

Transaction of Minerals: the Regulation in Ethiopia

Description

By Mahlet Mesganaw, Partner at DMLF



The Transaction of Minerals Ratification Proclamation No. 1144/2019 governs the transaction of minerals resources after production. The Proclamation covers all transactions of minerals produced from all mining operations conducted in Ethiopia. The FDRE Constitution provide that the rights to ownership of all natural resources of Ethiopia is exclusively vested in the government and its people. Accordingly it has become necessary to regulate the transaction of minerals by a proclamation. We shall briefly look into the competency requirements, licenses required, eligibility, duration of licenses and a brief conclusion shall follow.

Authority and Ministry

The licence issuing Authority and the Ministry mentioned in the Proclamation are the Ministry of Trade and Regional Integration and the Ministry of Mines, respectively. These Federal organs issue mineral

refining, smelting for metallic and associated minerals and mineral exporters certificate of competence. Licences and certificates other than the once given to the authority or Ministry are given by the Regions.

Certificate of Competence

To transact minerals, a person has to qualify to carry out the trade. The following certificates of competence (coc) may be requested and upon fulfillment of the requirements, issued : a) mineral supplier coc, b) mineral crafting coc, c) mineral refining coc, d) mineral smelting coc, d) mineral transaction coc and f) mineral export coc.

Licenses

Any person who wishes to trade in minerals shall present a coc and shall be issued with the following License : a) mineral supplier licenses b) mineral crafting license c) mineral refining license d) mineral smelting license d) mineral trade license and e) mineral export license.

Eligibility

Among the Licenses referred above, mineral supplier license or gold and silver smelting license **shall not be issued to foreign investors**. A holder of a mining license shall not be issued with a supplier licence. Similarly regarding eligibility for coc, mineral transaction or export certificate of competence shall not be issued to foreign investors.

Duration and Renewal

Any license or coc shall be valid for one year from the date of issuance subject to renewal upon fulfillment of the requirements.

In conclusion, the Transaction of Minerals Proclamation aims to modernize the mineral transaction scheme so as to create proper structure that enhances the contribution of the mining sector to the economy of Ethiopia. The Proclamation also enables investors engaged in mineral transactions perform their rights and obligations as per the rules and regulations.

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Retirement Visa: A Need for Incorporation into the Immigration Laws of Ethiopia

By DMLF in collaboration with Geda Yosef Introduction A retirement visa is a special type of visa issued by some nations that allows people with adequate financial resources to live in a specific foreign country for an extended period of time. Retirement visas bring

several advantages for developing countries like Ethiopia in terms of socio-economic...

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By Geda Yoseph, Associate at DMLF Introduction In recent years, Ethiopia has undergone several reforms in different sectors; among these, transport and logistics. The State has taken several reforms for the effective utilization of its resources, mainly by focusing on renewable energy and the introduction of electric vehicles. In order to achieve this plan, the...

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Ethiopia's Liberalization of Export, Import, Wholesale and Retail Trade for Foreign Investors

By Mahlet Mesganaw, Partner at DMLF Introduction The Ethiopian Investment Board by Directive Number 1001/2024, issued the "Directive to Regulate Foreign Investors' Participation in Restricted Export, Import, Wholesale and Retail Trade Investments"(the Directive). The Directive shall come into force as of the date when it is posted on the web pages of the Ministry of...

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Income Generating Business Activities for Civil Society Organizations

By Dagnachew Tesfaye, Managing Partner at DMLF The Ethiopian Civil Society Organization Proclamation Number 1113/2019(the Proclamation), done as of March

12,2019, is enacted to regulate civil society organization. This Proclamation has allowed civil society organizations to engage in income generating business activities. To regulate in detail the business engagement of civil society organizations, the Authority...

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By Geda Yoseph, Associate at DMLF Introduction The Federal Supreme Court Cassation Division on Cassation on File No. 185895 dated 24/02/2021, passed a binding decision as to whether an agreement on property of the man and woman made during an irregular union that lasted more than three years is required to be presented to court...

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By Geda Yoseph, Associate at DMLF Irregular union is a relationship that is similar to marriage but actually it is not a marriage. Irregular union also produces legal effects. Ethiopian Federal Family Law recognizes the existence of irregular unions and as a result attached some legal consequences to the union. Some of these effects are...

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