



mineral resources

Department:
Mineral Resources
REPUBLIC OF SOUTH AFRICA

HIGHLIGHTS: MINING CHARTER 2017

ELEMENT	SALIENT POINTS
OWNERSHIP	<ul style="list-style-type: none"> • Minimum 30% BEE for all mining rights <ul style="list-style-type: none"> ○ 8% employees ○ 8% mine communities ○ 14% black entrepreneurs • Right-holders already at 30% not required to apportion • Minimum 50% plus 1 Black Person shareholding for all new prospecting rights; must include voting rights • Right-holder to pay 1% of annual turnover to the 30% BEE prior to any distributions to its shareholders. Provisions of <i>Companies Act 71, 2008</i> will apply • A holder who claims a Historical BEE Transaction (transaction that achieved 26% prior to 2017 Charter) must top up to 30% within 12 months. Applies even where the black person shareholding is no longer 26% due to either a BEE partner exiting or the contract with the BEE partner lapsing or the transfer of shares by the BEE partner to non-BEE persons. • A holder who has maintained 26% black person shareholding is required to top up its black person shareholding to 30% within 12 months of the 2017 Charter coming into effect.
EMPLOYMENT EQUITY	<ul style="list-style-type: none"> • Board level: 50% black; 25% to be women • Executive/Top management: 50% black; 25% to be women • Senior management: 60% black; 30% to be women • Middle management: 75% black; 38% to be women • Junior management: 88% black; 44% to be women
PROCUREMENT	<ul style="list-style-type: none"> • 70% of all mining goods to be from BEE entities • 80% of all services to be from BEE entities • 100% of mineral samples to be analysed by SA-based firms

	<ul style="list-style-type: none"> • Foreign suppliers to pay 1% of their annual turnover to the Mining Transformation and Development Agency.
BENEFICIATION	<ul style="list-style-type: none"> • A maximum offsetting of 11% against BEE shareholding; must meet the following criteria: <ul style="list-style-type: none"> ○ Invested in beneficiation since 2004; ○ the beneficiation must be in line with the definition of beneficiation contained in the MPRDA; ○ the Department of Mineral Resources must approve such beneficiation; ○ 11% offsetting will not apply to beneficiation that started after 2004 but has since ceased or that has been terminated; and ○ 11% offsetting can only be claimed if the beneficiation is still ongoing.
HOUSING AND LIVING CONDITIONS	<ul style="list-style-type: none"> • Principles as set out in the Housing and Living Conditions Standards for the Mining and Minerals Industry developed in terms of section 100(1)(a) of the MPRDA which includes: <ul style="list-style-type: none"> ○ decent standards of housing; ○ centrality of home ownership; ○ provision for social, physical and economic integrated human settlements; ○ involvement of employees in the housing administrative system; ○ affordable, equitable and sustainable health system; and ○ proper nutrition requirements and standards.
HUMAN RESOURCE DEVELOPMENT	<ul style="list-style-type: none"> • 5% investment of the Leviable Amount on skills development, apportioned as follows: <ul style="list-style-type: none"> ○ 2% on essential skills development activities such as artisanal training, bursaries, literacy and numeracy skills for employees and non-employees (community members); ○ 1% towards South African Historically Black Academic Institutions; and <p>2% towards the Mining Transformation and Development Agency.</p>