



LICENCES, RIGHTS AND PERMITS APPLICATION GUIDELINES AND ASSESSMENT PROCEDURES

1. PURPOSE

This document is an initiative of the Ministry of Mines and Energy aimed at explaining the types of licences and permits administered and issued by the Ministry and the application and evaluation processes followed by the Ministry in granting licences. The expected outcome of this document is to give possible investors, project proponent and interested parties a quick overview and understanding of how licensing of mining and energy permit activities is undertaken by the Ministry in the context of the relevant legislation framework.

2. MINERAL RIGHTS AND PERMIT APPLICATIONS

2.1. WHY APPLY FOR MINERAL RIGHTS AND PERMITS?

In Namibia any right in relation to the reconnaissance, prospecting, mining sale/disposal and exercise of control over, any mineral or group of minerals are vested in the state and are provided for by **the Minerals (Prospecting and Mining) Act, 1992** and administered by the **Mining Commissioner**. Any person interested in undertaking mining activities should apply to the Ministry of Mines and Energy in the prescribed forms.

2.2. TYPES OF MINERAL RIGHTS

2.2.1. Non-Exclusive Prospecting License (NEPL) (Section 16 – 24)

This license is a gateway to pegging mining claims. The holder of a NEPL is not entitled to exclusive rights for any specific mineral group or area. It issued for a year and the annual fee is N\$50.

2.2.2. Mining Claims (MC)

Mining claims are granted to Namibian citizens or to companies owned by Namibian citizens. However, a mining claim holder may choose to contract a foreigner or a company owned by foreigners to prospect and mine. An individual or a company can only be awarded a maximum of ten (10) mining claims at a time. The registration of a mining claim is subject to an Environmental Clearance Certificate, issued by Ministry of Environment and Tourism. The application fee is N\$ 50.00.

2.2.3. Reconnaissance License (RL) (Section 58 – 66)

A reconnaissance license is used to conduct regional investigations such as airborne geophysical surveys and analysis of satellite images. Usually it covers a large area e.g. 1 million Ha. A RL issued for six (6) months after which, the holder of a RL should ideally be in a position to apply for an Exclusive Prospecting Licence within the area previously covered by the RL. The application fee for a RL depends on the size of the area (N\$500/quarter of a degree square).

2.2.4. Exclusive Prospecting License (EPL) (Section 67 – 76)

An EPL is meant for detailed investigations such as geological mapping, ground geophysics, geochemical sampling, trenching, drilling, bulk sampling, trial mining, etc. It is the most common type of mineral license issued by the Ministry of Mines and Energy. In fact, more than 70% of the work load which the Mining Commissioner's office undertakes due to licensing related activities emanate from EPLs and EPL applications. The application and License fees are paid as per the following table:

| AREA (Ha) | FEE (N\$) |
|------------------|------------------|
| < - 20 000 | 2 000 |
| 20 001 – 30 000 | 3 000 |
| 30 001 – 40 000 | 4 000 |
| 40 001 – 50 000 | 5 000 |
| 50 001 – 60 000 | 6 000 |
| 60 001 – 70 000 | 7 000 |
| 70 001 – 80 000 | 8 000 |
| 80 001 – 90 000 | 9 000 |
| 90 001 – 100 000 | 10 000 |

2.2.5. Mineral Deposit Retention License (MDRL) (Section 77 -89)

After conducting exploration under an EPL, the EPL holder may find a deposit but there could be certain circumstances that prevent such EPL holder from taking the project to mining. These circumstances include: the commodity price, lack of infrastructure or poor extraction technologies at the time.

If the EPL holder has a reason to believe that these negative circumstances would improve, they may choose to preserve their rights over the deposit by applying for an MDRL. An MDRL is issued for five (5) years and is renewable; however the holder is not obliged to carry out any do work. The annual fee is N\$5000.

2.2.6. Mining License (ML) (Section 90-101)

After a successful exploration program, an EPL holder may want to start mining activities. In this case, an EPL Holder may to apply for a mining license. Depending on the deposit size and the scale of production, a mining license may be issued for a period not longer than twenty five (25) years. The annual fee depends on the projected annual turnover. Where the turnover is projected to be below N\$10 000 000, the fee is N\$1000. Where the turnover is projected to be above N\$10 000 000, the fee is N\$5000. Mining licenses are renewable for periods not exceeding 15 years at a time.

2.3. How to apply for Mineral Rights

2.3.1. Application and Registration of a Mining Claim

An application for the registration of a mining claim is made to the Mining Commissioner in the prescribed form. A mining claim must be made within 21 days from the date on which such claim is pegged as provided in section 28 and shall be accompanied by the application fee.

2.3.2. Application for a Mineral Licence

A mineral licence under the Minerals (Prospecting and Mining) Act, 1992 includes a reconnaissance licence, and exclusive prospecting licence, a mining licence or a mineral deposit retention licence.

An application for:

- a. a mineral licence or a renewal thereof;
- b. the amendment of a mineral licence; or

- c. the approval of the Minister for the transfer of a mineral licence, or the grant cession or assignment of any interest in any mineral licence, or to be a joint holder of a mineral licence or such interest,

shall be made to the Minister in the prescribed forms and shall be accompanied by the application fees, as the case may be of such licence.

2.4. What happens to the application once it is lodged?

2.4.1. Mining Claims

- a. Is registered and managed using the Flexi Cadastre Namibia – a software solution that the Ministry uses to facilitate all aspects of the application, evaluation, granting and compliance monitoring of mineral rights and related permits.
- b. The completed “environmental questionnaire for mining claims” and the pro-forma environmental contract” forms must be handed to the competent authority (MME official) on the day of application.
- c. The mining claim can only be registered upon receipt of an environmental clearance certificate from the Ministry of Environment and Tourism.
- d. An application for the renewal of registration of a mining claim **must** be made not later than **ninety (90)** days before the expiry date of such mining claim.
- e. Once in possession of the certificate of registration of the mining claim, the mining claim holder shall carry on mining operations

2.4.2. Mineral Rights and License Applications

- a. The Mining Commissioner receives all applications.
- b. Technical staff members of the Department of Mines conduct preliminary evaluation on each application and forward their recommendations to the Mineral Prospecting and Mining Rights Advisory Committee (MPMRAC), an inter-Ministerial Committee.
- c. MPMRAC meets about once every two months to look at applications. The assessment follows the order in which the applications were received - section

125 of the Minerals (Act. After assessing each application, the MPMRAC forwards their recommendations to the Minister

d. The Minister makes the final decision on each application.

Composition of the MPMRAC

- Permanent Secretary in the Ministry of Mines and Energy (Chairperson)
- Mining Commissioner
- A staff member of the Department of Mines responsible for Mineral Rights and Resources Development
- The Head of the Geological Survey of Namibia
- A staff member of the Geological Survey responsible for Economic Geology
- A staff member of the Geological Survey responsible for Geophysics
- Diamond Commissioner
- Chief Mines Surveyor
- A staff member of the Ministry of Environment and Tourism responsible for Parks
- Environmental Commissioner
- A staff member of the Ministry of Finance responsible for tax
- A staff member of the Ministry of Fisheries and Marine Resources responsible for Resource management
- A staff member of the Ministry of Land Reform responsible for farms

2.5. Evaluation Criteria

2.5.1. Mining Claims

- a. Only the holder of a **valid NEPL** is allowed to peg a mining claim
- b. In case of a person, such holder shall be a Namibian citizen older than 18 years or in case of a company, only Namibian citizens may own shares in such company.
- c. The application must be lodged within 21 days as from the date on which such claim has been pegged.
- d. The area applied for should not overlap with the existing valid mineral rights.
- e. The applicant should have a valid environmental clearance certificate from the Ministry of Environment and Tourism.

2.5.2. EPL and Mining License Applications

- a. Eligibility: i) in case of a company, it should be duly registered in Namibia for the purpose of mineral exploration and mining, ii) if it is an individual, he or she must be a Namibian citizen.
- b. Sound description of the exploration target (EPLs);
- c. Sound exploration model (EPLs);
- d. Sound exploration or mining program and budget;
- e. Capability to finance the exploration or mining project
- f. In case of overlap, compliance with sec 69 (EPLs);
- g. In case of communal area/land, notification to the Traditional Authority;
- h. Environmental clearance certificate from Ministry of Environment and Tourism;
- i. In case of a renewal application for an EPL, an exploration report detailing results of the preceding tenure.
- j. Sound report detailing resources and reserves (SAMREC, JORC, etc. compliant);
- k. Sound track record in exploration/ mining;
- l. Sound mine design and processing plant design (MLs);
- m. Availability of mining experts to carry out the envisaged exploration/ mining program (in case of an ML application, if applicant has no in-house capacity, a reputable mining contractor is required);
- n. Pre-feasibility study (MLs)

2.6. When should an applicant expect feedback on their application?

| TYPE OF APPLICATION | TIME IT TAKES TO GET FEEDBACK |
|-----------------------------------|--|
| Non-EPL | One (1) day after an application is received |
| Mining Claim | Seven (7) working days after an Environmental Clearance is received; |
| Reconnaissance License | 3-4 months |
| Exclusive Prospecting License | 3-4 months |
| Mineral Deposit Retention License | 3-4 months |
| Mining License | 6-12 months |

2.7. What is expected from the license holder once the license is granted?

- a) the carrying on of reconnaissance operations, prospecting operations and mining operations, including the construction of any accessory works, where applicable;
 - b) compliance with Environmental Clearance Certificate or Environmental Management Plan;
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- a) conservation of any natural resources;
 - b) prevention of the waste of such resources;
 - c) Payment of licence fees and royalties; and
 - d) submission of reports, returns and other information to the office of the Mining Commissioner

2.8. Reporting

Reports to be submitted to the Mining Commissioner:

| TYPE OF LICENCE | MONTHLY | QUARTERLY | ANNUALLY |
|------------------------|---|------------------|-----------------|
| NEPL | Upon request from the Commissioner (Section 24) | | |
| RL | N/A | N/A | Yes |
| EPL | Yes | N/A | Yes |
| MDRL | N/A | N/A | Yes |
| MC | N/A | Yes | Yes |
| ML | N/A | Yes | Yes |

2.9. ROYALTIES - Part XVI of the Minerals Act, 33 of 1992

The mineral rights holder is liable to pay to the Commissioner for the benefit of the State Revenue Fund a royalty.

- i. The holder of a mining claim or a mining licence who has won or mined in the course of any prospecting or mining operations carried on by him or her, and
- ii. the holder of any non-exclusive prospecting licence, exclusive prospecting licence or mineral deposit retention licence who has found or incidentally won in the course of any prospecting operations carried on by him or her.

| COMMODITY GROUP | ROYALTY RATE |
|------------------------|---------------------|
| Precious Stones | 10% |

| | |
|---------------------------|----|
| Dimension Stones | 5% |
| Base and Rare metals | 3% |
| Precious Metals | 3% |
| Nuclear Fuel Minerals | 3% |
| Non-Nuclear Fuel Minerals | 2% |
| Industrial Minerals | 2% |
| Semi-Precious Stones | 2% |

2.10. PERMITS

2.10.1. Type of Permits

a) Export Permit

An export permit is required when a license holder needs to export minerals from Namibia for the purpose of sale or scientific examinations.

b) Transportation Permit

A transportation permit is required for the purpose of transporting minerals within Namibia.

c) High Value Mineral permit (HVM)

A High Value Mineral permit is for anyone who wishes to trade in High Value Minerals such as gold, silver, platinum, etc

Application forms for these permits can be found on our website

<http://www.mme.gov.na/forms/?designation=dm> after an application for a permit is lodged, technical staff members in the Department of Mines evaluate it to see if the value of the material and the allowable deductions stated are realistic. If everything is in order, the Mining Commissioner proceeds to issue the permit. Thereafter the applicant is expected to pay royalties immediately, or within six (6) months, as the case may be.

2.11. ANCILLARY RIGHTS COMMISSION (Section 107-113)

The Ancillary Rights Commission is appointed by the President of the Republic of Namibia with the objective of resolving disputes between the mineral rights applicants/ holders and the surface right holders. Where such a dispute occurs, the applications are submitted to the secretariat of the Commission. The secretariat is comprised of staff members of the Department of Mines.

3. DIAMOND LICENCES AND PERMITS

Diamond licences and permits are issued under the **Diamond Act, 1999** and Diamond Regulations 2000 and administered by the Diamond Commissioner who is appointed under the Diamond Act, 1999.

3.1. Types of Licences

3.1.1. Dealer's Licence

This licence entitles the holder to carry on business as a buyer, seller and exporter of rough diamonds.

3.1.2. Cutter's Licence

This licence entitles the holder to polish diamonds for purposes of business or trade.

3.1.3. Tool making Licence

This licence entitles the holder to set unpolished diamonds in tools, implements or to alter or crush those diamonds for the purpose of trade; and

3.1.4. Research Licence

This licence entitles the holder to conduct research and test in connection with diamonds but not to polish diamonds for purposes of business or trade.

3.2. Types of Permits

Permits cater for non-recurring circumstances and may be easily withdrawn in contrast to licences

(a) Section 27 (a- j) of the Diamond Act, 1999 provides

(b) for different types of Diamond permits entitling holders to:

possess, sell, purchase, import, export, possess any diamondiferous concentrate outside a restricted area, export diamondiferous concentrate, remove and export any sand, soil, clay, gravel, stone, rock or mineral that may contain diamonds.

- (c) The most common permit is the Restricted Area Permit under Section 27 (k) of the Diamond Act, 1999. This permit entitles any person to enter, work, visit or reside in Restricted Areas (Please refer to Section 52 (2) of the Diamond Act, 1999).
- (d) Any person applying for a Restricted Area Permit is required to have a “clean Police clearance” which can be obtained from the Namibian Police. (Please see Section 52 (2) on a “ Restricted Area”)
- (e) The procedure for application and issuance of permits is outlined under Sections 28 and 29 of the Diamond Act, 1999 and Regulations 5, and 6 of the Regulations.
- (f) Applications for permits under section 27 (a – j) shall expect feedback within 5 working days; whereas
- (g) Applicants for Section 27 (k) permits shall expect feedback within 30 days as per Section 29 of the Diamond Act.
- (h) Applications for Restricted Area permits shall be lodged directly at the Ministry’s Regional Offices at **Oranjemund, Lüderitz and Swakopmund.**

Table 1: Table showing the types of licences, period of validity and applicable fees

| LICENCE TYPE | PERIOD OF VALIDITY (YRS.) | APPLICATION FEE (N\$) Non-refundable | ANNUAL FEE (N\$) |
|---------------------|---------------------------|--------------------------------------|------------------|
| Cutter's Licence | 10 | 500 | 1,500 |
| Dealer's Licence | 5 | 500 | 10,000 |
| Tool-making licence | 5 | 500 | 1,500 |
| Research Licence | Minister to determine. | 500 | 1,500 |
| Permits | Minister to determine | 250 | N/A |

3.2 How to apply

Applications for any diamond licence shall be made in terms of provisions outlined under Sections 5, 16 and Regulation 2 of the Diamond Act, 1999 and Diamond

Regulations of 2000, in a prescribed form (Form 1) and shall be submitted to the Office of the Minister.

3.3. What happens to the application once it is lodged?

Once an application is lodged, the Department of Diamond Affairs to determine whether all documents required are attached.

The following documents are required when submitting any application:

- (a) Certified copies of Identification or Passport;
- (b) Proof of payment of a non-refundable application;
- (c) Certified copy of Company registration (CC1), Certificate of Incorporation, Memorandum and Articles of Association;
- (d) Tax Certificate Issued by the Ministry of Finance;
- (e) Original Police Clearance Certificate; and
- (f) A Business Plan

Once an application is complete, it is forwarded to an evaluation committee for evaluation. However, if it is incomplete, a written request is made to the applicant to furnish outstanding documents.

3.4. Evaluation Criteria

The evaluation committee evaluates the applications and makes recommendations to the Minister through the Diamond Commissioner. When evaluating an application the following criteria are taken into consideration:

- (a) Whether the applicant is a Namibian or permanent resident
- (b) Compliance with statutory requirements (Company Act and State Finance Act)
- (c) A clean Police Clearance Certificate with no criminal offences as stipulated under Section 48 of the Diamond Act and Regulation 13) of the Diamond Regulation.
- (d) Financial viability (financial support, working capital and insurance arrangements)
- (e) Technical viability (experience and expertise of key personnel)

- (f) Technological viability
- (g) Source(s) of rough diamonds
- (h) Proof of market and distribution channels (for cutter's, dealers, Tool making licences)

- (i) Proof of purposes of research and tests to be conducted (for a research licence)

Where an application is **granted**, the Minister determines reasonable conditions in respect of the licence which shall be endorsed by both parties. The Diamond Commissioner then **issues** a licence to the prospective licensee in the prescribed form (form 2) where the following conditions are met:

- (a) The **Business Premises** has been approved and a prospective licensee has been issued with a Business Premises Certificate (Sections 18, 39 and Regulation 8 of the Diamond Act, 1999 and Regulations respectively; and
- (b) The Minister, in terms of provisions under Section 50 and Regulation 16 of the Diamond Act, 1999 and Regulations has approved the **Security Plan**.

Where an application is refused, the Diamond Commissioner notifies the applicant in writing of the Minister's decision and outlines reasons why the application was refused.

3.5. When should an applicant expect feedback on their applications?

An applicant should expect feedback on their application for **licences** within **six (6) months** as per (Section 16 (4) (c) Diamond Act, 1999).

3.6. Application for Renewal of Diamond Licences

Section 20 and Regulation 4 (3) of the Diamond Act, 1999 and Regulations respectively make provision for the renewal of Diamond licences. An application for renewal of a diamond licence shall be made in the prescribed form (Form 1) and submitted to the Office of the Minister. An application for renewal must be made 3 months (90 days) before the date on which the licence will expire.

Please note: Provisions for applying, evaluating, investigation, granting or not granting and issuing a “new” licence apply!

4. PETROLEUM LICENCES

4.1. Petroleum Upstream Licences

Petroleum upstream licences are provided for under the **Petroleum (Exploration and Production Act, 1991)** and are administered by the **Petroleum Commissioner**.

4.1.1. Why should you apply for an upstream petroleum licence?

An upstream petroleum licence grants its holder petroleum exploration and production rights. Companies that are granted these licences are able to explore for oil and gas both onshore and offshore in Namibia.

4.1.2. Types of Petroleum Upstream Licences

(a) Reconnaissance Licences

A reconnaissance licence allows its holder to carry on reconnaissance operations subject to terms and conditions as stipulated under Section 22-28 of the Petroleum Exploration and Production Act, 1991. A reconnaissance Licence is non-exclusive.

(b) Exploration Licence

An exploration licence allows its holder to carry on exploration operations exclusively in the block(s) to which it relates subject to the terms and conditions and in the block(s) as may be specified in such Licence as stipulated under Section 29-38 of the Petroleum (Exploration and Production) Act, 1991.

(c) Production Licence

A production licence allows its holder to exclusively carry on production operations on the block(s) to which that licence relates and to sell or dispose of petroleum recovered within such block(s) and any other activities as stipulated under subsections 39-43 of the Petroleum (Exploration and Production) Act, 1991.

4.1.3. How to apply for Petroleum Upstream Licences

There are no prescribed application forms to be completed when applying for petroleum upstream licences. The applications are to be compiled in accordance with the following guidelines:

(a) Applications for a Reconnaissance Licence

An application for a reconnaissance licence shall be made in accordance with the stipulation of the Petroleum (Exploration and Production) Act, 1991, Section 24. http://www.mme.gov.na/files/publications/d43_petroleum_act_1991.pdf

(b) Applications for an Exploration Licence

An application for an exploration licence shall be in accordance with the stipulations of the Petroleum (Exploration and Production) Act, 1991, Section 38. http://www.mme.gov.na/files/publications/d43_petroleum_act_1991.pdf

(c) Application for a Production Licence

A production licence shall be applied for in accordance with stipulation of the Petroleum Exploration and Production Act, 1991 Section 46. http://www.mme.gov.na/files/publications/d43_petroleum_act_1991.pdf

4.1.4. What happens to the application once it is lodged?

Once submitted, applications undergo the evaluation process as described below.

Evaluation of Applications

(a) An Inter-Ministerial Government Negotiating Team (GNT), chaired by the Ministry of Mines and Energy, evaluates each application, taking the following aspects into consideration:

- the technical and financial capabilities of the applicant for ensuring safe and cost-effective exploration and production of petroleum in Namibia;
- the applicant's willingness to perform a complete evaluation of petroleum potential in the licence area within an agreed time frame. This would include the proposed minimum work programme and expenditure;
- the economic terms offered in accordance with the bid requirements.

(b) After evaluating the applications received, GNT will invite selected applicants to Windhoek. The invited applicants will then have the opportunity to present their application to the GNT, and negotiation of the terms of the bid will be invited.

(c) The Ministry of Mines and Energy reserves the right to accept or reject any application without any obligation to give any reasons or to otherwise justify its decision. More information can be found in Petroleum Exploration and Production Act, 1991 (Act 2 of 1991)

Note: The Namibian Government uses an Open Licensing System.

4.1.5. When do I expect to receive feedback on my application?

The Ministry will respond to your application within 3 months of receipt.

4.1.6. Fees payable in respect of application for, and renewal of, licences, and for inspection of, or obtaining of copies of entries in, the register (Sections 11, 15 and 77)

| Nature of application | Amount of fee |
|--|----------------------|
| Application for reconnaissance licence | N\$ 15 000 |
| Application for renewal of reconnaissance licence | N\$ 3 000 |
| Application for exploration licence | N\$ 30 000 |
| Application for renewal of exploration licence | N\$ 15 000 |
| Application for production licence | N\$ 30 000 |
| Application for renewal of production licence | N\$ 15 000 |
| Application for transfer of reconnaissance licence | N\$ 30 000 |
| Application for transfer of exploration licence | N\$ 30 000 |
| Application for transfer of production licence | N\$ 30 000 |
| Inspection of register | N\$ 300 |
| Obtaining copy of entry in register, per copy | N\$ 150 |

4.1.7. What can I do if my application has been unsuccessful?

The applicant may re-apply for the same block, provided that the block is still available and open for applications during the time of the submission of such re-application.

4.2. Downstream Petroleum Licences

The legislative framework for the downstream petroleum licences is found in the Petroleum Products and Energy Act, 1990 and Petroleum Products Regulation of 2000.

4.2.1. Why should you apply for a downstream petroleum licence?

A downstream petroleum licence permits a person to conduct activities and business in the industry of petroleum products. Companies and individuals who are granted these licences can import, distribute, store, sell or export petroleum products, depending on the type of licence.

4.2.2. Types of Downstream Licences

(a) Wholesale Licence

A wholesale sale is the sale of petrol or diesel in bulk quantities and a bulk quantity is a single quantity of 200 litres or more. A wholesale Licence allows a person to import, distribute or export petrol or diesel in bulk quantities.

Please note: An import permit is issued by the Ministry of Trade and Industry to wholesale Licence holders. However, before the import permit is issued, it must be approved by the Ministry of Mines and Energy. For more details, refer to Sections 11-15 of the Petroleum Products Regulations of 2000.

(b) Retail Licence

A retail licence allows one to operate a retail outlet in terms of the Petroleum Products Regulations, 2000. A retail outlet is any place from where petrol or diesel is sold or is offered for sale to consumers/the public for purposes of use or consumption. For more details, refer to Sections 4-10 of the Petroleum Products regulations of 2000.

(c) Consumer Installation Certificate

A Consumer Installation Certificate authorizes its holder to possess diesel or petrol of more than the following quantities: 200 litres in urban areas and 600 litres in rural areas. A person is eligible to to apply for the consumer installation certificate for any of the following activities: a commercial undertaking, farming or a mining. See Section 16-24 of the Petroleum Products Regulations, 2000 for further details.

4.2.3. How to apply for a wholesale licence, retail licence and consumer installation certificate

(a) Wholesale licence

An application is lodged by submitting a completed PP/3 application form. A wholesale Licence shall be applied for in accordance with stipulation of the Petroleum Products Regulation, 2000 Section 11-15.

(b) Retail licence

An application is lodged by submitting a completed PP/1 application form. A retail licence shall be applied for in accordance with stipulation of the Petroleum Products Regulation, 2000 Section 4-10.

(c) Consumer installation

An application is lodged by submitting a completed PP/5 application form. A consumer installation certificate shall be applied for in accordance with stipulation of Section 16-24 of the Petroleum Products Regulation, 2000.

4.2.4. What happens to the downstream petroleum Licence applications once lodged?

Once submitted, applications undergo the evaluation process as described below.

- (a) Each application is evaluated individually by Petroleum Inspectors for technical compliance and completeness.
- (b) A Licence Evaluation Committee will then table and evaluate each application, taking into consideration, amongst others, the following aspects:
 - the technical and environmental compliance to the minimum industry standards and environmental laws;
 - the issue of vertical integration;
 - economic viability in terms of retail Licences
 - the suitability of any storage facilities proposed in terms of minimum standards
 - the shareholding of the applicant company and nationality of its directors
 - any other matter relevant to the orderly provision of petroleum products in Namibia

4.2.5. Specific criteria for evaluation of downstream Licence applications

| Wholesale Licence | Retail Licence | Consumer Installation |
|--|--|--|
| An application will be awarded in accordance to the stipulations <i>Petroleum Products Regulation, 2000 Section 13</i> | An application will be awarded in accordance to the stipulations <i>Petroleum Products Regulation, 2000 Section 6.</i> | An application will be awarded in accordance to the stipulations <i>Petroleum Products Regulation, 2000 Section 20</i> |

4.2.6. When do I expect to receive feedback on my application?

The Ministry will respond to your application within 1 month of receipt of the application

4.2.7. Application for a Licence can be disqualified based on the following conditions

A licence will not be issued to a new applicant, nor may a new applicant hold a licence, if such an applicant:

- (a) has during the five years preceding the application for the licence been convicted of an offence under the Petroleum Products and Energy Act, 1990, or is so convicted during the currency of the licence;
- (b) is not a Namibian citizen or is not lawfully resident in Namibia, or loses Namibian citizenship or the right to be lawfully resident in Namibia;
- (c) is a body corporate, and is not registered in Namibia or if its registration in Namibia has been cancelled;
- (d) is or becomes an un-rehabilitated insolvent;
- (e) is or becomes subject to an order of competent court declaring such a person to be mentally ill or disordered (mad).

4.2.8. Fees

| Wholesale Licence | Retail Licence | Consumer Installation |
|--|---|---|
| Application fee N\$100 Collection fee N\$1000 | Application fee N\$100 Collection fee N\$250 | Application fee N\$100 Collection fee N\$250 |

4.2.9. What can I do if my application has been unsuccessful?

The applicant may re-apply for the required license. Such re-application will be subjected to the same evaluation criteria described above in accordance with above-mentioned the Petroleum Laws and regulations.

5. ELECTRICITY LICENCES

This section explains the licensing regime in Namibia in respect of the electricity supply industry. The function of administering and managing electricity licences is bestowed on the Electricity Control Board (ECB) as established by the **Electricity Act, 2007**. The submission, evaluation and management of all electricity licences reside with ECB. However, the power to grant or refuse licences resides with the Minister of Mines and Energy, upon recommendation and based on the evaluation made by ECB.

5.1. Types of Electricity Licences

Section 17 of the Electricity Act, 2007 (Duty to obtain a licence) states that no person may establish or carry on generation, trading, transmission, distribution, supply, import or export of electricity without a licence.

5.1.1. Generation License

Required for any generation plant which has a capacity of more than 500 kVA

5.1.2. Trading Licence

In the current market model only NamPower has a license to trade electricity through the electricity market.

5.1.3. Transmission License

In the current market model only NamPower has the electricity transmission license.

5.1.4. Distribution License

Require for by any distributors of electricity where the estimated total demand of the installation is more than 500 KVA.

5.1.5. Export License

In the current market model only NamPower has the right to export electricity.

5.1.6. Import License

In the current market only NamPower has the right to export electricity.

5.2. Nature of Applications

5.2.1 Issue of new License

Unless a person already holds a license to carry out a particular electricity activity a new license application is required

5.2.2 Renewal of License

A license may be renewed beyond its valid period at the discretion of the Minister as recommended by the ECB.

5.2.3 Amendment of License

A licensee may apply to amend any license that has been granted in term of the Electricity Act, 2007 such an amendment is subject to approval by the Minister.

5.2.4 Transfer of License

Unless approved by the Ministers on recommendations of the ECB a license may not be transferred from one person/ company to another.

5.2.5 License exemption

For those electricity activities that are exempted from license requirements as indicated in Section 18 of the Electricity Act, 2007.

5.3. How to apply

5.3.1. An application for a license is made in the prescribed form which can be downloaded <https://www.ecb.org.na/index.php/licensing/license-application-procedure>

5.3.2. The following information is required when completing an application form:

(a) Particulars of individual such as name, ID number, address, contact number etc. or in case of a company documents such as company registration, signed resolution of the board approving the submission, shareholding structure, etc. to prove the legality of such an application.

(b) An accurate map to indicate where the plant will be situated plus a temporary or permanent right to the land on which the plant will be located to prove that the concerned Licencee has rights or can acquire the land required to carry out the said activities.

(c) Technical and economic-financial details including design description, complete tariff schedules, calculation of the net present value of the proposed plant to prove the business case

NB: For further information, please visit the ECB website at www.ecb.org.na.

5.4. What happens to my application once it is submitted?

During the evaluation and in dealing with any licence application the steps below are followed:

- 5.4.1.** The ECB secretariat carries out a preliminary evaluation and assesses the completeness of the licence application.
- 5.4.2.** The licence application is advertised in any of the local English newspapers. The purpose is so that any aggrieved parties can object to the licence application within 30 days after the advert placement.
- 5.4.3.** A complete evaluation is done parallel to the 30 days, and in addition to that, any objection received is considered by the ECB. Where necessary a public hearing can be scheduled, and both the applicant & objector(s) are informed not less than 14 days from the hearing date.
- 5.4.4.** Not later than 30 days after the hearing, if any, or 30 days after the objection period expires, the ECB must submit the licensee application with their recommendation to the Minister.
- 5.4.5.** The Minister may grant or refuse to issue the licence applied based on the recommendation by the ECB.

NB: If the application for the issue of licence is refused the Minister should inform the applicant in writing stating reasons for such a refusal.

5.5. Evaluation Criteria

The evaluation criteria used to assess the Licence application are summaries as follow:

- 5.5.1.** Possible impacts to the environment and the rights and operations of others versus the benefits arising from grading a Licence. The Minister may require an Environmental Impact Assessment (EIA) to be conducted.

- 5.5.2. Adequate technical and economic-financial resources of the prospective Licencee to successfully conduct its Licenced business considering the technical and economic-financial viability of the project.
- 5.5.3. The ability of the applicant to provide adequate and sustainable services to the customers.
- 5.5.4. Whether the grant or refusal of the Licence is in the public interest

NB: The above list is not an exhaustive list of criteria and the ECB or the Minister may take into account any other relevant evaluation criteria.

6. GENERAL PROVISIONS

When applying for a Licence, please take the following pointers into consideration:

- 6.1. Incomplete applications will not be considered
- 6.2. Late submissions will be handled in accordance with the provisions of the respective legislations
- 6.3. The relevant application fee must be paid and a copy of the receipt submitted with the application.
- 6.4. The cashier at the Ministry operates within the hours of 9am – 12pm.

7. CONCLUSION

The Ministry of Mines and Energy is committed to serving the public in a free, fair and transparent manner. In case of any queries, please contact the Ministry at the following:

Ministry of Mines and Energy
6 Aviation Road
Private Bag 13296
Windhoek
Email: info@mme.gov.na
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