

**NOT FOR DISTRIBUTION  
DRAFT FOR REVIEW**

Unofficial English Language Version  
May 6, 2013

February 9, 2013

In the Name of Allah

# **Minerals Law**

**Islamic Republic of Afghanistan**

**Minerals Law  
1391 (2012)**

**Table of Contents**

**Contents**

Mining LAW .....	<u>669</u>
CHAPTER ONE: GENERAL PROVISIONS .....	<u>669</u>
Article 1: Legal Basis.....	<u>669</u>
Article 2: Objectives .....	<u>669</u>
Article 3: Definitions .....	<u>669</u>
Article 4: Scope of Law .....	<u>9912</u>
Article 5: Ownership of Minerals .....	<u>9912</u>
Article 6: Implementing Agency .....	<u>101013</u>
CHAPTER TWO: DUTIES AND AUTHORITIES .....	<u>101013</u>
Article 7: Main Duties and Authorities of the Ministry of Mines and Petroleum .....	<u>101013</u>
Article 8: Special Duties and Authorities of Ministry of Mines and Petroleum.....	<u>111114</u>
Article 9: Commission .....	<u>131316</u>
Article 10: Duties and Authorities of Commission.....	<u>141417</u>
CHAPTER THREE: RESERVED, PROHIBITED OR DESIGNATED AREAS AND RESTRICTED SUBSTANCES .....	<u>141417</u>
Article 11: Reserved Area for Bidding .....	<u>141417</u>
Article 12: Prohibited Area .....	<u>151518</u>
Article 13: Designated Area.....	<u>151518</u>
Article 14: Restricted Minerals.....	<u>151518</u>
Article 15: Record of affected lands .....	<u>151518</u>
CHAPTER FOUR: GRANT OF LICENSES or ENACTING CONTRACT .....	<u>161619</u>
Article 16: Eligibility for grant of a license and enacting of Contract.....	<u>161619</u>
Article 17: Conditions for Granting of License .....	<u>171720</u>
Article 18: License .....	<u>171720</u>
Article 19: Types and Source of Granting of Licenses.....	<u>181821</u>
Article 20: Authorization .....	<u>181821</u>
Article 21: License Specifications .....	<u>181821</u>
Article 22: Validity of License .....	<u>202023</u>
Article 23: Minerals Exploration and Exploration Contract.....	<u>202023</u>
Article 24: Boundaries .....	<u>212124</u>
Article 25: Rights and obligations of holders of licenses .....	<u>212124</u>
Article 26: Change of control of a License .....	<u>212124</u>
Article 27: Maintenance of Records (Documents) .....	<u>222225</u>

Article 28: Discovery of New Minerals.....	<u>222225</u>
Article 29: Transfer of license .....	<u>232326</u>
Article 30: Surrender of a license .....	<u>232326</u>
Article 31: Suspension of license.....	<u>232326</u>
Article 32: Authorized authorities to suspend a license.....	<u>242427</u>
Article 33: Revocation of a license.....	<u>242427</u>
Article 34: Preservation of Samples .....	<u>262629</u>
CHAPTER FIVE: The Right of use of land .....	<u>262629</u>
Article 35: Acquisition or lease of land .....	<u>262629</u>
Article 36: Use of land for mineral activities.....	<u>262629</u>
Article 37: Easement.....	<u>272730</u>
Article 38: Rights and Obligations of Surface Owner and Holder .....	<u>272730</u>
Article 39: Compensation for disturbance of land.....	<u>272730</u>
Article 40: Resettlement .....	<u>282831</u>
Article 41: Public Access.....	<u>282831</u>
CHAPTER SIX: RECONNAISSANCE LICENSE.....	<u>282831</u>
Article 42: Application Form (for a Reconnaissance License).....	<u>282831</u>
Article 43: Reconnaissance License .....	<u>292932</u>
Article 44: Reconnaissance License Area.....	<u>292932</u>
Article 45: Rights of Reconnaissance License Holder.....	<u>292932</u>
Article 46: Obligations of Reconnaissance License Holder.....	<u>292932</u>
CHAPTER SEVEN: EXPLORATION LICENSE .....	<u>303033</u>
Article 47: Grant of Exploration License.....	<u>303033</u>
Article 48: Duration of Exploration License .....	<u>303033</u>
Article 49: Exploration License Area .....	<u>313134</u>
Article 50: Acquiring more than One Exploitation License .....	<u>313134</u>
Article 51: Rights Conferred by Exploration License .....	<u>313134</u>
Article 52: Obligations of Exploration License Holder.....	<u>323235</u>
Article 53: Exploitation License Extension instances .....	<u>333336</u>
Article 54: Priority Right of Exploitation License to the Exploration License holder .....	<u>333336</u>
CHAPTER EIGHT: EXPLOITATION LICENSE .....	<u>333336</u>
Article 55: Grant of an Exploitation License.....	<u>333336</u>
Article 56: Duration of an Exploitation License.....	<u>343437</u>
Article 57: Exploitation License Area .....	<u>343437</u>
Article 58: Rights conferred by an Exploitation License.....	<u>353538</u>
Article 59: Conditions for commencing exploitation activities.....	<u>363639</u>
Article 60: Obligations of an Exploitation License Holder .....	<u>363639</u>
CHAPTER NINE: SMALL-SCALE MINING LICENSE..	<u>373740</u>
Article 61: Grant of a Small-Scale Mining License.....	<u>373740</u>
Article 62: Duration of a Small-Scale Mining License .....	<u>373740</u>
Article 63: Small-Scale Mining License Area.....	<u>373740</u>
Article 64: Rights Conferred by a Small-Scale Mining License .....	<u>383841</u>
Article 65: Obligations of a Small-Scale Mining License.....	<u>383841</u>
Article 66: Small-Scale Mining Activities not to commence until conditions met .....	<u>393942</u>
CHAPTER TEN: ARTISANAL MINING LICENSE.....	<u>393942</u>
Article 67: Grant of an Artisanal License.....	<u>393942</u>
Article 68: Duration of an Artisanal Mining License .....	<u>404043</u>
Article 69: Artisanal Mining License Area.....	<u>404043</u>

Article 70: Rights conferred by an Artisanal Mining License.....	<u>404043</u>
Article 71: Obligations of an Artisanal Mining License Holder.....	<u>404043</u>
CHAPTER ELEVEN: .....	<u>414144</u>
QUARRY AND CONSTRUCTION MATERIALS AUTHORIZATION .....	<u>414144</u>
Article 72: Application for Quarry and Construction Materials Authorization.....	<u>414144</u>
Article 73: Grant of Quarry and Construction Materials Authorization.....	<u>414144</u>
Article 74: Duration of Quarry and Construction Materials Authorization.....	<u>424245</u>
Article 75: Quarry and Construction Materials Authorization Area .....	<u>424245</u>
Article 76: Restrictions on Quarry and Construction Materials Authorization .....	<u>424245</u>
Article 77: Rights conferred by a Quarry and Construction Materials Authorization.....	<u>424245</u>
Article 78: Obligations of a Quarry and Construction Materials Authorization Holder ....	<u>434346</u>
CHAPTER TWELVE: .....	<u>434346</u>
REGULATING FEES, TAXES, RENTS AND ROYALTIES .....	<u>434346</u>
Article 79: Fees <u>434346</u>	
Article 80: Taxes.....	<u>434346</u>
Article 81: Surface Rent.....	<u>434346</u>
Article 82: Royalty.....	<u>444447</u>
Article 83: Recovery of debt.....	<u>444447</u>
CHAPTER THIRTEEN: HEALTH AND SAFETY .....	<u>444447</u>
Article 84: Responsibilities of holder .....	<u>444447</u>
Article 85: Rights and responsibilities of workers relevant to health and safety.....	<u>454548</u>
Article 86: Reporting of Incidents .....	<u>454548</u>
CHAPTER FOURTEEN: ENVIRONMENTAL PROTECTION AND COMMUNITY DEVELOPMENT.....	<u>454548</u>
Article 87: Environmental and Social Impact Assessment.....	<u>454548</u>
Article 88: Annual report on environmental and social impacts .....	<u>464649</u>
Article 89: Financial security for environmental protection and rehabilitation.....	<u>464649</u>
Article 90: Community Development.....	<u>474750</u>
CHAPTER FIFTEEN: DISPUTE RESOLUTION .....	<u>474750</u>
Article 91: Dispute Resolution.....	<u>474750</u>
Article 92: Dispute Resolution Committee.....	<u>484851</u>
Article 93: Right to Appeal.....	<u>484851</u>
CHAPTER SIXTEEN: .....	<u>494952</u>
FINANCIAL GRANTEES AND PROTECTION OF INVESTMENT .....	<u>494952</u>
Article 94: Financial Guarantee .....	<u>494952</u>
Article 95: Transferability of Capital.....	<u>494952</u>
Article 96: State Guarantees .....	<u>494952</u>
CHAPTER SEVENTEEN: ANTI-CORRUPTION MEASURES .....	<u>505053</u>
Article 97: Prohibition of Favoring Government Staff (Unacceptable Practices).....	<u>505053</u>
Article 98: Extractive Industries Transparent Initiative.....	<u>505053</u>
CHAPTER EIGHTEEN: OTHER MINERAL ACTIVITIES .....	<u>505053</u>
Article 99: Right of the owner or occupant of land .....	<u>505053</u>
Article 100: Processing of minerals .....	<u>505053</u>
Article 101: Transportation and storage of products .....	<u>505053</u>

Article 102: Sale and export of mineral products .....	<u>505053</u>
CHAPTER NINETEEN: INFRASTRUCTURE.....	<u>525255</u>
Article 103: Use of Infrastructure .....	<u>525255</u>
Article 104: Right of the State over Infrastructure .....	<u>525255</u>
CHAPTER TWENTY: MISCELLANEOUS .....	<u>525255</u>
Article 105: Existing Licenses .....	<u>525255</u>
Article 106: Use of Explosives .....	<u>525255</u>
Article 107: Discovery and Reporting of Archeological and Cultural Relics .....	<u>535356</u>
Article 108: Legal Violations.....	<u>535356</u>
Article 109: Local procurement .....	<u>535356</u>
Article 110: Confidentiality .....	<u>545457</u>
Article 111: Notices and Communications .....	<u>545457</u>
Article 112: Language (Applicable Language).....	<u>545457</u>
Article 113: Compliance with the instructions from the Inspectorate .....	<u>545457</u>
Article 114: Impose of Regulations .....	<u>555558</u>
Article 115: Effective Date .....	<u>555558</u>

## **Mining LAW**

### **CHAPTER ONE: GENERAL PROVISIONS**

#### **Article 1: Legal Basis**

This Law has been promulgated to give effect to Article 9 of the Constitution of Afghanistan.

#### **Article 2: Objectives**

The objectives of this Law are:

- (1) To regulate the development and appropriate use of mineral resources of Afghanistan;
- (2) To regulate and manage the reconnaissance, exploration and exploitation of mineral resources in Afghanistan;
- (3) Economic self-sustainability of Afghanistan through the development of its minerals' sector;
- (4) To ensure that mineral resources are developed and managed according to best international practice;
- (5) To secure optimal benefit from minerals' extraction and processing;
- (6) The sustainable development of mineral resources and mitigation of negative environmental and social impacts;
- (7) To support and to promote a fair domestic and international investment environment in the mining sector; and
- (8) To promote peace and security through social and economic development activities in mining communities.

#### **Article 3: Definitions**

For the purposes of this Law the following terms have below meanings:

1. "mine" means any place where the existence of minerals is proven and mineral activities or any related activity connected with mining is carried on. All buildings, premises, erections and equipment relative to mineral activities, above and below the ground, for the purposes of extraction, processing and preparing minerals are included in this definition;
2. "mineral" means any substance, whether in solid, liquid or gaseous form, occurring naturally in or on the earth, in or under the water, or in mine residue deposits and having been formed by or subjected to a geological process, including elements and compounds, metals and ores, gemstones, sand, stone, rock, gravel, clay, coal and tailings; water, oil, natural gas and surface earth soil are excluded from this definition;
3. "mining" means the activities that are carried out for the purpose of mineral extraction;

4. “mining operations” means the activities that are carried out during the course of mineral exploitation (affairs);
5. “mineral activities” means the reconnaissance exploration and other pre-production activities, exploitation, processing, transformation, ancillary activities, transportation, export, marketing or sale of minerals, reclamation and mine closing activities, whether on surface or sub-surface or in water courses;
6. “ancillary activities” means actions taken in support of reconnaissance activities, mineral exploration, mining, processing, transport or other activities necessary to ensure effective implementation of a license;
7. “ancillary areas” means areas that is not included in the license area but the holder, based on the consent of the land owner, may carry out related mineral activities that are subject to this Law and may include: generating power energy, stockpiles, tailing ponds and or stacks, processing and smelter plant, offices, workshops and accommodation, and other areas as are reasonably required to conduct mineral activities;
8. “area” means the surface or sub-surface of land where a license holder can conduct mineral activities according to the provisions of this Law;
9. “small-scale mining” is mining activities conducted for the purpose of extraction and exploitation of industrial minerals (such as clay, lime stone, salt, talc, gulfazys, barite, fluorite, asbestos, graphics [graphite], kaolin, sulphur and carbonates) in an area not exceeding 1 square kilometer and sixty (60) meters in depth;
10. “artisanal mining” means the extraction of minerals that is conducted by limited (ordinary) mechanization and it is not to exceed thirty (30) meters in depth and an area of one (1) hectare; gold washing and extraction of precious, semi-precious and ornamental stones are also included in this definition;
11. “authorized staff” means any Government representative that has been authorized to conduct a prescribed activities and duties under this Law;
12. "cadastral survey map" means the specific topographical map used to define the perimeter of each license in force and that is prepared and provided by the Ministry of Mines pursuant to the provisions of this Law;
13. “excavation” means any trench, pit, shaft or other open working;
14. "exploration" means any activity carried out to discover potentially economical and mineable mineral resources in order to demarcate the quality and quantity of the minerals contained within an area, and/or to evaluate the possibilities of their exploitation;
15. "exploitation" means operations and activities related to the technical and economic extraction of minerals including exploitation and ongoing exploration of minerals;

16. “holder” means the person in whose name the license is registered in accordance with the provisions of this Law;
17. “incident” means any unplanned occurrence in mineral activities resulting in damage or injury of any person, or death of any person;
18. “mining operations” means activities that are carried out during the exploitation of minerals;
19. “lease” means a written agreement between a lesser and the lessee to use the land and/or water stated in the lease solely for the purposes of ancillary activities;
20. "license" means a written document that is granted for the purpose of conducting reconnaissance, exploration, exploitation, small-scale and artisanal mining activities, of minerals, pursuant to the provisions of this Law;
21. “mineral development contract”: is a written document which is enacted by the State and legal person for the purpose of exploration and development of minerals and exploitation activities in which the rights and obligations of each party are stipulated in accordance with the provisions of this Law;
22. “affected community” means a community that is or can reasonably be expected to be impacted by mineral activities;
23. “ore” means a natural aggregate of materials formed by geological process from which one or more exploitable minerals, elements or compounds may be extracted;
24. “person” includes Afghan and foreign natural and legal person;
25. “processing”, means the artificial transforming of minerals that changes the natural characteristics of the minerals or prepare the final or semi-final product to use and includes winning, extracting, concentrating, refining, classifying, crushing, screening, washing, reduction, smelting, polishing or gasification thereof;  
  
"quarry and construction materials" means a place where mining activities are conducted for the purpose of extraction and exploitation of stones, crashed stones, dolomites, sand, gravel and other similar mineral substances that are categorized as construction materials in the relevant Regulations and are used in construction work.
26. “radioactive mineral” means a mineral which contains at least (0.05 percent) of radioactive elements;
27. “reconnaissance” means preliminary exploration for minerals through aerial, geophysical surveys or geochemical survey, geological mapping; and minor sampling of surface soil and rocks, but excludes drilling and excavations;
28. “rehabilitation” means the activities that are carried out for the purpose of restoration of a license area subject to mineral exploration, exploitation, Small-Scale Mining and Artisanal Mining , with respect to the conditions set forth by the Ministry of Mines and other relevant



agencies, as far as is practicable, to its natural state or to a safe condition which was prior to mining operations;

29. "surface rent" refers to the monetary compensation that a license holder pays to the owner or occupant of land on which the holder intends to conduct mineral activities;
30. "royalty" means a financial obligation payable by the license or authorization holder to State that is calculated based on the gross production or gross production revenue in accordance with the provisions of relevant regulations, license or authorization or contract terms and conditions;
31. "tailings" means the waste material remaining from the processing that is obtained from minerals such as any solid or liquid forms;
32. "rare earth elements (REE)" means a group of metallic elements as follow: Scandium(Sc), Yttrium (Y), Lanthanum (La), Cerium (Ce), Praseodymium (Pr), Neodymium (Nd), Promethium (Pm), Samarium (Sm) , Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy), Holmium (Ho), Erbium (Er), Thulium(Tm) , Ytterbium (Yb), Lutetium (Lu) Lithium, Beryllium, Tantalum and other relevant elements;
33. "reserved area" is an area where, based on geological data, mineral substances exist , and [the area] is recognized and reserved/saved for development (of mineral substances) and mining activities by the Ministry of Mines and Petroleum; and
34. "authorization" means a written document that is granted by the Ministry of Mines and Petroleum for the purpose of conducting quarry extraction and exploitation including its processing, transportation or transformation, pursuant to the provisions of this Law;

#### **Article 4: Scope of Law**

1. This Law shall regulate all reconnaissance, exploration, developmental, exploitation activities and all types of resources and other (relevant) ancillary activities in Afghanistan. Water and petroleum are excluded from this Law.

#### **Article 5: Ownership of Minerals**

- (1) All mineral resources, in their deposits and natural state, are the property of the State
- (2) The State shall administer, control and regulate the mineral resources and its relevant activities.
- (3) All mineral activities in the country [Afghanistan] shall be undertaken after a license or authorization or contract is granted in accordance with the provisions of this Law and the relevant Regulations.

- (4) The holder of license or authorization or the contractor may conduct mineral activities in accordance with its license, authorization or contract provisions.
- (5) The holder of license or authorization or the contractor, following the extraction of minerals or mineral substances, has the right of control over them in accordance with the provisions of this Law.

#### **Article 6: Implementing Agency**

- (1) The Ministry of Mines and Petroleum is, in accordance with this the provisions of this Law, the authorized agency to regulate mineral activities in Afghanistan.
- (2) The Ministry of Mines and Petroleum shall, by itself or with cooperation of other public entities, or in association with the private sector, carry out mineral activities, in accordance with the provisions of this Law.

### **CHAPTER TWO: DUTIES AND AUTHORITIES**

#### **Article 7: Main Duties and Authorities of the Ministry of Mines and Petroleum**

- (1) To ensure implementation of this Law, the Ministry of Mines and Petroleum has the following main duties and authorities:
  1. Developing policies for the purpose of regulating the development of the mining sector and monitoring its implementation;
  2. Promoting domestic and foreign investment in different parts/aspect of mining sector;
  3. Granting of Reconnaissance License, Small-Scale Mining License, Artisanal Mining License and authorization in accordance with the provisions of this Law,
  4. extending, suspending, revoking Reconnaissance License, Small-Scale Mining License, Artisanal Mining License and authorization in accordance with the provisions of this Law;
  5. proposing grant of Exploration, Exploitation and Mineral Development Contract or restricted minerals for the Commission;
  6. ensuring that granted license, authorization and the enacted contracts requirements of mineral activities are complied with subject to this Law and the relevant Regulations.
    - i.
  7. Undertaking investigation into the geological or mineral resources of Afghanistan;
  8. providing data to the public regarding the mineral resources and activities, with respect to any confidentiality restrictions;

9. publishing an annual report of mineral activities not later than ninety (90) days after the end of each fiscal year and to be submitted to the National Assembly through relevant sources;
  10. providing technical assistance to other Government agencies in all matters related to mines and minerals;
  11. performing bids evaluation and negotiating the contracts with the interested (preferred bidder) companies and enacting contract with them with the accompany of the Commission delegates.
  12. performing such other functions and obligations set forth in this Law, relevant Regulations and Procedures.
- (2) The Ministry of Mines and Petroleum may send an authorized official to observe the mining area included in a license and authorization to complete the following tasks:
1. Inspecting the license area, mineral activities, and processing of minerals [being conducted] and ensuring that the provisions of this Law are complied with;
  2. Examining and taking copies of registry books, accounts, vouchers, documents or records of any kind required to be kept under this Law, regulations and license conditions and authorization as deemed necessary.
  3. Taking soil samples or specimens of rocks, ores, concentrates, tailings or minerals situated upon such area, for the purpose of examination or assay; and
  4. Obtaining such other information as may be considered necessary.
- (3) The authorized official may not disrupt the mineral activities while conducting investigation and carrying out the activities stipulated in Paragraph (2) of this Article
- (4) Ministry of Mines and Petroleum may summon a license or authorization holder or a contractor so as to obtain information regarding the relevant (any mineral) activities and the summoned person shall be present at the Ministry within the specified time.

### **Article 8: Special Duties and Authorities of Ministry of Mines and Petroleum**

The Ministry of Mines **and Petroleum**, for the purpose of better implementation of this Law, shall also have the following special authorities:

- (1) Maintain a Geological Survey:
  1. Collecting geo-science figures and data to the Ministry of Mines on all matters related to geology and the development of minerals;

2. Undertaking geological, geochemical, seismological and hydro-geological surveys, investigations and mapping aimed at defining the character and distribution of the rocks and superficial deposits and determining the mineral potential of the land;
3. Conducting of Reconnaissance and Exploration of mineral substances;
4. Conducting geo-environmental studies;
5. Developing a national database of geo-science information through the compilation, publication and dissemination of information and data concerning the geology and mineral resources of Afghanistan for the purpose of public access to this;
6. Reviewing and evaluating the exploration and geological aspects of the proposals received ;
7. Reviewing and designating areas as small-scale mining, artisanal mining and quarry and construction materials areas;
8. Providing geological services and to support miners when necessary;
9. Reviewing mineral activities and mining operations and geological plans; and
10. Performing other geological survey related functions in accordance with this Law and the relevant Regulations.

(2) Maintain a Mines Cadastre:

1. Collecting royalty, rent and fee payments in accordance with the provisions of this Law and the relevant Regulations.
2. Confirming or rejecting license applications for reconnaissance and the authorization in writing in accordance with the provisions of this Law and the relevant Regulations;
3. Monitoring and controlling the licensing granting authorization process and their registration;
4. Developing and maintaining a Cadastral licensing and authorization granting and registry system related to all matters pertaining to them and cadastre survey maps, and if applicable establishing a computerized registry system; and
5. Performing such other cadastral functions in accordance with the provisions of this Law and the relevant Regulations.

(3) Maintain an Inspectorate:

1. Ensuring technical compliance of the mineral activities in accordance with the provisions of this Law;
2. Ensuring health and safety rules are complied with by staff, employees, and that the general public are protected during the mineral activities;
3. Undertaking inspection and supervision of mineral activities with regard to health, safety and work procedures;

4. Undertaking inspection and supervision of compliance with environmental standards with coordination and understanding of National Environmental Protection Agency;
5. in coordination with the National Environmental Protection Undertaking inspection and supervision of the implementation of environmental and social impact mitigation plan in compliance with its relevant legislative document [applicable laws];
6. Investigating incidents resulted from mineral activities;
7. Undertaking inspection and supervision of complying the terms and conditions of license, authorization and contract including payment of royalty and surface rent and other payments in accordance with the provisions of this Law;
8. Compiling and publishing statistics on incidents during the mineral activities and mining operations available for public information;
9. Reviewing mine plans and health and safety plan, environmental and social plan, work procedures, and technical aspects of feasibility studies;
10. Making such inspections, examinations, inquiries, take photographic or other record considered necessary to carry out official functions;
11. Seeking help and assistance from experts;
12. Issuing recommendations, warning, and penalty and stopping the mineral activities in accordance with the provisions of this Law and the relevant Regulation;
13. Requesting the needed documents from the holder of the license or authorization or the contractor; and
14. Performing such other inspectoral functions of mineral activities as required in accordance with the provisions of this Law and relevant Regulations.

#### **Article 9: Commission**

- (1) The Commission shall be established for the purpose of carrying out the duties and authorities stipulated in Paragraph (1) of Article 10 of this Law and shall be comprised of:
  1. The Minister of Mines , as Chairperson
  2. The Minister of Finance, as Vice Chairperson
  3. The Minister of Foreign Affairs, as Member
  4. The Minister of Economy, as Member
  5. The Minister of Commerce and Industry, as Member
  6. The National Security Advisor , as member
  7. General Director of National Environmental Protection Agency (NEPA), as member

### **Article 10: Duties and Authorities of Commission**

(1) The Commission shall have the following duties and authorities:

1. Endorsing or not endorsing [the grant of] Exploration License and Exploitation License, Mineral Development Contract and restricted minerals and proposing it to Cabinet approval;
2. Endorsing or not endorsing the request for extension, suspension, revocation of Exploration, Exploitation and Mineral Development Contract and restricted minerals;
3. Endorsing the rate of royalty;
4. Reviewing recommendations for the purpose of promoting competitiveness in investment with other countries;
5. Monitoring the bidding process to ensure it is conducted transparently and fairly in accordance with the provisions of this Law and relevant Regulations;
6. Putting instructions in place on matters of the environment protection and community development;
7. Establishing coordination among Government institutions in relation to mineral activities; and
8. Fulfilling such other functions in accordance with the provisions of this Law and relevant Regulations.

(2) Any decision of the Commission decision shall be made by a majority of all its members.

(3) The procedures for activities and conducting meetings of the Commission shall be set forth in separate Procedures.

(4) Whenever, a Commission member has an interest in any matter to be considered by the Commission, that member shall disclose the nature of his or her interest to the Commission and shall abstain from attending the session, otherwise the concerned member's vote is considered not valid in the Commission's decision on the mentioned matter.

## **CHAPTER THREE: RESERVED, PROHIBITED OR DESIGNATED AREAS AND RESTRICTED SUBSTANCES**

### **Article 11: Reserved Area for Bidding**

The Ministry of Mines and Petroleum may, for the purpose of securing public interest, and implementing the minerals activities in future and based on the existing geological information,

propose for endorsement to the Commission an area to be a “Reserved Area” that may or may not have a fixed term.

#### **Article 12: Prohibited Area**

- (1) The Ministry of Mines and Petroleum, for the purpose of preserving the national interest, including the health and safety of the population, national security, securing the public order, the incompatibility of the mineral activities with other uses of the soil, land surface, underground resources, impacting/damaging the protection of the environment, archeological or cultural heritage or other natural values, or in case the social welfare will be affected, that is determined by a research or proposal of the relevant administration, may submit a proposal for approval of Cabinet after the endorsement of the Commission to declare an area as restricted in scope for mineral activities.
- (2) The details related to the determination of an area as a Prohibited Area, with respect to its duration for a fixed or non-fixed term, shall be set forth in relevant Regulations.

#### **Article 13: Designated Area**

The Ministry of Mines and Petroleum may, for the purpose of encouraging exploration and exploitation activities, in consultation with local residents and with respect to the public interest, declare an area with identification of its mineral type to be a “Designated Area” for the licensing [or granting authorization] of artisanal or quarry and construction materials mining operations.

#### **Article 14: Restricted Minerals**

- (1) The Ministry of Mines and Petroleum may, for the purpose of securing national interest and well-being, security, health and safety of population and preservation of environment, as the case may be declare minerals to be Restricted for a fixed or non-fixed term upon the consultation with the relevant agency and endorsement of the Commission.
- (2) All radioactive minerals and rare earth elements are considered to be Restricted Minerals and their mineral activities is carried out based on bidding, after endorsement of the Commission and approval of the Cabinet in accordance with the provisions of this Law and the relevant Law.
- (3) The manner of bidding and other affairs related to the Restricted Minerals shall be set forth in the Regulations.

#### **Article 15: Record of affected lands**

- (1) The Ministry of Mines and Petroleum shall record the lands affected by the mineral activities or other aspects of mineral activities [affected directly or indirectly by mineral activities] in the Mining Cadastre and within seven (7) days of such determination and declaration of the area, a list of such lands shall be made available for land owners, license and authorization holders and the general public.

## **CHAPTER FOUR: GRANT OF LICENSES or ENACTING CONTRACT**

### **Article 16: Eligibility for grant of a license and enacting of Contract**

- (1) Any person may obtain a license or enter into contract with the Ministry of Mines and Petroleum stipulated in this Law who completes the following conditions:
1. Any natural person who has attained the age of (18) years and has obtained investment license.
  2. Any legal person organized in accordance with the applicable laws of Afghanistan and has obtained investment license.
  3. Any foreign legal person organized under the applicable Laws of the country of its citizenship and that has obtained investment License in accordance with the Afghanistan Laws.
  4. Any person who demonstrates its capability to provide capital, machinery, equipment and expertise necessary for the implementation of license terms and conditions.
- (2) The following persons shall not obtain a license stipulated under this Law:
1. President, Vice-Presidents, Ministers, Head and members of Supreme Court, General Attorney, members of the National Assembly, Heads and members of the Independent Government Commissions, Director of the Central Bank and General Director of National Directorate of Security, Provincial Governors, Mayors, and General Directors of the Government Independent Agency, advisors, experts and Deputy Ministers of the Ministry of Mines and Petroleum and their relatives up to Grade 2;
  2. Judges, Prosecutors, Members of Provincial and Districts Councils, Staff of Ministry of Defense and Ministry of Interior Affairs and General Directorate of National Security, advisors, experts and staff of the Commission stipulated in Article 9 of this Law;
  3. Any person who is and continues to be bankrupt under the laws of Afghanistan;
  4. Any person whose license, based on a justified reason, has been revoked by the Ministry of Mines and Petroleum before its expiration;
  5. Companies in which those listed in Article (151) of the Constitution of Afghanistan shall obtain direct or indirect benefits;
  6. A natural person who has been convicted by an authorized court of a felony crime and sentenced to more than ten (10) years in prison or a person who has been convicted of administration corruption crimes who has covered his or her prison term but not his or his restitutio (rehabilitation) of prestige period;
  7. Any legal person which is in liquidation other than a liquidation which is required to restructure such legal person;



8. Any legal person that is convicted of winding up or dissolution by a competent court;
9. Any legal person in which one or more than one of its Controlling shareholders, a corporate officer or member of its Board of Directors would become legally disqualified as a natural person under this Article;
10. Where one or more individual shareholder holding a controlling stake has been convicted of an offence under this Law; and/or
11. Any shareholder who holds a controlling stake, Executive Board member of the company who is an existing employee of the Ministry of Mines and Petroleum:
  - (3) Any person that its licence was revoked, may not re-apply for all or part of its revoked licences area within the two years after the revocation;
  - (4) A Controlling stake of a company, in accordance with the provision of this Article, means ten (10) or more than ten percent (10%) of a company shares.
  - (5) Any persons stipulated in Section 1 and 2 of Paragraph (2) of this Article may be granted a License stipulated in this Law five years after completion of their term.
  - (6) Any foreign legal persons shall, for the purpose of obtaining license, establish and keep operating its permanent representative office in Afghanistan.
  - (7) A holder shall keep and maintain all documents relevant to mineral activities in an authorized agent (representative) resident in Afghanistan in accordance with the relevant Regulation.

#### **Article 17: Conditions for Granting of License**

- (1) Any legal person may be granted the licenses stipulated in this Law upon submitting the relevant documents.
- (2) Any natural person holding the citizenship of Afghanistan may obtain Artisanal Mining License and Authorization in accordance with the provisions of this Law.
- (3) An Artisanal Mining License and Authorization may not be granted to foreign [legal or natural] person.

#### **Article 18: License**

- (1) No person shall conduct mineral and mining activities unless it has been granted a license or authorization by or has entered into a contract with the Ministry of Mines and Petroleum.
- (2) A license, authorization or a contract does not entitle its holder to any right of ownership of land.

- (3) No landowner or lessee [legal occupant] shall conduct mineral and mining activities on relevant land, unless that landowner or lessee has been granted a license in accordance with this Law.
- (4) The license and authorization holders and the contractor shall conduct its activities in accordance with its license, authorization and contract terms and conditions.

### **Article 19: Types and Source of Granting of Licenses**

- (1) The licenses that may be granted in accordance with the provisions of this Law are as follow:
1. Reconnaissance License
  2. Exploration License
  3. Exploitation License
  4. Small-Scale Mining License
  5. Artisanal Mining License
- (2) The licenses stipulated in Paragraph one (1) of this Article shall be granted from the Ministry of Mines and Petroleum side in accordance with the provisions of this Law in the following manner:
1. Reconnaissance License is granted based on application.
  2. Exploration License, Exploitation License and Small Scale Mining License are granted based on bidding.
  3. Artisanal Mining License based on application in accordance with the provisions of this Law and relevant Procedure.
- (3) The Ministry of Mines and Petroleum may, based on justifiable reasons, grant both Exploration License and Exploitation License in a single bidding upon endorsement of the Commission.
- (4) The manner of bidding and other licensing related affairs to shall be set forth in the relevant Regulations.

### **Article 20: Authorization**

The authorization is granted based on application by the Ministry of Mines and Petroleum in accordance with the provisions of this Law.

### **Article 21: License Specifications**

- (1) A license, stipulated in this Law, shall be made by the Ministry of Mines and Petroleum and as the case may be, may contain the following information:

1. the type of license;
2. the type of mineral [the mineral for which it was granted];
3. the name and address of the person;
4. the date of the grant of the license and the term for which it is granted;
5. a description of the area in the license including its map;
6. the conditions on which the license is granted;
7. the date on which the license was registered;
8. the agreed upon royalty
9. a schedule of mineral activities to be implemented including the commencement of mineral activities;;
10. the amount of surface rent, schedule for making payments and to whom payments shall be made.
11. Authorized granting and approving authority (source);
12. work program and budget;
13. certified copy of environmental and social management plan; and
14. employment program of Afghan citizens.

(2) Other specification of each license shall be set forth in the relevant Regulations.

### **Article 22: Validity of License**

A license, after its registration and following payment of prescribed fees shall be issued in accordance with the provisions of this Law and shall then be legally valid.

### **Article 23: Minerals Exploration and Exploration Contract**

(1) For the purpose of promoting economic development through large-scale investment in the minerals sector in Afghanistan, the Ministry of Mines and Petroleum may, based on bidding and after endorsement of the Commission and approval of the Cabinet, enter into a Minerals Development Contract with an eligible person, which also includes the establishment of main infrastructure outside the contract area.

(2) The holder of a Minerals Development Contract maybe granted up to (5) Exploitation Licenses in the area of an Exploration License covering the area subject to the Contract in accordance with the provisions of this Law.

(3) The contractor for the Minerals Development Contract shall not transfer or concede any rights and privileges of its Exploration License, Exploitation License, or the relevant contract to any other person without the written permission of the Ministry of Mines and Petroleum and the Commission and with the approval of Cabinet.

(4) Transfer and concession can only be made to a person who has all the specifications, capabilities and the requirements that the contractor had at the time of obtaining the license.

(5) Ministry of Mines and Petroleum prepares Minerals Development Contract based on the contract terms and conditions, provisions of this Law and other legislative documents. In addition, a Minerals Development Contract shall adhere to the following criteria:

1. Establish methods for Government to acquire its portion of the mineral product at a market price;
2. Manage fiscal affairs in accordance with the financial laws of Afghanistan;
3. Include dispute resolution methods;
4. Include a Community Development Plan in accordance with this Law and relevant Regulation;
5. Detail commitment to the development and use of infrastructure; and
6. The period of performance of the Minerals Development Contract.

(6) Within ten (10) days of signing a Minerals Development Contract, agreed to under the provisions of this Law, the Ministry of Mines and Petroleum shall publish the terms and conditions of that Contract and any related ancillary contracts. Publishing the personal information and information relevant to the security of personnel and methods of operations without the written agreement of the Parties to the Contract is excluded from this provision.

(7) Bidding and other affairs related to Minerals Development Contracts shall be set forth in the Regulations.

#### **Article 24: Boundaries**

- (1) The area and boundaries of a Reconnaissance License shall be based on coordinates of cadastral blocks and do not require demarcation.
- (2) The area and boundaries of an Exploration License, Exploitation License or Small-Scale Mining License shall be based on coordinates of cadastral blocks in accordance with the methods prescribed in the Regulations and may require demarcation at the cost of the holder.
- (3) Demarcation of Artisanal Mining License and Authorization area may be carried out by the Ministry of Mines and Petroleum as needed.

#### **Article 25: Rights and obligations of holders of licenses**

- (1) In addition to rights and obligations under this Law and Regulations, the holders of licenses shall comply with the following general conditions:
  1. Appoint an in charge person [mine manager] with the requisite qualifications and experience to be in charge of mineral operations;
  2. Provide to the Ministry of Mines and Petroleum with its work program, budget, and other information needed to the Ministry.
  3. Notify the Ministry of Mines and Petroleum of any amendments it seeks to make to its work program and budget. The Ministry of Mines and Petroleum shall make its decision as soon as possible whether to accept or reject the proposed amendments.
  4. Make all payments with the specified time.

#### **Article 26: Change of control of a License**

- (1) The holder of Licenses shall notify the Ministry of Mines and Petroleum of any change in the authority of controlling body, person in charge the shareholders of the license who holds a share of more than ten percent (10%).
- (2) The change stipulated in Paragraph (1) of this Article shall have legal effect upon its approval by the Ministry of Mines and Petroleum and when the following conditions are met:
  1. That the holder adheres to the conditions and obligations of the license including implementing the work program and budget, submitting expenditure documents, reporting and a written notice of transfer of ownership or power to the Ministry of Mines and Petroleum; and
  2. That the holder ensures that the transferee, meet the conditions and criteria of license and this Law.

### **Article 27: Maintenance of Records (Documents)**

- (1) A holder of a license shall maintain the documents related to the license [records or work history] in accordance with the provisions of relevant Regulations and shall provide the Ministry of Mines and Petroleum with copies of them for inspection and evaluation purpose upon request.
- (2) A holder of a license shall provide the Ministry of Mines and Petroleum with geological reports and reports on mining operations in accordance with the provisions of the relevant Regulations.
- (3) Each holder shall maintain balance sheets, statements and books of accounts for each mineral activities license.
- (4) The holder of an Exploitation License and Small-Scale Mining License shall report the following to the Ministry of Mines and Petroleum within a specified period:
  1. The volume of work performed and the amount of minerals extracted;
  2. A statement showing the amount of royalty to be payable for each reporting period together with all related information, calculations and modifications;
  3. A receipt showing that the royalties have been paid in accordance with the provisions of this Law and relevant Regulations; and
  4. Necessary information on the implementation of the terms of the Community Development Agreement.
- (5) The holder of an Exploitation License and Small-Scale Mining License shall, after the end of each year, submit to the Ministry of Mines and Petroleum an annual report on their (relevant) activities that shall include:
  1. Information on the results of mining operations, volume of work, amount of production, waste, waste removal, statement of expenditures, costs, and persons employed, estimate of remaining mineral deposit, and other required information;
  2. Statements on expenditures, report on health and safety records and rehabilitation activities; and

### **Article 28: Discovery of New Minerals**

- (1) The holder of an Exploitation License, Small-Scale Mining License, or Artisanal Mining License may mine only those minerals for which the license is granted, and in case of discovery of any new mineral in its License area, the holder shall notify the Ministry of Mines and Petroleum of such discovery.
- (2) Whenever the holder stipulated in Paragraph (1) of this Article discovers a radioactive or other restricted substance during the course of its mineral activities, the holder shall cease mining operations in that area and report the discovery to the Ministry of Mines and Petroleum and act in accordance with the relevant Laws.

- (3) The Ministry of Mines and Petroleum may grant the holders of Exploitation License and Small-Scale License the permission to exploit the newly discovered minerals within their license area provided that the holder has the working capability and complies with the terms and conditions of its current license for the exploitation of newly discovered mineral and pays the same amount of royalty
- (4) If the new mineral is discovered within an Artisanal Mining License area,, the Ministry of Mines and Petroleum revokes the Artisanal Mining License upon the endorsement of Commission and provides the holder with compensation in accordance with the provisions of this Law and Regulations. In addition, the Ministry, as the case may be, tenders out the newly discovered mineral.

#### **Article 29: Transfer of license**

- (1) The holders of Exploration License, Exploitation License and Small-Scale Mining License or Artisanal Mining License may, upon written approval of the Ministry of Mines and Petroleum, transfer all or part of its license privileges to a person; provide that the person (transferee) shall accept (take over) all obligations of the holder.
- (2) Reconnaissance License shall not be transferred.

#### **Article 30: Surrender of a license**

- (1) A holder of a license may surrender all or a part of the license area to the Ministry of Mines and Petroleum.  
A written application for the surrender shall be submitted to the Ministry of Mines and Petroleum not later than ninety (90) days before the date of surrender..

- (2) The Ministry of Mines and Petroleum may issue approval of surrender of a license stipulated in Paragraph (1) of this Article in the following circumstances:
1. In the event that the holder has fulfilled his obligations stipulated in this Law, Regulations and its license;
  2. In the event that the holder has submitted records and reports about its mining operations according to provisions of this Law and relevant Regulations;
  3. In the event that, following surrender, the license area retained is contiguous;
  4. In the event that the holder has complied with its mine closure plan.

#### **Article 31: Suspension of license**

- (1) A license issued under this Law or part of the license activities may be suspended as follows:
1. at the request of license holder
  2. upon the decision of the Ministry of Mines and Petroleum.

- (2) A license holder may request in writing a suspension of all or part of its license, and shall in each case give the reasons for suspension with a minimum thirty (30) days advance notice to the Ministry of Mines and Petroleum as follows:
1. Where the holder loses its technical and operational capacity described under the terms and conditions of the license on condition that the period of suspension shall not exceed (180) days.
  2. When there is a change in market factors that directly impact mineral activities.
- (3) The Ministry of Mines and Petroleum may, based on the license holder reason or in the following based on its own discretion , decide to suspend all or part of a license activities:
1. Where the holder, despite having received written notice, fails to implement the work program and budget as stipulated in its license.
  2. Where the holder has violated all or part of the license terms;
  3. Where the holder fails to fulfill its financial requirements such as payment of royalty;
  4. Where the holder is bankrupt and is financially unable to fulfill its commitments described in the license; and
  5. Where the holder intentionally submits a false statement [to the Ministry of Mines and Petroleum] in connection with the implementation of its activities described in the license.

### **Article 32: Authorized authorities to suspend a license**

- (1) With respect to the circumstances stipulated in Article 31 of this Law, the Ministry of Mines and Petroleum may suspend a Reconnaissance License, Small-Scale Mining License, Artisanal License and Authorization.
- (2) The Ministry of Mines and Petroleum may propose the suspension of an Exploration License, Exploitation License, Mineral Development contract and Restricted Minerals with written justification to the Commission. The Commission may, upon review and analysis of the proposal, endorse or reject the proposal.  
Where the Commission endorses the proposal, the Ministry of Mines and Petroleum will insert the matter into the specified form and register it in the relevant book. Where the Commission not endorses the proposal, the Ministry will provide the license holder with the reasons for proposal rejection and record it in the [registry book].
- (3) In case of the Ministry of Mines and Petroleum decision to suspend the licence, for the purpose of removing any existing deficiencies, the Ministry may provide an opportunity to the holder to remedy any such deficiency.
- (4) Where the holder remedies any such deficiency within the period stipulated in Paragraph (3) of this Article, the Ministry of Mines and Petroleum may approve the suspension of the license and notify the holder of its decision in writing.

### **Article 33: Revocation of a license**



- (1) The Ministry of Mines and Petroleum may revoke the licenses stipulated in this Law as follows:
1. Persistent or serious violation of terms and obligations of the license;
  2. Delay or suspension of activities as prescribed in the license without a valid justification;
  3. Non-payment of royalties, taxes, surface rent or other financial obligations within the specified period;
  4. Where the holder was convicted to be bankrupt;
  5. In the event of serious violation of laws or violations of license obligations relating to health and safety of labor, protection of the environment and protection of affected communities, including material breach of Community Development Agreement; and/or
  6. In the event of smuggling or illegal sale of minerals.
- (2) The Ministry of Mines and Petroleum may propose the revocation of an Exploration License, and Exploitation License to the Commission with written justification. The Commission may, upon review and analysis of the proposal, endorse or reject the proposal. Where the Commission endorses the proposal, the Ministry of Mines and Petroleum will insert the matter into the specified form and register it in the relevant book. Where the Commission not endorses the proposal, the Ministry will provide the license holder with the reasons for proposal rejection and record it in the [registry book].
- (3) Before revoking a license, the Ministry of Mines and Petroleum with respect to Paragraphs (1) and (2) of this Article, shall provide the holder with an opportunity to remedy any deficiencies within specified period and the holder shall notify the Ministry of remedy. If the holder fails to remedy the deficiencies within the specified period, the Ministry of Mines and Petroleum may revoke the license. In case of any objection, the license holder may refer to the Commission. In case the Commission rejects the objection, the holder may refer to the court.
- (4) Unless otherwise prescribed in the Regulations, the revocation of a license does not relieve the holder from its obligations under the license.
- (5) In case of a license revocation, the holder of a revoked license shall have up to six months from the date of receipt of written notice to remove equipment and machinery from the license area or sale them; in this case the State shall have the priority right to purchase such equipment from the holder in accordance with the Regulations.
- (6) Whenever the licenses is revoked, after the prescribed time limit of Paragraph (5) of this Article, the immovable buildings, and installations constructed and erected on the mining area shall become the property of the State
- (7) Upon revocation of a license, the holder shall deliver to the Ministry of Mines and Petroleum all records, plans, maps and other documents that relate to the license in accordance with the Regulations. A license holder, who fails to fulfil this obligation, is subject to cash penalty under this Law.

- (8) The Ministry of Mines and Petroleum shall publish notification of revocation of any license in accordance with this Law.

#### **Article 34: Preservation of Samples**

- (1) The holder shall securely store and maintain in good condition all drilling samples in a manner that clearly identifies the date and location of its extraction, and provide the Ministry of Mines and Petroleum access to that upon request. The amounts as may be required for assaying and testing, is exceptional from this provision.

Upon revocation of a license or end of the project, the existing samples shall become the property of the State and be transferred to the Ministry of Mines and Petroleum.

### **CHAPTER FIVE: The Right of use of land**

#### **Article 35: Acquisition or lease of land**

- (1) The landowner may, without acquisition, lease the area of its land needed for mineral activities to the license holder. The manner of leasing shall be set forth in the relevant Regulation.
- (2) The Ministry of Mines and Petroleum may, for the purpose of securing the public interest, acquire the private land needed for mineral activities (when necessary) in accordance with the provisions of the law.

#### **Article 36: Use of land for mineral activities**

- (1) The holder of a license is entitled to use the area defined in its license in accordance with provisions of this Law
- (2) The holder of a license shall not use the area defined in its license in the following circumstances unless approved by the Cabinet:
1. In respect of part of a license area dedicated for the purpose of securing any public interest;
  2. The area within fifty (50) meters of any land dedicated as a place for cemetery, a place of religious or cultural significance;
  3. Land that is located within one hundred (100) meters of an oil or gas installation, pipeline or other relevant facilities;
  4. Land that is located within fifty (50) meters of any land reserved for the purpose of construction of any railway, highway or waterway;
  5. Land which is located within two hundred (200) meters of any town or village, unless it has acquired the written agreement of the Ministry of Urban Development Affairs or the Municipality in this regard; and/or
  6. Land which is dedicated as a legally protected area.

(3) With respect to certain land as highlighted below, the holder of a license shall advise the owner or relevant administrations/agencies in writing not less than seven (7) days before undertaking any mineral activities:

1. Land that is located within two hundred (200) meters of any houses or building; or
2. Land that is located within fifty (50) meters of agricultural land and or the land used for grazing.

(4) In the event that the landowner does not consent to lease the land, the Ministry of Mines and Petroleum may acquire the land according to the provisions of this Law and put it at the disposal of the holder (against a rental fee) for use and passage upon condition that the holder compensates the damage incurred to the landowner.

**Comment [D1]:** Confusing  
Dari text.

(5) The holder of a license may not use the license area for other purposes other than mineral activities.

### **Article 37: Easement**

(1) Where the holder, for the purpose of related activities, requires an easement for the right of passage to its license area or ancillary areas through private land, it may obtain the permission to access the land from the landowner.

(2) The holder may use its easement on contiguous lands stipulated in Paragraph (1) of this Article for the term of the license.

(3) The Ministry of Mines and Petroleum may, without limiting the right of passage of a holder, may also grant the right to use the land as stipulated in Paragraph (1) of this Article to other persons with the consent of the holder.

### **Article 38: Rights and Obligations of Surface Owner and Holder**

(1) The landowner may not, for the purpose of cultivation, planting tree, waterway, grazing livestock, constructing buildings or infrastructures use the surface land which is within an area subject of a license, except with written agreement of the holder.

(2) The holder of a license shall conduct mineral activities in accordance with the provisions of this Law and avoid the activities such as conducting unsafe/unprotected activities, creating hazardous waste dumps or other hazards likely to endanger the stock, crops or any lawful activity of the landowner or local residents.

### **Article 39: Compensation for disturbance of land**

(1) In case during the mineral activities some damages is incurred to the landowner properties, the holder shall be required to pay compensation in accordance with the applicable Laws.

- (2) If the holder of a license fails to pay compensation as demanded by the landowner, or if the owner of any land is dissatisfied with any offer, such compensation may be determined by the experts [in the field]. where the parties may not reach any agreement, the issue shall be resolved by the competent court.

#### **Article 40: Resettlement**

- (1) Where, based on the results of the Environmental and Social Impact Assessment of the relevant authority, or the review of the Environmental and Social Impact Assessment Report, the Ministry of Mines and Petroleum in coordination with the relevant Government agencies determines that resettlement is a necessary action of last resort, the holder shall, in consultation with the affected communities, prepare a Resettlement Action Plan for the affected communities, and provide the enough financing for expenditure of resettlement process and the compensation of resettled individuals.

#### **Article 41: Public Access**

- (1) The Ministry of Mines and Petroleum shall facilitate access for members of the public to the Register of Licenses, Applications, the Cadastral Survey Map, non-confidential reports and agreements submitted by the holders of licenses during normal business hours, and provide a copy of such documents upon public request against the prescribed fees.

### **CHAPTER SIX: RECONNAISSANCE LICENSE**

#### **Article 42: Application Form (for a Reconnaissance License)**

- (1) An application form for the grant of a Reconnaissance License, including the following information, shall be submitted to the Ministry of Mines and Petroleum:
1. The legally registered name and address, the certificate of incorporation and Articles of Incorporation of the company;
  2. Name and addresses, nationalities and contact information of each corporate officer, Board of Director members and shareholder(s) who has ten percent (10%) or more than ten percent (10%) shares of the company;
  3. A statement affirming that the applicant meets the eligibility requirements in accordance with the provisions of this Law;
  4. A statement of past relevant work in the related field;
  5. Names and addresses, and certificate of the required skills of the person responsible for supervising the reconnaissance operations;
  6. Details of the proposed reconnaissance area including its map;
  7. An Environmental and Social Impact Mitigation report;
  8. Detailed reconnaissance program and expenditure commitment for the first year of the license and estimated program expenditure for the subsequent year;
  9. Details, in writing, on how the proposed work program will be financed;
  10. Proposals to employ Afghan citizens and contract goods and services from Afghan suppliers;
  11. Information on any license held within Afghanistan by the applicant;

12. Methods for conducting reconnaissance including aerial survey;
13. Method of reconnaissance that may include proposed use of aircraft to conduct surveys;  
and
14. Any additional information that the Ministry of Mines and Petroleum or the applicant may consider to be necessary.

#### **Article 43: Reconnaissance License**

- (1) The Ministry of Mines and Petroleum may, after conducting the necessary evaluation and determining the capability and possibilities of the applicant, grant a Reconnaissance License to all or part of the area included in the application or reject the application. In case the application is rejected, the Ministry of Mines and Petroleum shall provide the applicant with written reason for the rejection.
- (2) A Reconnaissance License may be granted for up to two (2) years and may not be extended.

#### **Article 44: Reconnaissance License Area**

A Reconnaissance License area shall consist of contiguous blocks that its area shall not exceed twenty thousand (20,000) square kilometers and its shape, orientation and dimensions shall be set forth in the Regulations.

#### **Article 45: Rights of Reconnaissance License Holder**

- (1) A Reconnaissance License holder has the following rights within its license area:
  1. Access to its license area;
  2. Fly over in order to record images or take geophysical measurements of the area in accordance with the provisions of applicable law;
  3. Removing a reasonable amount of samples for testing and assaying in accordance with Regulations; and
  4. To conduct other such activities as are necessary to carry out the reconnaissance work program.

#### **Article 46: Obligations of Reconnaissance License Holder**

- (1) The holder of a Reconnaissance License shall have the following obligations:
  1. Provide notice to the landowner before commencing any reconnaissance activities;
  2. Access to the area and consult with relevant authorities and communities about reconnaissance activities as required;
  3. Implement its approved work program and budget in accordance with standards and provisions of this Law;

4. Provide the full data, results explanation and description of any airborne geophysical survey done in connection with the reconnaissance license area within the agreed upon time after occupation of the area to the Ministry of Mines and Petroleum;
  5. Submit geological samples and other information to the Ministry of Mines and Petroleum in accordance with the Regulations;
  6. Submit invoice of direct expenses within the specified period to the Ministry of Mines and Petroleum at the end of each License year;
  7. Store, maintain and rehabilitate the license area in accordance with the applicable laws and environmental protection standards and compensate damages that result from reconnaissance activities;
  8. Remove and transfer camps, temporary installations or installed machinery within sixty (60) business days after the end date of license and rehabilitate land surface which was damaged as a result of reconnaissance activities; and
- (2) Removal and transfer of any mineral from a reconnaissance area for commercial purposes is prohibited. Taking samples for testing, assaying or valuating purposes is excluded from this provision.
- (3) A holder of a Reconnaissance License may, subject to its license terms and conditions, only collect surface samples in accordance with its work program but shall not engage in any drilling, trenching, or extraction (of mineral) activities.

## **CHAPTER SEVEN: EXPLORATION LICENSE**

### **Article 47: Grant of Exploration License**

- (1) After receiving proposals from bidders, the Ministry of Mines and Petroleum shall review them within three (3) months and forward its written findings to the Commission; and the Commission shall decide on whether to endorse, not to endorse (reject), or to amend the application within thirty (30) days
- (2) Where the Commission endorsed the proposal, the Ministry of Mines and Petroleum propose to the Cabinet approval. In case the Commission rejected, amended or not approved it, the Ministry shall provide the bidder with the reasons in writing.
- (3) Where the Cabinet endorsed the proposal, the Ministry of Mines and Petroleum issues the Exploration License to the winning bidder.
- (4) The Ministry of Mines and Petroleum, in the event stipulated in Paragraph (3) of Article (19) of this Law while granting the Exploitation License and Exploitation License shall take the Paragraphs (1),(2) and (3) of this Article into consideration.

### **Article 48: Duration of Exploration License**

- (1) From the date of registry, the Exploration License period is for up to three (3) years and may be extended for two (2) additional terms on condition that the holder has fulfilled its obligations

under this Law, the Regulations and the terms and conditions of the license.

- (2) The holder of an Exploration License may apply for an extension of the term of the Exploration License to Ministry of Mines and Petroleum not later than three (3) months before the expiration of the license. Where the Ministry rejects the extension, the license is valid until its natural expiration.

#### **Article 49: Exploration License Area**

- (1) An Exploration License area shall be contiguous and the area of land on which an Exploration License may be granted shall not exceed two hundred fifty (250) square kilometers. The Exploration License area shape, dimension and orientations shall be set forth in the Regulations.
- (2) In the case of first renewal of an Exploration License, the license area shall be reduced not to exceed one hundred and twenty five (125) square kilometers and shall be contiguous.
- (3) A holder may, in accordance with the provisions of this Law and Regulations, apply to the Ministry of Mines and Petroleum to enlarge the size of the Exploration License area, provided that the sum of the area under application and the area before application shall not exceed two hundred and fifty (250) square kilometer.

S

#### **Article 50: Acquiring more than One Exploitation License**

The holder of an Exploitation License may, in accordance with the provisions of this Law, obtain up to ten (10) licenses but the total area of the licenses shall not exceed two thousand (2,500) square kilometers.

#### **Article 51: Rights Conferred by Exploration License**

- (1) An Exploration License holder is entitled to the following rights within its license area in accordance with the provisions of this Law:
1. Access to the license area;
  2. Conduct activities to implement the exploration program; collect surface soil, sediment or mineral rock samples;
  3. Conduct geochemical and geophysical surveys;
  4. Sink or drill exploration shafts or wells;
  5. Dig exploration holes and trenches in order to extract samples;
  6. Taking samples for the purpose of chemical analysis and assay and trial processing of mineral resources as approved in the exploration work program provided that carrying out these activities shall not exceed such limit as is reasonably required for determining mining potential;
  7. Remove and export a reasonable number of samples as approved in the exploration work program for testing and analysis in accordance with the provisions of the Law;
  8. Install equipment and machinery and erect temporary buildings, construct roads in accordance with the provisions of applicable laws;
  9. Utilize water as required to conduct exploration activities in accordance with the

**Comment [MFH2]:** Yellow color indicates technical problem with the new changes.

- provisions of applicable law; and  
10. Conduct other activities related to exploration.

### **Article 52: Obligations of Exploration License Holder**

- (1) An Exploration License holder has the following obligations:
1. Provide notice to the landowner before commencing exploration operations;
  2. Comply with the annual expenditure requirements as included in the exploration work and budget program;
  3. Consult with local government and community members about exploration activities that require physical entry onto the land within their jurisdiction;
  4. Compensate the landowner for any damage incurred to the land and other properties resulting from exploration operations in the exploration area and rehabilitate and reconstruct the exploration areas in compliance with environmental requirements and standards;
  5. Allow right of way, construction of water supply, canals, pipelines, sewers, drains, wires, transmission lines, public roads, rail, and public utility installations as shall not interfere with exploration activities;
  6. Properly survey and mark all drill holes so that they may be located at a future date and fill back or rehabilitate or otherwise make safe to the satisfaction of the Mining Inspectorate any borehole or excavation made during the course of exploration operations;
  7. Remove the waste in accordance with Waste Management Plan and administering it;
  8. Within sixty (60) days from the date of the expiration of the Exploration License, remove any temporary buildings, equipment or machinery erected or installed and make good to the satisfaction of the Mining Inspectorate any damage to the surface of the ground occasioned by the removal unless the Ministry of Mines and Petroleum stipulates otherwise in accordance with the provisions of this Law; and
  9. Submit report of exploration activities to the Ministry of Mines and Petroleum.
- (2) The holder may not remove any mineral from the Exploration License area for commercial sale. Taking or removing any mineral for the purpose of testing, analysis, determination of value, or marketing is excluded from this provision.
- (3) The holder of an Exploration License shall, in accordance with the provisions of this Law and within an agreed upon time period after the end of each year as measured from the date of registry of the Exploration License, submit to the Ministry of Mines and Petroleum a detailed technical report of the results of work carried out in the preceding period together with a revised exploration work program for the following year that shall include benchmarks for performance, timelines and an expenditure commitment to be spent in the implementation of the approved work program not including the purchase of land or buildings.
- (4) If the license holder voluntarily or in accordance with the provisions of this Law entrusts part of the Exploration License area to the Ministry of Mines and Petroleum, the holder shall provide relevant technical reports relevant to the surrendered area in a specified time.



- (5) Reports required under Paragraph (4) of this Article shall include an outline of completed activities, the results of exploratory activities that have commenced along with detailed maps and complete numbers including confidential information about surrendered grounds which was already mentioned in annual reports and other prepared reports.

### **Article 53: Exploitation License Extension instances**

- (1) Where, under the circumstances of Paragraph (3) of Article 19 of this Law, an Exploration License holder is granted an Exploitation License over part of its Exploration License area, the remaining part of its Exploration License area shall continue in force until its natural term expires or until the ground is surrendered.
- (2) When an Exploration License is due to expire, pending determination of the grant of an Exploitation License, the Exploration License term is considered to be extended until such determination is finalized.
- (3) The holder of an Exploration License shall, under the circumstances of Paragraph (3) of Article 19 of this Law, submit any application for Exploitation License not later than ninety (90) days before the expiration of the Exploration License term to the Ministry of Mines and Petroleum. The form and the contents of the application shall be set forth by the Ministry of Mines and Petroleum.
- (4) The agreed upon royalty recorded in the Exploration License, shall also apply, without any changes, to the Exploitation License or the Small-Scale Mining License.

### **Article 54: Priority Right of Exploitation License to the Exploration License holder**

Where the holder of Exploration License holder fails to win the bidding for the Exploitation License [of the area under its Exploration License], preferably, the holder shall have the right to be granted the [Exploitation] License at the same price as the winning bidder; otherwise, the winning bidder shall compensate all the expenses incurred by the Exploration License holder during the course of exploration, [provided] that these expenses shall have been reported to and certified by the Ministry of Mines and Petroleum. In this event, the winning bidder shall also pay an interest of (25) per cent for the cost/expenditures incurred by the Exploration License holder during the course of **exploration**.

## **CHAPTER EIGHT: EXPLOITATION LICENSE**

### **Article 55: Grant of an Exploitation License**

- (1) The Ministry of Mines and Petroleum shall, within four (4) months of receipt, review the bidders proposals, and forwards evaluation finding to the Commission in writing; and the Commission shall decide whether to endorse, not endorse (reject) or amend the evaluation findings.

- (2) Where the Commission endorsed the proposal, the Ministry of Mines and Petroleum shall forward it the Cabinet approval. In the event the Commission rejects (does not endorse), amends or not approves the proposal, the [Ministry] shall provide the bidder with reasons in writing..
- (3) Where the Cabinet approves the proposal, The Ministry of Mines and Petroleum shall grant the Exploitation License to the winning bidder in accordance with the provisions of this Law.

#### **Article 56: Duration of an Exploitation License**

- (1) The duration of an Exploitation License shall not exceed thirty (30) years from the time of its registry , and shall be commensurate with the proportion of stated mineral resources and the predicted life of the mine.
- (2) An Exploitation License may, after the expiration of its term, be extended for continuous terms up to fifteen years (15) each or [it may be] extended for the remainder of the mine life.
- (3) The holder of an Exploitation License shall submit an application for the extension of all or part of the license area not less than ninety (90) days before its expiration, to the Ministry of Mines and Petroleum. The Ministry of Mines and Petroleum may extend part of the license in respect with the volume of the remaining mine deposit provided that the holder, during the previous license period was in compliance with the provisions of this Law, Regulations and terms and conditions of the Exploitation License.
- (4) Where a holder has made an application for an extension of the term of the Exploitation License, the rights of Exploitation License continues in force with respect to the area and minerals that are the subject of the application until the application is endorsed or reject but not more than one (1) year.
- (5) Where the Ministry of Mines and Petroleum rejects the application for extension, the original Exploitation License term shall remain valid until its expiration date in accordance with provisions of this Law.

#### **Article 57: Exploitation License Area**

- (1) An Exploitation License area shall consist of contiguous cadastral blocks that the area of land over which an Exploitation License may be granted shall not exceed fifty (50) square kilometers or be less than one (1) square kilometer. The area's shape, orientation and dimension shall be regulated in the Regulations.
- (2) The area stipulated in Paragraph (1) of this Article may be less than (1) square kilometer considering the economic value of the mineral to be exploited and in compliance with the relevant Regulations.

- (3) The holder of an Exploitation License may be granted up to ten Exploitation License provided that the holder is eligible and is in compliance with the provisions of this Law and the Regulations.
- (4) Under the circumstances of Paragraph (3) of Article 19 of this Law, an Exploration License holder may, in accordance with the provisions of this Law, be granted up to five (5) Exploitation License provided that the holder is eligible and is in compliance with the provisions of this Law and the Regulations.
- (5) A holder may apply to the Ministry of Mines and Petroleum to enlarge the size of the Exploitation License area in accordance with the provisions of this Law and Regulations provided that the total area under application and the area under the existing license does not exceed fifty (50) square kilometers.

Comment [D3]:

### **Article 58: Rights conferred by an Exploitation License**

- (1) An Exploitation License holder, within its license area and in accordance with the provisions of this Law, has the following rights:
1. Obtain access to the license area;
  2. Install and erect equipment, machinery, and construct infrastructure, plant and buildings for the purposes of mining operations, storage, transporting, processing, smelting or refining the specified minerals recovered by the holder during mining operations;
  3. Conduct further exploration within the Exploitation License area;
  4. Construct any other facilities required for processing including waste dumps and tailings dams;
  5. Take and remove rock, earth, and minerals from the land with or without processing in accordance with its work program;
  6. Stack or dump a mineral and waste product in accordance with its Waste Management Plan, Environmental and Social Impact Assessment and Environmental and Social Management Plan;
  7. Utilize water as required to conduct exploitation activities in accordance with the provisions of relevant law managing the use of water; and
  8. Conduct other activities ancillary or incidental to exploitation.

**Article 59: Conditions for commencing exploitation activities**

- (1) Upon registration and confirmation that the following matters/points have been completed, a holder may commence any activity related to the exploitation of minerals:
1. Endorsement by the Ministry of Mines and Petroleum of its plans including work program and budget, health and safety plan, rehabilitation and mine closure plan, and program for development;
  2. Endorsement from the National Environmental Protection Agency of its environmental management and environmental and social negative impacts mitigation plans;
  3. Endorsement of a lease agreement to use the land for the duration and area to which the license relates by the Ministry of Mines and Petroleum;
  4. Where necessary, approval of compensation and resettlement agreements by the Ministry of Mines and Petroleum;
  5. Endorsement of permit for constructing infrastructure within the license area by the Ministry of Mines and Petroleum;
  6. Endorsement of Community Development Agreement by the holder, relevant community and Government representatives, and other relevant parties; and
  7. Confirmation of bank statement indicating that the holder has financial security or bank guarantee held in an agreed upon bank escrow account in accordance with the provisions of this Law.

**Article 60: Obligations of an Exploitation License Holder**

- (1) The holder of Exploitation License shall have the following obligations:
1. Implement the work program and any other agreements on infrastructure as set forth in the final feasibility study;
  2. Obtain written approval from the Ministry of Mines and Petroleum of any modification to the work plan;
  3. Give written notice to the landowner prior to commencing mining operations or mine development activities in the license area;
  4. Implement the Community Development Agreement as per the terms and conditions therein;
  5. Comply with the annual expenditure requirements as included in the exploitation work program;
  6. Allow right of way, construction of water supply system, canals, pipelines, sewers, drains, wires, transmission lines, public roads, rail, and public utilities provided that they do not interfere with mining operations;
  7. Implement its reclamation and mine closure plans in accordance with the provisions of this Law and relevant Regulations;
  8. Removal of waste and tailings in accordance with its Waste Management Plan; and
  9. Transfer and removal of all temporary buildings, equipment or machinery that has been erected or installed and rehabilitation of the surface of the land to the satisfaction of the Mining Inspectorate within two (2) months from the date of expiration of the License unless the Ministry of Mines and Petroleum decides otherwise.

## **CHAPTER NINE: SMALL-SCALE MINING LICENSE**

### **Article 61: Grant of a Small-Scale Mining License**

- (1) The Ministry of Mines and Petroleum shall, within two (2) months of receiving a proposal made by a bidder, reviews/evaluates the proposal and shall decide whether to endorse, reject or amends the proposal.
- (2) Where the proposal stipulated in the Paragraph (1) of this Article is endorsed, the Ministry of Mines and Petroleum grants the Small-Scale Mining License to the winning bidder subject to this Law, otherwise the Ministry, as the case may be, will notify the bidder in writing on the proposal rejection.

### **Article 62: Duration of a Small-Scale Mining License**

- (1) A Small-Scale Mining License shall be for a period not exceeding ten (10) years from the date of registration and is extendable.
- (2) The holder of Small-Scale Mining License shall, in case the mineral resource still remains and the holder is interested to extend its license, submit an application to extend the license area, three (3) months before the license expiration, with consideration of an estimate of mining exploitation period of the relevant mineral deposit to the Ministry of Mines and Petroleum.
- (3) The Ministry of Mines and Petroleum may extend the license term to be appropriate with volume of the remained deposits provided that the holder is in compliance with all its obligations in this Law and Regulations and the license terms and conditions. A Small-Scale Mining License may be extended for subsequent terms, each not to exceed five (5) years.
- (4) Where a holder has made an application for an extension of the term of the Small-Scale Mining License, the rights of the current Small-Scale Mining license shall continue in force until it naturally expires.

### **Article 63: Small-Scale Mining License Area**

- (1) The area defined in a Small-Scale Mining License shall be of contiguous blocks and shall not exceed one (1) square kilometre and a depth of sixty (60) meters. The minimum size of the area and its shape, orientations and dimensions shall be set forth in the Regulations.
- (2) The holder of Small-Scale Mining License may surrender all of its license area to the Ministry of Mines and Petroleum, provided that the holder has fulfilled all obligations stipulated in this Law, Regulations and the license conditions.
- (3) The holder of Small-Scale Mining License may, in accordance with the provisions of this Law and Regulations, submit an application to increase its license area to the Ministry of Mines and Petroleum. Provided that the Small-Scale Mining License area shall not be increased more than one (1) square kilometer.

#### **Article 64: Rights Conferred by a Small-Scale Mining License**

The holder of a Small-Scale Mining License shall have the following rights within its license area in accordance with the provisions of this Law:

1. Obtain access to the license area;
2. Install and erect equipment, machinery, construct infrastructure and buildings for the purposes of mining, storage, transporting, and processing of minerals recovered during mining operations;
3. Construct any facilities required for processing including waste dumps and tailings dams;
4. Take and remove rock, soil and minerals from the land before or after processing in accordance with its work program;
5. Stack or dump a mineral or waste product as included in its Waste Management Plan and assess the environmental and social negative impacts and environmental and social Management Plan;
6. Utilize water as required to conduct Small-Scale Mining activities in accordance with provision of the Law; and
7. Conduct other activities related to Small-Scale Mining.

#### **Article 65: Obligations of a Small-Scale Mining License**

(1) The holder of Small-Scale Mining License shall have the following obligations to:

1. Comply with its work program and budget approved by the Ministry of Mines and Petroleum;
2. Implement a plan to employ Afghan citizens and to procure goods and equipment from Afghanistan;
3. Develop and implement a Community Development Agreement in accordance with the provisions of the relevant Regulations;
4. Provide rights of way to establish of waterways, canals, pipelines, sewers, drains, wires, transmission lines, public roads, and other public utilities provided that they do not interfere with mining operations;
5. Remove and bury waste in accordance with its Waste Management Plan; and
6. Implement its reclamation and mine closure activities in accordance with the provisions of this Law and Regulations.

(2) Where the quantity of production, volume of extraction and mining operation capacity of the holder has exceeded the level of operation prescribed for a Small-Scale Mining operation in the License and mine deposit is proven to be larger, the Ministry of Mines and Petroleum may, up on endorsement of the Commission and in accordance with this Law and the relevant Regulations, grant the Exploitation License.

(3) Where the holder of Small-Scale Mining License fails to win the bidding for Exploitation License stipulated in the Paragraph (2) of this Article, preferably the priority right for the grant of Exploitation License, taking winning bidder's amount into consideration, will be given to the holder of Small-Scale Mining License.

**Article 66: Small-Scale Mining Activities not to commence until conditions met**

- (1) Upon registration of license and confirmation that the following has been completed, a holder of a Small-Scale Mining License may commence any of the following mineral activities:
1. Endorsement of its plans including work program and budget, approved health and safety plan, rehabilitation and mine closure plan, program for development from the Ministry of Mines and Petroleum and Petroleum
  2. Obtaining necessary permit from the National Environmental Protection Agency;
  3. Confirm the agreement for land lease, compensation, resettlement or other agreement in place with land owners, and related institutions by the Ministry of Mines and Petroleum;
  4. Obtaining permits for constructing of any infrastructure within or for associated infrastructure without the license area is underway;
  5. Signed Community Development Agreement(s) between the holder, community representatives, relevant government authorities and other relevant parties; and
  6. Submission of bank statement indicating that the holder has sufficient financial assets or has submitted banky guarantee to be held in an agreed upon bank escrow account as may be prescribed in accordance with the Laws.

**CHAPTER TEN: ARTISANAL MINING LICENSE**

**Article 67: Grant of an Artisanal License**

- (1) An application for the grant of an Artisanal Mining License shall be made to the Ministry of Mines and Petroleum and include the following information:
1. For a natural person, the name, address;
  2. For a legal person, the legally registered name and address and certification of incorporation including the names of shareholders who holds ten (10) per cent or more share of the company;
  3. A statement affirming that the applicant meets the eligibility requirements under this Law;
  4. The specified period of validity of a Small-Scale Mining License;
  5. A detailed statement of past relevant work;
  6. A description and map of the area;
  7. An Environmental and Social screening report as the case may be;
  8. The type of mineral or minerals to be exploited;
  9. Details of any license previously held within Afghanistan by the applicant; and
  10. Any additional information that may be deemed necessary by the Ministry of Mines and Petroleum or the applicant.
- (2) The Ministry of Mines and Petroleum shall, within one month after receiving the application, review/evaluate and after distinguishing the [applicant's] capacity, financial and technical capabilities and eligibility, decide whether to endorse, reject or amend the application.
- (1) Where the Ministry of Mines and Petroleum endorsed the application, the Ministry will grant the Artisanal Mining License to the applicant; [if decided] otherwise, the Ministry will notify

the applicant in writing.

- (2) The holder may be granted up to five (5) Artisanal Mining License that are not contiguous and up to two (2) Artisanal Mining License in a contiguous area provided that it is eligible and in compliance with the provisions of this Law and relevant Regulations.

**Article 68: Duration of an Artisanal Mining License**

- (1) An Artisanal Mining License shall be valid for five (5) years after its registration.
- (2) The Artisanal Mining License may, after its expiration, be extended for continuous terms up to five (5) years each until the end of the remaining deposit.
- (3) The holder of an Artisanal License shall, three (3) months before the expiration of the license, submit an application to the Ministry of Mines and Petroleum to extend the license and include/consider an estimate of the remaining mine deposit.
- (4) The Ministry of Mines and Petroleum shall extend the license in accordance with the provisions of this Law.

Where a holder of an Artisanal Mining License has made an application for an extension of the license period, the rights of the [original] license shall continue in force in respect of the land and minerals that are the subject of the application until the application is determined or it naturally expires.

**Article 69: Artisanal Mining License Area**

- (1) The area in respect of an Artisanal Mining License shall not exceed one (1) hectare, as adjusted to the cadastral block system.
- (2) Once granted, an Artisanal Mining License area may not be enlarged in size.

**Article 70: Rights conferred by an Artisanal Mining License**

The holder of an Artisanal License shall have the following rights within its license area:

1. Obtain access to the license area;
2. Install equipment and ordinary machinery and erect buildings and pathways as is required and in accordance with the provisions of this Law.
3. Process any mineral derived from operations within the license area;
4. Take and remove rock, earth, soil and minerals from the land with or without processing;
5. Stack or dump a mineral or waste product;
6. Utilize water as required to conduct artisanal mining activities; and
7. Conduct other activities related to artisanal mining.

**Article 71: Obligations of an Artisanal Mining License Holder**



(1) The holder of an Artisanal License shall have the following obligations to:

1. Conduct exploitation only within the license area in accordance with the provisions of this Law and relevant Regulation;
2. Comply with the work program;
3. Observe good mining practices, health and safety rules, and protect the environment including undertaking remedial work during mining operations;
4. Minimize negative social impacts and contribute towards community development where possible; and
5. Unless the Ministry of Mines and Petroleum has otherwise decided, remove within one month (1) from the date of the expiration of the Artisanal Mining License any installations, buildings, equipment or machinery to the satisfaction of the Mining Inspectorate and rehabilitate any damage caused by the removal.

## **CHAPTER ELEVEN: QUARRY AND CONSTRUCTION MATERIALS AUTHORIZATION**

### **Article 72: Application for Quarry and Construction Materials Authorization**

An application form for an Authorization that includes the following information shall be submitted to the Ministry of Mines and Petroleum in the capital [Kabul] and to its provincial directorates in the provinces:

1. The legal name and address of the applicant;
2. A statement affirming that the applicant meets the eligibility requirements under this Law;
3. The proposed duration of the Authorization;
4. A detailed statement of previous relevant work experience;
5. Type of minerals that are going to be extracted;
6. Details of any Authorization held within Afghanistan by the applicant; and
7. Any additional information that may be deemed necessary by the Ministry of Mines and Petroleum or the applicant.

### **Article 73: Grant of Quarry and Construction Materials Authorization**

- (1) The MINISTRY OF MINES AND PETROLEUM and its local authority shall, after receiving the application for quarry and construction materials, review the application; in case the applicant is eligible and has paid the required fees will be granted the Authorization. Where the application is rejected, the applicant will be provided with justification in writing.
- (2) The holder may, in accordance with the provisions of this Law, be granted up to five (5) Quarry and Construction Materials Authorization that are not contiguous and up to two (2) Quarry and Construction Materials Authorization in a contiguous area provided that it is eligible and in compliance with the provisions of this Law.

#### **Article 74: Duration of Quarry and Construction Materials Authorization**

- (1). An Quarry and Construction Materials Authorization shall be valid for five (5) years after its registration and may be extended for continuous terms up to five (5) years each.
- (2). The holder of an Artisanal License shall, one (1) month before the expiration of the license, submit an application to the Ministry of Mines and Petroleum in the capital (Kabul) or to its local authority in province [to extend the authorization]. Where the application is endorsed, the authorization will be extended otherwise the applicant would be provided with written justification [for application rejection].

#### **Article 75: Quarry and Construction Materials Authorization Area**

- (1) The area in respect of a Quarry and Construction Materials Authorization shall not exceed one (1) hectare, and depth of more than thirty (30) meters;
- (3) An Quarry and Construction Materials Authorization holder may, in accordance with the provisions of this Law, surrender all of its license area to the Ministry of Mines and Petroleum, provided that the holder has fulfilled its obligations in accordance with this Law, Regulations and terms and conditions stipulated in the authorization.
- (4) Once granted, a Quarry and Construction Materials Authorization area may not be enlarged in size.

#### **Article 76: Restrictions on Quarry and Construction Materials Authorization**

- (1) A Quarry and Construction Materials Authorization may not be granted in the following circumstances:
  1. Where the area or part of it for which an application is submitted overlaps with the existing Quarry and Construction Materials Authorization;
  2. Where mining operations in the authorization area is prohibited.
  3. Where a new mineral deposit is discovered within a Quarry and Construction Materials Authorization area, and it is deemed by the Ministry of Mines and Petroleum that the national interest is better served by exploitation of the deposit on an industrial scale, the Ministry of Mines and Petroleum may revoke the Quarry and Construction Materials Authorization in accordance with the provisions of this Law and relevant Regulations, and pay compensation to the holder. The newly discovered mineral, may be tendered out by the Ministry of Mines and Petroleum in accordance with the provisions of this Law.

#### **Article 77: Rights conferred by a Quarry and Construction Materials Authorization**

The holder of a Quarry and Construction Materials Authorization shall have the following rights within its authorization area:

1. Obtain access to the authorization area;
2. Install equipment, installations and ordinary machinery and erect buildings in accordance with the provisions of this Law;
3. Process any mineral derived from operations within the authorization area.

**Article 78: Obligations of a Quarry and Construction Materials Authorization Holder**

(1) The holder of a Quarry and Construction Materials Authorization shall have the following obligations to:

1. Conduct exploitation within the authorization area in accordance with the provisions of this Law and relevant Regulation;
2. Comply with the work program;
3. Observe good mining practices, health and safety rules, and protect the environment; and
4. Contribute towards minimizing environmental and social impacts where necessary.

**CHAPTER TWELVE:  
REGULATING FEES, TAXES, RENTS AND ROYALTIES**

**Article 79: Fees**

(1) The type, amount and other matters relevant to non-recoverable fees for the issuance of licenses, bidding letter, and other requirements shall be stipulated in the Regulations.

**Article 80: Taxes**

(3) License holders, contractors, sub-contractors, advisors, experts and their employees shall be obliged to pay all applicable taxes, customs duties, and other taxes in accordance with the provisions of this Law and other relevant applicable laws.

(4) No license or authorization holder and contractor is obliged to pay land taxes.

**Article 81: Surface Rent**

- (1) The Ministry of Mines and Petroleum, with the agreement of the Commission , may prescribe the rates of annual surface rent payable on a per square kilometer, of state owned land, that may vary by license type as prescribed. Surface rent payments are not recoverable by the holder.
- (2) Reconnaissance activities shall not be subject to surface rent.

### **Article 82: Royalty**

- (1) A holder license or authorization shall be liable to pay a royalty on minerals and semi-processed or processed minerals calculated as may be prescribed in this Law and relevant Regulations.
- (2) Reconnaissance License and Exploration License activities shall not be subject to royalty.
- (3) Royalty shall be paid in accordance with terms and conditions of license and authorization and the provisions of this Law into a dedicated State Treasury account to the bank. Each royalty payment of gross revenue shall be accompanied by details of the mineral produced, sold or transported.
- (4) The Mining Cadastre shall inspect and examine any samples, books, records and accounts and obtain information necessary to ascertain the quantity or value of mineral products necessary to verify the amount of any royalty payable.

### **Article 83: Recovery of debt**

- (1) A fee, rent, royalty or other payments of public property shall be paid to State Treasury Account to the bank. If the holder denies or delays its payment, such payment may be recovered by an authorized court as the debt of the holder from its properties [or wealth].

## **CHAPTER THIRTEEN: HEALTH AND SAFETY**

### **Article 84: Responsibilities of holder**

- (1) With respect to health and safety, a holder of Exploration License, Exploitation License, Small-Scale Mining License and Artisanal Mining License shall have the following duties:
  1. Appoint a person in charge [manager] responsible for ensuring safe working practices during mineral activities in the mine area;
  2. Prepare a Health and Safety Plan in accordance with the provisions of this Law and each license type which shall be made known to the employees and other individuals who enter the exploration or mine area;
  3. Provide and maintain safe and healthy working conditions for its workers, support workers, and any other staff or visitors;
  4. Provide safety training to miners;
  5. Provide safety equipment, clothing, and tools as is necessary and to ensure that they are

- used by the miners; and  
6. Provide grievance mechanism for staff.

- (2) Upon suspension or closing of a mine the holder shall, in compliance with its mine closure plan, ensure that any open area, tailings or water retention areas, any hazardous materials, infrastructure or equipment are safeguarded and take other necessary actions to ensure that the area is safe.

### **Article 85: Rights and responsibilities of workers relevant to health and safety**

- (1) Workers shall have the following rights and responsibilities with respect to health and safety, to,
1. leave a work environment which they reasonably find to be dangerous or unsafe;
  2. refuse to carry out illegal mining even at the order of their managers;
  3. not engage in exploration or exploitation activities in violation of the license, authorization, contract or applicable laws;
  4. use personal protective equipment and clothing;
  5. notify a supervisor or mine manager of any violation or dangerous situation at or near the exploration area or mine site;
  6. not misuse equipment and machinery or otherwise cause damage to the mining operation
  7. other rights and obligations stipulated in the Labor Law [of Afghanistan].

### **Article 86: Reporting of Incidents**

- (1) A holder shall record and maintain the documents relevant to any incidents, loss of life, financial loss, and injury as a result of any mining or exploration activities, and report any unsafe and unhealthy working conditions including recommendations to the Ministry of Mines and Petroleum for how to remove the conditions.
- (2) A holder has a duty to timely report any incident to the Mining Inspectorate and where applicable, to halt operations until safe conditions are restored.

## **CHAPTER FOURTEEN ENVIRONMENTAL PROTECTION AND COMMUNITY DEVELOPMENT**

### **Article 87: Environmental and Social Impact Assessment**

- (1) The holder of a license shall comply with the conditions set forth in the license and applicable laws and as the case may be, conduct an assessment of environmental and social impacts which shall include:
1. A detailed study of the natural and man-made environment of the license area prior to any mineral activities, based on measurements and indices with respect to the quality of

air and water, soil, trees, and animals, and other flora in order to provide a comprehensive environmental baseline to be measured from that time; and

2. An Environmental and Social Management Plan that includes a detailed description of reclamation activities and mine closure including:
  - i. Detailed data regarding contaminating substances and resources;
  - ii. Identification of likely environmental impacts, including water, air and soil pollution and damage to flora and fauna, and poisoning and destructive substances of environment;
  - iii. A review of the impacts of tailings;
  - iv. Mitigation actions to be taken with respect to each environmental impact of each contaminating source;
  - v. The methods and equipment required to mitigate environmental impacts and measures to be taken to anticipate expected impacts;
  - vi. Timetable for implementation of the Plan;
  - vii. Projected budget and its timetable to achieve environmental objectives;
  - viii. Introduction of employees responsible for implementation of environmental mitigation;
  - ix. Introduction of an employee as the monitoring officer, the methodologies to be used for monitoring, and sources of funding for monitoring activities;
  - x. Consultation with area residents and relevant government agencies in relation to environmental and social impacts; and
  - xi. Submission of an Environmental and Social Management Plan in accordance with the provisions of the Law.

- (2) Whenever the holder proposes to materially amend its work program, it shall provide sufficient reason to the relevant agency that it will implement an appropriate environmental and social management plan.

#### **Article 88: Annual report on environmental and social impacts**

- (1) Following the first full year of mining operations, a holder that is required to provide an Environmental and Social Management Program Report shall submit to the Ministry of Mines and Petroleum an “Environmental and Social Management Program Report”.
- (2) The holder shall submit an annual Environmental and Social Management Program Report that contains all of the required information and data to the Ministry of Mines and Petroleum and the National Environmental Protection Agency.
- (3) The Ministry of Mines and Petroleum and the National Environmental Protection Agency may assess the report stipulated in the Paragraph (2) of this Article, if the report is not in compliance with the license and relevant permit terms, the Ministry of Mines and Petroleum may suspend the license or the permit until the deficiency is rectified.

#### **Article 89: Financial security for environmental protection and rehabilitation**

- (1) The holder of a license shall, for the purpose of compliance with its environmental and social protection obligations, including rehabilitation of the site, resettlement, mine closure and compensation of affected communities based on the provisions of this Law and relevant Regulations, pay financial guarantee as is determined under Paragraph (1) of Article 87 of this Law.
- (2) The amount of guarantee shall not be subject to any increase unless warranted by changing costs of performance of any condition, unforeseeable change in the mineral activity, change in the financial capacity of the holder or other conditions with the provisions of this Law and Regulations.

### **Article 90: Community Development**

- (1) Community development is part of any mining operation that shall be undertaken with a view to undertaking the joint objectives of the holder and community inhabitants provided that are not against the provisions of the law.
- (2) Community development stipulated in Paragraph (1) of this Article, may be carried out for the purpose of assisting the inhabitants of communities affected by mineral activities in order to promote sustainable local economic development, the general welfare and quality of life of the inhabitants, recognizing and respecting the rights, customs, traditions and religion of local communities.
- (3) The holder of an Exploitation License or a Small-Scale Mining License shall, in consultation with community inhabitants and affected persons, prepare and implement a Community Development Agreement that include the details of the Environmental and Social Impact Assessment or Screening Report and the Environmental and Social Management Plan in the different phases of the mining operations.
- (4) Funding and other affairs related to Community Development Agreement shall be set forth in the Regulations.
- (5) Environmental, social and environment, and community development reports and studies that are submitted by the license holder are non-confidential.

## **CHAPTER FIFTEEN: DISPUTE RESOLUTION**

### **Article 91: Dispute Resolution**

- (1) Where a dispute arises from mineral activities between a license holder or State or a holder of a license and non-State actors, the parties may settle the dispute by mutual agreement or the source [authority] defined in the contract for dispute resolutions. Where such authorities are not defined [in the contract] the parties may refer to one of the following:
  1. arbitration by an expert up on the agreements of the parties;

2. assignment of a Dispute Resolution Panel of impartial/independent experts that shall be comprised not less than three (3) and more than five (5) members as follow:
  - i. One (1) Government representative where the Government is not a party to the dispute;
  - ii. One (1) or Two (2) independent eligible experts; and/or
  - iii. One (1) or Two (2) qualified mining experts.

The expenses of Panel members shall be shared as agreed by the Parties.

(2) Whenever the parties do not consent to the decision made by the experts, the parties may, within thirty (30) days of such determination refer the dispute to one of the following for final resolution:

1. The Financial Dispute Resolution Commission as stipulated in the Da Afghanistan Bank Law ;
2. The International Center for Specific Investment Disputes (ICSID);
3. Arbitration under the United Nations Commission on International Trade Law (UNCITRAL); or
4. An authorized Afghan court or any other court or arbitration authority to which the parties have agreed.

(3) The decision made in Paragraph (2) of this Article shall be final and applicable.

(4) In circumstances stipulated in Paragraphs (1) and (2) of this Article, the license shall remain in force until a decision on the matter of dispute is finalized or until the license expires; unless the holder requests to suspend its license or to surrender part of its obligation to the Ministry of Mines and Petroleum. The Ministry of Mine, based on the dispute, situation and type of license, may make a determination to suspend the license, reduce the license area or to revoke the license.

### **Article 92: Dispute Resolution Committee**

A Dispute Resolution Committee shall, after the date this Law comes into effect, be established under the Ministry of Mines and Petroleum for the investigation and resolution of claims or disputes relating to rights to conduct mineral activities. The composition of the Claims Committee shall be recommended by the Ministry of Mines and Petroleum and approved by the Commission.

### **Article 93: Right to Appeal**

Any applicant or license holder may appeal any decisions made by any authorized body stipulated in this Law. The procedures for appeal shall be set forth in the Regulations.



**CHAPTER SIXTEEN:  
FINANCIAL GRANTEES AND PROTECTION OF INVESTMENT**  
**Article 94: Financial Guarantee**

Before commencing any mineral activity and mining operation, the holder of license shall deposit a financial guarantee to the Ministry of Mines and Petroleum as security for compliance with the obligations set forth in its license. The amount, manner of payment and any other affairs relevant to financial guarantee will be set forth in the Regulation.

**Article 95: Transferability of Capital**

- (1) The holder of a license may, for the purpose of acquiring goods and services in order to conduct its mineral activities, open a bank account in an Afghanistan based bank.
- (2) A holder of a license shall abide by banking laws of Afghanistan where it has paid taxes and fulfilled other financial obligations and state required payments, it may carry out the following activities,
  1. maintain a bank account in Afghan and foreign currencies in Afghanistan-based banks,
  2. import foreign currencies into the country to conduct mineral activities;
  3. transfer foreign currencies abroad in order to pay foreign suppliers for goods and services necessary to conduct of mineral activities;
  4. transfer foreign currencies abroad for the payment of dividends, profits or other amounts arising out of its mineral activities to non-resident shareholders;
  5. transfer foreign currencies abroad for the repatriation of foreign capital invested in its mineral activities;
  6. transfer foreign currencies abroad that have been obtained from the sale of contractual assets or of compensation of damages related to foreign investment; and
  7. purchase Afghanis and foreign currencies at the market rate of exchange for the purpose of performing of mineral activities.

**Article 96: State Guarantees**

- (1) The State, in accordance with the provisions of this Law and other relevant laws, guarantees to the holders of licenses the following:
  1. Freedom to organize their assets and businesses as they deem fit;
  2. Freedom to employ personnel needed to carry out mineral activities, provided that priority shall be given to employing Afghan citizens with equal qualification in terms of education and experience;
  3. Free movement of personnel of the license holder and its affiliates within Afghanistan in accordance with the provisions of the Law;
  4. Freedom to import goods and services necessary for mineral activities;
  5. Freedom to sell the products in the domestic markets and to export the products to international markets; and
  6. Maintain facilities for the purpose of acquiring the required documents needed for the foreign employees.

## **CHAPTER SEVENTEEN: ANTI-CORRUPTION MEASURES**

### **Article 97: Prohibition of Favoring Government Staff (Unacceptable Practices)**

Where an applicant, a holder of license, authorization or contractor, or any other person on behalf of them directly or indirectly provides any money or any other in-kind payments intended to as a gratuity, gift or any other favor to any Afghan Government employee or any third party for the purpose of making that person grant any license, authorization, or contract [to the applicant or holder] or other relevant facilities, it shall be considered a criminal act and the perpetrator shall be prosecuted under administration corruption provision.

### **Article 98: Extractive Industries Transparent Initiative**

The Ministry of Mines and Petroleum, the Ministry of Finance, holder of a license, contractor or other relevant agencies shall, for the purpose of transparent and effective management of mining revenues, comply with the financial reporting requirements and standards of the EITI.

## **CHAPTER EIGHTEEN: OTHER MINERAL ACTIVITIES**

### **Article 99: Right of the owner or occupant of land**

The owner the occupant of land may, for the purposes of constructing buildings, roads or for agricultural purposes, use the construction materials that are obtained from its land.

### **Article 100: Processing of minerals**

Holders of an Exploitation License, Small-Scale Mining License and Artisanal Mining may, in accordance with the provisions of this Law and Regulations, undertake the processing of the mineral which is subject of their license (as much as possible within Afghanistan).

### **Article 101: Transportation and storage of products**

- (1) A holder has the right to transport and store minerals originating from within its license area.
- (2) Transport or storage of products beyond the license area shall be carried out in accordance with the relevant laws of Afghanistan and license conditions.

### **Article 102: Sale and export of mineral products**

- (1) The holder of an Exploitation License, Small-Scale Mining License and/or Artisanal Mining License may freely sell its minerals or export its minerals provided that the holder has complied with all prescribed requirements including those with respect to domestic and foreign testing and assaying.

**NOT FOR DISTRIBUTION**  
**DRAFT FOR REVIEW**

Unofficial English Language Version  
May 6, 2013

(2) For the sale or export of restricted substances, special authorizations may be required as prescribed in law.

## **CHAPTER NINETEEN: INFRASTRUCTURE**

### **Article 103: Use of Infrastructure**

- (1) Whenever a holder constructs roads, railways, power plants or other infrastructure inside or outside of the license area, they may be used by the owners of the neighboring mining, industrial and commercial establishments, subject to prior agreement with the holder and on payment of fair compensation.
- (2) Where the infrastructure is located within the mining area and is constructed by the license holder, the appropriate permission to use must be obtained from the holder.
- (3) Where the infrastructure is located outside the mining area and is not constructed by the license holder, shall be available for use by the public, public administrations and non-government agencies.
- (4) At the request of a holder or other party, or when deemed warranted for public interest, the Ministry of Mines and Petroleum may intervene to resolve any disputes through Dispute Resolution Authorities relating to the matters provided for in Paragraphs (1), (2), or (3) of this Article.

### **Article 104: Right of the State over Infrastructure**

- (1) All public utility infrastructure built by the license holder shall become property of the State upon expiration or revocation of the license.
- (2) Processing plant, conveyor and other equipment used during mineral activities must be removed by the holder at its own cost, unless they have become the property of State in accordance with the provisions of this Law and relevant Regulations.

## **CHAPTER TWENTY: MISCELLANEOUS**

### **Article 105: Existing Licenses**

- (1) Any license granted or contract signed by the Ministry of Mines and Petroleum prior to the adoption of this Law shall continue in force until its expiration or termination and they shall be regulated by the Law under which it was granted.
- (2) Where any license or contract stipulated in Paragraph one (1) of this Article expires, the holder of a license or contractor may, on priority basis, apply to obtain a new license over the same area or its extension thirty (30) days prior to expiration of its license based on the provisions of this Law and relevant Regulations.

### **Article 106: Use of Explosives**

The holder and the contractor may use explosive substances during exploration and exploitation activities in accordance with the provisions of the law and the relevant Regulations.

#### **Article 107: Discovery and Reporting of Archeological and Cultural Relics**

- (1) If, in the course of mining operations, a holder discovers any signs or marks of historical and cultural works or other archaeological and cultural works, , it shall timely notify the Ministry of Culture and Information through the Ministry of Mines and Petroleum about the discovery.
- (2) Where continued exploration or exploitation activities would damage the archeological items stipulated in Paragraph (1) of this Article, the holder of license, authorization or the contractor shall cease mineral activities at the site until the relevant agencies give permission to resume activities.
- (3) The holder of license, authorization or contractor shall not move any of the items mentioned in Paragraph (1) of this Article without the permission from the relevant authority, but shall safeguard and maintain them until they are moved [by the relevant government officials].
- (4) If the relevant organization does not take action to transfer the found items within thirty (30) days from notification, the expenses incurred by the holder of license or authorization and the contractor and the work delay shall be compensated by the relevant Government agency.

#### **Article 108: Legal Violations**

- (1) Where any provision of this Law or the Regulations is contravened by the holder of license, authorization and the contractor, they shall, as the case may be, compensate the damage and pay the penalty stipulated in the Regulations in accordance with the provisions of the Civil Law, Commercial Law and Criminal Law.
- (2) Implementation of the damages compensation and penalties required under Paragraph (1) of this Article shall, as the case may be, be under the authority of the Inspectorate and the competent court.
- (3) Where any action, that is considered a crime, is committed, compensating the damage and paying the penalties does not relieve the prosecution of the perpetrator.

#### **Article 109: Local procurement**

- (1) A license or authorization holder and contractor shall employ one hundred percent (100%) Afghan nationals as skilled, unskilled and vocational labor in its mineral activities (projects) in accordance with the provisions of this Law.
- (2) A license or authorization holder and contractor shall, in its recruitment of experts, give priority to Afghan nationals having similar skill and profession over foreign experts.

- (3) A license holder shall give priority to procure Afghan goods and services provided they are substantially equivalent to foreign goods in terms of quantity, quality and price.

#### **Article 110: Confidentiality**

- (1) Information, data and reports submitted or required by this Law shall be considered as non-confidential unless prescribed in this Law or relevant Regulations to be confidential.
- (2) Technical, geological and financial records or reports submitted under Article twenty seven (27) of this Law shall be treated as confidential and not be divulged without the written consent of the license or authorization holder and the contractor. Matters [information or reports] that are considered confidential shall become non-confidential ten (10) years after creation and one (1) year after expiry or termination of the license, authorization or the contract.
- (3) The information stipulated in Paragraph (2) of this Article may be disclosed before the period specified in law in the following:
1. Where the disclosure is necessary based on the court order;
  2. Where, the issue has criminal root and the disclosure is considered necessary for the purposes of a prosecution.

#### **Article 111: Notices and Communications**

- (1) The license holder and the contractor shall, for the purpose of providing point of contact in Afghanistan, have a certain/specific address in Afghanistan and provide it to the Ministry of Mines and Petroleum and shall notify the Ministry of Mines and Petroleum in writing within thirty (30) days of any change of address.
- (2) The Ministry of Mines and Petroleum shall publish notice of any suspension, surrender and revocation of any license and any enlargement and extension matters in accordance with the relevant Regulation.

#### **Article 112: Language (Applicable Language)**

- (1) Documents and correspondence, in addition to one of the two languages [of Afghanistan], Pashto and Dari, may be provided in English and the national (official) Language of the other party.
- (2) Any foreign language document that is submitted shall be accompanied by a translation into one of the two official languages of Afghanistan, Dari or Pashto, translated by a certified or authorized translator at the expense of the applicant. The translation is valid up on endorsement of the legal authorities.

#### **Article 113: Compliance with the instructions from the Inspectorate**

- (1) A license or authorization holder or contractor shall, for the purpose of preventing or removing the cause of any dangers resulting from mineral activities in connection to the health and safety of workers, protection of water reservoirs, and public utility infrastructure [during mineral activities], comply with the legal orders that are issued by the Inspectorate.
- (2) If a license or authorization holder and contractor fails to comply with the orders stipulated in Paragraph (1) of this Article and fails to take immediate corrective action, the corrections shall be made and implemented by the relevant public authorities without consultation of the license or authorization holder or contractor, and any expenses incurred shall be collected from the license or authorization holder and the contractor.

#### **Article 114: Impose of Regulations**

The Ministry of Mines and Petroleum may, for the purpose of better implementing the provisions of this Law, recommend regulations and prepare guidelines and procedures provided that they do not contradict the provisions of this Law and the relevant Regulations.

#### **Article 115: Effective Date**

This Law shall enter into force as of the date of promulgation in the Official Gazette. Upon its enforcement, the Mines Law of Afghanistan adopted and published in The Official Gazette Number (972) from the year 1387 (2009) and other provisions that are inconsistent with this Law shall be void.

**End.**