

South African Diamond and Precious Metals Regulator

A government- industry cooperative partnership for
a sustainable diamond industry



**“We need to see mining as a sunrise industry” - His Excellency,
President Ramaphosa, SONA 2018, 14th – 15h March 2018**

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SADPMR STRATEGIC OBJECTIVES

- ▶ To ensure competitiveness, sustainable development and job creation in the diamond and precious metals industry;
- ▶ To ensure effective transformation of the diamond and precious metals sectors;
- ▶ To ensure equitable access to resources for local beneficiation;
- ▶ To ensure compliance with the legislative requirements; and
- ▶ To improve organizational capacity for maximum execution for excellence.

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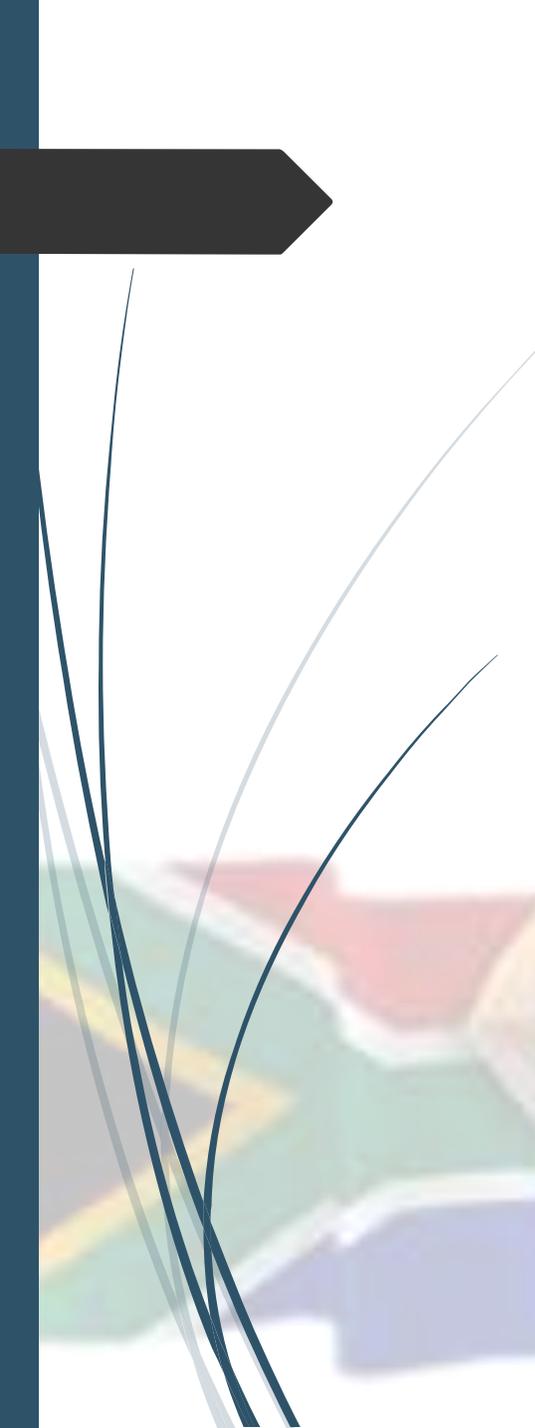
DIAMOND REGULATION

Licensing	Diamond Dealers, Diamond Beneficiation, Export permits
Diamond Exchange and Export Centre	Facilitation of diamond tenders (on behalf of Diamond producers and diamond licensees)
	Implementation of minimum requirements for Kimberley Process Certification Scheme <ul style="list-style-type: none">• Exports of diamonds• Imports of diamonds
Government Diamond Valuator	Determination of fair market value on rough diamonds
Diamond Inspectorate	Conduct compliance inspections (new premises, existing premises, ports of entry)

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Registration with SADPMR (Diamond producers)

- ▶ All producers are required to register with the SADPMR after receipt of their Mining/Prospecting rights
- ▶ Such rights must be registered with the SADPMR
- ▶ Monthly productions data/returns must be submitted in the form of Registers available at SADPMR offices
- ▶ Pastel Code (i.e. PS code) from SADPMR enables right holder to trade, put goods on Tender at the DEEC
- ▶ Producers must submit Purchase Brokers' note (Form D) and J-Registers
- ▶ Submission on or before 7th of each month to SADPMR, for statistical purposes and compliance with Act.



National Agenda

- ▶ Job creation, especially among the youth of South Africa
- ▶ Industrialisation must be supported by transformation
- ▶ RSA needs to see a new generation of black and women entrepreneurs entering the mining industry
- ▶ ‘Radical Economic Transformation’- this will fundamentally improve black women and black communities and make them owners, managers, producers and financiers

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SONA 2018

- ▶ “the agenda of Government is to work with the mining companies, unions and communities”. This will ensure sector growth, attract new investment, create jobs, industry transformation and ensure sustainability.
- ▶ The 3rd revision of the Mining Charter: President Ramaphosa and the Minister of the Department of Mineral Resources, Mr Mantashe, have started engagements with stakeholders and role-players in the mining industry in crafting a robust instrument to transform and sustain the South African Mining Industry
- ▶ The MPRDA Amendment Bill that will be seen in Parliament in the first half of 2018, will undertake to ensure the following once passed:
 - ▶ Strengthening existing mechanisms
 - ▶ Providing security of tenure and,
 - ▶ Enhancing socio-economic interest for all South Africans

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The role of the SADPMR

- ▶ 24th July 2017 Constitutional Court ruling on Section 20A, Act 56 of 1986.
- ▶ Regulatory requirements for licenses, permit and certificates issued by the SADPMR
- ▶ Foreign Authorised Representatives have access to the industry
- ▶ Inclusion in tenders and skills transfer to Historically Disadvantaged South Africans (HDSA's)
- ▶ Transformation of the industry to ensure inclusivity
- ▶ Local beneficiation to ensure job creation, retention of resources and skills in South Africa

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Industry problems

- Job losses/ decrease in employment numbers
- Assistance to HDSA producers
- Creating a communication bridge between the SADPMR/ DMR and their stakeholders
- The future of the tender process in South Africa
- Section 20A and what does it mean to the industry
- International buyers viewing of goods before they go on tender at the D.E.E.C
- Offering goods at SDT, how it can help the small and HDSA polishers
- Participation in DTHs – legal obligations into section 59

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