

SENEGAL

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FIRM INFORMATION

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RELEVANT AUTHORITIES AND LEGISLATION

What Laws Regulate Mining

In Senegal, mining activities are currently regulated by the following laws:

- Regulation 18/2003 / CM / UEMOA of 23 December 2003 being the Community Mining Code of the member countries of the West African Economic and Monetary Union (UEMOA);
- ECOWAS Directive C / DIR 3/0509 of 27 May 2009 on the harmonization of guiding principles in the mining sector
- Law No. 21016-32 of November 8, 2016 on the mining code (local law);
- Decree 2017-459 laying down the procedures for the application of Law N ° 2016-32 concerning the Mining Code Law on the Environment Code of Senegal plus its implementing decree;
- Order defining the definition of gold panning corridors in Kédougou and Tamba.

The above-mentioned legislation is in the process of being amended and a new one will be further enacted.

Which Government Bodies Administer Mining Law

There are three directorates under the Ministry of Mines and Geology who manage the mining sector in Senegal.

Government agencies	Missions
The Mining Operations Control and Supervision Directorate (DCSOM)	Ensure control and monitoring of the execution of research and exploitation operations and the collection of related data.
The Directorate of Prospecting and Promotion Mining (DPPM)	Contribute to the implementation of the mining prospecting policy and the promotion policy of the mining sector.
The Directorate of Mines and Geology (DMG)	Contribute to the implementation of the mining policy through the development and application of the legislative and regulatory framework of the mining sector and to ensure the management of the mining cadastre.

Types of and Manner of Acquisition of Rights

The rights granted to conduct mining activities in Senegal are as follows:

Prospecting authorization

Any legal person may engage in prospecting activities in all or part of the territory, subject to prior obtaining of a prospecting permit issued by the competent departments of the mines administration under the conditions fixed by decree.

The authorization is issued for a period not exceeding 6 months by the Minister of Mines. It is renewable once, in the same form, if the beneficiary has complied with its obligations. The prospecting authorization may be withdrawn or restricted for failure to fulfil the obligations provided for in this Code.

Research License

The research permit is issued for a period not exceeding four years by order of the Minister of Mines, subject to the prior rights of third parties on the perimeter on which it bears. It can be owned by any legal person.

For the same substance, the same legal person may not possess more than two research permits.

The research permit is renewable twice, by order of the Ministry of Mines for consecutive periods not exceeding three years each time.

At each renewal twice, by order of the Ministry of Mines for consecutive periods not exceeding three years each time.

At each renewal of the research permit, its area is reduced by one quarter.

Mining exploitation license

The mining title of exploitation concerns the mining license. It constitutes immovable property and must be compulsorily owned by a commercial company under Senegalese law. It is subrogated in the rights of the holder of the research license from which it derives. The operating permit is indivisible.

The mining license is issued by decree, for a minimum period of five years and not exceeding 20 years, renewable. The period of validity of the mining exploitation is fixed according to the importance of the proved reserves highlighted in a feasibility



study and the investments necessary for the development and the exploitation.

The mining permit may be renewed by decree, for one or more periods, in the same forms, until the deposit is exhausted.

In case of exploitation of a mining license without renewal of it, the mine and its dependencies are transferred in full ownership to the State, free of all charges, including its dependencies.

OIL AND GAS

What Rights are granted to Conduct Oil and Gas Exploration and Production?

According to Petroleum Code dated on 1998, Oil and Gas exploration and production (which are not considered as mining operations) are granted under these following rights:

- Authorization for prospecting for a period not exceeding 2 years or
- Hydrocarbons exploration permit initial period of not more than four years;
- Interim Authority to Operate (IAO) a period of 2 years during the period of validity of the hydrocarbons exploration permit;
- Hydrocarbon exploitation concession: a period that cannot exceed 5 years but could be renewed once for a maximum period of 10 years.

INDIGENISATION

Are there any Requirements in Relation to the Holding of Equity in Exploration and Mining Projects by Indigenous Peoples?

The Government is to be awarded for free 10% of the equity of the resource company that will have to operate the exploitation. The Government can also negotiate for him and/or the private national sector an additional 25% equity interest.

Are there any Special Rules or Restrictions Applicable to Foreign Applicants?

No, there aren't.

Identify any Rights that the State May have. Does the State have any Rights to Equity in Mining Projects?

The Government is to be awarded for free 10% of the equity of the resource company that will have to operate the exploitation. The Government can also negotiate for him and/or the private national sector an additional 25% equity interest.

PROCESSING AND BENEFICIATION

Are there any Restrictions on the Export of Minerals?

Subject to foreign exchange controls and after having met all legal requirements, there are no restrictions on the export of Minerals.

DISPOSALS OF RIGHTS AND CONTROLLING INTERESTS

Are there any Statutory Consents Required to Dispose of Rights to Explore and Mine?

No statutory consents are required according regulations governing the mining operations, but the authorization of Minister in charge of Mines and the payment of the duties and taxes normally due are needed.

Are there any Restrictions on Disposals of Controlling Interests in Entities Holding Exploration or Mining Rights?

No.

USE OF SURFACE OF LAND INVOLVED IN PROSPECTING AND MINING ACTIVITIES

What are the Rights of the Holder of an Exploration Right or Mining Right to use the Surface Necessary or Incidental to an Exploration or Mining Operation?

Authorization for prospecting gives to its holder a non exclusive right of prospecting available for targeted substances over the permitted area. Authorization for prospecting is considered as movable property.

Mining permits gives to its holder a right to occupy in the national territory like:

- Occupy the lands necessary for the carrying out of the research and operations, the carrying out of the related activities and the construction of the personal dwellings;
- Search and extract construction and stone materials;
- Cut the woods needed for this work;
- Conducting surveys for water supply for staff, construction, installations.



ENVIRONMENTAL

What Legislation Governs Environmental Protection of Exploration and Mining Sites

Exploration and mining sites by any environment requirement imposed either by the Mining law or the Environment Code in addition to the fact that an environment impact survey should be first conducted.

NATIVE TITLE AND LAND RIGHTS

Is there any Native Title which has any Implication for the Exploration and Mining Industry?

Occupation of lands by the permit holder gives rights to landowners or occupants just and adequate reparation for any material prejudice caused.

HEALTH AND SAFETY

The Mining Law provide that any legal person carrying out prospecting, research or exploitation of mineral substances must respect the rules of hygiene and safety, in order to guarantee the safety of persons and goods in mines and quarries.

ROYALTIES AND TAXES

Area Royalties:

The mining title holder has to pay annual "area royalties" as following:

- Mining exploration permits and each renewal:
 - First period of validity: 5000 FCFA/Km²/ year
 - First period of renewal: 6500FCFA/Km²/year
 - Second period of renewal: 8000FCFA/Km²/year
- Mining operation permits and each renewal: 250.000 FCFA/ Km²/year
- Authorization of exploitation of little mine: 50.000 FCFA/ha/ year at the delivery and each renewal
- Permanently quarrying permit: 50.000 FCFA/ha/year at the delivery and each renewal
- Authorization of exploitation of semi-mechanized mine: 50.000 FCFA/ha/year at the delivery and each renewal

Mining royalties

Most of the tax provisions of the old code were transferred to the tax code in 2012 (pursuant to Law No. 2012-31 and Law No. 2012-32 of December 31, 2012). This is also the case in the new mining code with the exception of surface royalties, mining royalties and for certain taxes.

The "mining tax" must be paid quarterly and deducted from the market value of the marketed product, as follows:

Iron-ore	Concentrated	5%
	treated	5%
Phosphate	Calcium aluminate and lime phosphate	5%
	Phosphoride acid	1,5
Gold	Concentrated	5%
	Treated abroad	5%
	Treated locally	3,5%
Other substances		3%

Exemptions:

Between the date of grant of the mining title and the date of commencement of commercial production (Investment Period), the mining company is exempt from all taxes, including value-added tax and port charges.

However, several taxes are not affected by this exemption, including:

- The statistical fee;
- Community levy; and
- Other applicable Community taxes.

In addition, the exemption from the export tax has been abolished.

Fixed entrance fees

The allocation, renewal, extension, extension, or transformation as well as the transfer or improvement of research and exploitation mining titles are subject to the payment of fixed entry fees, paid in one installment, as follows:

Research License	2 500 000 F CFA
Operating license	10 000 000 F CFA
Permanent Quarry Permit	2 500 000 F CFA
Temporary Quarry Operating Authorization	1 000 000 F CFA
Authorization to operate a small mine	2 500 000 F CFA
Semi-mechanized mining authorization	1 500 000 F CFA
Authorization for artisanal mining	50 000 F CFA

