

**Kingdom of Cambodia**  
**Nation Religion King**

Ministry of Industry, Mines and Energy

No. 001 ]rf>Fr>src  
2004

Phnom Penh, May 25,

**CIRCULAR**  
**ON**  
**The Suspension and Revocation of Mineral Licenses**

To comply with the Law on Mineral Management and Exploitation, the Ministry of Industry, Mines and Energy (MIME) extends its guidelines to all companies and businesspersons those who have their licenses issued under the conditions of Exploration or Exploitation Agreements in the Kingdom of Cambodia that these shall be suspended or revoked as per following cases:

**I. Regarding Mineral Licenses**

Mineral Licenses are categorized into 6 groups to effectively facilitate the supervision of mineral exploration and exploitation in the Kingdom of Cambodia.

- a. License for Mineral Handicraft
- b. License for Open Mines and Quarrying Sites
- c. License for Exploitation of Precious Stones
- d. License for Exploration
- e. License for Industrial Exploitation of Mineral Resources

With reference to the Law on Mineral Management and Exploitation, these licenses are the permits that grant the rights to companies or businesspersons by MIME to undertake prospecting or exploit mineral resources. MIME will assign its agents to control the implementation undertaken by companies or businesspersons who are granted mineral licenses or agreements issued by MIME by type of mineral licenses.

**II. Suspension or Revocation of Mineral Licenses:**

Mineral licenses, under the jurisdiction of the Law on Mineral Management and Exploitation, can suspend those companies and businesspersons who breach the Law on Mineral Management and Exploitation.

The suspension or revocation of mineral licenses shall be implemented up to the level of the breach committed by businesspersons or companies that hold mineral licenses. The breach of the businesspersons or companies is a cause that leads to the suspension or revocation of mineral licenses shall be defined for companies or businesspersons who obtained mineral licenses from MIME as follows:

1. Not starting their operations over six months period counting from the date the license comes into force.
2. Undertake mineral exploitation off the location (outside coordinates) as specified under mineral licenses.
3. Mineral exploration or exploitation in the area of private properties without any written agreement from the owners.

4. Exploration or exploitation in the area of state properties without any written permits from competent authorities or from inter-ministerial body who take control of the area.
5. Do the prospecting of mineral exploration or exploitation on state owned land being the cultural, historical areas and national heritage
6. Undertake improper mineral exploration or exploitation to technical and financial requirements as detailed in the schedules of mineral exploration and exploitation
7. Conduct mineral exploration or exploitation without contacting line technical departments and authorities who are responsible in the area
8. No cooperation or did not submit the report (work plan) to MIME regularly by quarter, semester, and on yearly basis
9. Not following technical requirements and spilled state non-prohibited substances and pollute the environment (such as oil)
10. Companies or businesspersons obtained licenses for prospecting from MIME, but secretly conduct exploitation behind the aspect of prospecting.
11. Use chemical substance forbidden by the state
12. Explosives are prohibited except approval from MIME
13. Fail to report other types of mines observed during the course of prospecting or when exploiting mineral resources apart from the types of particular mines being the object of the agreement
14. Did not take proper measures for environmental protection (improper use of atomic substances, mercury, all kinds of acid, borax, etc.) polluting the environment on the surface, underground, under water.
15. Prohibit competent technical officials from visiting and controlling all the work and activities in the mineral operating sites, the area secured by mineral licenses, or the area under mineral exploitation
16. Not retaining log books, books of accounts and related documents and did not properly submit the reports or the lists related to such information to designated officials of MIME as planned
17. Did not fulfill financial obligations, including payments of royalties on mineral resources, payments of annual land lease, income tax, related duties, and other financial obligations
18. Exploit mineral resources when mineral license becomes no longer valid
19. Deny to provide compensations to properties' owners in and outside the range of mineral license area against any damages caused by prospecting and mineral exploitation
20. Pawn, rights transfer, or inherit mineral licenses without any written approval from the Minister of MIME
21. Fail to protect the health of workers, their safety, and the public for those who are in the area of mining, land filling mineral area or disturb the livelihood of the people residing in the surrounding area of the sites.

### **III. The Duration of Suspension and Revocation of Mineral Licenses**

1. The suspension duration of mineral licenses shall not exceed six months
2. For those companies or businesspersons who fail to follow the guidelines or any instructions under (II), MIME will issue a prakas on the suspension of mineral licenses from them than send it over to the provincial/municipal authorities where such licenses locate, so that measures can be taken to suspend the licenses and temporary stop all the work and activities of mineral exploration or exploitation to force companies or businesspersons to correct their wrongdoings to the guidelines of MIME.

3. Companies or businesspersons may lodge their application for the suspended mineral license by sending along the report of corrections of their wrongdoings to reflect the guidelines or other evidence (if any) to the Minister of MIME for considerations and approval thirty days prior to the deadline of a particular suspended mineral license.
4. Exceeding the deadline of the suspension of mineral license, company or businessperson who fail to fulfill the above conditions as specified under items 2 and 3, MIME will issue a prakas to revoke mineral license then send it over to the provincial/municipal authorities where the mineral license in question locates, so that measures can be taken to revoke the license and to definitively end all their activities of mineral exploration or exploitation.
5. In case where mineral licenses are under the agreements between MIME and companies or businesspersons being definitively revoked, these agreements shall be automatically ended.
6. Those companies or businesspersons who had their mineral licenses revoked shall be liable to pay their debts to the state, including royalties, annual land lease, income tax, related duties and other remaining obligations and shall take proper responsibility to restore the sites and the environment of the licensed area.
7. All provisions on the suspension or revocation of mineral licenses defined in the agreements of mineral exploration or exploitation or exploitation of quarries and all types of construction materials between MIME and companies or businesspersons prior to this and contradicting to this Circular shall be repealed.
8. Companies or businesspersons who conduct mineral exploitation with outdated mineral licenses shall be fined with respect to Chapter 8 of the Law on Mineral Management and Exploitation.

Receiving this Circular, the Directors of provincial/municipal Industry, mines and Energy Departments, all companies and businesspersons shall effectively implement it.

Signed and sealed by SUY SEM

**C/c:**

- The Office of the Council of Ministers
- The Cabinet of Samdech Prime Minister
- The Ministry of Interior
- The Ministry of Economy and Finance
- The Ministry of Environment
- All salakhets and municipalities
- Provincial/municipal Industry, Mines and Energy Departments
- Archives