

(Translation)

Official Gazette (1281)

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**Royal Decree**

**No. 19/2019**

**Promulgating the Minerals Resources Law**

**We, Qaboos bin Said**

**Sultan of Oman**

After perusal of the Basic Law of the State issued by the Royal Decree No. 101/96,  
The Expropriation of Ownership for Public Interest Law issued by the Royal Decree No. 78/64,  
The Protection of National Heritage Law issued by the Royal Decree No. 6/80,  
The Territorial Sea and the Continental Shelf and Exclusive Economic Zone Law issued by the Royal Decree No. 15/81,  
The Organization of the Accounting and Auditing Profession Law issued by the Royal Decree No. 77/86,  
The Financial Law issued by the Royal Decree No. 47/98,  
The Protection of Water Resources Law issued by the Royal Decree No. 29/2000,  
The Protection of Environment and Pollution Control Law issued by the Royal Decree No. 114/2001,  
The Nature Reserves and Wildlife Conservation Law issued by the Royal Decree No. 6/2003,  
The Mining Law issued by the Royal Decree No. 27/2003,  
The Labor Law issued by the Royal Decree No. 35/2003,  
The Royal Decree No. 79/2013 issuing the System of the Special Economic Zone in Duqm,  
After presentation to the Council of Oman,  
And based on the public interest,

**Decreed as follows**

**Article One**

The attached Mineral Resources Law shall come into effect.

**Article Two**

The Board of Directors of the Public Authority for Mining shall issue the Executive Regulations of this Law within (1) one year from its issuance and decisions required for the enforcement of its provisions. Until then, the existing regulation and decisions shall remain in force without prejudice to the provisions of this Law.

**Article Three**

The concluded exploitation agreements and the licenses issued before this Law enters into force shall remain applicable provided renewal thereof according to the provisions stipulated therein.

Decisions on licenses applications submitted before this Law come into effect shall be pursuant to the controls and procedures stipulated therein.

**Article Four**

The Mining Law issued by the Royal Decree No. 27/2003 and all that violates this Law or contravenes its provisions shall stand as cancelled.

**Article Five**

This Decree shall be published in the Official Gazette and come into force after (30) thirty days of its issuance.

**Issued on: 8 Jumada Thani 1440 AH**

**CT: 13 February 2019 CE**

**Qaboos bin Said  
Sultan of Oman**



**Minerals Resources Law**

**Part One**

**Definitions and General Provisions**

**Chapter One**

**Definitions**

**Article (1)**

In the application of the provisions of this Law, the following terms shall have the respective meanings set for them unless the context otherwise requires:

**Authority:**

The Public Authority for Mining.

**Board:**

The Board of Directors of the Authority.

**CEO:**

Chief Executive Officer of the Authority.

**Competent Entities:**

The governmental units other than the Authority to which stakeholders should refer according to their respective terms of reference under the laws and regulations in force.

**Raw Materials:**

The raw materials of mines, quarries, or salterns.

**Mines:**

The sites under the ground or on the surface from which raw materials are extracted.

**Quarries:**

The sites under the ground or on the surface (open-pit mine) from which raw materials are extracted.

**Salterns:**

The sites from which salts are extracted.

**Mines Raw Materials:**

The minerals and their raw materials, rocks, layers, and mineral and chemical deposits, precious stones and the likes, and mineral water extracted from subsoil if exploited for mineral production.

**Quarries Raw Materials:**

Rocks, rubble, sands, clay, volcanic ash, marble, granite and other materials used in construction, laying and paving roads.

**Minerals:**

Any solid material that is naturally homogenous due to inorganic processes and has a specific chemical composition.

**Precious Minerals:**

Natural minerals that have a chemical composition and economic value, such as gold, silver, and platinum.

**Precious Stones:**

Any mineral or rock that has a value, beauty, transparency, and brightness whose solidity is not less than (7) seven on the Mohs hardness scale and usable for ornamentation and jewelry making.

**Prospecting:**

The preliminary examination of the surface or at depth to detect any raw materials of mines, quarries, or salterns.

**Exploration:**

The detailed search for raw materials in mines, quarries, or salterns. It includes testing the compositions and properties of the raw materials, locating and identifying the size, shape, condition and quality thereof and assessing their economic feasibility.

**Exploitation:**

The process of extracting the raw materials from mines, quarries, and salterns with a view to process them to be usable.

**License:**

The written permission issued by the Authority to the licensee to practice one or more activities subject to the provisions of this Law.

**Licensee:**

The natural or legal person to which the Authority issues a license.

**Concessionaire:**

The natural or legal person with whom the Authority concludes the concession agreement.

**Regulations:**

The Executive Regulations of this Law.

## **General Provisions**

### **Article (2)**

The raw materials of the mines, quarries, and salterns located in the Sultanate's territories, internal and regional waters, waters of the exclusive economic zone, and the areas of the continental shelf of the Sultanate shall be State property. The State shall maintain and optimally exploit them. No person can own, acquire, exploit, or dispose of the same except in accordance with this Law.

### **Article (3)**

Without prejudice to the provisions that governs the Special Economic Zone in Duqm, the Authority alone shall conclude the concession agreements and issue the licenses for prospecting, exploration, and exploitation of raw materials or any related activity. This shall be as per the conditions and controls of this Law.

Moreover, the Authority shall regulate the operations of prospecting, exploration, and exploitation of the raw materials as well as oversight and control of all matters related to maintenance and optimal exploitation of the mineral resources delineated in the Regulations.

### **Article (4)**

It is not permissible to issue an exploitation license of raw materials for area site that exceeds (5) five square kilometers, or an exploration or an exploitation licenses of precious minerals and stones unless a concession agreement is concluded in the way stipulated in this Law.

### **Article (5)**

The exploitation license holder or concessionaire may utilize the building materials required for the exploitation construction works only and located in the area the subject of the license or the concession agreement without paying a royalty. However, the licensee shall inform the Authority of the extracted quantities and their uses.

### **Article (6)**

The Authority shall prepare geological and mining maps, studies, and researches for the purposes of prospecting and exploration of the mineral resources. After coordination with the competent authorities, PAM may request allocations of areas for the purpose of the above-mentioned activities and may consider these areas of economic potentials. The allocation shall be pursuant to a decision issued by the Council of Ministers.

**Article (7)**

The competent entities shall provide the Authority, when requested, with maps they possess of the sites that might be affected with the activities subject to the provisions of this Law . They shall also coordinate with the Authority with regards to provision and of facilities and infrastructure to the mining areas and their development without prejudice to the provisions of the laws and systems in force.

**Article (8)**

The Authority may offer some sites for prospecting, exploration and exploitation on competitive bidding and in accordance basis principles of transparency, equal opportunities, equality, and freedom of competition. This bidding process shall be according to a special regulation issued by the Board that includes the methods and procedures of contracting, bidding, awarding, and bid assessment. This shall not follow the provisions of the Tenders Law.

**Article (9)**

The Authority shall coordinate with the competent entities on the sites that may include mineral resources, notably at the border areas not less than (6) six kilometers from the international borderline, near the military installations, security, governmental, archeological, or natural reserve areas. This shall also apply to the sites that include dams, tanks, *Falajs* oil and gas pipelines, power and communications networks, or residential areas.

In all cases, the Authority shall consider environmental, health, and public safety requirement.

**Article (10)**

According to the controls and conditions set out in the Regulations, the Authority may allow the universities, institutes, and specialized research centers to conduct scientific research related to the activities subject to the provisions of this Law for limited periods against a special written permission unassignable to others. The Authority shall issue such permission only when it verifies the scientific and technical ability and solvency of the applicant. The Authority shall receive a copy of this research once completed. These entities shall not use

this research in any way, including partial or full publishing thereof or their abstracts or results in any media outlet without the approval of the Authority.

**Article (11)**

It is permissible to expropriate private properties due to their mining importance assessed by the Authority. It is also permissible to seize the same temporarily until the expropriation procedures are complete according to the conditions stipulated in the Law on Expropriation of Ownership for Public Interest. However, the assessment of the compensation shall not include the value of any mineral resources occurrence that may be found in the expropriated property.

**Article (12)**

Without prejudice to the provisions of the applicable laws, it shall be impermissible to export any raw materials subject to the provisions of this Law without the written approval of the Authority. According to its discretion, the Authority may determine the raw materials prohibited for export whenever the public interests so requires. This decision shall determine the ban period and the rules that ensure their optimal use within the local market.

**Article (13)**

The Authority shall prepare a mining register to document all licensing applications, concluded concession agreements, licenses issued pursuant to the provisions of this Law, names of the companies operating in the sector, and all geological and mining information and data. The person related to the mining sector may consult this register according to the controls and procedures set out in the Regulation.

This register shall also include the size of the economically feasible areas referred to in Article (6) of this Law and the distinctive areas that have commercial quantities of raw materials. The offering of such areas shall be according to the provisions of the Regulation referred to in Article (8) of this Law.

**Part Two**

**Licenses**

**Chapter One**

**Common Provisions**

**Article (14)**



No person shall carry out prospecting, exploration, or exploitation of the raw materials or practice any activities related to them unless licensed by the Authority.

The Authority shall issue the license after verifying the technical ability and solvency of the applicant and the submission of study approved by the Authority on the project cost. The Regulation shall determine the types and conditions of licenses, procedures and controls for their issuance, periods, renewal procedures, license application form and its details and enclosures, and the fees payable.

#### **Article (15)**

Before the issuance of the license, the applicant shall pay the Authority a financial guarantee of not less than (1%) one percent of the project cost approved by the Authority. This guarantee shall remain valid throughout the period the Authority determines to ensure the sound performance of the conditions of the license and fulfilment of the obligations stipulated in this Law. In case of violation of these conditions and obligations, the Authority shall seize that guarantee without prejudice to its right to impose the administrative sanctions stipulated in this Law and the Regulation.

#### **Article (16)**

The licensee shall pay an annual rent and royalty to the Authority for the licensed area, which the Authority shall transfer to the State Treasury.

The Regulation shall set the annual rent which is payable in advance. The royalty shall not be less than (5%) five percent of the total annual production of the raw materials the licensee exploits and as determined by the regulations for each mineral.

The licensee shall pay the entity determined by the Council of Ministers not less than (1%) one percent from the total annual production of the raw material the licensee exploits as a contribution to the development of the local community in the Wilayat in which the exploitation area exists. This shall be according to the controls set out in the Regulations.

#### **Article (17)**

For the preliminary approval of the license application, the Authority shall take the opinion of the competent entities and consider their decisions in this regard in terms of conditions and controls required by the urban

planning and housing, environmental affairs , safety, public health, security, and state defense. These entities shall respond to the request of the authority within (60) sixty days following serving the opinion request.

In case of lack of reply, objection, or rejection by any of the said entities in the previous paragraph, the Authority may refer the matter to the Council of Ministers to decide thereon when it considers this necessary.

#### **Article (18)**

The landowner shall not prospect or explore the raw materials located underground or on the surface and shall not exploit or dispose of the same without a license from the Authority according to the procedures, controls, and conditions set out in the Regulations including meeting technical ability and solvency requirements. The landowner shall be exempt from the prescribed rent but shall pay the royalty in full.

In exception to the above, the landowner may extract the raw materials located in this quarry to for the purpose of building and road constructions within the borders of the land provided this do not harm third parties.

#### **Article (19)**

The licensee is not permitted to carry out an exploitation activity outside the licensed area, continue to work after the expiry of the license if not renewed, or transcend the borders and scope of the license issued to him.

#### **Article (20)**

The licensee shall not sublease the licensed area, transfer the license issued to him pursuant to the provisions of this Law to third parties or transfer the rights and obligations arising from it without a written approval from the Authority and the payment of the prescribed fees. The Regulation shall set out the procedures and controls the licensee should follow in this case and the resulting consequences.

#### **Article (21)**

The licensee shall inform the Authority in case of amending its legal status, sale of shares, amendment of partners' shares, merger, division, acquisition, addition or introduction of new partners, or transfer of title through transfer or sale. The Authority shall take the appropriate procedures in this regard, including revocation of the license.

**Article (22)**

Without prejudice to the provisions of Article (4) of this Law, the Authority may amend the licensed area by increase upon the request of the licensee or decrease through the exclusion of any part thereof when the public interest so requires. This shall be as per the procedures and controls set out in the Regulation and in coordination with the competent entities.

**Article (23)**

The licensee may undertake all the works required for the practice of the licensed activity inside the licensed area, including the construction of buildings and facilities, constructing roads, and extracting samples of raw materials as set out in the Regulation provided obtaining prior approval from the Authority and the competent entities.

**Article (24)**

The licensee shall maintain the samples of the raw materials in a good condition in the licensed area and write the date and location of their extraction in a cautious manner. These samples shall be available for inspection by the Authority when it requires. These samples shall accrue to the Authority in case of cancellation or termination of the license.

**Article (25)**

The licensee, after a prior written approval by the Authority, may send samples of the licensed raw materials abroad to undergo all required tests for research or study purposes or to determine their contents and economic value. In all cases, the Authority shall receive the results of these tests.

**Article (26)**

The licensee shall take all measures to ensure full commitment to the laws and regulations in force in the State, in particular those related to the employment of the national workforce, safety and public health regulation, and the requirements of environment preservation.

**Article (27)**

In case of finding meteorite rocks, fossils, historical monuments, rare geological phenomena, or natural resources not subject to the provisions of this Law, the licensee shall stop the works and inform the Authority

immediately to take the required measures. The Regulation shall set out the procedures the licensee shall follow in this regard.

**Article (28)**

The Authority may visit and inspect the licensed area at any time, take and test samples of the extracted raw materials, and examine all facilities, equipment, and tools used in the way set out in the Regulation.

**Article (29)**

The licensee shall submit to the Authority all papers, information, or details it may request concerning the licensed activity. The licensee shall allow the employees of the Authority holding judicial enforcement authority to enter to the workplaces, meet and discuss the licensee's staff, and examine the books and records mentioned in Article (41) of this Law and all relevant papers.

Neither the licensee nor any other person shall prevent or attempt to prevent any of the employees of the Authority holding judicial enforcement authority from undertaking their functions and powers entrusted to them pursuant to the provisions of this Law.

**Article (30)**

The licensee shall be fully responsible for all the damages his activity invoke on third parties even if the damage takes place outside the licensed area as long as the occurrence thereof was due to his practice of the licensed activity.

**Article (31)**

Without prejudice to the sanctions stipulated in this Law or in any other law, the Authority may cancel the license in any of the following cases:

- 1- If the licensee does not commence the licensed works without permit or acceptable excuse up to (4) four months from the date he receives the licensed area, stops the work without a prior written permit from the Authority for (3) three consecutive months, or if proven unserious in practicing the licensed works.
- 2- If the licensee delays the payments of the royalty, rent or any other financial obligation to the Authority within (60) sixty days from the maturity date.

- 3- If the licensee subleases the licensed area or assigns the license, wholly or partially to a third party, without following the conditions and procedures stipulated in Article (20) of this Law.
- 4- If the licensee does not submit the reports referred to in Article (37) of this Law or statements and reports referred to in Article (42) thereof.
- 5- If it is found from the inspection reports that the licensee precluded the employees of the Authority who hold judicial enforcement authority from undertaking their functions stipulated in this Law.
- 6- If the licensee violates the license conditions or the provisions stipulated in this Law and the Regulation or the laws and systems in force in the State.
- 7- If the licensee practices an unlicensed activity or exceeds the borders or scope of the license.
- 8- If the licensee does not keep the books and records referred to in Article (41) of this Law.

#### **Article (32)**

In case of violation, Instead of cancelling the license, the Authority may take the following measures against the licensee:

- 1- It may warn him to remove the reasons of the violation within (30) thirty days from the date of warning.
- 2- It may suspend the license for not more than (30) thirty days renewable once or more for similar periods provided their total do not exceed (6) six months.

#### **Article (33)**

The license shall be terminated in any of the following cases:

- 1- If its period expires without a request for renewal.
- 2- If the Authority rejects license renewal provided its decision is justified.
- 3- If the licensee becomes insolvent or if the legal licensee has been subject to a final enforceable judgment declaring its bankruptcy.
- 4- In case of the dissolution, liquidation, or termination of the licensed legal person.
- 5- If the purpose of the license ceases to be.
- 6- If the Authority discovers the licensee has used fraud, cheating, or counterfeit, or submitted incorrect details or information.

- 7- If the licensee dies while the license is still valid but his heirs or any of them did not request to replace him within (60) sixty days from the date of death or if they requested that but they did not fulfil the conditions required according to the provisions of this Law.

#### **Article (34)**

Upon the expiry or cancellation of the license, the licensee shall rehabilitate the licensed area and remove the debris and deformities at his own expense in conformity with the requirements of preserving the environment. This shall be according to the way set out in the Regulation. This Regulation shall set out the guarantees for fulfilling this.

Excluded shall be the items the Authority decides to maintain and not to remove for considerations related to the public interest.

#### **Article (35)**

The raw materials and the debris it chooses to keep and all maps and details related to the license shall accrue to the Authority in case of the expiry or cancellation of the license.

### **Chapter Two**

#### **Provisions on Prospecting, Exploration and Exploitation Licenses**

#### **Article (36)**

The period of the prospecting and exploration license shall be (1) one year renewable for one or more similar periods totaling, originally and in renewal, not more than (3) three years conditional on the licensee's fulfilment of all his obligations. The issuance of the license shall be according to the procedures and controls set out in this Law and the Regulation.

#### **Article (37)**

The licensee to explore or prospect shall submit to the Authority a quarterly technical report that includes the prospecting and exploration operations he performed. He shall also submit a final report upon the expiry of the license showing the estimates of the discovered raw materials, their quality, commercial quantities, economic

feasibility, and any other details or information set out in the Regulation. The Authority may accept or reject these reports with a reasoned decision. It may refer the final report to one consultancy office known of efficiency and expertise in the mining sector for review and audit at the expense of the licensee.

In all cases, whoever have access to these details and information by virtue of their work shall keep the same in complete confidentiality, not disclose them, or make them available to others without a prior written permit from the CEO.

#### **Article (38)**

- 1- The licensee to explore shall have the priority in obtaining the prospecting license for the same area or a part thereof provided submitting an application within (3) three months from the date on which the Authority informs him of its approval of the final report referred to in Article (37) of this Law. Otherwise, the licensee shall forfeit his right in this regard.
- 2- If the Authority ascertains the validity of the estimates of the final report in Article (37) of this Law in terms of the existence of the mineral raw materials in commercial quantities in the licensed area, the licensee to explore shall have the priority in obtaining the exploitation license for the same area or a part thereof. This shall be conditional on the submission of an application within (3) three months from the date on which the Authority informs him of its approval of the final report referred to in Article (37) of this Law. Otherwise, the licensee shall forfeit his right in this regard.

#### **Article (39)**

The period of the exploitation license shall be (5) five years renewable for one or more similar periods conditional on the licensee's fulfilment of all his obligations. The issuance of the license shall be according to the procedures and controls set out in this Law and the Regulation.

#### **Article (40)**

The Authority shall not issue an exploitation license of a mineral raw material unless preceded by an exploration license for that raw material in the same area. This may be for all or part of exploration area. In issuing the exploitation license, the Authority shall use the proven facts in the final report referred to in Article (37) of this Law in terms of the existence of the mineral raw material in commercial quantities. The holder of the exploration

license shall develop an exploitation plan and program and set out the guarantees required for its implementation.

If the holder of the exploration license refuses to exploit the mineral raw material found in commercial quantities, if the period referred to in Article (38) of this Law without submitting an application, and in case of the license expiry or cancellation, the Authority shall have the right to exploit this mineral as shown in Article (8) of this Law.

In exception of the above, the Authority may issue a license for exploitation even if not preceded by an exploration license as for the quarries law materials whose nature do not require exploration operations and the areas of economic feasibility referred to in Article (6) of this Law.

#### **Article (41)**

The holder of exploitation license shall keep regular books and registers to document all the details related to the number of workers, quantities of extracted raw material, its type, results of its analysis, amounts transferred, stored and sold, average costs and other details and information set out in the Regulation.

#### **Article (42)**

The holder of the exploitation license shall submit to the Authority monthly statements on the extracted raw material, its quantities, analysis results, transferred, stored and sold amounts, average prices, used explosives, their quantities and balance. The licensee shall also submit quarterly reports on the details of the workers and the works of preparation, development, operation and exploitation the licensee undertakes in application of the licenses along with any other details and information set out in the Regulation.

#### **Article (43)**

The holder of the exploitation license cannot extract the licensed mineral because of its mixture with another raw material subject to the provisions of this Law, the licensee may extract the mixed mineral and inform the Authority within (15) fifteen days from the date of discovery.

The licensee shall then add the mixed mineral to the exploitation license to exploit the same and pay the royalty prescribed in the annual production of this mineral as set out in the Regulation.



**Part Three**

**Concession Agreement**

**Article (44)**

The Authority may grant a concession for the exploitation of the minerals subject to the provisions of this Law without prejudice to the rules and procedures set out in the Regulation, in particular:

- A- The concession period shall not be less than (20) twenty years and not more than (30) thirty years.
- B- The concession area shall not be less than (5) five square kilometers.
- C- The concessionaire shall have the technical efficiency and solvency.
- D- The Authority shall ensure the economic feasibility of the concession area and production level.
- E- The Authority shall determine the means of supervision and technical and financial follow up that guarantee good functioning in the concession area.
- F- The concessionaire shall submit an environmental impact study of the concession area, surrounding areas, possible risks due to his mining activity and methods of treatment, and the rehabilitation plan.

The Authority shall grant the concession after the approval of the Board and float a tender or competition thereon as set out in the regulation referred to in Article (8) of this Law.

**Article (45)**

The concession agreement concluded pursuant to the provisions of this Law shall not come into force until it has been ratified by a Royal Decree.

**Article (46)**

Without prejudice to the powers delegated to the Authority pursuant to the provisions of this Law and the concession right of the seller, it shall be impermissible to seize devices, tools, machinery, equipment, transport and towing means etc. used in the execution of the concession agreement. Any procedure to the contrary shall stand as invalid.

**Article (47)**

Before granting concession, the applicant shall pay the Authority a financial guarantee of not less than (1%) one percent of the project cost approved by the Authority. This guarantee shall remain valid throughout the concession period to ensure the sound performance by the concessionaire of all his obligations. The Authority may deduct from the financial guarantee in the terms and conditions stipulated in this Law and the Regulation referred to in Article (8) thereof.

In case of deduction from the financial guarantee, the concessionaire shall top up the guarantee amount within (3) thirty days from the date of informing him of the same in writing.

**Article (48)**

The concessionaire shall pay the Authority an annual rent and royalty for the concession area, which the Authority shall transfer to the State Treasury.

The conditions of the competition or tender shall stipulate the rent and the minimum royalty, which should not be less than (5%) five percent of the total annual production of the mineral subject to the concession agreement. This Agreement shall set out the date for payment of the rent and royalty, method of settlement, and the procedures the Authority should follow if the concessionaire delays payment.

The concessionaire shall also pay not less than (1%) one percent of the total annual production of the raw material subject to the concession agreement as a contribution to the development of the local community in the Wilayat in which the concession area exists. This shall be according to the controls set out in the Regulation.

**Article (49)**

The concessionaire shall not sell the funds and assets of the concession project or dispose of the same in any way unless for the implementation of the replacement and renewal program stipulated in the concession agreement and after the written approval of the Authority.

**Article (50)**

The concessionaire shall not assign any right or obligation arising from the concession agreement, replace himself with another or burden it with an in-kind right. Any procedure or act to the contrary shall stand as invalid.

However, the concessionaire may assign some of his financial rights arising from the concession agreement or burden it with an in-kind right according to a prior written approval by the Authority. However, this shall not affect the sound implementation of the concession agreement.

#### **Article (51)**

The concessionaire shall abide by all laws and regulations in force in the Sultanate, in particular those related to the employment of the national workforce, conditions of safety, public health and the requirements of environment preservation.

The concessionaire shall obtain all the licenses and approvals issued by the Authority and the competent entities. He shall not subcontract any person concerning the implementation of the provisions of this agreement without a prior written approval from the Authority. The Regulation shall set out the conditions and controls for that as well as the obligations imposed on the subcontractor.

#### **Article (52)**

The concessionaire shall stop any mining operations in the concession area in case of finding any natural resources not included in the concession agreement, historical monuments, meteorites, fossils, or rare geological phenomena. The concessionaire shall inform the Authority immediately to take the required measures. The Regulation shall set out the procedures and controls the concessionaire shall follow in this regard.

#### **Article (53)**

The concessionaire shall insure the fixed and movable assets used in the concession area against all risks of all types.

The concessionaire shall also insure the workers against the damages that may affect individuals, properties, public safety and health, or environment due to or because of the work or any omission or negligence. If any damages take place during the duration of the concession agreement, the Authority may take the procedures it

deems appropriate, including the repair of damages at the expense of the concessionaire in deduction from the financial guarantee referred to in Article (47) of this Law.

#### **Article (54)**

The concessionaire shall keep regular accounting books for all returns and expenses of the concession granted in the place designated by the Authority. The concessionaire shall also keep records to write down all the details and information related to the number of workers, extracted mineral, used explosives, their quantities and balance. The concessionaire shall also submit any other details and information set out in the Regulation.

The concessionaire shall make these books and records available to the Authority and submit them to whenever it requests the same along with the supporting documents. He shall provide the Authority with access to all papers, details, and technical, administrative, financial, or accounting data and information to check their validity along with copies thereof.

The Authority may assign the task of auditing the accounts of the concessionaire to a licensed auditor as per the Law regulating the profession of accounting and auditing. The licensed auditor shall be with efficiency, expertise and good reputation at the expense of the concessionaire.

#### **Article (55)**

The Authority shall have the right to enter to any place in the concession area and review the progress of work and its efficiency, assess the measures taken to ensure the health and safety of staff therein and third parties, and ensure the lack of any negative impact or damages on the environment, and public and private properties. It may issue orders and instructions in this regard and carry out the required inspection on all concession works according to the way set out in the Regulation and in cooperation with the competent entities if required.

Neither the concessionaire nor any other person shall prevent or attempt to prevent any of the employees of the Authority holding judicial enforcement authority from undertaking their functions and powers entrusted to them pursuant to the provisions of this Law.

#### **Article (56)**

The concession agreement shall expire after the lapse of its period without renewal or in case of declaring the bankruptcy of the concessionaire or his liquidation, dissolution or termination. Without the need of taking any

judicial procedure or paying any consideration or compensation, the minerals and their debris the Authority decides to keep, buildings, devices, tools, machinery, transport and towing equipment etc. used in the activity of the concession agreement shall accrue to the Authority. The financial guarantee deposited by the concessionaire shall also be the right of the Authority.

#### **Article (57)**

After warning the concessionaire, the Authority may terminate the concession agreement in case of repeated delay by the concessionaire to pay the royalty, rent or any other financial obligation on time without an acceptable excuse. This will also take place if the Authority ascertains the lack of seriousness of the concessionaire in practicing the works of the concession agreement or if he violates the provisions of Article (49, 50, 51, 52, 54, and 55 Paragraph 2) of this Law.

The Authority may terminate the concession agreement without warning if it finds out that the concessionaire has acquired the concession agreement through cheating, fraud, counterfeit, or submission of incorrect substantial statements or information.

In all cases, a Royal Decree shall terminate the agreement and the concessionaire shall not be entitled to any compensation for that. Shall accrue to the authority all the commodities and mining remains if the Authority decides to keep, buildings, devices, tools, and other items mentioned in Article (56) of this Law. The financial guarantee deposited by the concessionaire shall also be the right of the Authority.

#### **Article (58)**

Upon the termination of the concession agreement for any reason, the concessionaire shall rehabilitate the licensed area and remove the debris and deformities at his own expense in conformity with the requirements of preserving the environment except for the items the Authority determines to keep. This shall be according to the concession agreement.

#### **Part Four**

#### **Sanctions**

#### **Article (59)**

Without prejudice to any harsher sanction stipulated in any other law, the crimes mentioned in the following Articles shall be punishable by the respective sanctions.

**Article (60)**

Whoever extracts any mineral subject to the provisions of this Law without a license or a concession agreement shall be punishable by imprisonment for not less than (1) one years and not more than (3) three years and a fine of not less than (20,000) twenty thousand Omani Rials and not more than (100,000) one hundred thousand Omani Rials.

If the perpetrator had a license or a concession agreement and intentionally extracted the mineral beyond the borders of the license or agreement, he shall be punishable by imprisonment for not less than (1) one years and not more than (3) three years and a fine of not less than (50,000) fifty thousand Omani Rials and not more than (150,000) one hundred fifty thousand Omani Rials or either sanction.

In all cases, the mineral seized and all equipment, devices, tools, machinery, and vehicles used in the perpetration of the crime shall be subject to forfeiture along with the payment of double the extracted quantity of minerals for the benefit of the Authority.

**Article (61)**

Whoever commits fraud or cheating in the accounts or records of the license or concession activity or destroys or counterfeits any of them shall be punishable by imprisonment for not less than (1) one years and not more than (3) three years and a fine of not less than (10,000) ten thousand Omani Rials and not more than (50,000) fifty thousand Omani Rials.

The same sanction shall apply to whoever submits any false statements, details, documents, papers, or information related to the application of the provisions of this Law while aware of that.

**Article (62)**

Whoever commits any of the following acts shall be punishable by imprisonment for not less than (3) three months and not more than (1) one year and a fine of not less than (10,000) ten thousand Omani Rials and not more than (20,000) twenty thousand Omani Rials or either sanction:

- A- Refusal to submit the papers, data, or information referred to in Article (29) of this Law.

- B- Precluding or preventing one of the officers holding judicial arrest capacity from undertaking the functions and powers entrusted to them as per the provisions of this Law, or attempt or embark on doing that whether by force, violence or threat of using either of them.
- C- Not keeping the accounting books and registers referred to in Article (41) of this Law or refusal to submit them to the officers who have the right to inspect them.

**Article (63)**

Whoever violates the obligation stipulated in Articles (9, 34, 37, and 42) of this Law shall be punishable by a fine of not less than (10,000) ten thousand Omani Rials and not more than (20,000) twenty thousand Omani Rials.

In case of recurrence, the minimum and maximum limits of the sanction shall double.

**Article (64)**

The legal persons shall be criminally accountable and punishable by a fine of not less than (100,000) one hundred thousand Omani Rials and not more than (200,000) two hundred thousand Omani Rials in case of committing any of the crimes stipulated in this Law in their names, on their behalf, or through using their tools due to a serious negligence, consent, or collusion of its chairperson, a director, a manager or any other officer or anyone who acts in this capacity. This shall not be without prejudice to the criminal liability of the natural persons according to the provisions of this Law.

**Article (65)**

If the criminal receives any financial proceeds from any of the crimes committed within the scope of application of the provisions of this Law, they shall accrue to the Authority, which shall transfer the same to the State Treasury.

**Article (66)**

The CEO or the one he authorizes may reconcile in the crimes stipulated in Articles (60 Paragraph 2, 62, 63, and 64) of this Law regardless the condition of the public lawsuit and before the issuance of a final judgment thereon. This shall be for the payment of a financial amount of not less than double the minimum limit of the fine and

not more than double the maximum limit of the fine stipulated for that crime. There shall not be reconciliation in case of recurrence of violation.

Reconciliation shall end the public lawsuit in the crime.

#### **Article (67)**

If the concessionaire violates any of his obligations under this Law or the Regulation or if he does not implement the orders issues to him by the Authority, he shall pay a financial fine of (5,000) five thousand Omani Rials for each violation and for each day in which it continues.

Imposing this sanction shall not prejudice imposing the other sanctions and penalties stipulated pursuant to the provisions of this Law or Regulation.

#### **Article (68)**

The Regulation shall set out the procedures the Authority may take in case of proven violation of the provisions of this Law as well as the administrative sanctions it may impose on the violator, including the administrative fines, which shall not exceed (5,000) five thousand Omani Rials.

### **Part Five**

#### **Final Provisions**

#### **Article (69)**

The fines paid pursuant to the provisions of this Law shall accrue to the Authority, which shall transfer the same to the State Treasury. A percent of (20%) of the royalty shall go to the Authority.

#### **Article (70)**



The Authority employees subject to approval and in agreement with competent entity shall have the judicial enforcement authority as for the crimes committed in violation of the provisions of this Law and related to their respective functions.