The Republic of the Union of Myanmar
National Unity Government
Ministry of Natural Resources and Environmental Conservation

Announcement No. (1/2023 )
The 10th Waning of Tapodwe, 1384 ME
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Procedures on Gemstone Mining and Manufacturing

The Ministry of Natural Resources and Environmental Conservation (MoNREC), with the consent of the National Unity Government, and exercising the power conferred under Section 69(b), Chapter 69 of the Myanmar Gemstone Law 2019, hereby issues the following procedures for the purpose of implementation of the Early Partnership Programme during the interim period.

Chapter (1)

The Rights of Permit Holders for Gemstone Mining and Production

1. An individual or a company holding the right of mining and production of gems (hereinafter referred to as the ‘permit holder’) that wishes to sublease or transfer the right of production to another party may apply to the Ministry under existing regulations.

2. Where the allotted gemstone block has sustained damages and requires preparation, the permit holder may apply for a specific time period for such preparation before commencing production.

3. Upon completion of the permit term of 3 years, an extension may be applied for a period up to 10 years.

4. The following rights are granted to the permit holder upon receipt of royalties and revenue due on excavated gemstones:

   (a) an unrestricted right to carry the same within the country
(b) an unrestricted right to conclude sales in domestic currency (kyats) or in foreign currency within the country

5. The following rights are granted to the investor in relation to processed gemstones, jewellery and gemstone products refined and processed in accordance with prescribed methods:
   (a) an unrestricted right to carry the same within the country
   (b) an unrestricted right to conclude sales in domestic currency (kyats) or in foreign currency within the country
   (c) an unrestricted right for export abroad

6. The permit holder may apply for the use of a temporary building, storage facility and quarters outwith the allocated gemstone block for a specified period for the purposes of mining and production, for storage of raw gemstones and waste, and for storage and maintenance of equipment and machinery, and for land washing and quarrying,

7. The permit holder may apply for tax exemption or relief on the cost of machinery and other raw material required for gemstone production.

8. The permit holder as an investor owning 49 per cent of the production rights shall bear the sole responsibility for the investment pertaining to exploration, equipment, manpower, administration and operation of the allocated block.

9. The permit holder may apply for consideration, specifically for reimbursement on additional investment pertaining to costs associated with production, and for depreciation of equipment and machinery either as a percentage of the profits or as an adjustment in permitted time.

**Chapter (2)**

**The Responsibilities of Permit Holders for Gemstone Mining and Production**

10. The permit holder is liable for taxes as specified under the Myanmar Gemstone Law and the provisions of existing laws governing allocation of federal resources.

11. The permit holder must undertake to minimise any adverse effect on the environment and the social and economic life of the local population; and where there are
adverse effects or damages, suitable redress and remediation must be provided to restore
the status quo ante.

12. Upon commencement of the operations, the permit holder must set aside a fund
that is no less than 2 per cent of the total investment towards environmental conservation,
health, education, transportation and other developmental needs of the local area to be
disbursed in consultation with the relevant federal unit or state government.

13. Upon completion of the excavation, the permit holder must undertake to restore
environmental conservation and greening as set out in the relevant environmental
conservation policies; and may also apply for the cost to be offset.

14. The permit holder must undertake operations with full transparency and uphold
international ethical, social and governance standards.

15. The permit holder must comply with the existing laws such as Myanmar Gem Law,
Environmental Conservation Law, and Labour Law throughout the tenure of the permit.

Chapter (3)

Commencement of operations in the Post-Revolution Period

16. A site supervisory committee shall be formed under the supervision of the Ministry
to conduct site measurement and inspection; this supervisory committee shall be
comprised of the prospective permit holder, other permit holders from adjacent gemstone
blocks, and external experts as members.

17. Subject to the inspection of the allotted gemstone block, the site supervisory
committee may make adjustments to the parameters of the gemstone block through
consultation and coordination should site conditions necessitate such adjustments,
depending on environmental and social criteria.

18. The site supervisory committee shall conclude work related to the assigned
gemstone block within a period not exceeding four months.

19. The site supervisory committee shall report its findings to the Ministry for review
and approval.

20. Upon approval, the prospective permit holder shall remit payments due to the
State in a single lump sum.
21. Upon receipt of the payment, a final contractual agreement shall be concluded between the prospective permit holder and the Ministry.

22. Upon conclusion of the final contractual agreement, the Ministry shall undertake a field survey of the allotted gemstone block in accordance with existing legislation and regulations and issue the permit for extraction and production of gemstones along with the map of the gemstone block map.

23. The permit holder may commence operations upon receipt of the official permit and the map of the allotted gemstone block.

Chapter (4)

General Provisions

24. Where the permit holder has failed to comply with the provisions of the existing laws and regulations, the Ministry reserves the right to issue warnings and directions, to suspend rights of extraction and production for a specified period of time or to revoke the permit in entirety.

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