NOTIFICATION

Peshawar dated the February 15, 2017

No.SO(E)/MDD/6-1/D&R/Vol-I/.7772-7962 In exercise of the powers conferred by the section 101 of the Khyber Pakhtunkhwa Minerals Sector Governance Act, 2016 (Khyber Pakhtunkhwa Act No. I of 2017), the Government of the Khyber Pakhtunkhwa is pleased to make the following rules, namely:

THE KHYBER PAKHTUNKHWA
MINERALS TITLES (LARGE AND SMALL SCALE MINING)
GOVERNANCE RULES, 2017.

1. Short title, application and commencement.--(1) These Rules may be called the Khyber Pakhtunkhwa Mineral Titles (Large and Small Scale Mining) Governance Rules, 2017.

(2) These rules shall apply for the grant, conversion, assignment, amendment, surrender, partial surrender, cancellation of large scale and small scale mining and renewal of mining leases for the purpose of clause (d) of sub-section (1) of section 9 and clause (b) of sub-section (2) of section 9 of the Khyber Pakhtunkhwa Minerals Sector Governance Act, 2016 (Khyber Pakhtunkhwa Act No. I of 2017).

(3) These rules shall come into force at once.

2. Definitions.--(1) In these rules, unless the text or context otherwise requires,-

(a) "Act" means the Khyber Pakhtunkhwa Minerals Sector Governance Act, 2016 (Khyber Pakhtunkhwa Act No. I of 2017);

(b) "assignee" means a person, firm or a company to whom a mineral title is assigned under these rules;

(c) "assignment" means transfer of a mineral title from one title holder to another person, firm or a company;

(d) "assignor" means holder of a mineral title, who assigns a mineral title under these rules;

(e) "Directorate" means the Directorate General, Mines and Minerals, Khyber Pakhtunkhwa;

(f) "facilitation desk" means the counter established for receiving the applications and consisting of officer(s) nominated by the Director General;
(g) "Form" means the Forms provided in the Schedules;

(h) "Licensee" means a person, a firm or a company to whom a prospecting license, a reconnaissance license, an exploration license or as the case may be, a mineral deposit retention license is granted under the Act and these rules including the successor-in-interest;

(i) "mineral title" for the purpose of these rules means the mineral title for large scale mining and small scale mining;

(j) "regional offices" means offices subordinate to the Directorate, established at various regions and districts of the Province; and

(k) "Schedule" means the Schedule appended to these rules.

(2) Words and phrases used in these rules which are not defined shall have the same meanings as given to them in the Act.

3. Applications for mineral titles.—(1) An application for the grant, conversion, assignment, amendment, surrender, partial surrender and renewal of a mineral title shall be on the Form as provided in Schedules I to XI of these rules.

(2) The application Form shall be accompanied by a treasury challan or a bank draft, in original, as given in Schedule XII.

4. Procedure of applications for the grant of a license.—(1) The Licensing Authority shall invite applications for the grant of a License through publication i.e. through website of the Department, print and electronic media:

Provided that the Licensing Authority may invite application for the grant of mineral deposit retention license, when required.

(2) Online applications in this respect shall be submitted through the website of the Department and shall also be required to submit the hard copy thereof, complete in all respects, along with the necessary requisite documents, duly signed by the applicant to the authorized officer(s) or the facilitation desk.

(3) No application for the grant of a license shall be considered as complete without the provision of the printed copy of the token number obtained from the website of the Department.

(4) The incomplete applications shall not be received by the authorized officer(s) or the facilitation desk in any case.

(5) Applications so received shall be scrutinized by the committees duly notified by the Department for respective regions and districts.

(6) The working paper shall be prepared after evaluation / scrutiny of each application by consulting the relevant record and other prerequisites.

(7) The working papers in shape of agenda items shall be submitted to the Mineral Titles Committee for consideration and decision thereof in its meeting.
(8) In case of approval of the application for grant of a mineral title, the person, firm or a company shall be informed through an offer letter duly conveyed via registered mail and also through electronic message on the address given in the application Form.

(9) In case of acceptance, the person, firm or a company shall execute an agreement as provided in Schedules XIII, XIV, XV, XVII with the officer(s) authorized by the Licensing Authority within a period of thirty (30) days from the date of issuance of the offer letter.

(10) The officer(s) authorized by the Licensing Authority shall issue allotment letter immediately after execution of the agreement.

(11) In case of failure to execute the agreement within specified period, the offer letter shall stand withdrawn.

5. **Procedure for conversion of licenses in large scale mining.**---(1) The holder of a reconnaissance license may apply to the Licensing Authority on the Form as provided in Schedule II, for conversion into exploration license at any time till the expiry of the license.

(2) The holder of an exploration license may apply at least one hundred and eighty days before the expiry of the exploration license to the Licensing Authority on the Form as provided in Schedules III & IV, for conversion into mineral deposit retention license or, as the case may be, a mining lease.

Provided that in case of failure to apply in one hundred and eighty days before the actual date of expiry, a fine at the rate of Rs. 10,000/- per day shall be imposed on the applicant that shall compulsorily be paid as arrears at the time of submission of application.

(3) The holder of an exploration license or mineral deposit retention license may apply at least one hundred and eighty days before the expiry of the exploration license or mineral deposit retention license, as the case may be, to the Licensing Authority on the Form as provided in Schedule IV, for conversion into mineral deposit retention license or to a mining lease, respectively.

Provided that in case of failure to apply in one hundred and eighty days before the actual date of expiry, a fine at the rate of Rs. 10,000/- per day shall be imposed on the applicant that shall compulsorily be paid as arrears at the time of submission of application.

(4) No application for conversion shall be entertained after expiry of the license.

(5) The licensee shall stop the operations forthwith in the area on expiry of the license.

(6) All cases submitted within time frame or delayed cases submitted after payment of fine or cases eligible otherwise pertaining to conversion of exploration license to mineral deposit retention license or mining lease or mineral deposit retention license to mining lease, as the case may be, shall be disposed of within ninety days.

6. **Procedure for conversion of licenses in small scale mining.**---(1) The holder of a prospecting license may apply for conversion of prospecting license into
mining lease at least three months before the expiry on the Form as provided in Schedule VI to the Licensing Authority for conversion into mining lease and in case of failure a fine as prescribed in the proviso of sub-clause (iv) of clause (f) of section 14 (f) of the Act shall be imposed.

(2) The mineral title holder shall stop forthwith the operations in the area on expiry of the license.

(3) All cases submitted within time frame or delayed cases submitted after payment of fine or cases eligible otherwise pertaining to conversion of prospecting license to mining lease, shall be disposed of within ninety days.

7. Consideration of applications for conversion of licenses.—(1) The granted area shall be inspected by an inspection team comprising of a Geologist, Mining Engineer and Surveyor to ascertain the status of operations completed and to verify the contents of the application. The inspection team shall submit its report within one month of the receipt of application.

(2) The working papers complete in all respect shall be placed before the Mineral Title Committee in shape of agenda item for its decision.

(3) The decision of the Mineral Titles Committee shall be implemented within one month.

(4) The holder of the mineral title shall execute a mineral agreement within the time limit given in the offer letter with the Licensing Authority or his authorized officer on the respective Forms as provided in Schedules II to IV & VI.

8. Procedure for Renewal of Mining Lease.—(1) The lessee shall submit application for renewal of mining lease at least six months before the expiry on the Form as provided in the Schedule XI along with requisite documents and fee.

(2) In case of failure to apply within six (06) months, a fine at the rate of Rs. 10,000/- per day in case of large scale mining lease and Rs. 5000/- per day in case of small scale mining lease shall be imposed and that shall compulsorily be paid at the time of submission of application but not later than one month before the actual date of expiry of the lease.

(3) All such applications shall be decided till the expiry of the lease.

(4) No application shall be entertained by licensing Authority or Appellate Authority submitted after the time lines mentioned in sub-rule (2)

(5) The mineral title holder shall stop the operations forthwith in the area on the expiry of the lease.

(6) The granted area shall be inspected by an inspection team comprising the concerned officers and surveyor to ascertain the status of mining operations and to verify the contents of the application. The inspection team shall submit its report within thirty days of the receipt of application.

(7) The working papers complete in all respects shall be placed before the Mineral Title Committee in shape of agenda item for its decision.

(8) The decision of the Mineral Titles Committee shall be implemented forthwith.
9. **Procedure for assignment of mineral title.**—(1) Every assignment shall be subject to compliance with the conditions given in sub-sections (2) of section 21 and section 53 of the Act.

(2) Subject to the restrictions of three mineral titles and area limitations provided in the Act, the excess unutilized area in these three mineral titles granted before the commencement of this Act shall be surrendered to the Licensing Authority and if such area found developed may be allowed for assignment in accordance with the Act.

(3) No mineral title shall be assigned without clearance of all Government dues.

(4) The terms and conditions of the mineral title shall remain the same as incorporated in the original mineral title agreement.

(5) An application for assignment of mineral title fulfilling pre-requisites as provided in these rule shall be submitted on the Form as provided in Schedule VIII accompanied by a bank challan as provided in Schedule XII.

(6) Upon receipt of application for assignment of a mineral title or a part thereof, the area shall be inspected by an officer authorized by the Director General along with surveyor for ascertaining the quantum of the development work and investment made thereon.

(7) The working paper complete in all respects shall be placed before the Mineral Title Committee in the given time frame in shape of agenda item for its decision.

(8) Upon approval of the application for assignment, the assignee shall be issued an assignment letter of the area as per terms and conditions of the original mineral agreement.

(9) In case of partial assignment of a lease, the area so assigned shall be demarcated by the surveyor of the Department within fifteen days of the approval against payment of demarcation fee to be determined by the Government.

(10) In pursuance of the assignment letter, a fresh agreement based on the terms and conditions of the original agreement shall be executed between the Licensing Authority or his authorized officer and the assignee.

(11) In case of rejection of an application for assignment, the applicant shall be informed accordingly.

(12) The assignor shall only be absolved of his obligations once the assignee assumes his obligations by producing the similar bank guarantee, performance guarantee and or security deposit as the case may be.

10. **Procedure for surrender of mineral titles.**—(1) An application for surrender of all mineral titles as a whole or in part, shall be made on the Form given in Schedule X.
(2) The application duly signed and complete in all respect shall be submitted in person to the concerned regional officer, who shall acknowledge its receipt.

(3) Incomplete application shall be returned along with the observations duly signed by the regional officer.

(4) In case of acceptance or rejection of the surrender or partial surrender of a Mineral Title by the Licensing Authority, the applicant shall be issued a certificate to this effect in the Form provided in Schedule XVIII.

11. Procedure for amendment of a prospecting license.—An application for amendment in prospecting license shall be treated as if it was an application for amendment of an exploration license as given in the relevant portion of Schedule II of the Act.

12. Framing of policy.—Subject to the provisions of the Act and the rules made thereunder, Government may devise policy pertaining to specific minerals.

Secretary to Govt: of Khyber Pakhtunkhwa,
Minerals Dev: Department

Endst: No & Date as above.
Copy to:
1. The Secretary to Governor, Khyber Pakhtunkhwa.
2. The Principal Secretary to Chief Minister, Khyber Pakhtunkhwa.
3. Military Secretary to Governor, Khyber Pakhtunkhwa.
4. All Administrative Secretaries to Government of Khyber Pakhtunkhwa.
5. All Divisional Commissioner’s of Khyber Pakhtunkhwa
6. Chief Commissioner, RTI, Khyber Pakhtunkhwa.
7. Accountant General, Khyber Pakhtunkhwa.
8. Secretary, Provincial Assembly Khyber Pakhtunkhwa.
9. The Director General, Mines & Minerals Khyber Pakhtunkhwa
10. The Chief Commissioner, Mines & Labour Welfare Khyber Pakhtunkhwa
11. The Chief Inspector of Mines Khyber Pakhtunkhwa
12. All Deputy Commissioners/Political Agent’s in Khyber Pakhtunkhwa.
13. All Heads of Attached Departments in Khyber Pakhtunkhwa.
15. Principal Staff Officer to Chief Minister, Khyber Pakhtunkhwa.
16. The Registrar, Peshawar High Court, Peshawar.
17. Secretary Public Service Commission Khyber Pakhtunkhwa.
18. The Registrar, Khyber Pakhtunkhwa Services Tribunal, Peshawar.
19. Director Information Department, Khyber Pakhtunkhwa.
20. Private Secretary to Governor Khyber Pakhtunkhwa.
21. Private Secretary to Chief Secretary Khyber Pakhtunkhwa.
22. All Private Secretaries to Provincial Ministers Khyber Pakhtunkhwa.
23. Private Secretaries to Advisors to Chief Minister Khyber Pakhtunkhwa.
24. Private Secretaries to Special Assistants to Chief Minister Khyber Pakhtunkhwa.
25. All Parliamentary Secretaries, Khyber Pakhtunkhwa.
26. Deputy Director (IT) Administration Department.
27. The Secretary Board of Revenue, Khyber Pakhtunkhwa Peshawar

(Rehan Ghul Khanj)  
Section Officer (Estt :)

(Handwritten):  
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