Prospecting and mining rights get price tag

Mine owners have to pay for their mining rights and local governments must turn in 20 percent of the proceeds to the national coffer, according to a notice jointly issued by the Ministry of Finance and the Ministry of Land and Resources.

According to the notice, land and resources management departments will strengthen supervision on payment of mining charges by installment in reform pilots, and mines are required to pay off the installments before they pass certificate registration and annual inspection.

Paying for prospecting and mining rights in the form of capital will be the focus of the follow-on reform. If the prospecting charges are less than 5 million yuan or the mining charges less than 30 million yuan, then the charges should be paid one-off.

As to the prospecting and mining rights that get registered certificates issued by related provincial governments, one-off payment standards will be made by the respective provincial governments according to local conditions.

Mining claimants should submit applications and installment payment plans to land and resources management departments within two months after putting the charge assessment on record. The departments will issue the "payment notice" after auditing the installment payments' terms and amounts.

Meanwhile, mining claimants have to bear the capital occupation fees in accordance with the bank loan benchmark interest rates set by the People's Bank of China.

For mining revenues after September 1, 2006, 20 percent goes to the central government and 80 percent to the local government. The provincial finance department should divide mining revenues according to its own management methods and distribute more to the original region of resources in principle, the notice said.

"The distribution is in the interest of local economic development and aims at stimulating enthusiasm of local people," said an official with the Ministry of Land and Resources.

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