

**THE MINES AND MINERALS (AMENDMENT)  
BILL, 2003**

MEMORANDUM

The object of this Bill is to amend the Mines and Minerals Act so as to—

- (a) require all holders of mining licences to pay mineral royalty;
- (b) provide for the production of a tax clearance certificate upon application for a prospecting permit or a gemstone or mining licence; and
- (c ) provide for matters connected with or incidental to the foregoing.

**G. KUNDA,**  
*Attorney-General*

**N.A.B. 5, 2003**  
31st January, 2003

GOVERNMENT OF ZAMBIA

**ACT**

**No. 5 of 2003**

Date of Assent: 26th March, 2003

**An Act to amend the Mines and Minerals Act**

[27th March, 2003

ENACTED by the Parliament of Zambia.

Enactment

1. (1) This Act may be cited as the Mines and Minerals (Amendment) Act, 2003 and shall be read as one with the Mines and Minerals Act, in this Act referred to as the principal Act.

Short title and commencement  
Cap. 213

(2) This Act shall come into operation on the 1st April, 2003.

2. Section *thirty* of the principal Act is amended in subsection (1) by the deletion of paragraph (b) and the substitution therefor of the following:

Amendment of section 30

(b) shall be in the prescribed form and shall be accompanied by—

(i) the prescribed fee; and

(ii) a tax clearance certificate issued under section *eighty-one B* of the Income Tax Act.

Cap. 323

3. Section *thirty-five* of the principal Act is amended by the deletion of subsection (2) and the substitution therefor of the following:

Amendment of section 35

(2) An application for a small-scale mining licence shall be in the prescribed form and shall be accompanied by—

(a) the prescribed fee; and

(b) a tax clearance certificate issued under section *eighty-one B* of the Income Tax Act.

Cap. 323

4. Section *forty-one* of the principal Act is amended—

Amendment of section 41

(a) in subsection (1) by the insertion between the word “ fee ” and the coma of the words “ and a tax clearance certificate ”; and

(b) by the insertion immediately after subsection (1) of the following new subsection:

Cap 323

(2) In subsection (1) “ tax clearance certificate ” means a tax clearance certificate issued under section *eighty-one B* of the Income Tax Act.

Repeal and replacement of section 66

**6.** The principal Act is amended by the repeal of section *sixty-six* and the substitution therefor of the following:

Royalties on production of minerals

**66.** (1) The holder of a mining licence shall, in accordance with the licence, this Act and the terms of any relevant development agreement, pay to the Republic a royalty on gross value of minerals produced under the licence at the rate of two per centum except that in the case of the former Zambia Consolidated Copper Mines Limited or any other company involved in copper and cobalt production the rate shall be zero point six per centum.

(2) The holder of a gemstone licence or a small-scale mining licence or an artisan’s mining right to mine gemstones, base metals or precious metals shall, in accordance with the licence or mining right, this Act and the terms of any relevant development agreement, pay to the Republic a royalty on gross value of minerals or metals produced under the licence or mining right at the rate of five per centum.

(3) In this section—

“ gross value ” means the realised price for a sale free-on-board, at the point of export from Zambia or point of delivery within Zambia:

Provided that if the Minister considers that the realised price does not correspond to the price that would have been paid for the minerals if they had been sold on similar terms in a transaction, at arms length, between a willing seller and a willing buyer, a notice may be given to that effect to the licensee; and the amount of the gross value shall be determined in accordance with mechanism contained in section *ninety-seven A* to *ninety-seven D* of the Income Tax Act.

Cap. 323

Repeal of section 98

**7.** The principal Act is amended by the repeal of section *ninety-eight*.

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