



MINING LOCAL CONTENT REGULATIONS AMENDMENTS, 2019

The recently appointed minister Hon. Dotto Biseko has issued the Mining (Local Content) (Amendments) Regulations 2019 that are to be read together with the Mining (Local Content) Regulations 2018. These amendments is a strategic move to boost the mining industry to its highest potential. The new Regulations became effective via Government Notice No 139 dated 8 February 2019.

- Bank ownership restriction reduced to 20%
- Increases response time frame for Commission to revert.
- An indigenous Tanzanian company must now have a minimum 20% equity owned by Tanzanians, compared to 51% before the amendment.
- Removes automatic approval of Local Content Plan if Commission fails to respond

KEY CHANGES :

- For a company in the mining sector to be considered as an ' Indigenous Tanzanian Company' it is a requirement that at least 20 percent of it's equity be owned by Tanzanian shareholders compared to before where the requirement was 51 percent equity. This was hopefully done to encourage foreign investments into Tanzania's mining sector.
- This amendment also extends the time period for the Local Content Committee for reviewing local content plans to sixty (60) working days as compared to before where the committee had only (25)working days to carry out this task.
- This amendment goes further to extend the time period for the Local Content Committee to communicate its decision to the applicant whether they are satisfied with the Local Content Plan from seven (7) working days to thirty (30) working days. This also applies to situations of Local Content Plan rejection where the local content committee may communicate reasons for rejection within thirty (30) days.
- Upon failure of the Local Content Committee communicating to the applicant approval or rejection of the local content plan the local content plan shall no longer be deemed to be approved as before as these ammendments delete that particular regulation.
- To garner a more inclusive approach when it comes to matters of increasing a minimum level of local content the minister shall now be required to seek the views of stakeholders in the minimum industry.
- In the interest of keeping money earned in the mining industry in the country for socio-economic development the principal regulations require that one operates a bank account in an indigenous Tanzanian bank. Regulation 36 of the principal legislation is amended to define a Tanzanian bank which needs to have a 100 percent Tanzanian shareholding or a minimum of 20 percent Tanzanians shareholding. This is great news for investors as they now have more banking options to choose from as it is



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is only a few banks in Tanzania that are totally owned by Tanzanians.