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**MINES AND QUARRIES (AMENDMENT) REGULATIONS 2008**

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The Administrator makes the following Regulations in exercise of his powers under section 47 of the Mines and Quarries (Regulation) Ordinance(a) :-

**Citation and commencement**

1. These Regulations may be cited as the Mines and Quarries (Amendment) Regulations 2008, and come into force on the day on which they are published in the Gazette

**Regulation 2 of the Mines and Quarries Regulations 1958 (interpretation) amended**

2. Regulation 2 of the Mines and Quarries Regulations 1958 (“the principal Regulations”)(b) is amended by inserting the following definition in the appropriate alphabetical place:

“Republican Regulations” means the Mines and Quarries Regulations 1958 of the Republic of Cyprus(c) .”.

**Regulation 17 of the principal Regulations (mining lease, quarry permit, when granted) revoked and replaced**

3. Regulation 17(2)(a) and (b) of the principal Regulations is revoked and replaced by:

- “ (a) Class A – a quarry licence may be granted by the Chief Officer when the area to be covered by the licence exceeds 30,000 square metres or where the quarried material to be extracted, prior to its supply for any use, is processed by the use of electromagnetically driven devices, with the exception of plain sieving, in an area found in the proximity of the quarrying area.
- (b) Class B – a quarry licence may be granted by the Chief Officer when the area to be covered by the licence does not exceed 30,000 square metres and does not fall within Class A.”.

**Regulation 33 of the principal Regulations (surrender of lease or licence) revoked and replaced**

4. Regulation 33 of the principal Regulations is revoked and replaced by:

“33. (1) The holder of a mining lease or a quarry licence may, at any time during the lease or licence, surrender the whole or part of the leased or licensed area, provided he has:

- (a) submitted a written notice under section 24(5) or section 39(3) of the Ordinance as the case may be, at least 6 calendar months before the date of the surrender, and
- (b) on approval of the notice submitted under sub-paragraph (a) paid the fees specified in the Second Schedule to these Regulations.

(2) A surrender made under paragraph (1) does not affect any obligation or debt that the holder of the lease or licence may owe to the Crown or to any person.”.

## **Second Schedule to the principal Regulations (rents and fees) revoked and replaced**

5. The Second Schedule to the principal Regulations is revoked and replaced by:

### **“SECOND SCHEDULE**

(Regulations 4,7,9, 27, 34 and 35)

1.(1) Subject to sub-paragraph (2), the fees and rents specified for various purposes in paragraphs 1,2,3,4, and 5 of the Second Schedule of the Republican Regulations apply in relation to same purposes within the Areas.

(2) The Chief Officer may, by Order published in the Gazette, specify a fee or rent for any of the purposes referred to at sub-paragraph (1).

2. The holder of a lease, licence or prospecting permit must pay a deposit to the Chief Officer, the amount of which will depend on the areas to which the lease, licence or permit relates and on the cost of handling the environmental impact.

3. (1) For land owned by the Crown which is included within the area covered by a lease or licence for the purposes of mining, quarrying, or constructing relevant installations, or for more than one of those purposes, the holder of the lease or licence must pay rent as determined by the Chief Officer every five years.

(2) Until rent is determined under sub-paragraph (1), a holder of a quarry licence must pay for such Crown land which is to be covered by the licence the same amount as is specified in the Republican Regulations in relation to payments in respect of land owned by the Republic.

(3) The amount paid under sub-paragraph (2) is to be taken into account when the holder of the licence is called on to pay rent under sub-paragraph (1).”.

## **Eighth Schedule to the principal Regulations revoked and replaced**

6. The Eighth Schedule to the principal Regulations is revoked and replaced by:

### **“EIGHTH SCHEDULE**

(Regulation 36)

1. (a) The holder of a prospecting permit must pay royalties at the following rates in respect of any minerals or quarry materials retained or disposed of in accordance with section 16(3) of the Ordinance: -

- i. At the time of retention or disposal, 5% of the current market value, the current market value in the case of retention being the average value at which similar minerals or quarry material have been sold during the 6 months preceding the date of authority given under section 16(3).
- ii. If before expiry or surrender of the prospecting permit the holder obtains a mining lease or quarry licence in respect of the area from which minerals or quarry materials have been removed then due allowance shall be made under such mining lease or quarry licence for any excess royalties paid in respect of minerals or quarry materials retained or disposed of during prospecting operations.

(b) (i) Royalties are payable by a licensee or any other person who extracts

quarry materials from approved quarries, from excavations of basements, from the division of land into building plots, from the levelling of the ground or extracted by any other manner, at the time when such materials are utilised or sold locally;

(ii) Sums equal to 75% of such royalties are to be granted to those communities which are directly or indirectly affected, for the implementation of development projects, after consultation of the Local Authorities of each community by the Area Officer, as compensation for the nuisance suffered as a result of the operation of quarries or the transportation of any quarry material for the purpose of utilising or selling the same;

(iii) Sums equal to 25% of such royalties are to be used by the Administration for the improvement or restoration of the environment where any damage has been caused thereto as a result of the operation of quarries, provided that such damage cannot be remedied by any other means;

(iv) Subject to sub-paragraph (b)(v), the royalties payable under sub-paragraph (b)(i) are the same as those specified for the same purposes and in respect of the same quarry materials as in the Republican Regulations;

(v) The Chief Officer may, by Order published in the Gazette, specify a royalty rate or rates for the purposes of sub-paragraph (b)(iv).

2. (a) If minerals are utilised by the lessee or sold or otherwise disposed locally:

(i) Royalties are payable by the lessee or other person disposing of the minerals;

(ii) The royalties referred to at sub-paragraph (i) must be paid to the Inspector of Mines when the return required by Regulation 39 is submitted;

(iii) Subject to sub-paragraph (iv), the rates for the royalties payable under sub-paragraph (a)(i) are the same as those specified for the same purposes and in respect of the same minerals as in the Republican Regulations;

(iv) The Chief may, by Order published in the Gazette, specify a royalty rate or rates for the purpose of sub-paragraph (i).

(b) When quarry materials are extracted, utilised or supplied locally:-

(i) The licensee or any other person who extracts, utilises or sells quarry materials locally must buy from the Mines Service and use, in every case where such materials are being or are going to be transported, a transport ticket, which must be in the form prescribed in the Republican regulations for the same purpose;

(ii) the licensee or any other person who extracts, utilises or sells quarry materials locally must give the transporter the first copy of the transport ticket;

(iii) the transporter must keep such copy for the duration of the journey and produce it for examination, when so required by any authorised person;

(iv) the licensee or any other person who extracts, utilises or sells quarry materials locally must pay to the Head of the Mines Service the royalties referred to in paragraph 1(b) on or before the last day of each month and, where he fails to pay all or some of the royalties on or before the due date, a surcharge of 25% of the royalties outstanding is to be imposed;

(v) the licensee or any other person who extracts, utilises or sells quarry materials locally shall submit to the Head of the Mines Service the original transport ticket at the time of payment of the royalties;

- (vi) the licensee or any other person who extracts, utilises or sells quarry materials locally must keep the second copy of the transport ticket;
- (vii) The Head of the Mines Service, any member of the police Force or any person authorised in that behalf by the Chief Officer may examine the books and the copies of the transportation tickets at the site of quarrying, transportation or sale of quarry materials and in any case of infringement such person may require the immediate payment of the royalties due and to impose a fine of €34;

(c) If the Chief Officer ascertains that the licensee or any other person who extracts, uses or sells quarry materials locally maintains particulars in electronic form, he may permit an alternative procedure to be followed in place of that prescribed at sub-paragraph (b).

(d) The alternative procedure referred to at sub-paragraph (c) is set out in the Ninth Schedule.

(3) (a) The powers conferred by paragraph 1(b) (ii) and (iii), and paragraph 2(b) (i), (iv) and (v) are general delegated functions under the Delegation of Functions to the Republic Ordinance 2007(d) .

(b) The powers conferred on the Chief Officer and on the Head of Mines Service by paragraph 2(b)(vii) are general delegated functions under the Delegation of Functions to the Republic Ordinance 2007.”.

#### **Ninth Schedule inserted**

7. After the Eighth Schedule, the following new Schedule is inserted into the principal Regulations:

#### **“NINTH SCHEDULE**

(Paragraph 2(c) and (d) of the Eighth Schedule)

The procedure that the Chief Officer may permit in accordance with paragraph 2(c) and (d) of the Eighth Schedule is as follows:

(1) The licensee or other person who extracts, uses or sells quarry materials locally must give the transporter of such materials the original transport ticket or invoice as the case may be.

(2) The transporter must retain the transport ticket or invoice as the case may be during the transportation and produce it for inspection if required to do so by an authorised person.

(3) The licensee or other person who extracts, uses or sells quarry materials locally must retain a copy of the transport ticket or invoice for not less than one year, and produce it for inspection if required to do so by an authorised person.

(4) The licensee or other person who extracts, uses or sells quarry materials locally must submit at the end of each month along with the payment of the royalties, two statements in electronic form containing the following particulars:

- (a) name of the licensee or other person who extracts, uses or sells quarry materials locally,
- (b) number of quarry licence,
- (c) community to which quarry licence applies,
- (d) date of loading or sale as the case may be,
- (e) name of buyer (if applicable),

- (f) type of material and standard (CYS)(e),
- (g) number of transport ticket or invoice,
- (h) net weight (tons),
- (i) royalty paid in each case,
- (j) total of tons sold or used as the case may be, for the month to which the statement pertains and
- (k) total of royalties paid during the month to which the statement pertains.

(5) The licensee or other person who extracts, uses or sells quarry materials locally must classify the first statement referred to at sub-paragraph (4) according to the number of the quarry licence, and the second according to the name of the buyer (if applicable) and type of material and standard.

(6) The licensee or any other person who extracts, uses or sells quarry materials locally must submit, along with the statements referred to at sub-paragraph (4), a signed solemn declaration in the following form:

**SOLEMN DECLARATION**

**THE MINES AND QUARRIES REGULATIONS**

I hereby despatch the statements in accordance with the above Regulations for the period from.....to..... I make a solemn declaration that all the particulars contained in such statements are true and correct.

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Signature.”.

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Dated this 5th day of November 2008.

By the Administrator’s Command,  
 J. D. Wilson,  
 Chief Officer,  
 Sovereign Base Areas.

(SBA/AG/2/EN/203/2)

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**Notes**

- (a) Cap 270.
- (b) PI 478/58.
- (c) PI 478/58 as amended in the Republic.
- (d) Ordinance 17/07.
- (e) “CYS” refers to Cyprus Standards, under the Republican Standardisation, Accreditation and Technical Information Law, 156/2002.

## EXPLANATORY NOTE

**(This note is not part of the Regulations)**

### Introduction

1. This Explanatory Note relates to the Mines and Quarries (Amendment) Regulations 2008. It has been prepared by the Office of the Attorney General and Legal Adviser in order to assist the reader of the Regulations. It does not form part of the Regulations.
2. The Note should be read in conjunction with the Regulations. It is not, and is not meant to be, a comprehensive description of the Regulations. So when a regulation or part of a regulation does not seem to require any explanation or comment, none is given.

### The Regulations

3. These Regulations are intended broadly to replicate the effects of P.I.s 392/2000 and 293/2005 of the Republic of Cyprus, which are themselves amendment regulations, so as to ensure that the SBA Mines and Quarries Regulations 1958 (the “principal Regulations”) continue broadly to replicate the effect of the corresponding Republican Regulations. The Regulations also put in place mechanisms to ensure that fees, rents and royalties automatically keep up with those in the Republic of Cyprus.
4. Regulation 5 replaces the Second Schedule with a new Second Schedule. Together with the definition of “Republican Regulations” at Regulation 2, this puts into place a mechanism for ensuring that the fees and rents prescribed in the Second Schedule to the Republican Mines and Quarries Regulations 1958 as amended apply in the Areas, and that any future changes to the Republican fees and rents will automatically apply in the Areas. The exception to this is where the Chief Officer prescribes a different fee or rent for any relevant purpose. In such a case, that fee or rent prevails.
5. Regulation 6 substitutes a new Eighth schedule to the principal Regulations. This puts into place a mechanism for ensuring that the royalties on mine and quarry products disposed of locally, which are described in the Eighth Schedule to the Republican Regulations, apply in the Areas, and that any future changes to the Republican royalties will automatically apply in the Areas. The exception to this is where the Chief Officer prescribes a different royalty.
6. A new sub-paragraph 2(d) of the Eighth Schedule allows the Chief Officer to permit an alternative procedure in place of that prescribed in sub-paragraph 2 (c), but only where the relevant details are held in electronic form. This alternative procedure is set out in a new Ninth Schedule to the principal Regulations, which is added by Regulation 7 to these Regulations.
7. Paragraph 3 of the Eighth Schedule delegates various powers to the Republic of Cyprus under the Delegation of Functions to the Republic Ordinance 2007, as general delegated functions. Currently, all references to the “Head of the Mines Service” and the “Inspector of Mines” are to be construed as references to the Chief Officer of the Areas, under the Laws (Adaptation and Interpretation) (Consolidation) Ordinance 1968. The amendment will delegate the specified powers, whether naming the Chief Officer or a Republican official, to the Republic. Note that the Chief Officer’s power to specify a royalty rate or rates under paragraph 1(b)(v) of the Eighth Schedule is not delegated.