

**REPORT OF THE COMMITTEE ON ECONOMIC AFFAIRS, ENERGY AND LABOUR FOR THE FOURTH SESSION OF THE ELEVENTH NATIONAL ASSEMBLY APPOINTED ON TUESDAY, 23<sup>RD</sup> SEPTEMBER, 2014, ON THE GOLD TRADE (REPEAL) BILL, N.A.B. NO. 13 OF 2015**

Consisting of:

Mr K K Hamudulu, MP (Chairperson); Mr G G Nkombo, MP; Dr S Musokotwane, MP; Mr V Lombanya , MP; Mr F Mutati, MP; Mr W Simuusa, MP; Mr N Chilangwa, MP; and Ms M Miti, MP.

The Honourable Mr Speaker  
National Assembly  
Parliament Buildings  
**LUSAKA**

Sir,

Your Committee has the honour to present its Report on the Gold Trade (Repeal) Bill, N.A.B. No. 13 of 2015, referred to it by the House on 25<sup>th</sup> June, 2015.

**2. Functions of the Committee**

In addition to any other duties conferred upon it by the Honourable Mr Speaker, or any other order of the House, your Committee is mandated to consider any Bills that may be referred to it by the House.

**3. Meetings of the Committee**

Your Committee held four (4) meetings to consider the Gold Trade (Repeal) Bill, N.A.B. No. 13 of 2015.

**4. Procedure adopted by the Committee**

In order to acquaint itself with the Bill, your Committee requested written and oral submissions from different stakeholders.

**5. Objectives of the Gold Trade (Repeal) Bill, N.A.B. No. 13 of 2015**

The objectives of the Gold Trade (Repeal) Bill, N.A.B. No. 13 of 2015, are to:

- a) repeal the *Gold Trade Act*; and
- b) provide for the matters connected with, or incidental to, the foregoing.

## 6. Background

The *Gold Trade Act, Chapter 396 of the Laws of Zambia* was enacted in 1912, to regulate and control dealings in gold. With the passage of time, some of the provisions are becoming irrelevant. The provisions in the Act have remained outdated and ineffective despite the piece-meal amendments that have been made to it. In order to improve trade in gold, the Act has been identified under the Business Reform Programme as one of the pieces of legislation to be repealed. Dealings in gold will now be provided for in the *Mines and Minerals Development Act, 2008*. It, therefore, follows that the repeal of the *Gold Trade Act, Chapter 396 of the Laws of Zambia* is necessary in order to update and simplify the regulation of gold trade in the country as the current provisions are cumbersome and unnecessarily bureaucratic and to avoid duplicity in gold trade. In this vein, the Bill seeks to repeal the *Gold Trade Act, Chapter 396 of the Laws of Zambia*.

## 7. Salient provisions of the Gold Trade (Repeal) Bill, N.A.B. No. 13 of 2015

The Bill seeks to repeal the *Gold Trade Act, Chapter 396 of the Laws of Zambia* and in addition seeks to provide for the effect of the repeal on licence or permit holders under the Act.

### Clause 2 – Interpretation

The clause provides for definitions of key words used in the Bill. The clause provides for the definitions of "Director" and "repealed Act".

### Clause 3 - Repeal of Chapter 396

This clause provides for the repeal of the *Gold Trade Act, Chapter 396 of the Laws of Zambia*. In addition, the clause provides for the effect of the repeal on licences or permits issued under the repealed Act.

## 8. SUBMISSIONS BY STAKEHOLDERS

A number of stakeholders who appeared before your Committee from the onset supported the repeal of the *Gold Trade Act, Chapter 396 of the Laws of Zambia*, which was enacted in 1912. They submitted that the decision to repeal the Act was long overdue. They observed that the Bill does not conform to the changes that have occurred in the industry.

Some stakeholders reiterated the need for the *Mines and Minerals Development Act, 2008*, to address all of the aspects covered by the *Gold Trade Act*. For example, the stakeholders recommended that there should be appropriate regulations (which could take the form of a Statutory Instrument) issued pursuant to the *Mines and Minerals Development Act* which should provide for a basis for the issuance of permits by the Director of Mines to persons who merely trade in gold and do not hold any mining right.

Stakeholders further noted with concern some inconsistencies in clause 3(2) of the Bill. They noted that one portion of the clause stipulates that a holder of a licence or permit issued under the *Gold Trade Act, Chapter 396 of the Laws of Zambia* should, within six months of the commencement of the Act, apply to the Director of Mines for a licence. The word permit is omitted in the sentence. The clause then goes further to state that the Director of Mines will only grant a permit for the unexpired period for which it was granted under the repealed Act; in this last sentence, the word licence is omitted. They recommended that the word permit and licence be inserted in the appropriate places to address this inconsistency.

#### 9. COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS

From the outset, your Committee supports the Bill which seeks to repeal the *Gold Trade Act, Chapter 396* of the Laws of Zambia. It commends the Government for initiating the repeal of this piece of legislation as it has lost its relevance because of the passage of time and the changing the dynamics in the mining sector.

#### 10. CONCLUSION

Your Committee wishes to pay tribute to all stakeholders who appeared before it and tendered both oral and written submissions. Your Committee also wishes to thank you, Mr Speaker, for affording it an opportunity to study the Bill. Your Committee also appreciates the services rendered by the office of the Clerk of the National Assembly.

We have the Honour to be, Sir, your Committee on Economic Affairs, Energy and Labour mandated to consider the Gold Trade (Repeal) Bill, N.A.B. No. 13 of 2015.

Mr K K Hamudulu, MP  
**Chairperson**

Mr G G Nkombo, MP  
**Member**

Dr S Musokotwane, MP  
**Member**

Mr V Lombanya, MP  
**Member**

Mr F Mutati, MP  
**Member**

Mr W Simuusa, MP  
**Member**

Mr N Chilangwa, MP  
**Member**

Ms M Miti, MP.  
**Member**

## **APPENDIX I**

### **LIST OF OFFICIALS**

#### **National Assembly**

Mr S C Kawimbe, Principal Clerk of Committees  
Ms M K Sampa, Deputy Principal Clerk of Committees  
Ms C Musonda Acting Committee Clerk (FC)  
Mr F Chikambwe, Assistant Committee Clerk  
Mrs M E Z Banda, Assistant Committee Clerk  
Mr S Samuwika, Assistant Committee Clerk  
Mrs D Mukwanka, Assistant Committee Clerk  
Mr A Chilambwe, Assistant Committee Clerk  
Mrs R T Mwila, Acting Stenographer  
Ms F Hamakalu, Typist  
Mr R Mumba, Committee Assistant  
Mr M Chikome, Parliamentary Messenger

## **APPENDIX II**

### **LIST OF WITNESSES**

#### **Ministry of Justice (Permanent Witness)**

Mr F Chilunga, Assistant Commissioner, Law Revision  
Mr M Chola, Senior Parliamentary Counsel  
Ms K Ndulo, Parliamentary Counsel

#### **Kansanshi Copper Mining Company**

Mr H Carruthers, Chief Geologist

#### **Zambia Chamber of Mines**

Mr S Shula, Economist  
Mr C M Banda, Tax Manager  
Mr H Pasi, Legal Counsel  
Mr W R Sweta, Councilor AZMEC  
Ms H Maxwell, Office Manager  
Mr G M Mulenga, President-Country Manager  
Mr M Akakandelwa, Head-Corporate  
Ms P Pio, Country Legal Manager

#### **Ministry of Mines, Energy and Water Development**

Mr M Lumamba, Director of Mines  
Mr G Ndalama, Director of Mines Safety  
Ms B Mwakacheya, Project Documentalist  
Mr A Dokowe, Chief Geologist  
Mr T Mazhamo, Acting Systems Administrator  
Mr B Chewe, Chief Director Micro Energy  
Mr M Chibonga, Acting Head-Cadastre  
Mr S Mulongwe, Mining Engineer

#### **Ministry of Finance**

Mrs P C Kabamba, Permanent Secretary  
Mr M Masiye, Director-Budget  
Mr J Phiri, Analyst-Expenditure