to hygiene, safety and environment protection.
  6. Handover any area of the land, subject to his license required by the government for public interest and purposes which are not related to the activity of mining and the licensee is entitled to take recourse to Court to claim compensation, if necessary.
  7. To retain at his head office in the Republic of Yemen records, statements, and entries related to executed exploration operations in the area subject to his license, and the metallic materials which have been discovered; and submit these records and statements to the competent authorities

provided that such records should include original reports and documents related to operation as set out in the regulation.

8. Reimburse the landlord who is subject of his license in case of damages sustained as a result of exploration as per the provisions of the standing Laws.

**Article (21):** The exploration licensee may have the following:

1. Obtain more than one license whether for the same purpose of exploration in an area other than the area of his License or for the purpose of mining or extraction of quarry raw materials in the licensed area of exploration as per the provisions of this Law.
2. To relinquish area under the license in whole or in part as per provisions of Article (64) of this Law.
3. Transfer his license to others as per provision of Article (65) of this Law.

**Article (22):** a) The period of validity of the exploration license is fixed for a period of three years in case of metallic minerals and two years in case of quarry raw materials.

- b) The period of exploration license set out thereof may be extended for similar periods for two times only in case of

metallic minerals and once in case of quarry raw materials, after reducing 50% from the original area of the license area and provided that the licensee has abided by the provisions of this Law and the regulation during the previous period.

- Article (23):** a)
1. The application for extension of exploration license shall be submitted in writing to the Board before the date of expiry thereof with a period not less than three months, showing justifications of the extension.
  2. The extension application shall be submitted to the Board of Directors for its decision after payment of the prescribed fee and payment of the prescribed delay penalty if the applicant fails to abide by the period referred in the preceding clause. The applicant shall be notified in writing the decision of the Board of Directors regarding approval or rejection by giving the reasons thereof for rejection within sixty days from the date of submission of the application.
  3. The extension of the period of exploration license shall be issued as per a decision by the Chairman of the Board of Directors after approval of the Board of Directors. The extension shall be from the date of expiry of the license.

- b) The regulation shall prescribe the conditions and provisions which integral to the provision of clause a) of this Article.

### **CHAPTER THREE MINING LICENSE**

**Article (24):** No person may carry out mining unless obtaining a license from the Board as per the provisions of this Law.

- Article (25):** a) 1. Obtaining the mining license shall be as per a written application submitted as per the format prepared for this purpose to the Board attached with the feasibility study, statement clarify that the licensee has an account at any bank in Yemen and the required documents as prescribed in the regulation.
2. The application may be submitted to the Board of Directors for its decision after payment of prescribed fee.
3. The Ministry after approval of the Board of Directors grants the mining license within sixty (60) days from the date of completion of the required documents set out in the regulation.
4. The Cabinet shall ratify the mining license as per the presentation of the Minister within the period not more than 30 days from the date of the presentation.

- b) The regulation shall set out the rules and detailed provisions integral to the provision of clause a) of this Article.

**Article (26):** Any Corporate person are entitled to obtain mining license as per the conditions prescribed in this Law and the regulation.

**Article (27):** The area required for license of mining should not exceed 20 Square Kilometers and should not be less than 25% of a square Kilometer. The area licensed for mining may include two not connected parts.

**Article (28):** A mining license is not granted to the applicant in any of the following cases:-

1. In case the area required for license of mining is subject to exploration license under the provisions of this Law unless the applicant for mining in this area is the same person licensed for exploration.
2. In case the area required for a mining license is subject to a mining license or a quarry license under the provisions of this Law or standing exploitation contract under the previous Mines and Quarries Law.

**Article (29):** The mining license grants the licensee the following rights:-

1. Using and exploiting of metallic minerals, gemstone set out in the license as well as execution of operation and necessary works for mining operations as per the provisions of this Law and the Laws in force.
2. Utilization from the land, subject of his license within the limits of license purposes to erect temporary camps and infrastructure necessary and required by the mining operation.
3. Utilization from the timber and water for the purpose of mining operation as per the related legislations in force.
4. Use parts of the land subjected to his license for the purpose of planting vegetables or for cattle breeding, to the extent which satisfies food requirements for the employees & laborers in the mine.
5. Store, transport and processing Metallic Minerals and Gemstone and dispose of the wastes as per the Laws in force.
6. Sell Metallic Minerals and Gemstone which obtained from mining operations at market price after the written prior approval of the Chairman of Board of Directors.

**Article (30):** The mining licensee may not commence mining operation unless carrying out the

following matters within one year from the date of registration of his license:-

1. Make sure that the previous user of the land in the exploration stage compensated the landlord in the area of license.
2. Sign of a community development agreement as prescribed in the regulation.
3. Prepare a rehabilitation and closure plan and obtain the approval of the committee of rehabilitation and closure as prescribed in the regulation.
4. Prepare plan to an environmental impact assessment as prescribed in the regulation and obtain the approval of the same from the Environment Protection Authority.

**Article (31):** Without prejudice to any obligations provided for in this Law, the mining licensee undertakes as hereunder:-

1. Commence mine development and mineral resources production within the area subjected of his license within two years starting from the date that the last condition required under Article – 30 of this Law has been met.
2. Prepare and submit a plan for mining operations to the Board prior to commencement of implementation of these operations and update this plan

- annually so that it includes the new operations as prescribed in the regulation.
3. Carry out mining operation for mineral resources set out in his license within the boundaries of the area thereof.
  4. Execute the items of community development agreement signed under the provisions of clause 2) of Article (30) of this Law.
  5. Maintain a commercial level of production after mining operations has commenced.
  6. To retain at his head office in the Republic of Yemen records, statements and entries related to executed mining operations in the area subjected to his license and of the sale of the mineral resources extracted; and of the disposal tailings and submit these records and statements to the competent authorities as set out in the regulation.
  7. Submit periodical reports as set out in the regulation.
  8. Allow the government entities and Educational Institutions to carry out authorized research and scientific studies in the Area subjected of his license as per the provisions of Article (104) of this Law.

9. Maintain the area subjected of his license in a safe state and in compliance with provisions of standing Laws and legislations relating with the health and safety.
10. Maintain the environment of the area subjected of his license and protect it from pollution and environmental damages arising from mining operations as per the provision of this Law and standing legislations.
11. Allow any natural and corporate persons to commence authorized infrastructure and public utilities works under standing Laws, a contract, or a license.
12. Compensate for damages sustained as a result of mining operations to the landlord.
13. Dispose off the wastes arising out of mining activities as per the applicable methods in international mining operations.
14. Determine the border of the area, subject to his license and to upkeep these borders as prescribed in the regulation.
15. Rehabilitate the area, subject to his license as prescribed in the Rehabilitation plan and closure agreed upon by the rehabilitation and closure Committee as set out in the regulation.

**Article (32):** The licensee of mining may have the following:

1. Apply to add additional other mineral resources to those set out in his license as per the requirements and procedures prescribed in the regulation.
2. Relinquish the area under the license in whole or in part as per provisions of Article (64) of this Law.
3. Transfer his license to others as per provision of Article (65) of this Law.
4. Enlargement the area subject to his license as per the provision of Article (66) of this Law which will not contravene the provision in Article (27) of this Law.

**Article (33):**

- a) The period of validity of the mining license is as set out in the license and should not exceed 25 years.
- b) The nature of mineral resources and the economic life of the mine subject to the license shall be taken into consideration upon determination of the period of mining license as prescribed in the economic feasibility study.
- c) The period of mining license set out thereof may be extended for one time or more. The extension period should not exceed 10 years provided that the mining licensee has abided by the provisions of this Law and the regulation during the previous period.

- Article (34):** a) 1. The application for extension of mining license shall be submitted in writing to the Board before the date of expiry thereof with a period not less than three months, showing justifications of the extension.
2. The extension application shall be presented to the Board of Directors for its decision after payment of the prescribed fee and payment of the prescribed delay penalty if the applicant fails to abide by the period referred in the preceding clause. The applicant shall be notified in writing the decision of the Board of Directors regarding approval or rejection by giving the reasons thereof for rejection within sixty (60) days from the date of submission of the application.
3. The extension of the period of mining license shall be issued as per a decision by the Minister as per approval of the Board of Directors within ninety (90) days from submission of application.
4. The Cabinet shall approve the extension of the period of mining license as per the presentation of the Minister within a period not exceeding thirty days from the date of presentation.

- b) The regulation shall prescribe the conditions and provisions which integral to the provision of clause a) of this Article.

## **CHAPTER FOUR QUARRY LICENSE**

**Article (35):** With observance the provisions of the Article (71) of this Law, no person may carry out extraction of quarry raw materials unless obtaining a license from the Board as per the provisions of this Law.

**Article (36):** a) 1. Obtaining the quarry license shall be as per a written application submitted as per the format prepared for this purpose to the Board attached with the study showing invested capital cost, technically data related to reserves of quarry raw materials and their qualities and other required documents as prescribed in the regulation.

2. The application may be submitted to the Board of Directors for its decision after payment of prescribed fee.

3. The Board after approval of the Board of Directors grants the quarry license within sixty (60) days from the date of completion of the required documents set out in the regulation.

- b) The regulation shall set out the rules and detailed provisions integral to the provision of clause a) of this Article.

**Article (37):** Any Natural and Corporate person are entitled to obtain quarry license as per the conditions prescribed in the regulation which comport with the Laws in force.

**Article (38):** The area required for license of quarry should not be less than 50,000 square meters and should not exceed 100,000 square meters in case of quarry raw materials used in the building, and should not be less than 100,000 square meters and should not exceed 2 square kilometers in case of quarry raw materials used in the industry.

**Article (39):** a) The Board of Directors may not grant a quarry license for the applicant in any of the following cases:-

1. In case the area required for license of quarry is subject to mining license and quarry license under the provisions of this Law.
2. In case the area required for License of quarry is subject to exploration license unless the applicant for quarry license in this area is the same person licensed for exploration.

3. In case the area required for License of quarry is subject to a mining license or a quarry license under the provisions of this Law or standing exploitation contract under the previous Mines and Quarries Law.
- b) The Chairman of the Board of Directors may subject the license to specific conditions to ensure limit or minimize negative impacts on the environment and populous resulted from extraction operations of quarry raw materials. The determination of these conditions shall be issued as per a decision by the Chairman of the Board of Directors as prescribed in the regulation.

**Article (40):** The Quarry license grants the licensee the following rights:-

1. Exploiting of quarry raw materials as set out of his license.
2. Utilization from the land, subject of his license within the limits of license purposes to erect temporary camps and infrastructure necessary and required by the extraction of quarry raw materials.
3. Utilization from the timber and water for the purpose of extraction of quarry raw materials as per the legislations in force.

4. Use parts of the land subjected to his license for the purpose of planting vegetables or for cattle breeding, to the extent which satisfies food requirements for the employees and laborers in the quarry.
5. Store, transport and processing quarry raw materials and dispose of the wastes as per the Laws in force.
6. Sell quarry raw materials which obtained from extraction operations after the written prior approval of the Chairman of Board of Directors.

**Article (41):** The Quarry licensee may not commence extraction of quarry raw materials unless carrying out the following matters within one year from the date of registration of his license:-

1. Make sure that the previous user of the land compensated the landlord in the area of license for any damages resulted from the last operation of reconnaissance, or exploration, or mining or artisanal mining or extraction of quarry raw materials carried out by the previous licensee.
2. Sign of a community development agreement as prescribed in the regulation.

3. Prepare a rehabilitation and closure plan and obtain the approval of the committee of rehabilitation and closure as prescribed in the regulation.
4. Prepare plan to an environmental impact assessment as prescribed in the regulation and obtain the approval of the same from the Environment Protection Authority.

**Article (42):** Without prejudice to any obligations provided for in this Law, the quarry licensee undertakes as hereunder:-

1. Commence quarry development within the area subject to his license within six (6) months starting from the date that the last condition required under Article (41) of this Law has been met.
2. Carry out operation of extraction of quarry raw materials set out in his license within the boundaries of the area thereof.
3. Commence production of the resources set out in his license within the period not exceed one year starting from the date that the last condition required under Article (41) of this Law has been met.
4. Execute the items of community development agreement signed under the provisions of clause 2) of Article (41) of this Law.

5. Maintain a commercial level of production after the operation of extraction of quarry raw materials has commenced.
6. To retain at his head office in the Republic of Yemen maps, records, statements and entries related to executed the operation of extraction of quarry raw materials in the area subject to his license and of the sale of the quarry raw materials extracted; and of the disposal tailings and submit these maps, records and statements to the Board as set out in the regulation.
7. Submit periodical reports as set out in the regulation.
8. Allow the government entities and educational institutions to carry out authorized research and scientific studies in the area subjected of his license as per the provisions of Article (104) of this Law.
9. Maintain the area subjected of his license in a safe state and in compliance with provisions of standing Laws and legislations relating with the health and safety.
10. Maintain the environment of the area subjected of his license and protect it from pollution and environmental

damages arising from the operation of extraction of quarry raw materials as per the provision of this Law and standing legislations.

11. Allow any natural and corporate persons to commence authorized infrastructure and public utilities works under Laws in force, a contract, or a license.
12. Compensate for damages sustained as a result of the operation of extraction of quarry raw materials to the landlord.
13. Dispose off the wastes arising out of the quarrying activities as per legislations in force.
14. Determine the border of the area, subject to his license and to upkeep these borders as prescribed in the regulation.
15. Execute the specific conditions which determine by decision of Chairman of the Board of Directors as per the provisions of clause b) of Article (39) of this Law.
16. Rehabilitate the area, subject to his license as prescribed in the rehabilitation plan and closure agreed upon by the rehabilitation and closure committee as set out in the regulation.

**Article (43):** The licensee of quarry may have the following:

1. Apply to add additional other quarry raw materials to those set out in his license as per the requirements and procedures prescribed in the regulation.
2. Relinquish the area under the license in whole or in part as per provisions of Article (64) of this Law.
3. Transfer his license to others as per provision of Article (65) of this Law.
4. Enlargement the area subject to his license as per the provision of Article (66) of this Law which will not contravene the provision in Article (38) of this Law.

**Article (44):** a) The period of validity of the quarry license is as set out in the license and should not exceed (10) years for small project, 15 years for medium project and 30 years for large project). The regulation shall be determining the criteria of the size of those projects.

b) The period of quarry license set out thereof may be extended for one time or more. The extension period should not exceed the period set out in clause a) of this Article provided that the quarry licensee has abided by the provisions of this Law and the regulation during the previous period.

- Article (45):** a) 1. The application for extension of quarry license shall be submitted in writing to the Board before the date of expiry thereof with a period not less than three months, showing justifications of the extension.
2. The extension application shall be presented to the Board of Directors for its decision after payment of the prescribed fee and payment of the prescribed delay penalty if the applicant fails to abide by the period referred in the preceding clause. The applicant shall be notified in writing the decision of the Board of Directors regarding approval or rejection by giving the reasons thereof for rejection within sixty (60) days from the date of submission of the application.
3. The extension of the period of quarry license shall be issued as per a decision by the Chairman of the Board of Directors as per approval of the Board of Directors. The extension shall be from the date of expiry of the license.
- b) The regulation shall prescribe the conditions and provisions which integral to the provision of clause a) of this Article.

## **CHAPTER FIVE**

### **ARTISANAL MINING LICENSE**

**Article (46):** No person may carry out artisanal mining unless obtaining a license from the Board as per the provisions of this Law.

**Article (47):** a) 1. Obtaining the artisanal mining license shall be as per a written application submitted as per the format prepared for this purpose to the Board attached with the required documents as prescribed in the regulation.

2. After payment of the fee prescribed in the regulation, the application shall be submitted to the Board of Directors for its decision and the applicant shall be notified in writing the decision of the Board related to approval or rejection together with assigning the reasons thereof.

3. The Board after approval of the Board of Directors grants the artisanal mining license within sixty (60) days from the date of completion of the required documents set out in the regulation.

b) The regulation shall set out the rules and detailed provisions integral to the provision of clause a) of this Article.

**Article (48):** The following persons are entitled to obtain artisanal mining license:-

- a) The exploration licensee as per the provisions of this Law who wish to carry out of an artisanal mining in the area subject to his license, provided that he is a natural person and has a Yemeni citizen.
- b) An artisanal mining cooperative with the following conditions:-
  1. The formation and registration of the cooperative as prescribed in the regulation, provided that the number of their members not more than five (5) persons.
  2. All of the cooperative members are Yemeni citizens.

**Article (49):** 1- The area required for license of artisanal mining is a continuous area and should not exceed one (1) square kilometers.

2- The artisanal mining license area shall be specified by geographical coordinates as prescribed in the regulation.

**Article (50):** a) The Board of Directors may not grant a artisanal mining license for the applicant in any of the following cases:-

1. In case the area required for license of artisanal mining is subject to mining license or quarry license under the provisions of this Law.

2. In case the area required for License of artisanal mining is subject to exploration license unless the applicant for artisanal mining license in this area is the same person licensed for exploration.
3. In case the area required for License of artisanal mining is subject to a mining license or a quarry license under the provisions of this Law or standing exploitation contract under the previous Mines and Quarries Law.

**Article (51):** The artisanal mining license is subject to specific conditions as prescribed in the regulation.

**Article (52):** The artisanal mining license grants the licensee the following rights:-

1. Exploiting of metallic minerals and gemstone as set out of his license.
2. Utilization from the timber and water if necessary for the purpose of Artisanal Mining operation as per the related legislations in force.
3. Store, transport and processing artisanal mining materials.
4. Sell metallic minerals and gemstone which obtained from artisanal mining operations after the written prior approval of the Chairman of Board of Directors.

**Article (53):** Without prejudice to any obligations provided for in this Law, the artisanal mining licensee undertakes as hereunder:-

1. Retain maps, records, statements and entries related to executed the operation of artisanal mining in the area subject to his license and of the sale of the metallic minerals and gemstone extracted, and submit these maps, records and statements to the Board as set out in the regulation.
2. Submit required periodical reports to the competent authorities as set out in the regulation.
3. Allow the government entities and educational institutions to carry out authorized research and scientific studies in the area subjected of his license as per the provisions of Article (104) of this Law.
4. Maintain the area subjected of his license in a safe state and in compliance with provisions of standing Laws and legislations relating with the health and safety.
5. Maintain the environment of the area subjected of his license and protect it from pollution and environmental damages arising from the operation of artisanal mining as per the provision of this Law and standing legislations.

6. Allow any natural and corporate persons to commence authorized infrastructure and public utilities works under Laws in force, a contract, or a license.
7. Compensate for damages sustained as a result of the operation of artisanal mining to the landlord.
8. Dispose off the wastes arising out of the artisanal mining activities as per legislations in force.
9. Determine the border of the area, subject to his License and to upkeep these borders as prescribed in the regulation.
10. Abide with the conditions artisanal mining operations as prescribed in the regulation.

**Article (54):** The artisanal mining license may not have the following:-

1. Make sure that the previous user of the land compensated the landlord in the area of license for any damages resulted from the last operation of reconnaissance, or exploration, or mining or artisanal mining or extraction of quarry raw materials carried out by the previous licensee.
2. Transfer his license to others unless as per provision of Article (65) of this Law.

**Article (55):** The Licensee of artisanal mining may have the following:

1. Apply to add additional other Metallic Minerals and Gemstone to those set out in his license as prescribed in the regulation.
2. Obtaining the quarry license to extract quarry within the licensed area of artisanal mining as prescribed in the regulation.

**Article (56):** The period of validity of the artisanal mining license is fixed for a period of two years. This period may be extended for one time or more. The extension period should not exceed the period of one year, provided that the artisanal mining licensee has abided by the provisions of this Law and the regulation during the previous period.

**Article (57):** a) 1. The application for extension of artisanal mining license shall be submitted in writing to the Board before the date of expiry thereof with a period not less than three months, showing justifications of the extension.

2. The extension application shall be presented to the Board of Directors for its decision after payment of the prescribed fee and payment of the prescribed delay penalty if the

applicant fails to abide by the period referred in the above clause 1). The applicant shall be notified in writing the decision of the Board of Directors regarding approval or rejection by giving the reasons thereof for rejection within sixty (60) days from the date of submission of the application.

3. The extension of the period of artisanal mining license shall be issued as per a decision by the Chairman of the Board of Directors. The extension shall be from the date of expiry of the license.
- b) The regulation shall prescribe the conditions and provisions which integral to the provision of clause a) of this Article.

## **CHAPTER SIX GENERAL AND COMMON PROVISIONS**

- Article (58):** 1. All mineral resources until it is extracted from its place of natural occurrence shall remain the property of the State as per the provisions of this Law.
2. The property in extracted mineral resources from its place of natural occurrence shall pass from the State to the person who has extracted legally as per the provisions of this Law.

3. Without prejudice to the penalty provided for in this Law, The property of any mineral resources extracted from its place of natural occurrence illegally in violation to the provisions of this Law shall remain the property of the State and will not be owned by the party who explores and such party will not be entitled to take recourse against the State for the expenses made thereof.

**Article (59):** The Board shall provide the General Authority for lands, Survey and Urban Planning with the data related to lands where it is proved that there are metallic minerals and the General Authority for Lands may not take any action in the lands for which the referred to data have been submitted.

**Article (60):** a) In case of parity between applicants in connection with the conditions prescribed in this Law and the regulation, the precedence in granting the license is determines by the date and hour of registration of application.

b) If it is found that there is partial interference between the area intended for license as per the registered application and any other area, then the cadastral area located in this interference shall be excluded from the application if the other interference area:

1. An area subjected to existing license under the provisions of this Law or standing license or a contract under the previous Mines and Quarries Law.
2. An area closed for mining operations under the provisions of this Law or the previous Mining and Quarries Law.
3. An area, subjected to registered application for a license.

**Article (61):** The regulation shall show the license form granted under provision of this Law.

**Article (62):** In case the lands for which a license is requested are owned by other than the license applicant, the license applicant should attach along with the application a rent contract (usufruct) approved by the competent authorities including the amount of rent, its period and the purpose of the same.

**Article (63):** a) The licensee of mining or extraction of quarries raw materials shall, with the approval of the Board, have the right to mortgage his license for the purpose of obtaining financing for the project related to the license as per the following conditions:-

1. That it should be for a fixed period of time which does not exceed half of the period of license.

2. Should not prejudice the rights of the State enshrined in this Law and standing legislations.
  3. Should not lead to delay of operations related to mining and extraction of quarries raw materials.
- b) The licensee of mining or extraction of the quarries raw materials may not dispose off the mineral resources set out in the license by sale or mortgage only after extraction of these resources from its place of natural occurrence under his license and after the approval of the Board.
  - c) The State shall not bear any liability for the repayment of any debts created by the mortgage.
  - d) In case a financing party that has provided the licensee financing takes possession over its security interest, if they wish to sell the project on to a purchaser as a going concern, the financing party shall bound with the following:
    - 1- The purchaser must meet the technical and financial requirements as per the provisions of this Law and the regulation and requirements of the international mining industry.

2- The purchaser should be bound by the provisions of this Law and regulation.

**Article (64):** The licensee of exploration, or mining or extraction of quarry raw materials wishing to relinquish the area, subject of his license in whole or in part should obtain approval of the Board as per a written application including the conditions and provisions laid down by the regulation.

**Article (65):** 1. The licensee of exploration, or mining or extraction of quarry raw materials or artisanal mining wishing to transfer his license to others should submit a written application as per the form prepared for this purpose and submit to the Board to obtain such approval.

2. The transfer documents should include the provisions confirming clearly that the transferee is bound by all obligations set out in this Law up to the date of transfer and should submit to the Board a draft of the proposed transfer and all supporting documents for the application prior to the date proposed for transfer for the purpose of official approval.

3. The Board of Directors will decide regarding application of transfer of license after collection of the prescribed fee for the application within sixty (60) days from the date of fulfillment of all

supporting documents for transfer application and the applicant shall be informed in writing about the decision of the Board of Directors issued in terms of approval or decision issued rejecting the same with assigning the reasons thereof.

4. The Board will not grant its approval for transfer only in case the licensee fulfills all of its obligations as per the provisions of this Law and the regulation.

- Article (66):** a) 1. The licensee of exploration, or mining or extraction of quarry raw materials wishing to extend the area set out in his license should obtain the extension license as per a written application submitted as per the form prepared for this purpose to the Board enclosed with the required documents.
2. The application may be submitted to the Board of Directors for its decision after payment of prescribed fee. The Board of Directors should dispose and the applicant shall be notified in writing about the decision of the Board issued regarding approval or its decision issued regarding rejection with assignment of the reasons thereof.
  3. The decision of granting the license of extension shall be issued by the Chairman of the Board after approval

of the Board of Directors within sixty days from the date of completion of the required documents set out in the regulation.

- b) The regulation shall set out the rules and detailed provisions integral to the provision of clause a) of this Article.
- c) The licensee of extension license shall abide with the rights and obligations set out in the provisions of this Law concerning to the extension area.
- d) The licensee of extension license may not commence execution operation in the extended area set out in this license only after carrying out the following matters:-
  - 1. Update its rehabilitation and closure plan so that the update includes the extended area and approval from the Committee of Rehabilitation and Closure.
  - 2. Update of the plan its environmental impact assessment so that it includes the extended area and approval by the competent authorities for environmental protection.

**Article (67):** If the licensee explores during the license operation that there are any mineral resources such as uranium, thorium,

radium, etc., he should notify the Board immediately and follow the required precautions and procedures as per the nature of this materials in accordance with practices in international mining Industry and the Board should take necessary arrangements and appropriate procedures as per the nature and risks of the explored materials in coordination with the competent authorities which will not violate standing legislations.

- Article (68):**
- a) The Chairman of the Board of Directors after the approval of Board of Directors may issue a decision related to suspension of the license in the cases set out by the regulation, in particular if the license operations have substantial damages on environment, property, safety and health of the people and the workers at the mine or quarry.
  - b) The licensee whose license has been suspended by a decision of the Chairman of the Board as per clause a) of this Article may appeal this decision to the Minister whose decision in this regard shall be final.
  - c) The licensee during the period of suspension of his license shall be remain liable for performance of the obligations prescribed as per the provisions of this Law, except any obligation to produce mineral resources.

**Article (69):** The licensee for mining or artisanal mining or exploration of quarry raw materials intends to permanently cease from the operation in the license area it should notify the Board in writing three months before such intended cessation. Such notification shall be accompanied by a report giving details of the intended cessation and the reasons therefore and plan for the operations related to the mine or quarry up to the time of the notice.

**Article (70):** In case of abandoning the area subject of his license or in case of cessation of the licensed operations or in case of suspension or cancellation of his license, the licensee should do the following:-

1. Seal and fence the mine or quarry and close all exit and access points.
2. Protection the water resources available in the area subject of his license and disposal of all tailings as per the applicable practices in international mining operations.
3. Fence or lock buildings, structures, plant and equipment.

**Article (71):** a) The following persons may extract quarry raw materials without a license from the Board:

1. Landlord for the purpose of the construction of roads and buildings for their own interest as per standing legislations.
  2. The entities empowered to construct public projects in certain lands as per standing Law or under a contract or a license or a facility for the purpose of construction of such projects.
  3. The Mining licensees for the purpose of construction of buildings and temporary roads required for mining operations in these lands.
  4. Military units and authorities for the purpose of construction of projects on Military lands.
- b) Each person empowered to extract quarry raw materials pursuant to the clause a) of this Article when doing so should abide with the provisions of standing legislations related to health, safety and the protection of the environment.
- c) No person may sell quarry raw materials which he extracts pursuant to the provisions of clause a) of this Article.

Article (72): The licensee included in the provisions of this Law should abide by the following:-

1. With due consideration to the Labor Law:

- a) Give priority for Yemeni manpower.
  - b) Employ whomsoever they want for technical and specified works which requires specific training or long experience in the field of exploration or exploitation of mineral resources.
  - c) Provide the necessary training and qualification for Yemeni employees as per periodical programs according to the nature and level of their works in coordination with the Board.
2. Give priority for Yemeni contractors provided that the rates, quantities and quality and time schedule for delivery shall be competitive to what is submitted by non Yemeni contractors.
  3. Give priority for the commodities, materials and local raw materials as long as they are competitive for the non local commodities and raw materials.

**Article (73):** The application of obtaining any license or its extension under this Law and regulation may not be rejected only as per clear and written reasons and the applicant whose is rejected may complaint to the Minister within thirty (30) days from the date of being notified about rejecting his application and the decision of the Minister shall be final and binding.

**Article (74):** All reports required from any licensee under this Law are considered as confidential and may not be published without his approval only after a lapse of 180 days from the date of expiry of the license its termination and the Board in all cases shall have the right to utility from these reports to carry out its activity.

**Article (75):** The State, explicitly pursuant to this Law, has the right of entitlement to any archaeological discoveries which discovered during the activities of licensees of reconnaissance, exploration, mining, extracting quarry raw materials and artisanal mining. The licensees undertakes to immediately inform the Board of any such discoveries and undertakes to hand over any archaeological items, and to take all precautionary actions to prevent possession of any of these materials or damage them.

### **PART THREE AREAS SUBJECT OF THE LICENSE AND CONSTRUCTION TRANSPORT ROADS**

#### **CHAPTER ONE AREAS SUBJECT OF THE LICENSE**

**Article (76):** With due consideration to the provisions of Article (77) of this Law, the Board as per the provisions of this Law may grant license in any area in the Republic lands or in territorial water or continental shelf or in the exclusive economic zone.

**Article (77):** a) Any of the following lands are not subject to license:-

1. Land set apart for, or used for military purpose.
2. The lands located within Cities or Villages occupied by a Mosque or a Cemetery.
3. The lands on which there is an archeological site or a protected geological site or a protected natural site or which is regarded as an Archeological site.
4. The land where there are government buildings, facilities or a public road or airport or pipeline or any service project constructed.
5. The lands located fifty (50) meters of government buildings or facilities or public roads, airports or pipelines or any service project constructed excluding railways or airport constructed for the purpose of operation of license as per the provisions of this Law and standing legislation.

b) Any of the lands set out in clause a) of this Article may be subject to license as per a decision of the Prime Minister after approval of the Cabinet and as per a proposal of the Board and submission of

the Minister and as per public interest under specific conditions set out in this decision with just compensation for private ownership and patrimony.

**Article (78):** With due consideration to the Law of appropriation for the public interest and provisions of Article (80) of this Law, the government may put the hand to any lands whatsoever be the nature against a just compensation if it is found that there are mineral resources or quarry raw materials and the public interest requires investing of the same as per this Law.

**Article (79):** a) The licensee undertakes to compensate the landlord for the following cases:

1. In case there is materials damage in the land as a result of operations made thereof.
  2. In case there is any damages or removal of crops, trees or buildings owned by the landlord as a result of the operation made thereof.
- b) The licensee shall not be responsible for any compensation for the damages sustained by any buildings, crops or any works made by the landlord after being notified that the licensee obtained the license.

## **CHAPTER TWO CONSTRUCTION OF TRANSPORT ROADS IN LICENCED LANDS**

**Article (80):** The licensee for Mining or extracting of quarry raw materials may construct any road for transport in the area subject to his license required by the license operation of the licensee after obtaining approval from the Board to this effect.

**Article (81):** The licensee for reconnaissance or exploration may not construct any road for transport in the area subject to his license only after obtaining approval from the Board.

**Article (82):** The licensee for mining or extracting of quarry raw materials may not construct any transport road for any area in a land other than subject to his license only in the following cases :-

1. Lands which are not subject to any license as per the provisions of this Law and after obtaining approval of the competent authorities in coordination with the Board.
2. Lands which are subject to mining or artisanal mining or a license for a quarry for another person after approval of this license holder and approval of the Chairman of the Board of Directors.

**Article (83):** The licensee who constructed a road for transport under provisions of Articles (81 & 82) of this Law shall not hinder or prevent any person from having access to or using the road.

**Article (84):** a) The licensee who has been granted an approval to construct road for transport in the land subject to his license as per provision of clause 2) of Article (82) of this Law is entitled to request diversion of road by the person who constructs the same to another part in the same referred to land in this clause if it is proved that there are actual damages to the license holder which is determined and estimated by the Board.

b) The person requested to divert the road as per clause a) of this Law should respond to this request and shall be responsible for the cost of execution of the same.

**Article (85):** The licensee may close the transport road which he has constructed as per provisions of this chapter for the purposes of maintenance after notifying road users. The licensee in this case shall not be responsible for any obstruction arising out of closure of the road.

**Article (86):** The licensee undertakes to take all necessary precautions to draw attention that there is a road under construction by him as per the provisions of this chapter by putting marks and signs, etc.

### **CHAPTER THREE HEALTH, SAFETY AND ENVIRONMENT PROTECTION**

**Article (87):** The licensee undertakes to take into consideration the provisions of systems and legislations in force relating to health, vocational safety and environmental protection. Regarding the operations which require usage of the explosives, the licensee undertakes the following:-

1. Store the explosives which are used in the license operations in a safe site removed from sites of other works, installation and existing buildings in the same licensed area.
2. Employ qualified persons having experience to use explosives.
3. Prevent the use of explosives for the purpose of licensed operation by any non-qualified person.
4. Provide its employees with protective clothes and necessary equipment for vocational safety.
5. Take into consideration the Laws and rules related to license to import and export and transport and use of explosives as per the legislations in force.

**Article (88):** The licensee should take the necessary precautions and arrangements to maintain water and its source available in the land subject of his license from damages and negative environmental impacts arising from using of the water in the licensed operations or from use of chemical or other materials.

**Article (89):** The licensee undertakes to compensate the landlord in the following cases:-

1. Pollution of any sources of water in the land as a result of the effects of license operations or use of chemical or other substance.
2. Environmental damages of the land or crops or trees owned by the landlord as a result of the effects of the licensed operations or use of chemical or other substance.

**Article (90):** a) The licensee may not carry out or allow others to make alterations in the water supply or existing waterway.

b) The licensee shall be responsible for alterations in the water supply or existing waterway.

c) The Board shall notify the violating licensee for the provision mentioned in clause a) of this Article in writing to reinstate the status before the violation unless otherwise the Chairman of the Board may issue a decision to suspend the license till the status is reinstated during the period set out in the notice.

## **PART FOUR RECORDING, REGISTRATION AND CANCELLATION**

### **CHAPTER ONE RECORDING AND REGISTRATION**

**Article (91):** The Board and its offices shall keep a specific records for the licenses of reconnaissance, or exploration, or mining or artisanal mining or extraction of quarry raw materials to record all data and information related to applications of licenses, extension, transfer, enlargement, relinquish, termination, cancellation and data related to the decision issued thereof as well as the data mentioned in the granted license forms and the changes or amendments made thereof in the information or data, moreover it shall keep a specific records for priorities.

**Article (92):** The Board and its offices shall keep specific records for quantities of produced mineral resources.

**Article (93):** The Board shall prepare specific forms of licenses in two copies as per the forms and data set out in the regulation and keep a copy of the license issued by the Board and give the other copy to the person whom they granted the license as per the provisions of this Law.

**Article (94):** The Board may not issue any license only after receiving of fixed license fees and register the same in the specific record as per the data mentioned in the form as per the provision of this law.

**Article (95):** The Board shall arrangement and keep the following records:-

- a) A cadastre record including the following lands:-
  1. The lands for which licenses are currently in force under this Law or any other existing license or contract under the previous Mines and Quarries Law.
  2. The lands subject to the applications to obtain the license which are under study.
  3. Lands determined as close areas for mining operations under this Law or the Mines and Quarries Law.
- b) Atlas may be in the form of physical maps or maps contained in an electronic format or both.

**Article (96):** The persons interested in obtaining license are entitled to review the records of applications and licenses.

## **CHAPTER TWO CANCELLATION OF LICENCES**

**Article (97):** Without prejudice to the penalty set out in this Law, the license granted or the application submitted as per this Law shall be cancelled as per a decision of the

Chairman of the Board of Directors Board in any of the following cases:-

a) Cases of general cancellation:

1. In case the Board shall be clarified that the license is granted based on false documents or basic data submitted by the licensee.
2. In case the licensee submits a letter to the Board requesting termination of his license.
3. In case the period of validity of the license expires and that the licensee fails to extension the same.
4. In case the applicant did not fulfill requirements of granting or extension of the license set out in the regulation within thirty (30) days from the date of submission and registration of the application.

b) Cases of specific cancellation:

1. In case the licensee of reconnaissance who violates any of the obligations provided for in clauses 1) and 3) of Article (10) of this Law.
2. In case the licensee of exploration who violates any of the obligations provided for in clauses 1), 2), 3) and 6) of Article (20) of this Law.

3. In case the licensee of mining who violates the conditions provided for in Article – 30 of this Law, or any of the obligations provided for in clauses 3), 4), 5), 6), 7), 8), 9) and 11) of Article (31) of this Law.
4. In case the licensee of extracting of quarry raw materials who violates the conditions provided for in Article (41) of this Law, or any of the obligations provided for in Clauses 3), 4), 5), 6), 7), 8), 9) and 11) of Article (42) of this Law.
5. In case the licensee of artisanal mining who violates any of the obligations provided for in clauses 1) and 4) and 9) of Article (53) of this Law.

**Article (98):** Without prejudice to the provisions of Article (97) of this Law, the granted license shall be canceled as per this Law for the corporate person in any of the following cases:-

1. Termination of the corporate person for the licensee by its liquidation of any of the legal reasons.
2. Incorporation of the licensee with another corporate person without a prior approval from the Board.

**Article (99):** The license registered in the names of more than two corporate persons shall be cancelled whenever one of the cases

provided for in Article (98) of this Law, unless the other partners has been submitted the necessary guarantees proving that they are able to continue fulfillment all obligations provided for in the provisions of this Law and the regulation.

**Article (100):** The Board may not cancel any license granted as per this Law in any of the cases provided for in clauses b) of Article (97) of this Law, unless after determine the procedures and verification of the following emplacements:-

1. Sending a written garnishment to the licensee by the Board that it intends to cancel the license with clarify the reasons leading to the same and give him a limitation period of sixty (60) days to execute the obligations which he has breached.
2. Expiration of the period set out in the garnishment referred to in clause 1) of this Article and that the licensee fails to execute the obligations which he has breached and in case impossibility of notifying him, the garnishment shall be published in one of the official daily news papers.

**Article (101):** Without prejudice to any other obligations provided for in this Law, and in cases of the licensee whose license has been cancelled or terminated as per the provisions of this chapter, he shall be undertakes the following:-

1. Transfer all machinery, equipments and wastes from the area subject to his license within sixty (60) days from the date of cancellation or termination. If the licensee has failed to transfer them during this period, the Board may effect such action at his expense after serving a notice to them.
2. Remove all immovable assets owned by them in the area which was subject to his license within ninety (90) days from the date of cancellation or termination.

If the licensee has failed to remove them during this period, then it will be considered as transferring the same in favor of the Board without consideration.

3. Deliver all reports and records kept by them, plans and maps prepared to the Board as per the provisions of this Law.
4. Deliver any documents which should be submitted to the Board as per its request.

**Article (102):** The licensee in case of cancellation of expiry of his license as per the provisions of this Law shall remain liable for the performance of the obligations which are not executed till the date of cancellation or termination as per the provisions of this Law.

**PART FIVE**  
**GEOLOGICAL RESEARCH AND STUDIES**  
**AND THE POWER OF INSPECTION**

**Article (103):** The Board shall carry out systemic geological, mining and metallurgical studies and mapping of the national territory including the territorial waters, the continental shelf and the exclusive economic zone owned by the Republic. The Board authorizes any person to do these studies and mapping on its behalf.

**Article (104):** a) The government authorities and educational Institutions may, with the prior written approval of the Board, carry out scientific studies on any land subject to the license or that is not closed by this Law to mining activities, provided that such research and studies shall not be used for commercial purposes the Board shall be provide with a copy of these research and studies findings

b) Geological investigations and scientific studies performed pursuant to this Article do not require a license.

**Article (105):** The employees of the Board whose nature of jobs requires acting the Judicial capacity have a character of an official of Judicial capacity and it shall be named by a decision of the Minister of Justice as per the submission of Minister.

- Article (106):** a) The employee of the Board enjoying Judicial capacity authorized in writing are entitled to access the sites of operations licensed as per this Law for the purpose of conducting inspection of these sites and supervise ongoing operations and to check records and documents related to and submit reports to make sure that the licensee undertook by the provision of this Law.
- b) The licensee should provide all reasonable facilities and assistance to the employees of the Board having Judicial capacity during conducting their task authorized as per provisions of Clause a) of this Article, moreover he should provide any other clarification or information required from the licensee.

**Article (107):** The employee of the Board enjoying Judicial capacity who finds out any violation against the provisions of this Law during conducting of his task as per clause a) of Article (106) of this Law should reserve the tools, equipments and vehicles used in committing violation and any other mineral resources or quarry raw materials extracted in violation to the provisions of this Law and execute a minute of the same to be deliver along with confiscated materials to the office of the Board which shall take necessary action in coordination with the Board to refer the subject matter to the violation Court.

**Article (108):** The employees of the Board enjoying Judicial capacity should maintaining confidentiality of the documents and data available to them as per their task and not to use the same only in implementation of the provision of this Law.

**Article (109):** a) A Judicial Judgment should be issued to forfeited the captured tools, equipments and vehicles used in committing of any violation to the provisions of this Law and confiscate all mineral resources extracted in violation to the provisions of this Law.

b) The Board is entitled to dispose in the confiscated tools, equipments and vehicles used in the extraction of quarry to the raw materials in violation of this Law for which a Judicial Judgment has been issued for confiscation.

**Article (110):** Any employee at the Board or its branches whatsoever the nature of his work obtain any of the licenses granted as per provisions of this Law during the period of his work and within three years after expiry of his work.

## PART SIX FEES AND ROYALTY

**Article (111):** The regulation shall determine the amount of prescribed fee of the applications of the license, extension, transfer and enlargement and the amount of fine prescribed for delay of submission of the applications.

**Article (112):** a) An annual fee shall be receive for all licenses. The amount of the annual fee shall be calculated by multiplying the area of land subject to the license by an amount to be fixed by the regulation for each license referred to in this Clause.

b) The first period for the purpose to receive the annual fee, shall begin from the date of registration of the license.

**Article (113):** Every five years the amount (rate) may be amended which are fixed in the regulation which the amount of annual fee is calculated as per a decision of the Prime Minister after approval of the Cabinet as per submission of the Minister.

**Article (114):** An annual royalty shall be received from the licensee for the following:-

1. Sold mineral resources or intended for sale.

2. The mineral resources and products utilized, or to be utilized, for any commercial or industrial purpose.

**Article (115):** Without prejudice to the penalty prescribed in the provisions of Article (121) of this Law, a royalty shall be received for any mineral resources or quarry raw materials sold which are extracted without license at 25% of the value of the sold quantity.

**Article (116):** The owing amount of royalty shall be fixed as per the provisions of Articles (114 and 115) of this Law for each mineral resources and quarry raw materials by the following way:-

1. A percentage of the gross value of the ore or the mineral as per the market value and the percentage shall be fixed for each type of metallic minerals and gemstone as the following:-
  - A) 3% for the mineral resources.
  - B) 8% for gemstone & semi gemstone.
2. An amount to be paid on the basis of unit of weight of quarry raw materials as the following:-
  - a) 0.3 US Dollar per ton for Quarry raw materials used in industry in case of export and 0.1 US Dollar per ton in case of local consumption.

b) 0.6 US Dollar per ton for Quarry raw materials used in construction in case of export and 0.3 US Dollar per ton in case of local consumption.

**Article (117):** The percentages and amounts of royalty may not be amended, unless if it is subject to approval of Parliament and in accordance with the constitutional procedures.

**Article (118):** The licensee for mining and extracting quarry raw materials shall pay income tax determined as per the Law of income tax applicable in the Republic and no exemption may be granted from the income tax.

**Article (119):** a) The Minister and the Minister of Finance may jointly enter in a fiscal stabilization agreement with a mining license-holder, and it shall be approved by a decision of the Prime Minister as per the approval of the Cabinet and as per the submission of the Minister and Minister of Finance.

b) The feasibility study shall include the capital cost for development of mines so that it should not be less than U.S. \$ 150,000,000.00.

c) The period of a fiscal stabilization should be ten (10) years with effect from the date of production.

- d) The fiscal stabilization should be on the basis of the price and the applicable methods for the account on the day in which the agreement became effective;
- e) The fiscal stabilization agreement may not include any taxes or fees or new fee or change in the price or approval of a different account for those provided for in the standing legislations.
- f) In case there is a conflict occur between any of the provisions of the in such a fiscal stabilization agreement and provisions of any other new or amended Legislations during the period of agreement, the provisions of agreement shall be applicable.
- g) A fiscal stabilization agreement shall not come into force until the payment of the registration fee prescribed by the regulations of this Law.
- h) The fiscal stabilization agreement may not be extended or renewed.
- i) Any person may be entitled to obtain a copy of the fiscal stabilization agreement after payment of the prescribed fee.

## PART SEVEN PENALTIES

**Article (120):** Without prejudice to any severe penalty which are provided for in any other Law in force in the Republic, the penalties provided for in this chapter, shall be imposed on anyone who violates the provisions of this Law.

**Article (121):** An imprisonment for a term not exceeding six (6) months or a penalty of not less than five hundred thousand (500,000) Yemeni Riyals and not more than one million (1,000,000) Yemeni Riyals, shall be imposed on anyone who violates the provisions of Articles (4, 14 and 46) of this Law.

**Article (121):** An imprisonment for a term not exceeding one (1) year or a penalty of not less than one million (1,000,000) Yemeni Riyals and not more than two million (2,000,000) Yemeni Riyals, shall be imposed on anyone who:-

- a) Anyone who violates provisions of Article (24 and 35) of this Law.
- b) 1. Anyone who tries to smuggle mineral resources outside the Republic.  
2. Places or deposits, or causes to be placed or deposited in a place any mineral, with the intention to mislead any other person as to the mineral possibilities of the place.

3. Anyone who impedes or obstructs the operations of reconnaissance, exploration and mining or obstructs with any machinery, plant, work or property on, in, under or over any land related to the mining. The complainant may submit his complaint to the Board, unless he may take recourse to the Court.

**Article (123):** a) A penalty of not less than one million (1,000,000) Yemeni Riyals and not more than two million (2,000,000) Yemeni Riyals, shall be imposed on anyone who violates the provisions of Articles (11, 20, 30, 31, 41, 42, 67, and 87) of this Law.

b) A penalty of not less than one hundred thousand (100,000) Yemeni Riyals and not more than two hundred thousand (200,000) Yemeni Riyals, shall be imposed on anyone who violates the provisions of Articles (53 and 54), and the clause 3) of Article (10) of this Law.

**Article (124):** An imprisonment for a term not exceeding six (6) months or a penalty of not less than five hundred thousand (500,000) Yemeni Riyals and not more than one million (1,000,000) Yemeni Riyals, shall be imposed on anyone who:-

1. Using the license for purposes other than those covered by it.

2. Extracting mineral resources or attempting to do so without having the same set out in the license as resources or raw materials.
3. Submitting false or forged information for the purposes of obtaining a mineral license;
4. Mingles any of the samples or any substances which may enhance the value or in any way change its nature, with the intention to cheat, deceive or defraud.
5. Keeps or uses any false or fraudulent scale or weight for weighing mineral resources, or uses any false or fraudulent assay scale to assay these materials.

**Article (125):** A penalty of not less than two hundred thousand (200,000) Yemeni Riyals and not more than five hundred thousand (500,000) Yemeni Riyals, shall be imposed on any person who broke, or remove or distort any boundary mark in the license area.

**Article (126):** A penalty of not less than one hundred thousand (100,000) Yemeni Riyals and not more than five hundred thousand (500,000) Yemeni Riyals, shall be imposed on anyone who obstructs or hinder or delays the work of the Inspectors during the performance of their tasks entrusted to them under this Law.

**Article (127):** Any employee having enjoying the Judicial official shall be dismissed from his service as per a Court Judgment under this Law who grossly neglects or compromises the duties of his job or assists or connives with another person to obtain the license from the Board as per incorrect information, particulars or documents or who comes to know about extraction of mineral resources or quarry raw materials contrary to the provisions of this Law or its exclusive regulation and did not take legal action.

**Article (128):** The cases referred shall be within the jurisdiction of Yemeni Courts concerning to violation of provisions of this Law by the competent Courts for urgent matters.

**Article (129):** The penalties provided for in this chapter shall be doubled in case of repetition of the violation.

## **PART EIGHT FINAL PROVISIONS**

**Article (130):** The Board shall implement and execute this Law and supervise the mines and quarries.

**Article (131):** The licensee should have a head office in the Republic of Yemen within ninety (90) days from the date of validity of license.

**Article (132):** The Board shall serve a notice to the licensee either by handing over by hand or by email to be confirmed by a letter to be sent by post and in case of inability to do so, the notice shall be published in one of the news papers in the Republic and this news paper shall be as a notice valid for the licensee.

**Article (133):** The provisions and conditions provided for in this Law and regulation shall be applicable to the license. Any other license including violating conditions and provisions to the conditions set out in this Law and the regulation shall be cancelled.

**Article (134):** In case of difference or dispute between those subject to the provisions of this Law, the same shall be solved amicably, unless the dispute shall be solved as follows:

1. In case of difference or dispute between the licensee and the Board regarding determination of the type and the class of the mineral resources, the same shall be referred to an expert in the field of mining acceptable by both parties to give a technical opinion regarding the conflict and shall be for reference to obtain satisfactory solution between both parties within fifteen (15) days and in case of non accepting the result concluded by the expert, the same shall be referred to the Minister for decision and the complainant may take recourse to Yemeni Courts.

2. When a difference or dispute arises between the holders of licenses regarding the boundary lines separating their licenses areas, the Board shall determine the dispute at the expense of the disputing parties by a resolution giving the reasons therefore. The complainant shall have the right to resort to the competent court within 15 days starting from the date of being notified of the resolution. Such a case shall be considered a case of urgent proceedings.
3. When a dispute arises between a mining license-holder who has entered into an agreement with the government pursuant to Article (119) of this Law, the dispute may be submitted for arbitration agreed to by both parties; unless the dispute shall be referred to Yemeni Courts.
4. When a dispute arises between the Board and other government authorities due to implementing the provisions of this Law, the provisions of the State cases Law shall be implemented.

**Article (135):** 1. In case force majeure prevent or hinder the licensee to execute any of his obligations on time, then the delay will not be considered as a negligence or shortcoming in work or performance and the Board may extend the period fixed

for work where there is a delay for the period equal to the period of force majeure once the same is confirmed.

2. The State shall incur any responsibility any responsibility whatsoever to the licensee for any damages, restrictions or loss arising in consequence of such case of force majeure.

**Article (136):** Transport and aviation operations provided for in this Law shall be subject to the provisions of standing legislations.

**Article (137):** An annual audit of the licensee's financial records and accounts shall be carried out by an independent accounting office having necessary licenses to carry out activity in the Republic and the Board is entitled to carry out its own special audit using the services of an independent firm of chartered accounting audit office at its own expense.

**Article (138):** With the exception of that which is explicitly provided for in the Income Tax Law, those subject to this Law enjoy the incentives and benefits provided for in the other Laws in force in the Republic.

**Article (139):** The licensee as per the provisions of this Law shall enjoy the incentives and benefits provided for in Investment Law, in particular:-

1. Arab and foreign capital and Arab and foreign investors shall be on a par with Yemeni capital and investors without discrimination with respect to the rights, obligations, rules and procedures set out in this Law.
2. The right to manage his project as per his discretion, economic conditions and status of his businesses.
3. The foreign licensee shall be entitled to transfer abroad his net profits to any transferable currency.
4. The foreign licensee shall have the right to retransfer abroad his invested capital upon liquidation of the project or disposal of the same.

**Article (140):** The licensee shall enjoy exemption from the following fee:-

1. Custom duty fee and the tax related to import of necessary equipment and spare parts to execute the operations of the licensee as per the provisions of this Law provided that he should undertake as under:-
  - \* Submit statements and list of equipments and spare parts to be imported to the Board for approval and agreement and the value of the spare parts to be exempted should

not exceed 10% of the total value of the imported equipment.

- \* Keeping regular records showing location and usage of imported equipment for the purpose of licenses.
  - \* Payment of all custom and taxes free upon sale of equipment exempted in the Republic.
2. Custom and taxes duties when wishing to export any equipment imported into the Republic provided that the Board should be notified and accept the same.
  3. Property taxes.
  4. Income tax payable on salaries and benefits related to income of the foreign employees and this exemption shall be applicable at the stage of reconnaissance and exploration.

**Article (141):** Any previous permit or license or exploitation contract remains valid as long as it is valid and issued under the previous Mines and Quarries Law till expired.

**Article (142):** Executive regulation of this Law shall be issued as per a decision of the Prime Minister after approval of the Cabinet as per submission by the Minister within a period of not more than six (6) months.

**Article (143):** Law No. 24 for the year 2002 regarding Mines and Quarry and any other provisions conflicting the provisions of this Law shall be cancelled.

**Article (144):** This Law shall be applicable from the date of its issuance and shall be published in the official gazette.

**Issued at the Presidency of Republic in Sana'a**

**Dated 15 Dhu Al Hijjah 1431 AH  
21 November 2010**

**Ali Abdullah Saleh**

President of the Republic