

I.16

LAW NO. 2016/017 OF 14 DECEMBER 2016 ON THE MINING CODE (EXCERPT)

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Section

CLOSED OR PROTECTED ZONES

Article 126 :

- (1) Protected zones may be established by the minister in charge of mines in conjunction with the relevant government services, within which prospecting, exploration and mining of mineral or quarry substances are prohibited.
- (2) Closed zones shall aim to protect buildings, agglomerations, cultural sites, burial grounds, places of endemism, tourist sites, water points, communication routes, civil engineering works, public utility works, archaeological sites, agricultural concerns, protected areas within the meaning of forestry and environmental laws, and ail areas deemed necessary for the preservation of the environment and general interests.
- (3) The exclusion instrument shall be published in the Official Gazette or in a national journal of legal notices. It shall specify the relevant land areas or the mineral substance.
- (4) A fair and prior compensation shall be paid to the operator or beneficiary of a license who suffers a prejudice as a result of the establishment of a protected zone.
- (5) The exclusion of any zone or mineral substance from exploration and non-industrial or industrial mining may be lifted under the same formalities and procedures.
- (6) Mining title applications on an excluded land registered before the publication of the exclusion decision shall be left pending. They shall be given priority during treatment if the exclusion decision ends.

Article 127 :

Prospecting, exploration or mining may not be undertaken without authorization from the competent authorities:

- (a) on the surface, in an area of less than 500 (five hundred) metres, for mining operations and extraction of quarry substances:
 - around built property, villages, groups of houses, protected areas, wells, religious buildings, burial grounds and places considered as sacred, without the consent of the owner;
 - on both sides of communication routes, water pipes, energy and sundry substance carrier systems and, generally, around ail public utility sites and civil engineering works;
- (b) in any protected area within the meaning of the forestry and environmental laws and under international agreement.

Article 128 :

In the event of an archaeological discovery or other discoveries not falling within the scope of the mining title, the holder of the mining title, reconnaissance permit, quarry mining license or permit shall be bound to delimit the perimeter concerned and immediately declare such discovery to the minister in charge of mines who, in turn, shall inform the competent authority, under pain of penalties.

Chapter III

RELATIONS BETWEEN OPERATORS

Article 129:

Where any works useful to several neighbouring operators are carried out, the said operators shall contribute an amount proportional to the profit they derive there from.

Article 130:

Where the mining works cause damage to a neighbouring operator, the author of the damages shall provide compensation.

Article 131:

- (1) Communication routes and electric lines established by the operator may, where they do not entail any prejudice, against payment of a compensation agreed by mutual consent of the parties, where appropriate, be made available to neighbouring establishments at their request. They may be open to the public.
- (2) Where an operator refuses to allow another operator to use his communication routes or electric lines under the conditions provided for in Section 131(1) above, the aggrieved operator may refer the matter to the authority in charge of mines or, where appropriate, to other relevant sector government services under terms laid down by regulation.
- (3) The operator shall be responsible for the maintenance and upkeep of the facilities. Such facilities may, where necessary, be declared to be in the public interests in accordance with the laws and regulations in force.

Article 132:

A buffer zone may be determined to prevent contact between works in a mine with those of other mines already established or to be established. The establishment of the buffer zone shall not entail any compensation on the part of the operator.

Chapter IV

HEALTH, SAFETY AND HYGIENE

Article 133:

- (1) Any natural or legal person carrying out exploration and mining works pursuant to this law shall be bound to do so according to standard practice and in accordance with the laws and regulations in force, in such manner as to safeguard the health and safety of persons, workers of the mine and property.
- (2) The health, safety and hygiene rules applicable to prospecting, exploration and mining as well as to transportation, storage and use of mineral or dangerous substances shall comply with the laws and regulations in force.
- (3) Where the standards provided for by the laws and regulations in force are lower than to those observed by the permit holder in other countries where he carries out the same activity, the latter shall prevail. In such case, the permit holder shall adopt and apply rules that comply with such standards, to ensure optimal conditions of hygiene, health and safety for workers.

- (4) Before undertaking exploration or mining activities, the holder of a mine or quarry title shall draw up rules relating to safety, health, hygiene and prevention of occupational hazards for the proposed works, which shall be submitted to the joint approval of the ministers in charge of mines and labour. Once such approval is granted, the mining or quarry title holder shall comply therewith.
- (5) Any accident occurring or any danger detected at a work site, mine, quarry or in their outbuildings must be reported to the authorities in charge of mines, health and occupational safety within the time limit prescribed by the regulations in force.
- (6) In the event of impending danger or accident at a work site or a mine, the authority in charge of mines, judicial police officers and other competent authorities may take all necessary measures to end the danger and prevent its consequences. In the event of emergency or refusal of mining title holders to comply, these measures shall be enforced as of right at the expense of the parties concerned, as the case may be.
- (7) In addition to the health, safety and hygiene rules provided for in the paragraphs and provisions above, all holders of mining titles, quarry mining licenses and permits with the exception of non-industrial mining operators and operators of non-industrial quarries for domestic purposes shall be bound to take out an insurance policy to cover any civil liability and any damage that may result from their activities, under terms and conditions laid down by regulation.

Article 134:

- (1) In the event of an accident occurring at a mine or quarry or their outbuildings, or in the event of danger detected, the holder of the license, mining or quarry title shall be bound to take all necessary measures to contain or prevent the disaster and/or request competent bodies to repair same in accordance with the regulations in force.

The relevant authorities shall jointly conduct an investigation to determine the causes of the accident and draft a report containing proposals to prevent the recurrence of further accidents.

- (2) Where the holder of the mining or quarry title or the beneficiary of a license is unable to prevent or contain the disaster using his own means, the authority in charge of mines, judicial police officers and other competent authorities shall, at the expense of the operators concerned, take all necessary measures to end the danger and prevent its recurrence.

Chapter V

PROTECTION OF THE ENVIRONMENT

Article 135:

- (1) Further to the provisions of this law, any mining and quarry operation undertaken must comply with the laws and regulated force relating to sustainable environmental protection and management.
- (2) Apart from the non-industrial mining license, the exploration permit and the license for non-industrial quarry mining for domestic purposes, the granting of mining titles, quarry licenses and permits shall be subject to the prior conduct of an environmental and social impact assessment, a hazard and risk assessment and provision of an environmental management plan as provided for by the laws and regulations in force in matters relating to the protection and sustainable management of the environment.

Article 136:

- (1) Each operator shall be responsible for the restoration, rehabilitation and closure of mining and quarry sites.
- (2) The operations referred to in Section 136 (1) above shall include removal, by the operator, of all facilities, including any mining or quarry plant found on the land.

- (3) The former mining and quarry sites must be restored to stable conditions of security, agrosylvopastoral productivity and appearance close to their original state or conducive to any new and sustainable development deemed suitable and acceptable by the authorities in charge of mines, the environment and any other relevant authority.
- (4) Without prejudice to the provisions of Section 236(1), (2) and (3) above, the State or mining and quarry operators may use the old sites for various activities.
- (5) The post-inspection establishment of the proper rehabilitation and restoration of the mining sites by the authorities in charge of mines and the environment or any other relevant authority shall result in the grant of a discharge which shall release the former operator of any obligation concerning his former mining title, his quarry license or permit. However, the former operator shall remain responsible for any damage discovered subsequently in connection with his previous activities on the site.
- (6) The terms and conditions for implementation of the provisions of Section 136(1) above shall be laid down by regulation.

Article 137:

In order to ensure mining and quarry resources in line with environmental titles shall be the rational use of mineral and quarry protection, holders of responsible for:

- preventing geohazards and geodisasters; preventing or minimizing the discharge of waste in protecting fauna and flora;
- promoting or maintaining the general health of the reducing waste;
- disposing of non-recycled waste in such manner as to ensure safety of the environment, after informing and receiving the approval of the authorities in charge of mining and the environment;
- managing waste in accordance with the laws and regulations in force.

Article 138:

- (1) Where a mining title, a quarry license or quarry permit expires, is abandoned, withdrawn or renounced, the holder shall, within the period prescribed by the minister in charge of mines, dismantle, in accordance with standard rules, any mining plant found on the land covered by the title.
- (2) Further, the holder of the mining title, a quarry license or permit shall be liable to payment of the required duties and taxes and shall be bound to honour his obligations relating to the environment and the rehabilitation of mining sites, in accordance with the laws and regulations in force.
- (3) Where the mining plant is not dismantled, the minister in charge of mines may take measures for the mining plant to be sold by public auction or tender. The proceeds of such sale shall be paid into the Treasury.
- (4) If upon the expiry of a mining or quarry title, the holder is unable, within the prescribed time limit to remove or complete the treatment of waste, and after a formal notice remained unheeded, the holder shall be liable to the penalties provided for by the laws and regulations in force.
- (5) If upon the expiry of a mining or quarry title, the holder is unable, within the prescribed period, to remove other minerals extracted, such minerals shall become State property.
- (6) The provisions of this Section shall not apply to agreements between the former holder of the mining or quarry title and the possible owner of the land covered by the mining or quarry title, as concerns the facilities abandoned on the land after the prescribed period.

Article 139:

The provisions of Section 125 of this law notwithstanding, no material used to construct or support any shaft, tree, gallery, terrace, dam or other extraction work shall be removed without the authorization of the authorities in charge of mines.

However, the mining agreement may include other provisions applicable to the holder at the expiry of a mining permit.

Article 140:

At the end of mining or quarry activities, buildings, outbuildings, wells, galleries and ail structures in general built and used for the mining or quarry activities shall be secured, in accordance with conditions set out in the Environmental and Social Management Plan and the mining sites rehabilitation programme.

Chapter VI

GOVERNANCE AND TRANSPARENCY IN THE MINING SECTOR

Article 141:

Holders of mining titles shall be required to comply with the principles of transparency by declaring ail payments made to the State, in accordance with the laws and regulations in force.

Article 142:

Holders of mining titles operating in Cameroon shall be obliged to comply with the international commitments made by the State and applicable to their activities, to improve governance in the mining sector, particularly those relating to the Kimberley Process (KP) and the Extractive Industries Transparency Initiative (EITI).

Article 143:

Holders of diamond and gold exploration or mining permits and ail players involved in the processing and marketing chain of these substances shall be subject to traceability requirements and to internationally recognized rules and principles.

Article 144:

LThe instruments on the granting, extension, renewal, transfer, farm-out, withdrawal or waiver of a mining permit shall be published in the Official Gazette and in journals of legal notices.

Article 145:

- (1) Every applicant or holder of a mining title, quarry license or permit as well as their direct subcontractors shall be bound to provide to the competent authority, the identity of all the parties having interests in the mining title, notably:
 - legally identified shareholders of each company holding at least 5% (five percent) of the share capital;
 - subsidiaries of each company their subcontractor(s), their relationship with the company and the court having jurisdiction where they operate;
 - the identity of the senior managers and executives of each company which make up the applicant, the title holder or his subcontractor, each shareholder of these companies, anyone considered as manager of the company, and anyone holding 5% (five percent) or more of the voting rights entitling control of the company or rights to the profit of the company and the command chain of these rights.
- (2) Any subsidiary of the holder or applicant of a mining title, quarry license or one of the shareholders thereof shall make a prior declaration of identity stating the nature of relationship in ail submission with economic and financial stakes for mining companies in Cameroon.

Chapter VII

ACCESS TO GEOLOGICAL AND MINING INFORMATION

Article 146:

- (1) The geological and mining documentation consisting of any data relating to the national subsoil, its potential, its mineral resources as well as geohazards shall be kept in the ministry in charge of mines, in physical or digital form, in georeferenced or non georeferenced databases accessible to applicants, under the terms and conditions laid down by regulation.
- (2) The geological and mining documentation shall include especially:
 - prospecting reports;
 - reconnaissance reports;
 - exploration reports;
 - administrative supervision and technical control reports; exploration reports by holders of exploration permits;
 - geological and mining surveys;
 - findings of analyses of mineral substance samples;
 - geological and mining maps;
 - geoscientific data.

Article 147:

- (1) The following may access geological and mining documentation, upon payment of Consulting fees, as applicable:
 - mining operators; researchers;
 - any interested person.
- (2) The amounts and conditions of payment and collection of the fees referred to in Section 147(1) above shall be determined by regulation.
- (3) Exploration reports by holders of valid exploration permits may not be conveyed to third parties.
- (4) Reports and information relating to improvement of the living conditions of local communities living around mining and quarry sites may be conveyed to third parties as part of implementation of the good governance mechanisms outlined in this law.

PART VI

POSSESSION, TRANSPORTATION, PROCESSING AND MARKETING OF MINERAL SUBSTANCES

Article 148:

No one shall possess, transport or market mineral substances derived from non-industrial and semi-mechanized non-industrial mining, unless he is holder of a valid individual non-industrial mining operator's card, the individual collector card, a non-industrial mining license, a semi-mechanized non-industrial mining license or a license to open a marketing office.

Article 149:

- (1) Non-industrial and semi-mechanized non-industrial mining operators may sell their mining products only to collectors, marketing offices, or to any structure established or authorized by the State.
- (2) Collectors may sell non-industrial and semi-mechanized non-industrial mining products only to marketing offices or to structures created or authorized by the State.

Article 150:

- (1) The collection of non-industrial mining substances shall be subject to issuance of a collector's card by the authority in charge of mines.
- (2) The holder of a collector's card shall be required to keep records and documents relating to the marketing of mining products as prescribed by regulation.

Article 151:

- (1) The marketing of mineral substances derived from non-industrial or semi-mechanized non-industrial mining shall be open to any natural or legal person governed by Cameroonian law. It shall be subject to issuance of a license by the minister in charge of mines, under the terms and conditions laid down by regulation.
- (2) The holder of the license referred to in Section 151(1) above shall be authorized to open an office for the purchase and marketing of mineral substances obtained from non-industrial or semi-mechanized non-industrial mining under terms and conditions laid down by regulation.
- (3) The license referred to in Section 151(1) above shall be valid for 4 (four) years, renewable.
- (4) In order to supply the domestic market, the State may authorize one of its entities to carry out the marketing of the mineral substances referred to in Section 151(1) above.

Article 152:

The provisions of Section 151 above notwithstanding, holders of non-industrial and semi-mechanized non-industrial mining permits shall be strictly forbidden to have, directly or through intermediaries, any interests in purchase offices.

Article 153 :

The control and monitoring of the production, processing and marketing of mineral substances derived from non-industrial and semi-mechanized non-industrial mining shall be carried out by competent State bodies.

Article 154:

The terms and conditions for importing and exporting mineral substances shall be laid down by regulation.

Article 155:

- (1) Conditions for possessing precious stones and mineral substances as personal collection shall be laid down by regulation.
- (2) Any personal collections leaving the country shall be subject to prior authorization by the minister in charge of mines.

Article 156:

- (1) Any mineral substance extracted from Cameroon's subsoil and destined for export shall be submitted to the expertise of the laboratory of the ministry in charge of mines or any other laboratory approved by the minister in charge of mines.
- (2) Regarding gold, all export transactions, excluding those carried out on the non-industrial mining site, shall be done on alloyed gold. Alloying shall be carried out in the laboratories referred to in Section 156(1) above.

(3) The terms and conditions for carrying out the analyses provided for in Section 156(1) above shall be laid down by regulation.

Article 157:

Any trader of mineral substances shall be required to comply with trade laws and with this Code.

Article 158:

The marketing of products derived from mining reconnaissance or exploration shall be strictly prohibited.

Article 159:

The export of mineral substances and sending of mining reconnaissance or exploration samples for analysis and industrial tests shall be carried out under the terms and conditions laid down by regulation.

Article 160:

(1) The export of mineral and quarry substances shall be subject to a compliance check by the authority in charge of mines.

(2) The processing of some mineral substances into ingots or other form may be required for export.

Article 161:

(1) For the quantity of mineral substances destined for export and for processing by local industries, the compliance check shall be carried out by sampling, in accordance with the laws and regulations in force.

(2) A certificate of authenticity issued by the authority in charge of mines shall be required for all precious stones or metals as well as semi-precious stones leaving the national territory.

(3) The terms and conditions for issuance of the certificate provided for in Section 161(2) above shall be laid down by regulation.

Article 162:

(1) All jewels made from precious and semi-precious stones sold on the domestic market or exported must be stamped.

(2) The terms and conditions for the stamping referred to in Section 162(1) above shall be laid down by regulation.

Article 163:

The provisions of this Chapter shall apply *mutatis mutandis* to industrial and non-industrial establishments working on mineral substances.

PART VII

LOCAL CONTENT

Article 164:

The development of mining resources and industrial quarries must include a "Local Content" component which shall specify the spin-offs of the selected mining and quarry projects on Cameroon's economic, social, cultural, industrial and technological development.

Article 165:

- (1) The Local Content referred to in Section 164 above shall include a human resources development component and a domestic industries and business development component. Both components must be detailed out in the standard mining agreement that will be drafted.
- (2) The Local Content shall include, in particular:
 - the types of jobs or trades required as part of the developed projects;
 - the detailed mechanisms for transfer of technology and skills to nationals in order to increase their vocational skills in the required trades;
 - a recruitment plan highlighting the proportions reserved for nationals by professional category;
 - a technical and vocational training programme for Cameroon nationals in order to improve their skills in the mining trade;
 - a programme on the working conditions, the protection of workers against emerging risks and social security;
 - a programme and terms for subcontracting primarily to local small- and medium-sized enterprises (SMEs) having the requisite capacity to provide goods, products, tools, materials, equipment and services;
 - a programme for the social development of the neighbouring population and, where necessary, the indigenous populations in the vicinity of mining and quarry activities;
 - conditions for a periodic assessment of the capacity of local enterprises likely to contribute to the construction, operation and maintenance of the facilities required for the earmarked mining activities and, where necessary, a development and upgrading plan for those in need thereof.

Article 166 :

- (1) For the implementation of the activities referred to in Section 165 above, the mining companies that had signed a mining agreement, or other specifications documents, shall be required to pay a contribution into a special local capacity building fund, with effect from a date and up to an amount fixed in the mining agreement.
- (2) The contributions referred to in Section 166(1) above shall be for:
 - the development of local human resources, particularly by upgrading, adapting or creating local training institutions for mining professionals;
 - the development and upgrading of home-based companies likely to be involved in the mining sector, as service providers, subcontractors or mining companies;
 - social programmes and projects for the promotion of indigenous and local populations in the vicinity of mining sites;
 - programmes and projects to fight against the worst forms of child labour in the mines;
 - the programme for maternity protection in mines;
 - monitoring the mining companies' compliance with their commitments towards the Local Content.
- (3) The amount of the contribution referred to in Section 166(1) above in CFA francs, shall be between 0.5% (zero point five percent) and 1% (one percent) of the mining company's total turnover exclusive of taxes. The adopted rate shall be fixed during negotiations of the mining agreement between the parties.
- (4) The conditions for the collection and management of these contributions shall be laid down by regulation.

Article 167:

- (1) Mining companies shall give priority to the recruitment of Cameroonians in majority, with the required skills, in accordance with the existing regulations in matters relating to employment and labour.
- (2) Ninety percent of the positions that do not require special skills shall be reserved for Cameroonians.

Article 168:

- (1) Mining companies and their subcontractors shall be required to give preference to companies governed by Cameroonian law that meet international standards in the area, for construction contracts as well as contracts to provide services, materials, equipment, and products relating to mining operations, in accordance with existing regulations which specify quotas for subcontracting to local companies.
- (2) The minister in charge of mines or any other duly authorized body shall be responsible for the monitoring and implementation of the provisions of Section 168(1) above.
- (3) The terms and conditions for the monitoring and implementation provided for in Section 168(2) above shall be laid down by regulation.

Article 169:

Mining companies shall be required to submit to the State and to carry out, depending on their priorities, technology and know-how transfer programmes relating to their activities, with a view to encouraging, facilitating and enabling the gradual replacement of the expatriate staff of the companies with local staff.

PART VIII

TAX, CUSTOMS AND ECONOMIC PROVISIONS

Chapter I

TAX PROVISIONS

Section I

SPECIAL TAXES

Paragraph I :

Survey and exploration fees. Fixed costs and area royalty

Article 170 :

- (1) Applications for granting and renewing mining titles and other licenses and transactions shall be subject to payment of non-refundable survey and exploration fees at the time of filing the application at the mining registry, under pain of inadmissibility.
- (2) The amounts of and conditions for the distribution of the survey and exploration fees referred to in Section 170(1) above shall be laid down by regulation.

Article 171 :

- (1) Mining titles and other licenses and transactions shall be withdrawn at the mining registry upon presentation of a receipt showing payment of fixed duties to the Treasury. The said fixed duties shall apply to the following deeds:
 - grant of reconnaissance permit, quarry substance mining licenses and permits;

- grant of non-industrial and semi-mechanized non-industrial mining licenses, reconnaissance permit, exploration permits and small-scale and industrial mining permits;
- issuance of the mining operator or collector’s card;
- license for marketing, alloying of mineral substances derived from non-industrial mining, semi-mechanized non-industrial mining, and industrial mining;
- license to open workshops for the new structures issuance of certificates to export mineral substances derived from non-industrial mining, semi-mechanized non-industrial mining, and industrial mining;
- spring water, mineral and thermomineral water operating permits;
- license for the packaging of spring water, mineral and thermomineral water;
- renewal of all the above-mentioned mining titles and licenses.

(2) The amounts of the fixed duties referred to in Section 171(1) above shall be as follows

1) QUARRIES

a) Quarry license

- Grant: CFAF 1 500 000;
- Renewal: CFAF 2 000 000.

b) Quarry permit

- Attribution : CFAF 2 000 000;
- Renewal: CFAF 2 500 000;
- Transfer: CFAF 3 000 000.

2) NON-INDUSTRIAL MINING

a) Non-industrial mining operator’s card

- Grant: CFAF 10 000;
- Renewal: CFAF 20 000.

b) Individual mineral substance collectors card

- Grant: CFAF 25 000;
- Renewal: CFAF 50 000.

c) Non-industrial mining licence

- Grant: CFAF 30 000 ;
- Renewal: CFAF 50 000.

d) Semi-mechanized non-industrial mining license

- Grant: CFAF 1 500 000;
- Renewal: CFAF 3 000 000.

e) License to open a marketing office for mining substances derived from non-industrial mining

- Grant: CFAF 750 000;
- Renewal: CFAF 1 250 000.

f) Allowing plant

- Grant: CFAF 750 000;
- Renewal: CFAF 1 250 000.

3) PERMITS

a) Reconnaissance permit

- Grant: CFAF 1 000 000;
 - Renewal: CFAF 2 500 000.
- b) Exploration permit
- Grant: CFAF 3 000/Km² ;
 - Renewal: CFAF 4 000/Km² ;
 - Transfer: CFAF 7 500 000.
- c) Small-scale mining permit
- Grant: CFAF 2 500 000;
 - Renewal: CFAF 6 000 000;
 - Transfer: CFAF 10 000 000.
- d) Industrial mining permit
- Grant: CFAF 6 000 000;
 - Renewal: 1 CFAF 5 000 000;
 - Transfer: CFAF 30 000 000.
- 4) EXPORT AND TRANSIT LICENCE: CFAF 250 000
- 5) GEOTHERMAL DEPOSITS, SPRING WATER, MINERAL AND THERMOMINERAL WATER
- a) Reconnaissance
- Institution: CFAF 300 000;
 - Renewal: CFAF 500 000.
- b) Exploration
- Institution: CFAF 1 000 000 ;
 - Renewal: CFAF 1 500 000;
 - Transfer: CFAF 2 000 000.
- c) Tapping
- Institution: CFAF 2 000 000 ;
 - Renewal: CFAF 4 000 000 ;
 - Transfer: CFAF 7 500 000.
- (3) Public interest quarries shall be exempt from payment of the aforementioned fixed duties.

Article 172:

- (1) Holders of exploration permits, mining permits or titles, non-industrial commercial quarry licenses and permits, semi-mechanized non-industrial and industrial quarry licenses and permits, licenses for tapping spring water, mineral and thermomineral water and geothermal deposits shall be liable to payment, at the beginning of each financial year, as applicable, of an area royalty or State land concession rights.
- (2) The area royalty or State land concession rights referred to in Section 172(1) above shall be assessed on the basis of the surface area covered by the mining or quarry title, the permit or license on the date of payment.

Article 173:

- (1) The amounts of the area royalty referred to in Section 172 above shall be determined by basic cadastral units as follows:
- (a) Non-industrial mining license: CFAF 10 /m²/year
 - (b) Semi-mechanized non-industrial mining license: CFAF 50 /m²/year
 - (c) Exploration Permit:

- 1st year: CFAF 5 000 /km²/year;
 - 2nd year: CFAF 6.000 /km²/year;
 - 3rd year: CFAF 7 000/km²/year;
 - 4th year: CFAF 14 000/km²/year;
 - 5th year: CFAF 15 000/km²/year;
 - 6th year: CFAF 30 000/km²/year; '
 - 7th year: CFAF 31 000 /km²/year;
 - 8th year: CFAF 62 000/km²/year;
 - 9th year: CFAF 63 000/km²/year.
- (2) The amounts of the area royalty concerning geothermal deposits, spring waters, mineral and thermomineral waters, shall be as follows:
- Exploration permit: CFAF 500 /m²/year;
 - Mining title for geothermal deposits, spring water. mineral and thermomineral water: CFAF 50 /m²/year.
- (3) The amounts of the State land concession rights referred to in Section 172 above shall be determined by basic cadastral units as follows:
- Quarry mining licenses and permits: CFAF 25 /m²/year;
 - Small-scale mining permit: CFAF 75 000 /km²/year;
 - Industrial mining permit: CFAF 100 000 /km²/year.
- (4) The minimum charge for the annual mining concession permit shall be CFAF 2 000 000 (two million) for small-scale mining and CFAF 4 000 000 (four million) for industrial mining.

Paragraph II : Proportional fees

Article 174:

- (1) Value-based royalty shall include the ad valorem tax on mining substances and the extraction tax on quarry materials.
- (2) It shall be paid monthly by mining license or permit holders, or during the shipment of consignments by mining title holders upon filling out a tax returns at the taxation authority. Such returns shall be compared with the royalty payment statements prepared by the competent services of the ministry in charge of mines.
- (3) Substances subject to the ad valorem tax shall be extracted products at their merchantable state, which have been treated or not, entailing no considerable modification in their chemical composition.
- (4) The ad valorem tax shall be calculated on the basis of the taxable value of ready-to-ship products extracted from the mine, using information, contracts and supporting documents that each royalty payer must submit to the competent authorities to enable them determine such tax. The base price of the taxable value of products extracted from the mine shall be based on the international market price of the substance.

Article 175:

The amounts of the ad valorem tax on mining products and on spring water, mineral and thermomineral water as well as geothermal deposits, and of the extraction tax on commercial non-industrial, semi- mechanized non-industrial and industrial quarry substances, as well as the council tax, shall be as follows:

- (a) For mining products :
- precious stones: (diamond, emerald, rubies, sapphire): 8%;
 - precious metals: (gold, platinum, etc.): 5%
 - base metals and other mineral substances: 5%;

- radioactive substances and their derivatives: 10%.
- (b) For water
 - geothermal deposits. spring water, mineral and thermomineral water: CFAF 800/m3
- (c) For quarries
 - unconsolidated materials (clay, stones, laterite, pozzuolana, sand, etc.): CFAF 200/m3
 - hard materials: stones: CFAF 350/m3.

Article 176 :

- (1) The amounts, rates and tariffs of fixed duties, area-based royalties, the ad valorem tax and the extraction tax laid down in sections 171,173,174 and 175 of this Code shall be incorporated into the Finance Law and attached as annex to the General Tax Code.
- (2) The proceeds from area-based royalties and State land concession fees, the ad valorem tax and the extraction tax shall be shared between the Treasury, the authority in charge of mines, the authority in charge of State property, the taxation authority, the Funds provided for in this Code, councils and the neighbouring community, as the case may be.
- (3) The conditions for such sharing shall be laid down by regulation.

Section II

TAX AND CUSTOMS REGIME

Article 177:

Subject to the implementation of the relevant provisions of common law, the following tax and customs benefits shall be granted to any exploration or mining enterprise or company carrying out its operations in conformity with this law.

Article 178:

- (1) The tax and customs benefits shall be granted to mining title holders depending on the phases of the mining project.
- (2) The phases referred to in Section 178(1) above shall concern:
 - the exploration phase which covers the research period ;
 - the operation phase which covers the installation or construction period and the production period.

Sous-section I

INCENTIVES DURING EXPLORATION PHASE

Paragraph I :

Tax Incentives

Article 179:

- (1) Exploration permit holders shall benefit from:
 - business licensing tax exemption;

- free registration of incorporation, company duration extension or capital increase and unbuilt landed property ownership transfer deeds;
 - exemption from VAT on local purchases and on importation of materials and equipment directly related to mining operations featuring on a list jointly established by the minister in charge of mines and the minister in charge of finance.
- (2) Effective exemption from VAT shall be subject to the presentation of an exemption certificate issued by the taxation authority upon written request by the holder.

Paragraph II : Customs Incentives

Article 180:

- (1) Exploration permit holders shall be granted temporary entry status for their equipment used for exploration, as well as for professional equipment, machines, appliances, mining site vehicles and spare parts.
- (2) Mining site vehicles shall include all types of vehicles with the exception of private vehicles.
However, on the proposal of the minister in charge of mines, the customs authority shall assess the eligibility of mining company private vehicles for the system referred to in Section 180(1) above, under terms and conditions laid down by regulation.
- (3) In the event of “as is” sale or transfer of such materials or equipment, customs duties and taxes shall be collected in accordance with the regulations in force.
- (4) The materials and spare parts required for the operation of the plant and professional equipment shall be imported duty-free.
- (5) Special lubricants required for the operation of exploration plant and equipment shall be imported duty-free.

Sous-section II

INCENTIVES DURING EXPLOITATION PHASE

Paragraph I : Tax Incentives

Article 181:

- (1) Subject to the special benefits granted by this law, ordinary law provisions shall be applicable to mining permit holders.
- (2) Mining companies and enterprises holding mining permits shall be entitled to the following benefits:
- (a) payment of registration fees on incorporation, company duration extension and capital increase deeds spread out over a period of 1 (one) year. Such fees may be split and paid as follows:
 - the first third upon submission of the incorporation deed;
 - the second third and final third semi-annually.
 - b) Extension of the loss carry forward period from 4 (four) to 5 (five) years.
- (3) Products intended for export shall be liable to a zero VAT rate, where such products are liable to this tax. However, products meant for consumption on the domestic market shall be liable to duties and taxes levied on similar imported products.
- (4) Mining company deeds shall be exempt from payment of registration fees and stamp duty up to the

date of the first commercial production, with the exception of deeds on the leasing and renting of accommodation premises.

Paragraph II Customs Incentives

Article 182:

- (1) Holders of mining permits shall, during the mine installation or construction phase as specified in the mining agreement, be exempt from taxes and customs duties on equipment, inputs and capital goods needed for production, as well as on the first consignment of spare parts accompanying start-off equipment, with the exception of private vehicles, office supplies and equipment. They shall also benefit from:
 - exemption from taxes and customs duties on replacement of equipment in the event of a technical incident on equipment to be used for expanding the mining operation;
 - exemption from taxes and customs duties on imported inputs up to the date of the first commercial production established by a joint order of the minister in charge of mines and the minister in charge of finance;
 - exemption from taxes and customs duties on the importation of materials and equipment needed for the construction of buildings, up to the date of the first commercial production established by a joint order of the minister in charge of mines and the minister in charge of finance;
 - exemption from taxes and customs duties on special lubricants.
- (2) However, up to the date of the first commercial product established by a joint order of the minister in charge of mines and the minister in charge of finance, the permit holder shall be exempt from VAT on imported materials and equipment under the conditions provided for in Section 182(1) above.
- (3) All the customs exemptions provided for in this law shall not include taxes on services provided.

Article 183:

- (1) The benefits referred to above shall also be granted to the sub-contractors of exploration permit holders.
- (2) Sub-contractors of exploration mining companies shall be approved by instrument of the minister in charge of mines prior to commencement of their activities.
- (3) Under the same quality, price, delivery deadline and payment conditions, holders of agreements attached to a mining title as well as enterprises working for them must give priority to Cameroonian enterprises, especially with respect to construction, supply or service provision contracts.

Section III

MINING LIST

Article 184:

The tax and customs benefits provided for in this law shall apply to the following equipment, consumables and materials:

– **First category:**

Equipment, materials, heavy-duty tools, machines and site vehicles featuring on the fixed assets register of the company concerned;

– **Second category:**

Consumables intended for extraction and concentration of raw mining substances, including heavy fuels exclusive of ordinary fuels, common lubricants and other petroleum products;

– **Third category:**

Consumables intended for on-the-spot processing of mining substances into semi-finished or finished products, including heavy fuels and special lubricants, except for ordinary fuels, common lubricants and other petroleum products.

Article 185:

- (1) Before starting their operations, holders of mining titles must establish a mining list for each of the activity phases specified in Section 186 below and have it approved by the minister in charge of finance.
- (2) The content of the mining list shall be strictly limited to the categories defined in Section 184 above. The list shall comprise all the equipment, materials, machines, raw materials and consumables for which the holder of the mining title is requesting exemption of levies and taxes on.

Article 186:

The contents of the mining list are specific to each phase of activity:

- the mining list for the research phase may only contain equipment, materials, machines, raw materials and consumables required for the activities of this phase;
- the mining list of the installation or construction phase may only contain the equipment, material, machinery, raw materials and consumables required for the activities of this phase;
- the mining list for the exploitation phase can only contain equipment, materials, machines, raw materials and consumables necessary for the activities of this phase.

Article 187:

- (1) The mining list is revisable periodically according to the needs related to the evolution of the work of the phase concerned.
- (2) Where equipment, material, machinery, raw materials and consumables to be imported do not appear on the previously defined and approved mining list, a modification of the existing list shall be filed with the Minister in charge of mines who shall transmit it after visas to the Minister of Finance for approval. The amendment respects the conditions for the establishment of the mining lists with particular regard to categories and content.