

By Fax

No. DGM-9(8)/2015
Government of Pakistan
Ministry of Petroleum & Natural Resources
(Mineral Wing)

Islamabad, the February 23, 2015.

Director Administration,
Sindh Board of Investment,
Government of Sindh,
Karachi.

Subject: LEGAL FRAMEWORK AND LAWS CONCERNING MINES AND MINERALS.

Reference:- Sindh Board of Investment (SBI)'s letter No.SBI/PC(Energy)/
Legal Framework/2014-15 dated 09.02.2015 on the above subject.

2. The item-wise position regarding the queries raised by the Consulate
General of Pakistan, Toronto (para-3 of SBI's letter under reference), as per information
available with this Ministry, is summarized below:

| S.# | Query | Reply |
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| 1. | <i>What are the tax incentives for mining operations?</i> | The taxes, levies and fiscal incentives applicable to mineral sector have been enumerated in National Mineral Policy-2013 and the SBI's information memorandum attached with the letter referred to above. However, the current tariff of taxes/duties may be ascertained from Federal Board of Revenue. Similarly, the rates of labour levies; contributions towards Employees' Social Security, Employees' Old-Age Benefits, Workers' Welfare Fund, Workers Profit Participation Fund and Workers Children Education Cess etc. need to be updated after consulting the regulatory organizations concerned; Provincial Labour Department, Employees' Social Security Institution, WWF and EOBI. |
| 2. | <i>What is the business law environment applicable to mines and minerals sector in Pakistan?</i> | Constitutionally, all minerals other than nuclear substances are Provincial subject. The followings are specific business laws governing mines and minerals sector in Pakistan: <ul style="list-style-type: none">• National Mineral Policy-2013;• Regulation of Mines & Oil-fields and Mineral Development (Government Control) Act, 1948 and Provincial rules/regulations framed thereunder for grant of mineral concessions; |

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