



Pursuant to article 6 paragraph 1.4,2; article 23 paragraph 1.4.1; article 31 paragraph 1.11; and pursuant to article 23 of the law 04/L-158, on Amending and Supplementing the law on Mines and Minerals, article 38 paragraph 1.11, article 59 paragraph 1 and 62, of the law 03/L-163 on Mines and Minerals, the Board of the Independent Commission for Mines and Minerals in order to regulate and determine the rules and methods on determination of limits of Bank Guarantee and “all risks third party liability” Insurance, in the meeting held on 14.04.2014, hereby issues this:

ADMINISTRATIVE INSTRUCTION

(ICMM NO. 002/2014)

ON BANK GUARANTEES AND “ALL RISKS THIRD PARTY LIABILITY” INSURANCES

Article 1

Purpose

- 1.1. This instruction shall regulate and determine, the value and manner of submitting Bank Guarantee for performance of obligations and “all risks third party liability” Insurance.
- 1.2. This instruction shall also determine the mechanisms relevant within ICMM, as how Bank Guarantees for performance of obligations and “all risks third party liability” Insurance should be or should be processed.

Article 2

Submission of Bank Guarantees for performance of obligations and “all risks third party liability” Insurance

- 2.1. Every Licence or Permit is issued only after applicant except completion of other conditions specified by law, submits also the Bank Guarantees for performance of obligations and all Risks third party liability Insurance, as it is foreseen by law and by this administrative instruction.
- 2.2. Bank Guarantees for performance of obligations shall have the term more than six (6) months than the term of Licence or Permit.
- 2.3. “All risks third party liability” insurance shall be submitted for all the term of the License or Permit.

Article 3

Form of performance bonds to Exploration, Mining licences and Special Operations Permits

3.1. Form of performance bond and “all risks” third party liability insurance shall be determined by ICMM, MESP, KFA and Ministry according to article 23 paragraph 1.4.1; article 31 paragraph 1.11 and according to article 23 of the law 04/L-158, on Amending and Supplementing the law on Mines and Minerals; article 38 paragraph 1.11 of the law no. 03/L-163 on Mines and Minerals.

3.2. The Bank Guarantee or securities of company or Governmental investments, Euro-Bond shall be submitted to the ICMM, then the ICMM will submit it to one of the licensed Bank by the Central Bank of Kosovo.

3.3 Review and recalculation, as needed, of costs on approved closure of mine and obligation for rehabilitation to be carried out as needed but at least once every three (3) calendar years by ICMM in accordance with requests of article 31.11 of Basic Law

3.4. Until complete deposition of guarantee according to sub paragraph 1.11.2, of this article, the licensee shall depose a part of guarantee in the amount set out by ICMM quarterly.

3.5. Means paid as guarantee for rehabilitation is reimbursed to the company after completion of rehabilitation in accordance with projects approved by ICMM, MESP, KFA.

3.3. In terms of the issue of minerals mining, guarantee form has for purpose the prediction of ICMM regarding the engineering cost to rehabilitate the location in compliance with the approved mine closure plan and its rehabilitation. The prediction from this paragraph except ICMM should be done in cooperation with MESP, KFA, and MED.

Article 4

“All risks third party liability” Insurance form

4.1. Determination of limits for “all risks third party liability” insurance to Exploration Licences:

4.1.1. Exploration Licences for Metallic and Energy Minerals 50,000.00€

4.1.2. Exploration Licences for other Minerals 20,000.00 €

4.2. Determination of limits for “all risks third party liability” insurance, to Mining Licences, of metallic minerals.

4.2.1. The first year of production minimum 200,000.00 €

4.2.2. The second year of production minimum 200,000.00 €

4.2.3. The third year of production minimum 400,000.00 €

4.2.4. The fourth year of production minimum 400,000.00 €

4.2.5. From the fifth year and further minimum 700,000.00 €

4.3. Determination of limits for “all risks” third party liability” insurance to Mining Licences of energy minerals.

4.3.1. Mining Licences of Energy Minerals 1,500,000.00 €

4.4. Determination of limits for “all risks third party liability” insurance, to Mining Licences of other minerals

4.4.1. Mining Licences with the use of explosives 150,000.00 €.

4.4.2. Mining Licences without the use of explosives 50,000.00 €.

4.5. Determination of limits for “all risks third party liability” insurance to Special Operation Permits.

4.5.1. Concrete Base minimum 70,000.00 €

4.5.2. Asphalt Base minimum 70,000.00 €

4.5.3. Separation minimum 70,000.00 €

4.5.4. Flotation or ore knot minimum 100,000€

Article 5

For all parcels or mining sites for determinate minerals where it is required reclamation, bank guarantees or bonds for reclamation are as following:

51. The amount of bank guarantee for all applications of mining licence for construction minerali is as following:

5.1.1 Bank Guarantees or bonds for reclamation for Area 0-1 hectare amount 5000.00 €.

5.1.2 Bank Guarantees or bonds for reclamation for Area 1-2 hectare amount 10,000.00 €.

5.1.3 Bank Guarantees or bonds for reclamation for Area 1-3 hectare amount 15,000.00 €.

5.1.4 Every increase of area per hectare is valid the increase plus Bank Guarantee or bonds for reclamation for amount 5000.00 €.

5.1.5 Mining licences of for construction minerali without blasting- Bank Guarantee or bond payment for amount 12,000.00 € per hectare.

5.1.6 Mining licences of industrial minerals Bank Guarantee or bond payment for amount 12,000.00 € per hectare.

5.2 Mining licences of metallic minerals in surface mines Bank Guarantee or bond payment for amount 12,000.00 € per hectare.

5.3 Mining licences of energy minerals in surface mines Bank Guarantee or bond payment for amount 12.000.00 € per hectare.

Article 6 **A Mine Closure Plan**

6.1 Three (3) months before expiration of licence term the Commission composed of the Institutions foreseen as in article 3 paragraph 3 of this Administrative Instruction reviews the company's request for reimbursement and it will assess the situation in the field and will submit a report to the ICMM Board. If the report is positive then the Board shall reimburse the securities or funds in the bank of the licensee.

6.2. If the report is negative so it means that the company has not completed rehabilitation in accordance with plan for closure and mining rehabilitation, then shall be collected the securities or funds will be required from the approved bank to be given to ICMM for proceeding and rehabilitation. Rehabilitated land shall become property of Republic of Kosovo unless the property is provided by private owners during the period of mining license.

6.3. ICMM Board is obliged to make e decision within 30 days to confiscate the funds deposited for rehabilitation.

Article 7 **Processing procedure in ICMM**

7.1. After approval of the application for licence or permit by the ICMM Board the applicant shall submit performance Bond and "all risks third party liability" insurance to the ICMM within 15 days from the date of receiving the act-decision for approval of every Exploration, Mining licence and for Special Operations Permits

7.2 No licence or permit can be issued without these documents as defined in article 8 paragraph 1.

7.3 After approval of licence or permit by the ICMM Board and fulfilling the conditions to submit the documents foreseen in article 3 paragraph 1 of this instruction, the Department of Finance in the ICMM, shall prepare a report related to the documents submitted by the applicant. The report shall be prepared within 2 working days from the documents scanning and their Registration.


7.4 Report shall contain the data if they are in compliance with projects and area approved by the ICMM Board, if the documents have been issued by the competent body, if they are issued in compliance with the applicable law and other important data.

Article 8

Transitional provisions

8.1 This administrative instruction shall enter into force 8 days after its publication in the Official Gazette of the Republic of Kosovo.

8.2 The Board decision dated xx.xx.2011 shall be abolished by this administrative Instruction


Ramiz Krasniqi
Acting Chairman of the Board
Independent Commission for Mines and Minerals

