

NATIONAL ASSEMBLY

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

Hanoi, 20 March 1996

MINERAL LAW

Being natural resources which are an important asset of the nation and which are generally non-renewable, minerals must be rationally, economically and efficiently managed, protected, exploited and used for the purpose of satisfying the requirements of national industrialization and modernization and socially and economically sustainable development in the short and long term, and maintaining the national defence and security;

In order to reinforce the effectiveness of State management, effectively protect and use all mineral resources of the country; encourage the development of the mineral mining and processing industry; protect the environment and ecology and ensure labour safety in mineral activities;

On the basis of articles 17, 29 and 84 of the 1992 Constitution of the Socialist Republic of Vietnam;

This Law provides for the management, protection and basic geological surveys of mineral resources and mineral activities.

CHAPTER I

General Provisions

Article 1 Ownership of Mineral Resources

Mineral resources located within the land, islands, internal waters, sea territory, exclusive economic zones and continental shelf of the Socialist Republic of Vietnam are owned by the entire people and are uniformly managed by the State.

Article 2 Objects and Scope of Application

This Law shall govern the management, protection and basic geological surveys of mineral resources and mineral activities including prospecting, exploring, mining and processing of minerals in solid and gaseous forms, mineral water and natural thermal

water, except oil and gas and other types of natural water which shall be subject to separate legal regulations.

Article 3 Definitions

In this Law, the following words and expressions shall have the meanings ascribed to them hereunder:

1. "**Minerals**" means natural substances and useful minerals existing in solid, liquid or gaseous forms under the ground or on land which may be mined at present or in the future. Waste minerals lying within the tailings of a mine which may be exploited later are also treated as minerals.
2. "**Mineral Water**" means natural water under the ground or on land, as the case may be, containing certain compounds with high biological characteristics in accordance with Vietnamese standards, or foreign standards which may be applied in accordance with any permission granted by the State of Vietnam.
3. "**Natural Thermal Water**" means natural water under the ground or on land, as the case may be, with a constant temperature in accordance with Vietnamese standards, or foreign standards which may be applied in accordance with any permission granted by the State of Vietnam.
4. "**Basic Geological Surveys**" means the activities of researching and studying the structure, the physical composition, the history of evolution and development of the earth's crust and the related bio-mineral conditions and rules.
5. "**Basic Geological Surveys of Mineral Resources**" means the overall evaluation, on the basis of basic geological surveys, of mineral resource potential as the scientific basis for directing mineral prospecting and exploration activities.
6. "**Mineral Prospecting**" means studying geological documentation relating to mineral resources and conducting field surveys in order to delineate the prospective areas for mineral exploration.
7. "**Mineral Exploration**" means activities conducted for the purpose of searching for, discovering and evaluating the reserve and quality of minerals and the technical conditions for mining, including technological specimen collection and testing and preparation of mineral mining feasibility studies.
8. "**Mineral Mining**" means activities of capital construction of mines, excavation, production and other activities directly related to obtaining minerals.

9. "**Mineral Processing**" means the activities of classification, beneficiation of minerals or other activities conducted in order to increase the value of minerals exploited.

Article 4 Management, Protection and Use of Mineral Resources

The State shall develop policies for rationally, economically and efficiently managing, protecting and using mineral resources and, at the same time, protecting the environment and other related resources, ensuring national defence and security, occupational safety and labour hygiene in mineral activities.

The State shall carry out uniform management of all mineral resources and mineral activities throughout the country and be responsible for organizing the implementation of legislation relating to mineral resources.

The People's Councils and People's Committees at all levels shall, within their duties and powers, apply measures for the purpose of management and protection of mineral resources, supervision and monitoring of the compliance with legislation relating to mineral resources in their respective localities.

The Fatherland Front of Vietnam and its member organizations shall, within their duties and powers, be responsible for educating and encouraging people to fulfil their obligations in respect of mineral resources protection and for supervising the compliance with legislation relating to mineral resources.

State bodies, economic entities, socio-political organizations, social organizations, units of the People's armed forces and all citizens shall be responsible for complying with legislation relating to mineral resources and shall have the right and obligation to identify and denounce any breach of legislation relating to mineral resources.

Article 5 Encouragement of Investment in Mineral Activities, Development of Mineral Mining and Processing Industry

1. The State encourages investment in the development of the mineral mining and processing industry; grants preferential treatment to mineral activities in distant, remote or mountainous areas, areas with poor infrastructure and with respect to minerals required for domestic use; grants priority to projects applying modern technology in mining and processing activities and producing products of high socio-economic value and efficiency.
2. The State shall create favourable conditions for State owned enterprises to take the leading role in mining and processing important minerals.
3. The State shall protect the ownership right over capital and assets and other legitimate rights and interests of organizations and individuals in the course of mineral activities in accordance with this Law and other laws and regulations.

4. The Government shall from time to time issue a list of minerals banned from export or import; and shall restrict the export of minerals as raw materials.

Article 6 Organizations and Individuals Permitted to Conduct Mineral Activities

Organizations and individuals satisfying all the conditions stipulated in this Law and other laws and regulations shall be permitted to conduct mineral activities.

The Government shall provide for financial and technological conditions and other conditions for organizations and individuals to be permitted to conduct mineral activities.

Article 7 Interests of the People in a Locality where Minerals are Mined or Processed

The interests of the people in a locality where minerals are mined or processed shall be protected by the following principal policies:

1. On the basis of the income earned from mineral mining and processing activities, the State shall appropriate an amount from the budget for the purpose of socio-economic development in the locality where minerals are mined or processed and assist the local people of the locality where minerals are mined or processed who have to relocate their residence or production facilities in stabilizing their lives and production activities.
2. Organizations and individuals permitted to mine or process minerals shall be responsible for combining the requirements of mineral mining or processing activities with the infrastructure construction, protection and rehabilitation of the local environment, ecology and land in accordance with the approved feasibility studies; and give priority to local people in recruitment of labour for mineral activities and related services.

Article 8 Prohibition of Breaches of Legislation relating to Mineral Resources

Disclosure of State secrets in relation to mineral resources and unlawful mineral activities shall be strictly prohibited.

CHAPTER II

**Protection of Mineral Resources
Basic Geological Surveys of Mineral Resources**

Article 9 Protection of Unexploited Mineral Resources

1. The Government shall adopt policies and measures aimed at protecting unexploited mineral resources.

The State Managing Body of Minerals shall be responsible for delineating the areas with unexploited mineral resources and co-operating with the relevant ministry, branch and the local authorities in the protection of unexploited mineral resources.

The People's Councils and People's Committees at all levels shall, within their duties and powers, carry out necessary measures for the purpose of protecting unexploited mineral resources in their respective localities.

State bodies, economic entities, socio-political organizations, social organizations, units of the People's armed forces and all citizens shall have the right and obligation to protect unexploited mineral resources and keep confidential State secrets in relation to unexploited mineral resources.

2. The construction planning and design of intensive residential areas, industrial and irrigation works and other fixed works in areas with mineral resources shall be subject to the consent of the State Managing Body of Minerals. National defence and security works shall be subject to separate regulations of the Government.
3. Organizations or individuals permitted to conduct mineral activities shall be responsible for protection of unexploited minerals occurring within the area covered by such mineral activities.

Article 10 Protection of Mineral Resources in the Course of Mineral Exploration, Mining and Processing Activities

1. Organizations and individuals permitted to explore for minerals must carry out overall evaluation and report to the State Managing Body of Minerals all kinds of minerals discovered in the area covered by the exploration licence and cause no loss to mineral resources.
2. Organizations and individuals permitted to mine or process minerals must recover, to the maximum extent possible, all types of minerals which have been assessed as having economic efficacy and apply measures to preserve minerals which have been mined but not yet used.
3. During the course of mineral mining or processing activities, organizations and individuals permitted to conduct mineral activities must immediately report to the State Managing Body of Minerals any discovery of new minerals for its consideration and decision.

Article 11 Basic Geological Surveys of Mineral Resources

The State shall invest in and organize the effective implementation of basic geological surveys of mineral resources on the basis of basic geological surveys and shall use scientific and technological achievements in order to formulate national strategies and policies with respect to mineral resources and development of the mineral mining and processing industry.

The State shall encourage foreign organizations and individuals to co-operate with Vietnam in the field of basic geological surveys of mineral resources.

The Government shall provide for the management of basic geological surveys of mineral resources.

Article 12 Specimens, Data and Information on Mineral Resources

1. All specimens, data and information on mineral resources shall be stored, managed and used in accordance with the provisions of the law.
2. The State shall have the exclusive right to purchase specimens which are of special scientific significance or which are valuable and rare; and any act of concealing, destroying, de-valuing or illegal trading of such specimens is strictly prohibited. The Government shall stipulate the list and criteria of specimens which the State shall have the exclusive right to purchase.
3. After a time-limit stipulated by the Government from the expiry of the duration of a mineral licence, the authorized State body may provide other organizations or individuals with the information on mineral resources related to such licence.

CHAPTER III

Areas for Mineral Activities, Protection of the Environment in Mineral Activities

Article 13 Areas for Mineral Activities

1. Areas for mineral activities shall include:
 - (a) Restricted areas where mineral activities may only be carried out subject to restrictive conditions as stipulated by the Government;
 - (b) Bidding areas where mineral activities may only be carried out on the basis of bidding results;
 - (c) Normal areas where the mineral activities shall not be subject to the provisions stipulated in clauses (a) and (b) of this article.
2. The Government shall determine and announce the restricted areas and bidding areas.

Article 14 Areas where Mineral Activities are Prohibited or Temporarily Prohibited

1. Mineral activities may not be carried out in areas where they are prohibited or temporarily prohibited for reasons of national defence, security, protection of historical or cultural sites, scenery or other public interests.

The Government shall determine and announce the areas where mineral activities are prohibited or temporarily prohibited.
2. In the event that an area is announced as an area where mineral activities are prohibited or temporarily prohibited while mineral activities are being legally conducted therein, the Government shall accord fair and equitable treatment in respect of the damage caused by such prohibition or temporary prohibition to organizations and individuals permitted to conduct mineral activities.

Article 15 Areas with Toxic Minerals

The State Managing Body of Minerals shall be responsible for delineating areas with toxic minerals and so inform local authorities and authorized medical and labour authorities for application of measures to protect the health of the people and limit any adverse impact on the local environment and ecology.

Article 16 Protection of the Environment in Mineral Activities

1. Organizations and individuals permitted to conduct mineral activities must use technology, equipment and materials and comply with other provisions of the *Law on the Protection of the Environment* in order to minimize any adverse impacts on environmental elements; rehabilitate the environment, ecology and the land after the termination of each phase of, or the whole mineral activity.
2. Organizations and individuals permitted to conduct mineral activities must bear all expenses related to the protection and rehabilitation of the environment, ecology and land. Expenses related to the protection and rehabilitation of the environment, ecology and land must be determined in the environmental impact assessment report, mineral mining or processing feasibility study or mineral exploration proposal. Organizations and individuals permitted to mine minerals must deposit a fund at a Vietnamese bank or a foreign bank licensed to operate in Vietnam as security for the rehabilitation of the environment, ecology and land.

Article 17 The Use of Land in Mineral Activities

1. Organizations and individuals permitted to mine or process minerals shall be entitled to enter into land lease contracts for the purpose of conducting mineral activities in accordance with the provisions of the legislation on land and this Law.

Upon the termination of validity of a mineral mining or processing licence, the land lease contract shall also terminate; upon the relinquishment of part of the mining area, the land lease contract shall be amended accordingly.

In the event of any change of the organization or individual permitted to mine or process minerals, a new land lease contract must be executed.

2. Organizations and individuals permitted to prospect or explore for minerals shall not be required to lease land for such mineral prospecting or exploration activities if such mineral prospecting or exploration activities do not affect the use of land by legal land users provided that compensation must be paid for any damage caused by the prospecting or exploration activities. In the event that the prospecting or exploring activity requires frequent use of land, the organization or individual permitted to conduct such prospecting or exploring activity must lease such area of land in accordance with the regulations provided by the Government. Organizations and individuals permitted to conduct underground mineral mining activities shall not be required to lease land where the land surface is not used. Compensation must be paid for any damage caused.
3. Organizations and individuals permitted to conduct mineral activities shall be liable to pay compensation for any damage caused by the use of land for their mineral activities.

Article 18 The Use of Water in Mineral Activities

1. Organizations and individuals permitted to conduct mineral activities shall be entitled to use natural water sources for conducting their mineral activities in accordance with the provisions of the legislation in relation to water and this Law.
2. The source of water, volume of water and method of using water for mineral activities must be determined in the exploration proposal, mineral mining or processing feasibility study report and the mine design. After being used, water must be treated by organizations and individuals permitted to conduct mineral activities in accordance with hygienic standards before being discharged; compensation shall be payable for any damage caused.

Article 19 The Use of Infrastructure in Mineral Activities

1. Organizations and individuals permitted to conduct mineral activities shall be entitled to use transportation and communication systems, electricity and water networks and other infrastructure required for mineral activities in accordance with the law.
2. Organizations and individuals permitted to conduct mineral activities shall be responsible for investing in the renovation, upgrading, restoration or new construction of such infrastructure as may be relevant to the approved exploration proposal or mineral mining or processing feasibility study.

Article 20 Insurance in Mineral Activities

Organizations and individuals permitted to conduct mineral activities must purchase insurance for facilities and works supporting such mineral activities, environmental insurance, social insurance, labour insurance, and other types of insurance in accordance with the law.

CHAPTER IV

Prospecting for Minerals

Article 21 Mineral Prospecting Permit

1. A mineral prospecting permit shall be issued for areas where no organizations or individuals are conducting legal mineral exploration or mining activities in accordance with clauses 1 and 2 of article 5 and articles 13 and 14 of this Law.
2. The duration of a mineral prospecting permit shall not exceed twelve (12) months and shall be extended in accordance with the regulations of the Government provided that the total extension period shall not exceed twelve (12) months.
3. Mineral prospecting permits shall not be transferable to other organizations or individuals.

Article 22 Rights of Organizations and Individuals Permitted to Prospect for Minerals

Organizations and individuals permitted to prospect for minerals shall have the following rights:

1. Use State data and information on mineral resources in relation to the prospecting purposes and the area covered by the prospecting permit in accordance with the law;
2. Carry out prospecting activities in accordance with the terms of the permit;
3. Remove specimens from the prospecting area and/or take them abroad for analyzing and testing provided that the amount and types of the specimens so removed shall be in conformity with the character and requirements of the prospecting activities in accordance with the regulations provided by the Government;
4. Apply for renewal or surrender of the mineral prospecting permit;
5. Lodge a complaint or initiate legal action against the decision to withdraw the prospecting permit or other decisions of State authorities in accordance with the law;
6. Be entitled to other relevant rights in accordance with this Law.

Article 23 Obligations of Organizations and Individuals Permitted to Prospect for Minerals

Organizations and individuals permitted to prospect for minerals shall have the following obligations:

1. Pay fees for the issuance of the permit and for the use of State data and information on mineral resources in accordance with the law;
2. Protect the environment and ensure occupational safety and labour hygiene in the course of prospecting activities;
3. Pay compensation for all damage caused by prospecting activities;
4. Submit to the State Managing Body of Minerals a report on the results of prospecting activities prior to the expiry of the prospecting permit;
5. Comply with regulations in relation to administrative management, social order and security;
6. Fulfil other related obligations in accordance with the provisions stipulated in this Law.

Article 24 Withdrawal of a Mineral Prospecting Permit

A mineral prospecting permit shall be withdrawn upon the occurrence of any of the following circumstances:

1. The organization or individual permitted to prospect for minerals breaches one of the provisions stipulated in article 23 of this Law and fails to remedy such breach within a period of time stipulated by the Government from the date of written notice from the State Managing Body of Minerals;
2. The area covered by the prospecting permit is announced as an area where mineral activities are prohibited or temporarily prohibited in accordance with clause 2 of article 14 of this Law;
3. The individual permitted to prospect for minerals dies or the organization permitted to prospect for minerals is dissolved or bankrupt.

CHAPTER V

Exploration for Minerals

Article 25 Mineral Exploration Licence

1. A mineral exploration licence shall be issued for areas where no organizations or individuals are conducting legal mineral exploration or mining activities in accordance with clauses 1 and 2 of article 5 and articles 13 and 14 of this Law.
2. The area covered by a mineral exploration licence shall be stipulated by the Government.
3. The duration of a mineral exploration licence shall not exceed twenty four (24) months and may be extended in accordance with the regulations of the Government provided that the total extension period shall not exceed twenty four (24) months. Where necessary, mineral exploration licences may be re-issued to organizations which, or individuals who, have conducted exploration in the relevant area but the licence has expired.
4. The Government shall provide for the issuance of mineral exploration licences to foreign organizations and individuals investing in Vietnam.

Article 26 Rights of Organizations and Individuals Permitted to Explore for Minerals

Organizations and individuals permitted to explore for minerals shall have the following rights:

1. Use State data and information on mineral resources in relation to the exploration purposes and the area covered by the exploration licence;
2. Carry out exploration activities in accordance with the terms of the licence;
3. Remove specimens from the exploration area and/or take them abroad for analyzing and testing provided that the amount and types of the specimens so removed shall be in conformity with the characters and requirements of exploration activities in accordance with the regulations provided by the Government;
4. Have the special right to apply for a mineral mining licence in respect of the area covered by the exploration licence in accordance with clause 1 of article 31 of this Law;

5. Apply for renewal or surrender of the mineral exploration licence or relinquish the exploration area part by part in accordance with the regulations provided by the Government;
6. Transfer to another organization or individual the right to explore for minerals in accordance with the regulations provided by the Government;
7. In respect of an individual permitted to explore for minerals, bequeath the right to explore for minerals in accordance with the law;
8. Lodge a complaint or initiate legal action against a decision to withdraw a mineral exploration licence or other decisions of State bodies in accordance with the law;
9. Be entitled to other related rights in accordance with the provisions of this Law.

Article 27 Obligations of Organizations and Individuals Permitted to Explore for Minerals

Organizations and individuals permitted to explore for minerals shall have the following obligations:

1. Pay licence fees, fees for the exclusive right to exploration, and fees for the use of State data and information on mineral resources and fulfil other financial obligations as stipulated by the law;
2. Pay the deposit in accordance with the law;
3. Carry out the approved mineral exploration proposal;
4. Protect the mineral resources and the environment and ensure occupational safety and labour hygiene in the course of exploration activities;
5. Pay compensation for damage caused by exploration activities;
6. Inform the provincial People's Committee of the locality where the exploration licence is to take place of the exploration plan before the implementation thereof;
7. Collect and file data and information on mineral resources and report the exploration results to the State Managing Body of Minerals; report other activities to authorized State bodies in accordance with the law;
8. Submit a final report on the exploration results to the State Managing Body of Minerals prior to the expiry of the exploration licence;

9. Carry out such activities as stipulated in clause 2(b) of article 30 of this Law upon the termination of validity of the exploration licence;
10. Comply with regulations in relation to administrative management, social order and security;
11. Fulfil other related obligations in accordance with the provisions stipulated in this Law.

Article 28 Exploration Proposal

An exploration proposal shall identify time schedules, volume of work, technology, measures to ensure occupational safety and labour hygiene, environmental protection and estimated exploration costs. The exploration proposal shall be evaluated by the State Managing Body of Minerals for the purpose of considering the issuance of exploration licences.

The estimated exploration costs shall not be less than the minimum level stipulated by the Government. In cases where the actual costs are lower than the minimum level, the organization or individual permitted to explore for minerals must contribute the difference to the State budget.

In the event that a change is required to be made to the time schedules and estimated costs, the organization or individual permitted to explore for minerals must promptly notify the State Managing Body of Minerals of such requirement for consideration and determination.

Article 29 Withdrawal of Mineral Exploration Licences

A mineral exploration licence shall be withdrawn upon the occurrence of any of the following circumstances:

1. The organization or individual permitted to explore for minerals fails, without sound reasons, to carry out exploration activities within six months from the date upon which the licence takes effect;
2. The organization or individual permitted to explore for minerals breaches one of the provisions stipulated in article 27 of this Law and fails to remedy such breach within a period of time as stipulated by the Government from the date of written notice from the State Managing Body of Minerals;
3. The area covered by the mineral exploration licence is announced as an area where mineral activities are prohibited or temporarily prohibited in accordance with clause 2 of article 14 of this Law;
4. The individual permitted to explore for minerals dies without an heir to inherit the right to explore or the organization permitted to explore for minerals is

dissolved or bankrupt without a successor organization or individual to take over its rights and obligations.

Article 30 Termination of Validity of a Mineral Exploration Licence

1. The validity of a mineral exploration licence shall be terminated in cases where the licence:
 - (a) is withdrawn;
 - (b) expires;
 - (c) is surrendered.
2. Upon the termination of the validity of a mineral exploration licence:
 - (a) All the rights related to the exploration licence shall also terminate;
 - (b) Within a period of time as stipulated by the Government, the organization or individual permitted to explore for minerals must remove all the assets belonging to it or any related parties from the exploration area; level the exploration area to restore it to a safe state, protect mineral resources, rehabilitate the environment, ecology and the land; and deliver specimens, data and information obtained on mineral resources to the State Managing Body of Minerals.
3. The provisions in clause 2(b) of this article shall not apply to areas where the organization or individual permitted to explore for minerals has filed an application for the renewal of the exploration licence or an application for a mining licence in accordance with the regulations and which application is being considered.

CHAPTER VI

Mining and Processing of Minerals

Part 1

Mining of Minerals

Article 31 Mineral Mining Licence

1. A mineral mining licence shall be issued to an organization or individual permitted to explore for minerals in respect of an explored area provided that such organization or individual has fulfilled all the obligations stipulated in the exploration licence and complies with all the applicable laws and regulations;

Where the organization or individual permitted to explore for minerals fails to submit an application for a mineral mining licence in respect of the explored area within six months from the expiry of the mineral exploration licence, a new exploration licence or a mineral mining licence for the area may be issued to another organization or individual.

2. A mining licence may be issued in respect of an explored area to an organization or an individual satisfying the conditions stipulated in this Law in accordance with clauses 1 and 2 of article 5 and articles 13 and 14 of this Law provided that no mineral exploration or mining activities are being legally conducted by any organizations or individuals in such area.
3. The duration of a mineral mining licence shall be based upon the mineral mining feasibility study of each particular project but shall not exceed thirty (30) years and may be extended in accordance with the regulations provided by the Government; the total extension period shall not exceed twenty (20) years.
4. In the case where a foreign organization or individual or a joint venture with a foreign party applies for a mineral mining licence, the mineral mining licence shall be issued at the same time as, or subsequent to, the issuance of an investment licence in accordance with the *Law on Foreign Investment in Vietnam*.

Article 32 Rights of Organizations and Individuals Permitted to Mine Minerals

Organizations or individuals permitted to mine minerals shall have the following rights:

1. Use State data and information on mineral resources in relation to the mining purposes and the area covered by the mining licence in accordance with the law;
2. Carry out mineral mining or processing activities in accordance with the terms of the licence; explore within the area covered by the mining licence;
3. Store, transport and market inside Vietnam or export the minerals exploited in accordance with the law;
4. Apply for renewal or surrender of the mining licence or relinquish the mining area part by part in accordance with the regulations provided by the Government;
5. Transfer to other organizations or individuals the mining right in accordance with the regulations provided by the Government;
6. In respect of an individual permitted to mine minerals, bequeath the mining right in accordance with the law;
7. Mine minerals associated with the main minerals provided that all obligations in relation to the mining of such associated minerals are fulfilled in accordance with the regulations provided by the Government;
8. Lodge a complaint or initiate legal action against a decision to withdraw a mineral mining licence or other decisions of State bodies in accordance with the law;
9. Be entitled to other related rights in accordance with this Law.

Article 33 Obligations of Organizations and Individuals Permitted to Mine Minerals

Organizations and individuals permitted to mine minerals shall have the following obligations:

1. Pay licence fees, pay fees for the use of State information and data on mineral resources, pay royalties and fulfil other financial obligations in accordance with the law;

2. Ensure the progress of capital construction of the mine and production activities in accordance with the approved mineral mining feasibility study and mine designs;
3. Exploit mineral resources to the maximum economical extent possible, protect mineral resources, ensure occupational safety and labour hygiene; apply measures to protect the environment in accordance with the approved environmental impact assessment report;
4. Collect and file data and information on mineral resources, report the results of mineral mining activities to the State Managing Body of Minerals and report other activities to competent State bodies in accordance with the law;
5. Register the date of commencement of capital construction of the mine and the date of commencement of production activities with the State Managing Body of Minerals; notify the People's Committee of the province where the mine is located of the mineral mining plan prior to the implementation thereof;
6. Fulfil obligations for guaranteeing the interests of the local people where the minerals are mined in accordance with clause 2 of article 7 of this Law;
7. Pay compensation for damage caused by mining activities;
8. Create favourable conditions for scientific research authorized by the State within the mining area; for the construction of transportation works, water pipelines, power transmission lines and communication lines across the mine as authorized by the competent State authority provided that the legitimate rights and interests of the organizations and individuals permitted to mine minerals shall be honoured;
9. Furnish, before the expiry of the mining licence, a final report on the results of the mineral mining activities to the State Managing Body of Minerals; close the mine, rehabilitate the environment, ecology and land upon the expiry of the mineral mining licence in accordance with clauses 2(b), (c) and (d) of article 40 of this Law;
10. Comply with regulations in relation to administrative management, social order and security;
11. Fulfil other related obligations in accordance with the provisions stipulated in this Law.

Article 34 Royalty

- 1 The amount of royalty shall be calculated on the basis of the actual commercial mining output and its selling price.

2. Rates of royalty and their range as well as payment and collection of royalty shall be provided for in legislation in relation to taxation.

Article 35 Occupational Safety and Labour Hygiene in Mineral Mining Activities

1. Organizations and individuals permitted to mine minerals and all other people working in mines must comply with the provisions of the law in relation to occupational safety and labour hygiene.
2. Labour rules in a mine shall be prepared and issued in accordance with the provisions of the law on labour. Regulations relating to occupational safety and labour hygiene must be in accordance with standards, criteria, and processes related to occupational safety and labour hygiene issued by the competent State bodies.
3. In the threat of an adverse event relating to occupational safety, the mine manager shall immediately apply necessary measures to eliminate the possible causes of such event.
4. Upon the occurrence of any adverse event relating to occupational safety, the mine manager must apply emergency measures in order to eliminate the causes of such event; render first aid and evacuate people from the dangerous area; promptly report the event to the competent State authority; protect the assets and keep intact the site in accordance with the law.

Local authorities, State bodies, economic entities, socio-political organizations, social organizations, units of the People's armed forces and all citizens shall be responsible for assisting in rendering first aid and remedying the consequences of an adverse event relating to occupational safety occurring in a mining area.

5. Organizations and individuals permitted to mine minerals must comply with the regulations on regular and ad hoc reporting on occupational safety and labour hygiene in mineral mining activities in accordance with the law.

Article 36 Mine Manager

1. The mine manager appointed by the organization or individual permitted to mine minerals shall directly manage mineral mining activities and shall be responsible for the tasks delegated to him in accordance with the law.

The mine manager shall have professional qualifications and mining management capability.

2. Organizations and individuals permitted to mine minerals shall notify in writing the State Managing Body of Minerals of the professional qualifications and management capability of the mine manager.

The State Managing Body of Minerals may not accept and request the organization or individual permitted to mine minerals to change a mine manager who is considered to be incapable of carrying out his duties.

3. No mineral mining activities may be conducted without a mine manager.

Article 37 Mineral Mining Feasibility Study, Mine Design

1. A mineral mining feasibility study and mine design must be evaluated and approved in accordance with the regulations provided by the Government.
2. Mine design must be in conformity with the mineral mining feasibility study and the environmental impact assessment report. The organization or individual permitted to mine minerals must submit the mine design to the State Managing Body of Minerals prior to commencement of the construction work.
3. In case of any change from the feasibility study report or mine design during the mining process, the organization or individual permitted to mine minerals must promptly so notify the State Managing Body of Minerals for consideration and decision.

Article 38 Mine Status Maps

The mine status maps shall be kept at the mine site. Organizations and individuals permitted to mine minerals must submit the mine status maps together with a report on the mineral mining activities to the State Managing Body of Minerals on a regular basis as stipulated by the Government or upon request.

Organizations and individuals permitted to mine minerals shall be responsible for the accuracy and completeness of the mine status maps.

Article 39 Withdrawal of a Mineral Mining Licence

A mineral mining licence shall be withdrawn upon the occurrence of any of the following circumstances:

1. The organization or individual permitted to mine minerals fails, without sound reasons, to commence capital construction of the mine within twelve (12) months from the date upon which the licence takes effect;
2. The organization or individual permitted to mine minerals fails, without sound reasons, to commence production activities within twelve (12) months from

the proposed date of commencement of the production activities as defined in the approved mineral mining feasibility study report;

3. The organization or individual permitted to mine minerals breaches any provision in article 33 of this Law and fails to remedy such breach within a period of time stipulated by the Government from the date of written notice from the State Managing Body of Minerals;
4. The area covered by the mineral mining licence is determined as an area where mineral activities are prohibited or temporarily prohibited in accordance with clause 2 of article 14 of this Law;
5. The individual permitted to mine minerals dies without an heir to inherit the mining right or the organization permitted to mine minerals is dissolved or bankrupt without a successor organization or individual to take over its rights and obligations;
6. The validity of the investment licence of the foreign organization or individual terminates.

Article 40 Termination of Validity of a Mining Licence

1. The validity of a mineral mining licence shall be terminated in the cases where the licence:
 - (a) is withdrawn;
 - (b) expires;
 - (c) is surrendered.
2. Upon the termination of the validity of the mining licence:
 - (a) All the rights related to the mineral mining licence shall also terminate;
 - (b) All works and equipment for mine safety and environmental protection located in the area covered by the mineral mining licence shall fall under the ownership of the State and may not be removed or destroyed;
 - (c) Within a period of time as stipulated by the Government, the organization or individual permitted to mine minerals shall remove all the assets belonging to it and any related parties other than those referred to in paragraph (b) above out of the area covered by the mineral mining licence. After such period, all the assets remaining in the area shall fall under the ownership of the State;

- (d) Within the period of time stipulated in paragraph (c) above, the organization or individual permitted to mine minerals must fulfil all the obligations relating to mine closure, rehabilitation of the environment, ecology and the land in accordance with this Law and other relevant laws and regulations.

Article 41 Mining of Minerals as Common Construction Materials

The activities of mining minerals as common construction materials shall be subject to the provisions of this Law relating to mineral mining activities.

The Government shall provide for the list of minerals which are categorized as common construction materials and cases where a licence shall not be required for the mining of minerals of this category.

Article 42 Mining of Mineral Water, Natural Thermal Water

1. An organization or individual permitted to mine mineral water or natural thermal water must, in addition to complying with other provisions stipulated in this Law, apply measures to protect the water sources from pollution; periodically observe the water supply, check the quality of the water sources and take prompt measures to deal with any unfavourable changes; refrain from mining in excess of the volume permitted.
2. The mining of mineral water or natural thermal water for the purpose of medical treatment, health care, or drinks must be approved by the competent medical authority.

Article 43 Mining of Minerals which are Rare and Precious, Special or Toxic

The activity of mining minerals which are rare and precious, special or toxic shall be conducted in accordance with the provisions of this Law and other relevant laws and regulations.

The Government shall provide the list of minerals which are rare and precious, special or toxic.

Part 2
Processing of Minerals

Article 44 Mineral Processing Licence

Organizations and individuals wishing to conduct mineral processing activities must apply for mineral processing licences, except in cases where the mineral processing activities are associated with a licensed mineral mining activity.

The Government shall provide for the issuance and withdrawal of mineral processing licences.

Article 45 Rights of Organizations and Individuals Permitted to Process Minerals

Organizations or individuals permitted to process minerals shall have the following rights:

1. Be permitted to purchase legally mined minerals; import equipment, technology and materials in direct support of processing activities; conduct mineral processing activities in accordance with the terms of the licence;
2. Store, transport and market inside Vietnam or export the minerals processed in accordance with the law;
3. Apply for renewal or surrender of the mineral processing licence, transfer to other organizations or individuals the right to process minerals in accordance with the regulations provided by the Government;
4. In respect of an individual permitted to process minerals, bequeath the right to process minerals in accordance with the law;
5. Lodge a complaint or initiate legal action against a decision to withdraw a mineral processing licence or other decisions of State bodies in accordance with the law;
6. Be entitled to other related rights in accordance with this Law.

Article 46 Obligations of Organizations and Individuals Permitted to Process Minerals

Organizations and individuals permitted to process minerals shall have the following obligations:

1. Pay licence fees and taxes and fulfil other financial obligations in accordance with the law;
2. Exploit the useful elements of minerals to the maximum economical extent possible;
3. Apply technology and other measures in order to minimize any adverse effects on the environment and ecology in accordance with legislation relating to environmental protection;
4. Ensure occupational safety and labour hygiene;

5. Pay compensation for damage caused by processing activities;
6. Report the mineral processing activities to the State Managing Body of Minerals; report other activities to competent State bodies in accordance with the law;
7. Comply with regulations in relation to administrative management, social order and security;
8. Fulfil other related obligations in accordance with the provisions stipulated in this Law.

Article 47 Processing of Minerals which are Rare and Precious, Special or Toxic

The activity of processing minerals which are rare and precious, special or toxic shall be conducted in accordance with the provisions of this Law and other relevant laws and regulations.

Article 48 Promotion of Development of Mineral Processing Industry using Domestic Minerals

1. The State shall grant investment promotion and investment incentives to:
 - (a) Projects involving processing of minerals into fine materials and products; projects involving processing activities on site;
 - (b) Mineral mining and processing projects combined with the production industry using domestic mineral materials for the purpose of meeting the domestic demand and export;
 - (c) Projects manufacturing mineral processing equipment in accordance with the actual conditions of Vietnam and the requirements of modern processing technology.
2. The Government shall regularly regulate the export and import of minerals; and discourage the import of materials which may be produced using domestic minerals so as to promote the development of the domestic mineral processing industry.

Part 3
Individual Mining

Article 49 Individual Mining

Individual mining is a form of mining to obtain minerals in cases where investment in industrial scale mining would not be feasible in areas where minerals are not sufficiently concentrated; in cases where minerals are mined from a closed mine; mining of minerals as common construction materials in forms other than industrial scale.

The State Managing Body of Minerals shall delineate areas where individual mining may be licensed.

Article 50 Individual Mining Licence

An individual mining licence shall only be granted to Vietnamese organizations or individuals; applicants residing permanently in the locality where minerals are located shall be given priority to be granted individual mining licences; an individual mining licence shall not be granted for areas where exploration or mining activities are currently legally conducted or where mineral activities are prohibited or temporarily prohibited in accordance with clause 1 of article 14 of this Law.

The duration of an individual mining licence shall not exceed three years and may be extended in accordance with the regulations provided by the Government but the total extension period shall not exceed two years.

Article 51 Rights of Organizations and Individuals Permitted to Conduct Individual Mining Activities

The organizations and individuals permitted to conduct individual mining activities shall have the following rights:

1. Carry out mining activities in accordance with the terms of the licence and specific conditions imposed upon individual mining activities by the Government;
2. Store, transport, process and market the minerals exploited in accordance with the law;
3. Apply for renewal or surrender of the individual mining licence;
4. Lodge a complaint or initiate legal action against a decision to withdraw an individual mining licence or other decisions of State bodies in accordance with the law.

Article 52 Obligations of Organizations and Individuals Permitted to Conduct Individual Mining Activities

The organizations and individuals permitted to conduct individual mining activities shall have the following obligations:

1. Pay licence fees and royalties and fulfil other financial obligations in accordance with the law;
2. Pay compensation for damage caused by mining activities;
3. Minimize loss of mineral resources and other resources; protect the environment, ecology and infrastructure;
4. Apply measures to ensure occupational safety and labour hygiene in the course of mining activities;
5. Comply with regulations in relation to administrative management, social order and security;
6. Record and file the results of mining and processing activities and sales of products;
7. Create favourable conditions for scientific surveys permitted by the State within the mining area.

Article 53 Withdrawal of Individual Mining Licence

1. An individual mining licence shall be withdrawn upon the occurrence of any of the following circumstances:
 - (a) The organization or individual permitted to conduct individual mining activities fails to fulfil any obligation stipulated in article 52 of this Law;
 - (b) New minerals have been discovered in the area covered by the individual mining licence which render the area unsuitable for individual mining terms and conditions;
 - (c) The area covered by the individual mining licence is announced as an area where mineral activities are prohibited or temporarily prohibited in accordance with clause 2 of article 14 of this Law.
2. Upon the withdrawal or expiry of an individual mining licence, the organization or individual permitted to conduct individual mining activities shall remove all of its assets from the area covered by the mining licence and rehabilitate the environment, ecology and the land.
3. In the event that an individual mining licence is withdrawn as stipulated in clauses 1(b) and 1(c) of this article, the organization or individual permitted to conduct individual mining activities shall be fairly compensated against any damage in accordance with the regulations provided by the Government.

CHAPTER VII

State Management of Minerals

Article 54 Contents of State Management of Minerals

State management of minerals includes the following:

1. Formulating strategies, plans and policies in relation to protection and rational, economical and efficient use of mineral resources and development of the mineral mining and processing industry;
2. Promulgating and organizing the implementation of legislation relating to mineral resources;
3. Issuing, extending or withdrawing mineral licences and permits; authorizing the transfer or bequeathal of the right to conduct mineral activities; authorizing the surrender of a mineral licence or permit; registering activities of basic geological surveys of mineral resources and mineral activities;
4. Evaluating, approving, assessing proposals, reports and mine designs in relation to mineral activities;
5. Controlling and inspecting the activities of basic geological surveys of mineral resources and mineral activities;
6. Adoption of policies regarding local people where mineral mining or processing takes place or where there are toxic minerals;
7. Taking measures to protect mineral resources;
8. Filing and keeping confidential State documents and secrets in relation to mineral resources;
9. Training managerial and technical personnel in the mineral industry; educating, disseminating and guiding the implementation of legislation relating to mineral resources;
10. Carrying out international co-operation in the field of basic geological surveys of mineral resources and mineral activities;
11. Settling any dispute, complaint or denunciation related to mineral activities and dealing with breaches of legislation relating to mineral resources to the extent of the authority.

Article 55 Authority for State Management of Minerals

In accordance with its powers and duties, the Government shall be responsible for exercising uniform State management of minerals throughout the country.

The Ministry of Industry shall assume the function of State management of minerals. The Ministry of Industry, ministries, ministerial equivalent bodies, bodies of the Government and people's committees at all levels shall be responsible for co-ordinating with one another in the course of State management of minerals within their respective powers and duties.

The Mineral Reserve Assessment Council shall assist the Government in evaluating and approving mineral reserves. The Government shall provide for the organizational structure and operations of the Mineral Reserve Assessment Council.

People's Committees at all levels shall exercise State management of minerals within their respective localities in accordance with the provisions of this Law and the delegation of authority by the Government.

The Government shall provide for the organizational structure, duties and powers of State administrative bodies in charge of minerals under the Ministry of Industry and people's committees at all levels.

Article 56 Authority and Procedures for Issuance, Extension and Withdrawal of Mineral Licences and Permits

1. The delegation of authority for issuance, extension and withdrawal of mineral licences and permits must adhere to the principle of the centralized and uniform management by the Government of minerals and shall depend on the nature of each particular type of mineral and the duties and powers of State bodies at the central and local level.
2. The Government shall provide for the authority for issuance, extension and withdrawal of mineral licences and permits; procedures for issuance, extension, withdrawal and surrender of mineral licences and permits, authorizing the transfer and bequeathal of the right to conduct mineral activities and registration of mineral activities.

Article 57 Settling Disputes related to Mineral Activities

Any dispute related to mineral activities shall be settled as follows:

1. The body which is vested with the authority to issue a mineral licence or permit shall be responsible for settling disputes related to the right to conduct mineral activities arising out of the use of such mineral licence; where any party concerned is not satisfied with the resolution by the dispute settling

body, it may refer the complaint to, or take legal action with, the competent State bodies in accordance with the law.

2. Other disputes arising out of mineral activities shall be dealt with in accordance with the delegation of authority and the procedures as stipulated by the law.

CHAPTER VIII

Specialized Mineral Inspectors

Article 58 Specialized Mineral Inspectors

The State Managing Body of Minerals shall assume the function of specialized mineral inspection. The organizational structure and operations of the State specialized mineral inspectors shall be provided for by the Government.

Article 59 Duties of Specialized Mineral Inspectors

The State specialized mineral inspectors shall have the following duties:

1. Monitoring and inspecting the compliance with the regulations regarding:
 - (a) Terms of mineral licences and permits;
 - (b) Confidentiality of State secrets relating to mineral resources;
 - (c) Protection and rational use of mineral resources;
 - (d) Rights and obligations of organizations and individuals permitted to conduct mineral activities.
2. Co-ordinating with the State inspectors specialized in labour and environmental protection for the purpose of monitoring and inspecting occupational safety and labour hygiene and environmental protection in mineral activities.
3. Co-ordinating with State inspectors of ministries, branches and localities in the course of mineral inspection activities.

Article 60 Authority of Specialized Mineral Inspectors

An inspection team and each inspector shall, in carrying out inspection activities, be entitled to:

1. Require the organization or individual concerned to provide the necessary documents or answers to the necessary questions;
2. Investigate and collect evidence and documents relating to the contents and subjects of the inspection and carry out on-site technical inspection measures;
3. Suspend unlicensed mineral activities; in case of emergency where there are activities which threaten to cause serious accidents to human beings or

material loss of mineral resources or adverse impact on the environment, at the same time, immediately notify the competent State body thereof for decision or request the competent State body to suspend such activities;

4. Deal with, within their competence, or request the competent body to deal with, any breach of the laws on mineral resources.

Inspection teams and inspectors shall be responsible for their own decisions before the law.

Article 61 Responsibilities of Organizations and Individuals regarding Specialized Mineral Inspection Activities

1. Organizations and individuals shall be responsible for creating all favourable conditions for inspection teams and inspectors to discharge their tasks.
2. Organizations and individuals subject to inspection shall be bound to comply with any decision made by the inspection team or inspector.

Article 62 Right to Lodge Complaints, Denunciations or Initiate Legal Action

1. Organizations or individuals subject to inspection may lodge a complaint or initiate legal action against any decision made or measures taken by the inspection team or inspectors.
2. Organizations and individuals may denounce any breach of legislation relating to mineral resources by any other organization or individual to the competent State body.

The body receiving the complaint, denunciation or request to initiate legal action shall be responsible for considering and promptly dealing with same in accordance with the law.

CHAPTER IX

Rewards and Dealing with Breaches

Article 63 Rewards

Organizations and individuals achieving merit in discovering and protecting mineral resources shall be entitled to rewards in accordance with the law.

Article 64 Dealing with Breaches

1. Any organization or individual disclosing State secrets relating to mineral resources, conducting unlicensed mineral activities, hindering the protection of mineral resources, hindering legal mineral activities of other organizations and individuals, hindering mineral inspection activities or breaching other provisions of this Law shall, depending on the seriousness of the breach, be subject to administrative penalties, discipline or criminal prosecution; compensation shall be paid for any damage caused.
2. Any person who takes advantage of his position or powers and breaches the provisions in relation to the issuance of mineral licences and permits or other provisions of this Law shall, depending on the seriousness of the breach, be subject to administrative penalties, discipline or criminal prosecution; compensation shall be paid for any damage caused.

CHAPTER X

Implementing Provisions

Article 65 Implementing Provisions

1. Unless prohibited by this Law, the rights and obligations of organizations and individuals who were issued with licences and permits to conduct mineral activities prior to the effective date of this Law shall remain subject to the terms of such mineral licences and permits, except where such organizations or individuals voluntarily choose to comply with this Law.
2. This Law shall also govern mineral activities conducted by foreign organizations and individuals in Vietnam unless otherwise stipulated by international treaties to which the Socialist Republic of Vietnam is a party or signatory.
3. All previous regulations which are contrary to this Law shall hereby be repealed.

3. The Government shall make detailed provisions for the implementation of this Law.

Article 66 Effectiveness

This Law shall be of full force and effect as of 1 September 1996.

This Law was passed by Legislature IX of the National Assembly of the Socialist Republic of Vietnam at its ninth session on 20 March 1996.

Chairman of the National Assembly

NONG DUC MANH