

The Law Amending the Myanmar Mines Law

(The Pyidaungsu Hluttaw Law No. 72, 2015)

The 13th Waxing of Nadaw, 1377 M.E.

(24 December, 2015)

The Pyidaungsu Hluttaw hereby enacts this Law.

1. This Law shall be called **the Law Amending the Myanmar Mines Law**.

2. In Section 2 of the Myanmar Mines Law:

(a) Sub-section (b) shall be substituted as follows:

“(b) **Mineral** means metallic mineral, industrial mineral and stone obtained from the earth by mining or by any other means. The said expression also includes the minerals mined from the sea bed and underwater ground of the ocean, river, stream and lake.”

(b) Sub-section (c) shall be deleted.

(c) Sub-section (g) shall be substituted as follows:

“(g) **Permit** means a permit issued under this Law to carry out any operation of mineral prospecting, exploration, feasibility study, production, processing or selling and buying, or more than one integrated operations.”

(d) Sub-section (i) shall be substituted as follows:

“(i) **Mineral Exploration** means defining and measuring to gain knowledge of the kind, location, size, shape, quality and quantity of a mineral deposit.”

(e) After sub-section (i), sub-section (i-1) shall be inserted as follows:

“(i-1) **Feasibility Study** means the assessment of any mineral deposit which has been made the mineral exploration whether or not it may produce commercially. The said expression also includes the process of production of mineral, process of processing, commercial production and computing invested capital, system of the environmental impact assessment and social impact assessment.”

(f) After sub-section (j), sub-section (j-1) shall be inserted as follows:

“(j-1) **Mineral Selling and Purchasing** means selling, purchasing transporting, and storing of the produced minerals”

(g) Sub-section (k) shall be substituted as follows:

“(k) **Large Scale Production** means the production of mineral with the permission of above 15 years to 50 years as an enterprise, which has the feasibility to produce commercially based on the quantity of mineral deposit and requires substantial investment or uses special technical know-how and methods.”

(h) After sub-section (k), sub-section (k-1) shall be inserted as follows:

“(k-1) **Medium Scale Production** means the production of mineral with the permission of up to 15 years as an enterprise, which has the feasibility to produce commercially having the appropriate quantity of mineral deposit, and requires appropriate investment and expenditure, or uses the limited technical know-how and methods.”

(i) Sub-sections (l) (m) (n) (p) and (q) shall be substituted as follows:

“(l) **Small Scale Production** means the production of mineral with the permission of up to 10 years term as an enterprise, which has less quantity of production of mineral, and has less investment and expenditure.

(m) **Subsistence Production** means the production of mineral using ordinary hand tools or machinery not more than the horse power prescribed by rules issued under this Law.

(n) **Processing** means the beneficiation of mineral to improve their grade or value. The said expression includes process of mineral dressing, concentration, smelting, refining, conduction and moulding of ore to obtain mineral concentrates and refined metals.

(p) **Department** means the Department of Mines.

(q) **Director General** means the Director General of the Department of Mines.”

3. Sub-section (c) of Section 3 of the Myanmar Mines Law shall be substituted as follows:

“(c) to promote development of investment in respect of mineral resources.”

4. Section 4 of the Myanmar Mines Law shall be substituted as follows:

“4. A person or an organization desirous of carrying out any or more than one of the following operations shall apply to the Ministry in accord with the stipulations to obtain a permit:

(a) prospecting, exploration, feasibility study, large scale production, processing or selling and purchasing of metallic mineral, industrial mineral or stone involving foreign investment;

(b) prospecting, exploration, feasibility study, large scale production, processing or selling and purchasing of metallic mineral, industrial mineral or stone with citizen investment;

- (c) prospecting, exploration, feasibility study, medium scale production, processing or selling and purchasing of metallic mineral, industrial mineral with citizen investment;
- (d) prospecting, exploration, small scale production, processing or selling and purchasing of metallic mineral or industrial mineral with citizen investment restricted, by notification, by the Ministry;
- (e) carrying out concurrently at least three operations of prospecting, exploration, feasibility study, medium scale production or small scale production, processing or selling and purchasing of metallic mineral, industrial mineral with citizen investment;
- (f) transforming the large scale production carried out the joint-venture foreign investment based on the quantity and quality of mineral deposit under the exploratory geology report by the citizens obtaining a permit for the operation of medium scale production, small scale production, processing or selling and purchasing of metallic mineral, industrial mineral or stone with citizen investment.”

5. Section 5 of the Myanmar Mines Law shall be substituted as follows:

- “5. (a) A citizen or an organization desirous of carrying out any operation of prospecting, exploration, medium scale production, processing or selling and purchasing of stone shall apply to the Department in accord with the stipulations to obtain a permit.
- (b) A citizen or an organization desirous of carrying out any operation of prospecting, exploration, small scale production, processing or selling and purchasing of stone restricted, by notification, by the Ministry shall apply to the Department in accord with the stipulations to obtain a permit.”

6. Section 6 of the Myanmar Mines Law shall be substituted as follows:

- “6. A citizen or an organization desirous of carrying out the operation of prospecting, exploration, small scale production or subsistence production, processing or selling and purchasing relating to metallic mineral, industrial mineral or stone with citizen investment, enable to be carried out by the Region or State in accord with rules issued under this Law, shall apply to the Work Site Scrutiny and Allocation Body of the relevant Region or State formed and assigned with the approval of the Union Government in accord with the stipulations to obtain a permit.”

7. After Section 6 of the Myanmar Mines Law, Section 6 A shall be inserted as follows:

- “6 A. The Ministry may, with the approval of the Union Government, form the Region or State Work Site Scrutiny and Allocation Body.”

8. Section 7 of the Myanmar Mines Law shall be substituted as follows:

“7. The Ministry shall, with the approval of the Union Government, issue a permit to carry out any or more than one of the following operations:

- (a) prospecting, exploration, feasibility study, large scale production, processing or selling and purchasing of metallic mineral, industrial mineral or stone involving foreign investment;
- (b) prospecting, exploration, feasibility study, large scale production, processing or selling and purchasing of metallic mineral with citizen investment;
- (c) transforming the large scale production carried out the joint-venture foreign investment based on the quantity and quality of mineral deposit under the geological exploration report by the citizens obtaining a permit for the operation of medium scale production, small scale production, processing or selling and purchasing of metallic mineral, industrial mineral or stone with citizen investment.”

9. Section 8 of the Myanmar Mines Law shall be substituted as follows:

“8. The Ministry may issue a permit to carry out any or more than one of the following operations in accord with the stipulations:

- (a) prospecting, exploration, feasibility study, large scale production, processing or selling and purchasing of industrial mineral or stone with citizen investment;
- (b) prospecting, exploration, feasibility study, medium scale production, processing or selling and purchasing of metallic mineral or industrial mineral with citizen investment;
- (c) prospecting, exploration, small scale production, processing or selling and purchasing of metallic mineral or industrial mineral with citizen investment restricted, by notification, by the Ministry;
- (d) integrated operating at least three operations of prospecting, exploration, feasibility study, medium scale production or small scale production, processing or selling and purchasing relating to metallic mineral, industrial mineral with citizen investment;
- (e) operate, with the specific condition under the bidding system, the work sites enable to produce commercially relating to the quantity of mineral deposit completed geological facts.”

10. Section 9 of the Myanmar Mines Law shall be substituted as follows:

“9. The Department may:

- (a) issue a permit on the application of any operation of prospecting, exploration, medium scale production, processing or selling and purchasing of stone by the citizen or organization in accord with the stipulations, with the approval of the Ministry;

(b) issue a permit, by notification, on the application of any operation of prospecting, exploration, small scale production, processing or selling and purchasing of stone restricted by the Ministry by the citizen or organization in accord with the stipulations, with the approval of the Ministry.”

11. Section 10 of the Myanmar Mines Law shall be substituted as follows:

“10. The Work Site Scrutiny and Allocation Body of the relevant Region or State formed and assigned by the approval of the Union Government may issue a permit to the citizen or organization after obtaining the approval of the Ministry and scrutinizing the application under Section 6 to issue a permit for the operation of prospecting, exploration, small scale production or subsistence production, processing or selling and purchasing relating to metallic mineral, industrial mineral or stone enable to be carried out within the Region or State.”

12. Section 11 of the Myanmar Mines Law shall be substituted as follows:

“11. The Ministry shall prescribe the terms of operation, the operation area, extent, amount of investment, machinery and use of equipment in classification of large scale production, medium scale production, small scale production and subsistence production in accord with sub-sections (k), (k-1), (l) and (m) of Section 2.”

13. After Section 11 of the Myanmar Mines Law, Section 11 A and Section 11 B shall be inserted as follows:

“11 A. The Work Site Scrutiny and Allocation Body of the relevant Region or State formed and assigned by the approval of the Ministry, Department or Union Government issued a permit shall, if an entrepreneur who successfully carried out the stages of operation of prospecting, exploration, feasibility study under the permit applies a permit of the operation of mining at the place where he carried out, allow a permit when it is in conformity with the stipulations.

11 B. The person who does not produce the mineral by himself and purchases through the person who produces mineral with a permit and operates the processing shall apply separately a permit for selling and purchasing.”

14. Sub-section (f) of Section 12 of the Myanmar Mines Law shall be substituted as follows:

“(f) pay prescribed royalty and other fees payable under this Law either in kind or in cash.”

15. After sub-section (f) of Section 12 of the Myanmar Mines Law, sub-section (g) shall be inserted as follows:

“(g) pay other fees either in Myanmar currency or foreign currency in the operation involving foreign investment or in Myanmar currency equivalent with foreign currency exchange rate prescribed by the Central Bank of Myanmar.”

16. After sub-section (e) of Section 13 of the Myanmar Mines Law, sub-section (e-1) and sub-section (e-2) shall be inserted as follows:

“(e-1) operating with regard the production of mineral with least environmental impact and not to have detrimental effects of socio-economic to local people and funding for the annual environmental conservation work;

(e-2) when the operation of producing mineral is finished or closed, carrying out in conformity with the stipulations by funding for the work of land repairing, maintaining, rehabilitating and greening of work site in accord with the mine closure plan.”

17. Section 18 of the Myanmar Mines Law shall be substituted as follows:

“18. The holder of mineral production permit shall pay royalty under the following rates on the value of the mineral when the minerals produced are sold:

(a) the rate of 5% for gold, platinum, uranium and precious metallic minerals that the Ministry, with the approval of the Union Government, prescribes by issuing notification from time to time;

(b) the rate of 4% for silver, copper, tin, tungsten, nickel, heavy sand, molybdenum, iridium, osmium, palladium, ruthenium, rhodium, tantalum, columbium, niobium, thorium, cadmium, rare earth elements, beryllium, titanium and the metallic minerals that the Ministry, with the approval of the Union Government, prescribes by issuing notification from time to time;

(c) the rate of 3% for iron, zinc, lead, antimony, aluminium arsenic, bismuth, chromium, cobalt, manganese, magnesium and the metallic minerals that the Ministry, with the approval of the Union Government, prescribes by issuing notification from time to time;

(d) the rate of 2% for industrial mineral or stone.”

18. Section 19 of the Myanmar Mines Law shall be substituted as follows:

“19. The royalty payable under Section 18 shall be calculated on the percentage of metallic mineral under the international mineral price and shall be paid to the Department.”

19. The expression “Gemstone Tract” contained in the title of Chapter VII of the Myanmar Mines Law shall be deleted.

20. Section 22 of the Myanmar Mines Law shall be deleted.

21. The expression “or Gemstone Tract” contained in Sections 23 and 33 of the Myanmar Mines Law shall be deleted.

22. The expression “in the Continental Shelf” contained in Section 24 of the Myanmar Mines Law shall be substituted by the expression “in the territorial sea and maritime zone of the State.”
23. After sub-section (b) of Section 26 of the Myanmar Mines Law, sub-section (b-1) shall be inserted as follows:
- “(b-1) inspecting the system of environmental impact assessment and the social impact assessment in the operations of prospecting, exploration, production, processing of the mineral, industrial mineral and stone.”
24. The expression “fine” contained in sub-section (b) of Section 28 of the Myanmar Mines Law shall be substituted by the expression “fine not less than the amount of deposit.”
25. Section 30 of the Myanmar Mines Law shall be substituted as follows:
- “30. (a) Whoever carries out any of the following operations without the permit issued under this Law shall, on conviction, be punished with imprisonment for a term which may extend to 10 years or with fine which may extend to 5 million kyats or with both:
- (1) prospecting, exploration or processing of mineral;
 - (2) prospecting, exploration or processing of industrial mineral;
 - (3) prospecting, exploration or processing of stone;
 - (4) carrying out the operation of mineral processing without obtaining a permit for the work of selling and purchasing;
 - (5) production of mineral except the person who carries out the subsistence production with a permit;
- (b) Whoever operates mineral production without a permit issued under this Law for the subsistence production shall, on conviction, be punished with imprisonment for a term which may extend from a minimum of one month to a maximum of not exceeding three months or with fine which may extend to one hundred thousand kyats.”
26. After Section 30 of the Myanmar Mines Law, Section 30 A shall be inserted as follows:
- “30 A. Whoever commits subsequently any offence contained in sub-section (a) of Section 30 shall be punished with imprisonment for a term which may extend to 10 years and with fine which may extend from a minimum of 1 million kyats to a maximum of 5 million kyats.”
27. The expression “with imprisonment for a term which may extend to 3 years or with fine which may extend to kyats 20,000 or with both” contained in Section 31 of the Myanmar Mines Law shall be

substituted by the expression “with imprisonment for a term which may extend to three years or with fine which may extend to 2 million kyats or with both”.

28. After Section 31 of the Myanmar Mines Law, Section 31 A shall be inserted as follows:

“31 A. Whoever commits subsequently any prohibition under Section 29 shall be punished with imprisonment for a term which may extend to a maximum of three years and with fine which may extend from a minimum of five hundred thousand kyats to a maximum of 2 million kyats.”

29. The expression “with imprisonment for a term which may extend to 1 year or with fine which may extend to kyats 10,000 or with both” contained in Section 32 of the Myanmar Mines Law shall be substituted by the expression “with imprisonment for a term which may extend to one year or with fine which may extend to 1 million kyats or with both.”

30. After Section 32 of the Myanmar Mines Law, Section 32 A shall be inserted as follows:

“32 A. Any holder of a permit who subsequently commits the failure to abide by any provisions of the rule relating to Section 13 shall, on conviction, be punished with imprisonment for a term which may extend to one year and with fine which may extend from a minimum of two hundred thousand kyats to a maximum of 1 million kyats”.

31. The expression “with imprisonment for a term which may extend to 6 months or with fine which may extend to kyats 5000 or with both” contained in Section 33 of the Myanmar Mines Law shall be substituted by the expression “with imprisonment for a term which may extend to six months or with fine which may extend to five hundred thousand kyats or with both.”

32. After Section 33 of the Myanmar Mines Law, Section 33 A shall be inserted as follows:

“33 A. Whoever commits subsequently any prohibition under Section 33 shall be punished with imprisonment for a term which may extend to six months and with fine which may extend to five hundred thousand kyats.”

33. After Section 35 of the Myanmar Mines Law, Section 35 A shall be inserted as follows:

“35 A. The Ministry shall carry out by the percentage sharing system including the environmental impact assessment costs on the production, or sharing system on the interest, or profit sharing system based on the both contribution for carrying out the joint ventures or common interest business with the entrepreneur who obtained a permit relating to the production of mineral.”

34. Section 36 of the Myanmar Mines Law shall be substituted as follows:

“36. All money receivable under this Law shall be recovered as if it were an arrear of income tax. The officer who is assigned by the relevant Ministry for the purpose of this matter shall have the right to exercise the powers of collector under the existing laws.”

35. Section 39 of the Myanmar Mines Law shall be substituted as follows:

“39. In implementing the provisions of this Law:

- (a) the Ministry may, with the approval of the Union Government, issue the necessary rules, regulations and bye-laws;
- (b) the Ministry may issue the necessary notifications, orders, directives and procedures;
- (c) the Department may, with the approval of the Ministry, issue the necessary orders and directives.

I hereby sign in accord with the Constitution of the Republic of the Union of Myanmar.

Sd/ Thein Sein

President

The Republic of the Union of Myanmar