



# THE PROCESS EXPORTATION OF MINERALS FROM TANZANIA

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## INTRODUCTION.

In Tanzania, Mining is one of the leading sectors with the value of mineral exports increasing each year. The leading minerals include gold, iron ore, nickel, copper, cobalt, silver, diamond, tanzanite, ruby, garnet, limestone, soda ash, gypsum, salt, phosphate, coal, uranium, gravel, graphite, sand and dimension stones endowed with vast quantities and types of resources whose extraction has been central to the country's economic growth.

The exportation of minerals in Tanzania is governed by the provisions of the Mining Act, 2010 ('the Act') and the Mining (Mineral Trading) Regulations, 2010 ('the Regulations').

Any person with an interest to export minerals in Tanzania has to abide to the conditions stipulated under the Act and Regulations.

This article provides guidelines and prerequisites for the exportation of minerals in Tanzania in line with the conditions laid down under the Act and Regulations.

## PRE-REQUISITES FOR EXPORTATION OF MINERALS.

### 1. Right to export minerals.

For one to export minerals in Tanzania, one must first have a right to export such minerals. The right to export minerals is granted to the following categories of mineral rights holders:

#### 1. Holders of Mining Rights in Tanzania

Holders of special mining licenses, mining licenses, primary mining licenses, processing licenses, smelting licenses and refining licenses have the right to trade or dispose of their



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mineral products; including, by way of export.

### 1. Licensed Minerals Dealers and Brokers

On the other hand, holders of dealer and broker licenses have the right to buy, acquire, sell, or dispose of minerals (Sections 76 and 83 of the Act). Therefore, the right to export minerals is granted to holders of mineral rights and licensed dealers.

- Non-Residents on Special Permits

Further to the mineral rights holders and dealers stated above, non-residents are authorized to export minerals subject to the conditions provided under Regulation 16 of the Regulations. A special export permit is granted to non-residents to export minerals from Tanzania.

A non-resident with a tourist visa is permitted to export minerals after paying the required export permit fee for minerals not exceeding USD 1,000(See Regulation 16(2)). The application fee is USD 200 for minerals worth USD 1,000 but if the value of minerals is above USD 1000 the amount fee payable is USD 2,000. The major limitation is that a non-resident shall not be permitted to export minerals more than twice a year.

Furthermore, non-residents may export minerals purchased at the Gem Trade Fair and such Export permit for minerals from Gem Trade Fair is granted after payment of requisite fees and royalties.

## 1. Permit to export Minerals

A mineral Export Permit is a permit issued by the government to a person or company that intends to export minerals or mineral products from Tanzania. The applicant for Mineral Export Permit should provide full details of the source of mineral(s), quality and quantity to be exported, the estimated value of the export, full address of the Importer, and mode of shipment.

Mineral Exportation in Tanzania is governed by the Mining Act, 2010 and the Mining (Mineral Trading) Regulations, 2010, and the buyer, dealer, broker, or miner who wishes to export minerals or mineral samples from Tanzania must comply with the provisions of the above laws, and obtain an export permit after paying relevant taxes and royalty.



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The export Permit is issued only upon application and after the qualified applicant has paid all government fees. The Permit is issued to export a specified Mineral consignment and expires once that consignment has left Tanzania.

The law provides that, an application for a permit to export minerals and samples of minerals be made in **Form MTF.1** of the Mining (Mineral Trading) Regulations, 2010 while a permit to export processed minerals be made in **Form MBF. 1** respectively. On application, the government issues a permit to export minerals and samples of minerals via **Form MTF. 2** and **Form BF. 2** for the permit to export processed minerals.

A permit to export minerals and samples of minerals shall be issued only in respect of minerals and samples of minerals which have first been examined and weighed by the Authorized Officer and packed in a container the outer cover of which has been sealed at every opening with the seal of the Minerals Division or such other seal as the Commissioner may, in writing, may approve, and such permit shall cease to be valid in the event that any of the seals affixed to the container are broken prior to export.

The law goes further than, Every permit to export minerals and samples of minerals shall, at the time of export be surrendered by the licensed dealer to the postmaster or customs official through whom the export is effected and the postmaster or customs official as the case may be shall forthwith forward such permit to the authorized officer by whom it was issued.

### 1. Royalty for export of Minerals

Royalty for the export of minerals refers to the amount of payment made in percentage to the Government by an exporter or dealer of minerals in Tanzania. The Government being the owner of minerals in Tanzania charges royalties based on two aspects:

1. The gross value of the minerals to be exported
2. The kind or type of minerals to be exported.

The following are **royalty rates** chargeable for the export of minerals:

1. Exportation of gemstones and diamonds is charged 5% of the gross value of the consignment.
2. For gold, copper, silver, and platinum minerals the rate is 4%.



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- Gem is charged 1% of the gross value.
1. All minerals within the industrial mineral, including building material and salt are chargeable at a rate of 3%.

## CONCLUSION.

Exportation of minerals from Tanzania is subject to conditions entrenched in the Act and Regulations as stipulated above and thus it is an offense for any person, other than the mineral right holder or licensed dealer to sell or dispose of minerals as per Section 18(2) of the Mining Act, 2010. An offense for trading in minerals without a valid permit or license is punishable by a fine not exceeding ten million shillings or to imprisonment for a period not exceeding three years or both fine and imprisonment as provided under Section 18(3) of the Mining Act.

Exportation of minerals in Tanzania involves some risks to foreigners in dealing with fraudsters, as on many occasions foreigners engage in mineral export transactions without seeking legal guidance and consulting the appropriate authorities. Consequently, a lot of foreigners end up being exposed to a risk of fraud by certain impostors without trading licenses. It is important that foreigners conduct a due diligence as to whether the people involved in a mineral transaction possess proper and genuine licenses required by the laws of Tanzania and verify whether a respective dealer possesses the required permit and licenses to deal with the mining business. Above all, foreigners are advised to seek for local legal counsel before concluding any transaction with local mineral dealers.