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MOZAMBIQUE

## ENERGY AND NATURAL RESOURCES

## New Mining law

## Law no. 7/2026, of June 3

After being in force for more than a decade, Mozambique's Mining Law has been revised and replaced by a new framework. The new framework aims to address structural gaps, strengthen state sovereignty over mineral resources and increase the sector's contribution to economic development. The reform signals a clear shift in policy towards a more structured and interventionist model. The state will play a more active role as both regulator and as a participant in the mining value chain, while seeking to provide investors with a more predictable and transparent environment.

Mozambique has significant mineral reserves, particularly of coal, graphite, tantalum, heavy mineral sands, gold and rubies. This places the minerals sector at the heart of the country's growth and industrialisation strategy, at a time when global market dynamics are shifting, with increasing demand for critical minerals driven by the energy transition. The new law seeks to ensure that this potential translates into greater domestic value creation and public revenue, moving away from a largely extractive, export-oriented model.

The new law strengthens regulatory clarity and investor conditions, prioritising strategic resources and reinforcing State participation. As such, Mozambique aims to become a more competitive player in global supply chains, while maintaining a framework capable of supporting long-term, responsible investment.

Among the key new features, we highlight the following:

- **General:** The scope of the law is now clearer and more structured, reflecting a broader regulation of the entire mining value chain. The law reinforces and expands a set of core guiding principles, including state sovereignty, transparency, and community benefit. There is a strong emphasis on adding value domestically and protecting national interests.

**After more than a decade in force, Mozambique's Mining Law has been revised and replaced by a new framework aimed at addressing structural gaps, strengthening State sovereignty over mineral resources and enhancing the sector's contribution to economic development.**

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- **Licenses:** The former Mining Certificate and Mining Pass have been eliminated and replaced by Artisanal Mining Licences and Small-Scale Mining Licences. Although the Retention Licence was present in the draft bill, it was ultimately removed from the final version of the law.
- **Online Licensing and Transparency:** The introduction of an electronic mining cadastre platform (Portal do Cadastro Mineiro) is expected to significantly streamline administrative procedures and enhance transparency. This is a clear improvement over the previous largely paper-based system, which was time-consuming and prone to delays and opacity.

In addition, applicants must now disclose information on beneficial ownership. These measures are intended to combat illegal practices, address historical governance shortcomings and mitigate corruption risks, ultimately creating a more level playing field for compliant investors.

- **State Participation:** The state is granted the right to participate in all stages of the mining value chain, including prospecting, research and exploration, production, processing, transport, and commercialisation. This participation will be exercised through the designated state company, Empresa Nacional de Minas (ENM) and will not cost the state anything. The state's share will be no less than 15% (non-dilutable).
- **Mining Contract:** A more structured framework for mining contracts is introduced. This is mandatory for strategic minerals and optional for other minerals. The model contract is still pending publication. Key terms have been formalised, including clear obligations and dispute resolution mechanisms such as arbitration, mediation and conciliation. This enhances legal certainty. Notably, a hardship regime has been introduced to allow for contract rebalancing in the event of significant changes in circumstances.

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While some of these elements were sometimes negotiated on a case-by-case basis, the new law standardises them within a unified framework. This promotes consistency and equal treatment among investors, without eliminating negotiation flexibility.

- **Strategic Minerals:** Although the list of strategic minerals is yet to be approved, they are defined by their socio-economic importance and impact on national development at any given moment. Mining rights for these resources will be held by ENM, meaning private investors must enter into partnerships and conclude of a mining contract.
- **Domestic Market:** A key new measure is the obligation to allocate at least 20% of production to the domestic market, as well as a general requirement that minerals be processed within Mozambique. While these obligations increase compliance requirements for investors, they are intended to promote integrated project development, foster local industrial capacity and contribute to broader socio-economic stability.

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- **Local Content:** There is a general strengthening of local content obligations. Notably, foreign investors must now partner with Mozambican entities in a way that generates demonstrable local value. They must also implement substitution plans to replace foreign suppliers with domestic ones progressively over time. Although these measure add operational complexity, they are expected to enhance long-term project stability by reinforcing local participation.
- **Rights and obligations:** Mining right holders are now granted a broader set of rights. However, they are subjected to a more extensive and sophisticated framework of compliance obligations, all of which are mandatory and aligned with current international best practices. In particular, the new law significantly develops the rules on mining treatment and processing licences, clarifying both their scope and the procedures and conditions for their issuance.
- **Pledge of Mining rights:** Mining rights can now be used as collateral for financing loans to support mining operations, expansion, or new technologies, but only for this purpose. The latter are two are subject to ministerial authorisation. The pledge does not transfer possession or use of the rights to the creditor; they remain with the holder. Any transfer or further encumbrance requires the consent of the creditor. In the event of default, the rights may be sold under strict legal conditions, including approval of the buyer by the Ministry of Mineral Resources and Energy (MIREME).
- **Unitisation:** The law now allows adjacent mining areas to be consolidated. This enables two or more contiguous areas held by the same mining right holders to be combined into a single operational unit. Consolidation is subject to prior approval by the Minister of Mineral Resources and Energy and is governed by the legislation governing the transfer of mining rights (see below). Importantly, the holders of the areas concerned remain jointly and severally liable for any environmental, fiscal and social obligations arising from their respective titles, including those incurred prior to the consolidation.
- **Demerger of mining areas:** The new law allows for the separation of part of a mining area to create a new mining title or to enable its partial assignment. This process is subject to the legislation governing the transfer of mining rights. Requests for separation must be supported by a technical opinion from the licensing authority and are subject to the payment of a processing fee, which will be defined by regulation. Importantly, the holder of the original title remains jointly and severally liable for any environmental and social liabilities incurred prior to the separation, at least until the process is formally approved. In practical terms, this mechanism provides useful flexibility for project and corporate structuring.
- **Project exit and transfer regime:** The new law introduces a more structured and stringent framework governing the transfer of mining rights. Notably, ENM now has a pre-emption right in both direct and indirect assignments. However, it remains unclear whether this right extends to transfers between affiliates, as the law does not explicitly distinguish between such situations. Although intra-group reorganisations would typically be expected to be excluded, this point remains to be clarified.

**The new law allows for the separation of part of a mining area, either to create a new mining title or to enable its partial assignment, subject to the legal regime governing the transfer of mining rights.**

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Transfers now require detailed documentation including compliance reports, tax clearance and continuity plans. They are also subject to prior due diligence on the transferee's capacity and track record. Importantly, original holders may remain liable for environmental and fiscal obligations for 12–24 months after the transfer or in cases of significant share transfers.

- **Community involvement:** The law strengthens the role of local communities in mining projects by reinforcing the requirements for prior information and consultation at both the exploration and exploitation stages. It also allows communities to participate in local development, environmental and social matters, including the monitoring of commitments made by concessionaires.
- **Environmental concerns:** – The new law does not introduce any significant direct changes to the environmental legislation. While it reflects a stronger overall emphasis on sustainability and environmental protection, the majority of substantive environmental regulations continue to be governed by the broader environmental legal framework. However, some targeted innovations have been introduced at the margins, including stricter control over the use of hazardous substances (such as subjecting mercury to specific licensing requirements), reinforced obligations regarding waste management and mine rehabilitation, and closer oversight of environmentally sensitive operations.
- **Infrastructure sharing:** Infrastructure sharing will now enable different mining rights holders to jointly use essential mining assets such as ports, railways, roads, energy, and water. This will reduce costs and minimise environmental impact. Joint use will be permitted where justified and in accordance with the principles of reasonableness, proportionality, non-discrimination, and fair compensation. Access to shared infrastructure requires prior authorisation from MIREME, following a substantiated application, and will be further detailed under specific implementing regulations.
- **Criminalization of illegal mining activities:** Illegal prospecting, exploration and extraction are now criminal offences punishable by imprisonment, thereby strengthening enforcement. This aims to reduce informality and protect compliant investors by ensuring a level playing field.
- **Institutional reform:** The institutional framework of the mining sector is significantly strengthened by the establishment of the Mining Regulatory Authority (Autoridade Reguladora de Minas – AREMI). This replaces the former institutional model and assumes a central role in regulating the sector. AREMI is responsible, inter alia, for licensing, supervision, regulation and oversight of mining activities. It is also responsible for promoting the sector, ensuring compliance, and supporting the implementation of local content policies. At the same time, the law clarifies and strengthens the roles of the Government and the Council of Ministers, particularly in areas such as the approval of mining contracts, definition of strategic policies, allocation of mining rights and the overall oversight of the sector. This contributes to a more structured and predictable institutional framework.
- **Tax:** A new Mineral Resource Rent Tax has been introduced to capture a share of the economic returns from mining activities for the state.

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- **Value Addition:** A stronger emphasis is placed on local processing, with the expectation that all processing activities should be carried out in Mozambique under the forthcoming regulation. However, the framework remains uncertain, as some provisions still refer to only a percentage of processing being conducted domestically, which creates interpretative ambiguity.
- **Mining in the Territorial Sea and Continental Shelf:** The new law clarifies the framework for granting and administering mining rights in maritime zones under Mozambican sovereignty, including the territorial sea and continental shelf. These rules require public tenders, consultation with marine and environmental authorities, and compliance with international instruments governing maritime resources.
- **Acquired rights:** All rights validly acquired under mining contracts, agreements with the government, and mining concessions prior to the law coming into force are maintained. In the case of the renewal of mining titles or contracts, the legislation in force at the time of renewal applies, together with the general principles of law.

**Outlook and investor considerations:**

The new Mining Law demonstrates a clear strategic effort to bring the sector into line with global trends, particularly the growing demand for critical minerals, while reinforcing domestic control over resource development. The reform's core objective is to deliver a more attractive, efficient and predictable regulatory framework capable of stimulating private and foreign investment, without compromising the imperative to safeguard national interests.

The new law is designed to unlock Mozambique's mineral potential by promoting investment across the entire value chain. This is supported by streamlined procedures, clearer rules and strengthened investor protections. At the same time, it ensures that mining activities translate more directly into domestic economic benefits through enhanced local content requirements, formalised state participation, joint venture structures for strategic minerals and obligations relating to local beneficiation and supply to the domestic market.

Overall, the reform introduces a more structured and transparent framework. Although it adds regulatory layers, it provides greater long-term stability and visibility for serious investors. By consolidating existing practices into enforceable standards and establishing a more coherent governance model, the law better equips the sector to address both the opportunities and complexities of modern resource development. For investors willing to align with these policy objectives, Mozambique is increasingly becoming an attractive option as a mineral-rich jurisdiction offering a balanced combination of opportunity, regulatory clarity and a commitment to sustainable and inclusive growth. ■