

# New Mining Charter open for comment

The long-awaited Mining Charter has been gazetted by Minister of Mineral Resources, Gwede Mantashe, and the public now has 30 days to comment.



©Aleksandr Khakimullin [123rf.com](https://123rf.com)

A previous version of the charter was challenged in court by the Minerals Council of South Africa, formerly known as the Chamber of Mines, on the basis that the then-minister, Mosebenzi Zwane, arbitrarily decided on transformation goals without consulting the industry.

The Zwane iteration gave mining companies a year to comply with the 30% black ownership requirement, while the latest draft gives them up to five years to comply.



Chamber of Mines postpones Mining Charter court application

19 Feb 2018



“If you compare this charter and the other one that was taken to court by the chamber, very different animals and the reason for that is that we’re serious about listening to the concerns of all the stakeholders,” Mantashe said.

It concedes to the once empowered always empowered principle, missing from the previous version, which means South African companies will be credited for past black-empowerment deals even when their investors later sold their shares to whites or foreigners.

The Minerals Council, representing 90% of the mining industry, said it would need time to "study the document" and consult with its membership before forming a "comprehensive view".

## **Areas of concern**

The council has pointed out areas of concern, including a provision for free carry interest on new mining rights.

"As previously explained, the industry does not favour a requirement of 10% free carry on new mining rights as part of the proposed 30% BEE equity ownership target, as it would render uneconomic a significant proportion of potential new projects, and would undermine and constrain any prospects for growth in the sector and indeed the economy as a whole," the council said.

"The Minerals Council will continue to participate fully in the engagement processes led by the DMR (Department of Mineral Resources), and looks forward to the planned summit where it anticipates meaningful discussions will take place."

According to the draft, for new mining rights a minimum 30% black ownership requirement includes a 5% free-carried interest and 3% financed interest each for workers and mining communities. The remaining 14% is for black investors.

For more, visit: <https://www.bizcommunity.com>