

## The procedure is in French



▲ International lawyer Michael Bula.

**R**eforms of the mining code in Burkina Faso may go through the country's legislature this month.

Minerals & Energy Minister Ouedraogo said in response to a question that more liberalisation could be expected on customs and other costs on materials and machinery coming into the country to support exploration and mining development.

In a summary of legal matters, Melbourne-based international lawyer Michael Bula said Burkina Faso has a system not dissimilar to Australia's where the State owns the mineral rights.

Two types of tenements can be applied for — an Exploration Licence and an Exploitation Licence, the latter for mining.

An exploration tenement can be for three years and can be renewed twice more, with on the latter, the maximum sized holding of 250 square kilometres would be reduced to one-quarter size.

There are some exclusions from customs and other charges.

The mining code has 11 parts and takes in such issues as titles, duration of titles and authorisations for artisanal mining and taxation.

With an exploitation li-

cence, which must be approved by parliament, the company established to undertake the mining must have a 10% government ownership that cannot be diluted by any increase of share capital.

Mining as a business operation would see corporate taxation of 35% and a 12.5% taxation on any stocks or share revenues.

While holders of mining titles are subject to exchange controls there are flexible procedures.

Bula said miners can import funds for project development and can transfer out funds for reimbursement of debts in capital and interest, as well as to pay for foreign supplies as well as dividend.

Existing royalties based on free on board rates are 7% for diamonds and precious stones, 4% for base metals and other minerals and 3% for gold and precious metals, with less for artisanal mining.

Bula said a group setting up a company in Burkina Faso needs a notary for processing and all documents and articles of association must be translated in French, as that is the common language of the country.

Any private company being set up needs to have fully paid up capital.

"Two dollar companies do not exist in West Africa," Bula said.