REPUBLIC OF NAMIBIA

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CRITERIA FOR NEW AND RENEWAL APPLICATIONS AND EVALUATION, AS WELL AS, CONDITIONS FOR LICENSES ISSUED UNDER THE DIAMOND ACT, 1999 (ACT 13 OF 1999)

1. TYPES OF DIAMOND LICENSES, VALIDITY AND RENEWAL PERIODS AND LICENSE CONDITIONS

Table 1. Kinds of Diamond Licenses, Validity and Renewal Periods and License Conditions

License Type	Purpose of License	Period of Validity	Renewal Period	Conditions
Cutter's license	Entitles the holder to polish diamonds for business or trade.	10 yrs.	Every 10 yrs.	➢ 12 months – conditional approval to allow full set up, operationalization and commitment ➢ Monthly Progress Reporting by Licensee ➢ Subject licensee to Bi-Annual Performance Assessment ➢ Transfer of license prohibited within the first 12 months

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				➢ The applicant must not be in default with provisions of the Diamond Act, 1999, Income Tax Act or any other laws. ➢ Valuation expense in relation to rough exports above 20% of total value per sight to be borne by individual licensee.
Dealer's license	Entitles the holder to carry on business as a buyer, seller and exporter of unpolished diamonds.	5yrs	Every 5 yrs.	➢ 6 months - conditional approval to allow full set up, operationalization and commitment. ➢ Monthly Progress Reporting by Licensee. ➢ Subject licensee to Bi-Annual Performance Assessment. ➢ Transfer of license prohibited within the first 12 months. ➢ The applicant must not be in default with provisions of the Diamond Act, 1999, Income Tax Act or any other laws.
Tool-making license	Entitles the holder to set unpolished diamonds in tools, implements or other articles or to crush or to alter those diamonds for business or trade.	5 yrs.	Every 5 yrs.	➢ 12 months - conditional approval to allow full set up, operationalization and commitment. ➢ Monthly Progress Reporting by Licensee. ➢ Subject licensee to Bi-Annual Performance Assessment. ➢ Transfer of license prohibited within the first 12 months. ➢ The applicant must prove that they are not in default with provisions of the Diamond Act, 1999, Income Tax Act or any other laws.

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Research license	Entitles the holder to conduct research and tests in connection with diamonds, but not to polish diamonds for the purpose of business or trade.	As per Minister's determination.	As per Minister's determination	➢ Conditional approval as per Minister's determination. ➢ Monthly Progress Reporting by Licensee. ➢ Subject licensee to Bi-Annual Performance Assessment. ➢ Transfer of license prohibited within the first 12 months after issuance. ➢ The applicant must not be in default with provisions of the Diamond Act, 1999, Income Tax Act or any other laws.

2. LEGAL REQUIREMENTS

2.1 **A natural person:**

- 18 years old and above;
- Namibian Citizen or Permanent resident;
- Registered in Namibia as a tax payer for income tax purposes;
- Has sound mind;
- Has not been convicted of any offence under the Diamond Act; and
- Has not been convicted in Namibia or elsewhere under any law, of offenses involving dishonesty, fraud, unlawful dealing in or possession of diamonds or involved in the unlawful dealing in or possession of diamonds.

2.2 **A Juristic Person:**

- Incorporated and registered as a company / Close Corporation under applicable Namibian laws and registered in Namibia as a tax payer for income tax purposes;
- If the applicant is a Partnership, every partner shall be either Namibian citizens or Permanent resident in Namibia;

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- A Company or Close corporation which has undertaken if a license is granted, to be incorporated in Namibia and registered as a tax payer for income tax purposes; and
- Every director / member / person holding controlling interest in a Company/ Close Corporation:
  - Has not been bankrupt / insolvent;
  - Has not been convicted of any offence under the Diamond Act; and
  - Has not been convicted in Namibia or elsewhere under any law, of offenses involving dishonesty, fraud, unlawful dealing in or possession of diamonds or involved in the unlawful dealing in or possession of diamonds.

2.3 APPLICATION FOR A CUTTER'S AND DEALER'S LICENSES

Table 2. Documents required when applying for the Diamond Cutter's Licenses

Duly completed License Application Form (Form 1) to be accessed from the Ministry, 3rd Floor Front Office and can also be downloaded from the Ministry's website **(www.mme.gov.na)**
Proof of paid Application Fee.
(a) **A Natural person applicant**: Certified Copies of Identification Card or Passport
(b) **A Juristic person applicant:** ➢ Certified copies of Registration / Certificate of Incorporation in Namibia ➢ Memorandum and Articles of Association ➢ Share Certificate(s) of shareholders ➢ Up-to date list of Directors ➢ Company structure / Organo- Structure
Financial documents confirming the financial position of the applicants **(such as 6 months- latest Bank statements; Confirmation Letter from a Financier; 3 years-Audited Financial Statements and any other relevant document).**
Proof of technical competence of the technical team supported by Curriculum Vitae (s) (CVs).
Rough supply agreements or Proof of continuous supply or both.
Original valid Tax Certificate issued by the Ministry of Finance.
Original Police Clearance Certificate valid for 12 months with no criminal records for individual applicants, Shareholders and Directors.
*A Comprehensive /Integrated Business Plan.

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A 12-month operations commencement plan	The Commencement Plan should include securing of premises, installation of appropriate machinery and technology, execution of approved security plan, recruitment of core skills, confirmed interim rough diamond supply sources and a detailed timeline to commence operations in Namibia.
Technical Capability (Manufacturing, trading, technology, valuing, grading, etc.)	The detailed description of technical capability in terms of required expertise and experience including management skills for key personnel, which must be supported by CVs.
Source (s) of Rough	List and detailed description of confirmed sources of rough diamonds.
Funding Sources	List and detailed description of confirmed funding sources confirming that funds are reserved for activities under the applied license.
Marketing and Distribution	A detailed description of how and where polished diamonds, tools etc. produced in Namibia will be distributed and sold.
HR Development Plan	The applicant should provide a detailed Human Resources (HR) Development Plan that outlines how the applicant intends to empower its employees through training and provision of relevant skills.
Internship and Bursary Plan	The applicant should provide internships and bursaries to Namibian's especially in the fields related to the Namibian. Furthermore, the internship plans should expose Namibians to practical training in various aspects of the diamond value chain.
Procurement Plan	The applicant should provide a procurement plan and its implementation for the progression of procurement from Namibian owned SMEs or individuals. Procurement can be broken down into three levels, namely capital goods, services and consumables.

2.4 EVALUATION OF A DIAMOND CUTTER'S LICENSE APPLICATION

The period within which Cutter's and Dealer's Licenses are granted or refused is six (6) months in terms of Section 16(4(c). However, the Ministry will do its best to process applications and make recommendations to the Minister within two (2) months.

When evaluating applications for Diamond Cutter's and Dealer's Licenses the following criteria will be taken into consideration:

Table 3. Evaluation Criteria for a Cutter's License application

1. In case of a natural person, whether the applicant is a Namibian citizen or permanent resident; and 2. In case of a juristic person, whether the applicant is registered or incorporated in Namibia.
3. In case of a natural person, whether the applicant is a previously disadvantaged person or not. However, preference will be given to the **YOUTH** and **WOMEN** " from previously disadvantaged group.
4. In case of a juristic person applicant, whether there is participation by a previously disadvantaged shareholder or director or there is ownership by previously disadvantaged person (s) / owned company. However, preference will be given to the "**YOUTH** and **WOMEN** " from previously disadvantaged group.
5. The applicant must demonstrate that they have or have access to Financial Resources.
6. The applicant must demonstrate that they have or have access to Technical competence and experience to carry on the business of diamond polishing.
7. The applicant must demonstrate that they have or have access to markets for their diamonds.
8. Other socio-economic benefits for the surrounding communities.

2.5 ISSUE OF A DIAMOND CUTTER'S LICENSE

The applicant will be notified in writing if the application is granted or refused.
If granted, the Minister shall issue conditions in respect of such license.
The Cutter's License will be issued **after** the following are in place:

- full set up and operationalization;
- Payment of the applicable annual license fee.
- An approved Business Premise and;
- An approved Security Plan.

3. DIAMOND DEALER'S LICENSE

NB: The requirements for New and Renewal Applications; and Evaluation for A Diamond Dealer's License are the same as those for a Cutter's License.

4. A DIAMOND TOOL - MAKING LICENSE

4.1 APPLICATION FOR A DIAMOND TOOL MAKING LICENSE

Table 4. Documents required when applying for the Tool - Making Licenses

A Duly completed License Application Form (Form 1) to be accessed from the Ministry, 3rd Floor Front Office and can also be downloaded from the Ministry's website **(www.mme.gov.na)**
Proof of a paid Application Fee.
(a) **A natural person:** Certified copies of Identification Card or Passport
(b) **A Juristic person applicant:** ➢ Certified copies of Registration / Certificate of Incorporation in Namibia ➢ Memorandum and Articles of Association ➢ Share Certificate(s) of shareholders ➢ Up-to date list of Directors
Financial Documents confirming the financial position of the applicants **(such as 6 months- latest Bank statements; Confirmation Letter from a Financier; 3 years-Audited Financial Statements and any other relevant document)**
Proof of technical competence of the technical team on expertise and experience in the manufacturing of diamond tools and equipment supported by CVs.
Rough supply agreements or Proof of continuous supply or both.
Original Valid Tax Certificate Issued by the Ministry of Finance
Original Police Clearance Certificate valid for 12 months with no criminal records for an individual applicant; Shareholders and Directors in case of a juristic person.
A Comprehensive Business Plan / Integrated Business Plan.

Table 5. Composition of the Comprehensive Business Plan

A 12-months operations commencement plan	The Commencement Plan should include securing of premises, installation of appropriate machinery and technology, execution of approved security plan, recruitment of core skills, confirmed interim rough diamond supply sources and a detailed timeline to commence operations in Namibia.
Technical Capability (diamond equipment or tool manufacturing, technology, etc.) in activities under the license being applied for	The detailed description of technical capability in terms of required expertise and experience in rough diamond equipment or tool manufacturing.
Source (s) of Rough	List and detailed description of confirmed sources of rough diamonds.
Funding Sources	List and detailed description of confirmed funding sources with supporting documents backed by a Financial Institution.
Marketing and Distribution	A detailed description of how and where the diamonds, tools, equipment etc. produced in Namibia will be distributed, supplied and sold.
HR Development Plan	The applicant should provide a detailed Human Resources (HR) Development Plan that outlines how the applicant intends to empower its employees through training and provision of relevant skills.
Internship and Bursary Plan	The applicant should provide internships and bursaries to Namibians. Furthermore, the internship plans should expose Namibians to practical training in various aspects of the diamond value chain.
Procurement Plan	The applicant should provide a procurement plan and its implementation for the progression of procurement from Namibian owned SMEs or individuals. Procurement can be broken down into three levels, namely capital goods, services and consumables.

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4.2 EVALUATION OF A DIAMOND TOOL – MAKING LICENSE APPLICATION

The period within which Diamond Tool – Making Licenses are granted or refused is six (6) months in terms of Section 16(4(c) of the Diamond Act. However, the Ministry will do its best to process applications and make recommendations to the Minister within two (2) months.

When evaluating applications for a Diamond Tool Making License, the following criteria will be taken into consideration:

Table 6. Evaluation Criteria of a Diamond Tool Making License application

1. In case of a natural person, whether the applicant is a Namibian citizen or permanent resident; and 2. In case of a juristic person, whether the applicant is registered or incorporated in Namibia.
3. In case of a natural person, whether the applicant is a previously disadvantaged person or not.
4. In case of a juristic person applicant, whether there is participation by a previously disadvantaged shareholder or director or there is ownership by previously disadvantaged person (s) / owned company.
5. The applicant must demonstrate that they have or have access to Financial Resources.
6. The applicant must demonstrate that they have or have access to Technical competence and experience in rough diamond equipment or tool manufacturing.
7. The applicant must demonstrate that they have or have access to markets for their tools and equipment.
8. Other socio-economic benefits for the surrounding communities.

4.3 COST AND ISSUE OF DIAMOND TOOL - MAKING LICENSE

The applicant will be notified in writing if the application is granted or refused.
If granted, the Minister shall issue conditions in respect of such license.
The Tool Making License will be issued after the following are in place:

- full set up and operationalization;
- Payment of the applicable annual license fee;
- An approved Business Premise and;
- An approved Security Plan.

5. A DIAMOND RESEARCH LICENSE

5.1 APPLICATION FOR A DIAMOND RESEARCH LICENSE

Table 7. Documents required when applying for a Diamond Research License

A Duly completed License Application Form (Form 1) to be accessed from the Ministry, 3rd Floor Front Office and can also be downloaded from the Ministry's website **(www.mme.gov.na)**
Proof of a paid Application Fee.
(a) **A natural person applicant:** Certified copies of Identification Card or Passport
(b) A juristic person applicant: ➢ Certified copies of Registration / Certificate of Incorporation in Namibia ➢ Memorandum and Articles of Association ➢ Share Certificates of shareholders ➢ Updated List of Directors ➢ Company or CC structure / Organ- Structure
A Research Certificate of a Namibian-based Research Institution or Researcher or A Research Permit for Non Namibian Research Institution / Researcher issued by the National Commission of Research, Science and Technology.
Financial Documents confirming the financial position of the applicants (natural and juristic persons) **(such as 6 months- latest Bank statements; Confirmation Letter from the Financier; 3 years-Audited Financial Statements and any other relevant document).**
Proof of technical competence in relation to research in diamonds.
Rough supply agreements or Proof of continuous supply in case the research requires the use of diamonds.
Original Valid Tax Certificate Issued by the Ministry of Finance.
Original Police Clearance Certificate valid for 12 months with no criminal records for an individual applicant; Shareholders and Directors in case of a juristic person.
A Comprehensive Business Plan / Integrated Business Plan

Table 8. Composition of the Comprehensive Business Plan:

A Research Commencement Plan	The Commencement Plan should include securing of premises, installation of appropriate machinery and technology, execution of approved security plan, recruitment of core skills, confirmed interim rough diamond supply sources and a detailed timeline to commence research operations in Namibia.
Technical capability in research in relation to diamonds	The detailed description of technical capability in terms of required expertise and experience in diamond research.
Source (s) of Rough	List and detailed description of confirmed sources of rough diamonds.
Funding Sources	List and detailed description of confirmed funding sources with supporting documents backed by a Financial Institution.
HR Development Plan	The applicant should provide a detailed skills HR Development Plan that outlines how the applicant intends to empower the trainees through training and provision of relevant skills.
Internship Plan	The applicant should provide internships to Namibians Further, the internship plan should expose Namibians to practical training in diamond research.
Procurement Plan	The applicant should provide a procurement plan and its implementation for the progression of procurement from Namibian owned SMEs or individuals. Procurement can be broken down into three levels, namely capital goods, services and consumables.

5.2 EVALUATION OF DIAMOND RESEARCH LICENSE APPLICATION

The period within which Diamond Tool – Making Licenses are granted or refused is six (6) months in terms of Section 16(4(c) of the Diamond Act. However, the Ministry will do its best to process applications and make recommendations to the Minister within two (2) months.

When evaluating applications for a Diamond Research License, the following criteria will be taken into consideration:

Table 9. Evaluation Criteria of Diamond Research License Application

1.In case of a natural person, whether the applicant is a Namibian citizen or permanent resident; and 2. In case of a juristic person, whether the applicant is registered or incorporated in Namibia.
3. In case of juristic person, whether there is an Empowerment Beneficiary participation or the applicant is an Empowerment Beneficiary company.
4. The applicant must demonstrate that they have or have access to Financial Resources.
5. The applicant must demonstrate that they have or have access to Technical competence to conduct research in relation to diamonds.
6. The applicant must demonstrate that the Research in relation to diamonds is beneficial to Namibia and will involve Namibians.

5.3 COST AND ISSUE OF A DIAMOND RESEARCH LICENSE

The applicant will be notified in writing if the application is granted or refused.
If granted, the Minister shall issue conditions in respect of such license.
The Diamond Research's License will be issued after the following are in place:

- full set up and operationalization;
- An approved Business Premise and;
- An approved Security Plan.

Please note: **No license fees are payable for a Diamond Research License.**

6. SUBMISSION OF LICENSE APPLICATIONS

- All diamond license applications must be addressed to the Minister's Office and delivered by hand to:
  The 3rd Floor's Front Office
  Ministry of Mines and Energy Building
  1st Aviation Road
  Private Bag 13197
  Windhoek

- Enquiries on Diamond Licenses should be directed to the Office of the Diamond Commissioner: **Ms. Miina Auene- Gahutu or via Email: Miina.Auene-gahutu@mme.gov.na or Tel.: (061) 284 8320**

- **NB: Incomplete applications will not be accepted.**

7. APPLICATIONS FOR LICENSE RENEWAL

Application for license renewal must be made not later than 3 months 90 days **before** the date on which the license will expire.

Kindly note: Requirements / Criteria for Diamond License Renewal Application and Evaluation will be the same as those for a new application. However, on evaluation of a renewal application, consideration will be made with regards to past performance of the license.

8. UNDERTAKING UPON GRANTING OF A LICENSE APPLICATION

- When a license is granted, provision will be made for a licensee to sign an undertaking within 30 days; acknowledging receipt of a conditional letter of approval; acceptance of terms and conditions attached to the license; and a commitment to implement the plans.

- Failure to return the signed undertaking within the specified time period will result in an automatic lapse of the conditional approval.

9. IMPLIMENTATION DATE

The above criteria and conditions will be effective from the date this document is signed.

MINISTRY OF MINES AND ENERGY
OFFICE OF THE MINISTER

.....03 JUL 2020.....

TOM. K ALWEENDO, MP
MINISTER OF MINES AND ENERGY

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