

SUPPLEMENT to the Solomon Islands Gazette

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[Legal Notice No. 68]

THE MINES AND MINERALS ACT 1990
(No. 3 of 1990)

THE MINING ROYALTY (GOLD RIDGE) FUND

DIRECTIONS 1997

IN exercise of the powers conferred by section 45(4) of the Mines and Minerals Act, 1990, I DAVID V. VOUSA, Minister of Energy, Mines and Minerals, do hereby give the following Directions for the control and management of the Mining Royalty (Gold Ridge Mining Project) Fund -

1. (1) These Directions may be cited as the Mining Royalty (Gold Ridge Mining Project) Fund Directions 1997.

Citation.

(2) In these Directions unless the contrary intention otherwise requires -

"Fund" means the Mining Royalty (Gold Ridge Mining Project) Fund.

2. (1) Subject to the provisions of these Directions, the Director subject to the control and direction of the Minister for the time being charged with the responsibility for mines and minerals, be charged with the responsibility of administering the Fund.

Administration
of Fund.

(2) The Director shall open and maintain all accounts with any commercial bank in Solomon Islands for the receipt of moneys paid by the Mining Company pursuant to this Direction. Any moneys paid out of the Fund that are to be distributed in terms of Direction 4 shall be signed by at least three of the authorised officers specified in Direction 5.

(3) The Director shall keep proper accounts and records of the transactions made into or out of the fund and shall do all the things necessary to ensure that all payments out of the Fund are correctly made and properly authorised.

(4) The Director shall appoint an Auditor and ensure that the accounts are properly audited at the expiration for every financial year.

(5) The Director shall furnish to the Minister as soon as practicable after the expiration of each financial year a report together with a statement of revenues and expenditures duly audited by the Auditor. The Minister shall cause such report and statement to be laid before Parliament.

Royalty

3. (1) The holder of the Mining Lease (hereinafter referred to as " the Mining Company") shall in discharge of its obligation to pay royalty to the Government pay into the Fund 1.5% of the gross revenue sales for any minerals obtained pursuant to that lease.

(2) The Mining Company shall ensure that royalty payment is made into the Fund within reasonable time but not later than sixty days as stipulated in the relevant Mining Agreement.

(3) Moneys paid into the Fund shall be distributed in the following manner -

(a) eighty per cent shall be paid into the respective accounts in accordance with the percentage formula specified under Direction 4; and

(b) twenty per cent shall be paid into a special trust fund opened with a bank in Solomon Islands for that purpose by the Guadalcanal Provincial Government.

Distribution of royalty.

4. Subject to a withholding tax of 7.5%, the eighty percent of royalty pursuant to Direction 3(3)(a) shall be paid royalty into the bank accounts held by the respective landowners trustees in the following manner -

(a) 36.5% to the trustees of Rausere tribe being the landowning tribe of Valehaichichi gold deposit;

(b) 6.3% each to the trustees of the following land-owning tribes of Matoba, namely, Charana, Kaokao, Roha, Sutahuri and Vatuviti;

(c) 6.2% each to the trustees of the tribes of Matoba, namely, Halisia and Soroboilo;

(d) 5% to the trustees of Chacha tribe being a land owning tribe of Matoba.

(e) 3.925% to the trustees of Sabaha tribe;

- (f) 3.225% to the trustees of Salasivo tribe;
- (g) 2.5% to the trustees of Chavuchavu tribe;
- (h) 1.325% to the trustees of Kaipalipali tribe being a landowning tribe of Gold Ridge;
- (i) 1.225% to the trustees of Koenihao tribe, and
- (j) 1.2% to the trustees of the following landowning tribe of Gold Ridge, namely, Lasi and Sarahi.

Authorised
Officers.

5. The following persons shall be authorised persons for the release of moneys from the Fund -

- (a) Director of Geology;
- (b) Permanent Secretary of the Ministry for the time being responsible for Mines and Minerals;
- (c) Permanent Secretary of the Ministry of Finance;
- (d) The Governor of the Central Bank of Solomon Islands or his nominee; and
- (e) a representative of the Goldridge Community and Landowners Association as appointed by the Minister for the time being responsible for Mines and Minerals.

Government not
liable for claim

6. Upon payment of royalties into the landowners respective Trust Accounts, the Government shall thereby discharge its obligation and shall not be liable for any claims by any person arising out of or relating to the application or payment, use or misuse, management or mismanagement of the trust funds.

Lodging of
complaint.

7. (1) A beneficiary who on reasonable ground believes that the distribution of the royalty fund was unreasonable may lodge a complaint with the Minister.

(2) The Minister in consultation with the Council may direct that -

- (a) no payment be made from the Fund into the relevant trust account;
- (b) an investigation be carried out to determine the merits of the complaint; or
- (c) take such necessary action as he deems fit.

For the purposes of this Direction, "Council" means the Council established by the Constitution of the Goldridge Community and Landowners Association.

Payment of
royalty.

8. (1) Subject to these Directions, payment made into Guadalcanal Province (Royalty) Special Fund under Direction 3

shall only be expended on development projects approved by the Minister of Provincial Government in consultation with the Guadalcanal Provincial Council.

Taxes, levies
and charges,
etc.

9. (1) Where an adjustment is made under the tax and stability provisions of the Gold Ridge Mining Agreement in favour of a party arising from a new fiscal imposition in the nature of a tax, or a varied fiscal imposition not provided for in the said Gold Ridge Mining Agreement, the following provision shall apply.

(2) In the event that the Government reimburses the Mining Company or its parent company as a result of the application of the tax stability provisions of Gold Ridge Mining Agreement arising from a new or varied fiscal imposition in the nature of a tax not provided for in the Mining Agreement, the Minister may order that the Government be reimbursed the amount of the reimbursement out of the moneys paid under Direction 3(3)(b).

Authorised for
officers.

10. The following persons shall be authorised officers for the purposes of the Guadalcanal Province (Royalty) Special Fund.

- (a) Permanent Secretary of the Ministry of Finance;
- (b) Provincial Secretary of the Guadalcanal Province;

and,

- (c) Permanent Secretary of the Ministry for the time being responsible for Mines and Minerals.

Accounts to
be audited

11. Books of accounts of the Funds and Guadalcanal (Royalty) Special Fund shall be audited by the Auditor General once a year and shall as soon as practicable, be laid before Parliament.

Dated at Honiara this fourth day of June 1997.

DAVID VOUZA
Minister of Energy, Mines and Minerals