



**SOUTH AFRICAN DIAMOND AND  
PRECIOUS METALS REGULATOR**

251 Fox Street  
**JOHANNESBURG 2001, SOUTH AFRICA**  
Entrance: Cnr Greene & Main Streets (Jewel City)

P. O. Box 16001, Doornfontein 2028 – South Africa  
Tel (011) 223 7000 Fax (011) 334-8898  
info@sadpmr.co.za

**Form DB**

**Application No:** \_\_\_\_\_

**APPLICATION FOR DIAMOND BENEFICIATION LICENCE**

[In terms of section 26(b) or (c) of the Diamonds Act, 1986 (Act 56 of 1986)]

**Instructions:**

1. For any enquiries, contact the office of the Regulator during office hours.
2. Complete the form in block letters and in black pen.
3. Where options are given mark the appropriate block.
4. Complete the form in English and do not use abbreviations.
5. Although the application forms are made available in electronic format, only a signed original hard copy shall be acceptable.
6. Ensure that all the required documentation accompanies the application.
7. The application must be submitted to the operational business premises of the Regulator.

**PART A: PARTICULARS OF APPLICANT**

**1(a) In the case of a natural person, please provide the following:**

- (i) Surname: \_\_\_\_\_
- (ii) First name(s): \_\_\_\_\_
- (iii) Identity number: \_\_\_\_\_

*\*(A certified copy of the identity document must be attached.)*

- (iv) Has the applicant ever been convicted of any criminal offence in or outside the RSA, (Yes/No)? If Yes, furnish particulars on a separate sheet of paper.

**(b) In the case of a person other than a natural person, please indicate:**

CC \_\_\_\_\_ Partnership/Joint venture \_\_\_\_\_  
Co. \_\_\_\_\_ Other (specify) \_\_\_\_\_

- (i) Name of company, close corporation, partnership or joint venture:  
\_\_\_\_\_

- (ii) Registration number of Co. or CC:  
\_\_\_\_\_

- (iii) Full names and identity number of managing director or member:  
\_\_\_\_\_

- (iv) Full names and identity number of every director:  
\_\_\_\_\_

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(v) Particulars of interest held (%) in juristic person and name of holder of controlling interest:

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**2. Description of applicant's technical ability:**

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**3. Particulars of applicant's financial ability:**

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**4. Particulars of the target market and market requirements:**

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**5. State source(s) from which unpolished diamonds will be obtained:**

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*\*(In the case of a company, close corporation, partnership or joint venture, a certified copy of a certificate of incorporation must be attached.)*

**PART B: CORRESPONDENCE ADDRESS FOR THIS APPLICATION**

**6(a) Business address:**

- (i) Building name: \_\_\_\_\_
- (ii) Building number: \_\_\_\_\_
- (iii) Street number: \_\_\_\_\_
- (iv) Street name: \_\_\_\_\_
- (v) Suburb: \_\_\_\_\_
- (vi) Town/City: \_\_\_\_\_
- (vii) Postal code: \_\_\_\_\_
- (viii) Province: \_\_\_\_\_
- (ix) Country: \_\_\_\_\_
- (x) Telephone number: \_\_\_\_\_
- (xi) Fax No: \_\_\_\_\_

(xii) Cellphone No: \_\_\_\_\_  
(xiii) Email address: \_\_\_\_\_

**(b) Relevant postal address:**

(i) Postal Address: \_\_\_\_\_  
\_\_\_\_\_  
(ii) Town/City: \_\_\_\_\_  
(iii) Postal code: \_\_\_\_\_

*(Attach documentary proof of the registered business premises.)*

**PART C: THE APPLICATION MUST BE ACCOMPANIED BY THE FOLLOWING:**

1. A certified copy of the identity document, if applicable.
2. A certified copy of certificate of incorporation, articles of association or founding statement, if applicable.
3. A copy of the resolution, if acting in a representative capacity.
4. Documentary proof of the applicant's technical ability.
5. Documentary proof of the applicant's financial ability or access thereto.
6. Documentary proof of registered business premises.
7. A police clearance certificate.
8. The non-refundable prescribed fee.

**PART D: DECLARATION**

I, \_\_\_\_\_, (name of applicant) hereby declare that the contents of this application are true and correct.

Capacity: \_\_\_\_\_

Signed at \_\_\_\_\_ on the \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
**SIGNATURE OF APPLICANT/REPRESENTATIVE (IF APPLICABLE)**

## **Requirements for diamond beneficiation license application**

### **(2) The following documents must be lodged with an application contemplated in subregulation (1):**

- (a) in the case of a natural person, a certified copy of the relevant identity document;
  - (b) in the case of a company, close corporation, partnership or joint venture, certified copies of certificate of incorporation, articles of association or founding statement (CK1);
  - (c) documentary proof that the applicant has obtained the necessary authority to apply in a representative capacity on behalf of the company, close corporation, partnership or joint venture, and a certified copy of identity documents of the managing director or member;
  - (d) documentary proof of the registered business premises;
  - (e) a tax clearance certificate;
  - (f) proof of adequate financial ability;
  - (g) detailed documentary proof of the applicants technical ability or access to suitable expertise to conduct the diamond beneficiation operation;
  - (h) the applicants proposed business plan, inclusive of the broad-based socio-economic empowerment charter development in terms of section 100 of the Minerals and Petroleum Resource Development Act, 2002 (Act No. 28 of 2002); and
  - (i) a police clearance certificate applied for by the natural person or in the case of the company, the managing director(s) of the company from the head office of the South African Police Service.
- (3) An application for a diamond beneficiation license must be lodged together with the non refundable application fee specified in regulation 10(1) (c).

## **GUIDELINES ON BROAD-BASED SOCIO-ECONOMIC EMPOWERMENT CHARTER**

The Mining charter was developed in terms of section 100 of the Mineral and Petroleum Resources Development Act, Act No. 28 of 2002 with the aim of transforming the mining industry. The Mining Charter requires applicants for mining rights to comply with certain empowerment principles. An application which does not address these principles will not be considered.

The Mining Charter is referred to in the Diamond Amendment Act No. 29 of 2005 and the Diamonds Amendment Regulations issued under the Diamonds Act of 1986. The Mining Charter is also referred to in the Precious Metals Act of 2005 and the Precious Metals Regulations issued under the Precious Metals Act. The regulations issued under the Diamonds Act and the Precious Metals Act requires the applicant for licence or permit to submit a business plan inclusive of the Mining Charter principles. Furthermore Section 6 of the Precious Metals Act provides that in considering an application for any licence, permit or certificate the Regulator:

- (a) must have regard to the promotion of equitable access to and local beneficiation precious metals;
- (b) must have regard to the requirements of the broad-based socio-economic empowerment Charter (i.e the Mining Charter) developed in term of section 100 of the Mineral and Petroleum Resources Development Act of 2002

Similar provision is made in the Diamonds Amendment Act No. 29 of 2005. Section 5 (1) of Part 1, Chapter II state that the Regulator shall have regard to the promotion of equitable access to and local beneficiation of the Republic's diamonds when considering an application for any licence or permit, read with section 5(2) (a) of the Act which provides that when considering an application, all element of the Mining Charter will be a decisive factor in granting such licences.

Hereunder is a simplified summary of the Mining Charter that will assist the applicants for licences and permits in terms of the Precious Metals Act and the Diamonds Act as amended. The applicant is however still required to fully comply with the Mining Charter where applicable.

### **1. HUMAN RESOURCES DEVELOPMENT**

Human Resources Development Plan is broken down into three, namely skills development plan, mentorship plan, internship and bursary plan.

## 1.1 Skills Development Plan

The applicant should provide a detailed skills development plan that outlines how the applicant intends to empower the employees, in particular empowerment groups, through training and provision of relevant skills. The applicant should provide employees with skills training during their employment in order to improve their earning capacity and marketability after the closure of the business.

## 1.2 Mentorship Plan

The applicant should provide a detailed mentorship plan for the employees and empowerment groups which is in line with the skills development plan detailing how the plan would be implemented. The mentoring should be done with a purpose, for instance to prepare HDSA's for higher positions. Mentoring should be read together with employment equity. Employment equity requires the licence holder to have 10% women participation in the diamond or precious metals industries and 40% HDSA participation in management within 5 years from the date the licence was issued. Mentoring should be done not only with the purpose of providing skills but also with the purpose of achieving participation in management.

## 1.3 Internship and Bursary Plan

The aim is to provide bursaries and scholarships to HDSA especially in the fields related to the diamond and precious metals industries (for instance science and engineering). Furthermore the applicant should have an internship plan through which the bursary holders can be exposed to practical training.

## 2. EMPLOYMENT EQUITY PLAN

The applicant should provide employment equity statistics, accompanied by a plan on how the applicant would achieve 10% women participation in the relevant industry and 40% HDSA participation in management within 5 years from the date on which the licence or permit was issued. The applicant should have an employment equity plan. In the plan, the applicant must establish employment equity targets and time frames, particularly in the senior and junior management categories.

## 3. PROCUREMENT PLAN

The applicant should provide a procurement plan and its implementation for the progression of procurement from HDSA companies or individuals. Procurement can be broken down into three levels, namely capital goods, services and consumables. Under procurement plan the applicant should give HDSA a preferred supplier status as part of empowerment. The applicant should identify the type of procurement needed. Where no HDSA tenders to supply goods, services or consumables because of lack of capital or resources, established

companies should partner with the HDSA for the supply of the above. Examples of procurement provided above are not exhaustive. Any type of procurement which aims to empower HDSA will suffice.

#### 4. OWNERSHIP AND JOINT VENTURE

The diamond and precious metals industries are required to achieve 26% (within 10 years) and 15% (within 5 years) ownership of the diamond and precious metals industries assets by each applicant. This can be achieved through fairly structured transactions for the selling of shares or equity to the HDSA, partnerships and joint ventures with the HDSA. For instance:

- ❖ HDSA controlled entity, i.e. 50% + 1 vote which includes management control
- ❖ joint ventures or partnerships, i.e. 25% + 1 vote

**NB:** An entity's turnover is not a consideration in terms of the Mining Charter. All forms of business undertakings must comply with the Mining Charter as stated in the Act.

#### 5. MONITORING AND REPORTING

The applicant should undertake to report on an annual basis their progress towards achieving their commitments in the BEE plan. The reports should be verified by the applicant's external auditors. On the other hand the Regulator will monitor the progress on implementation.

#### 6. UNDERTAKING

There should be an undertaking by the applicant for the implementation of the BEE plan. The undertaking should be signed by the applicant to adhere to the BEE plan, and a clear stated time frame which will constitute terms and conditions for granting such licenses so that in the event of breach, the license can be revoked.

**NB: PLEASE TAKE NOTE THAT THIS DOCUMENT DOES NOT IN ANY WAY WHATSOEVER SUBSTITUTE NOR AMEND THE MINING CHARTER AS PROVIDED FOR IN THE MINERAL AND PETROLEUM RESOURCES DEVELOPMENT ACT NO. 28 OF 2002.**

**FORM H**

**SOUTH AFRICAN DIAMOND AND PRECIOUS METALS  
REGULATOR**

251 FOX STREET, JOHANNESBURG, 2001(ENTRANCE: CORNER  
GREENE AND MAIN STREETS)

**APPLICATION FOR REGISTRATION AS AUTHORISED  
REPRESENTATIVE OF A JURISTIC PERSON  
DIAMONDS ACT, 1986 (ACT56 OF 1986)  
In terms of section 53**

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**PARTICULARS OF JURISTIC PERSON:**

Name of Business:

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Business address:

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**TYPE OF LICENCE HELD BY JURISTIC PERSON:**

DIAMOND BENEFICIATOR	DIAMOND DEALER	DIAMOND PRODUCER
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**PARTICULARS OF NATURAL PERSON TO BE REGISTERED AS  
AUTHORISED REPRESENTATIVE:**

1. Surname:

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2. First name (s):

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3. Identity Number:

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**(Please attach certified copy of identity document)**



4. Date of birth:

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5. Nationality: \_\_\_\_\_

\_\_\_\_\_

6. Residential Address:

\_\_\_\_\_

\_\_\_\_\_

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7. Nature of involvement of juristic person's activities:

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8. Particulars and knowledge/ experience of diamonds:

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\_\_\_\_\_

9. Names of existing authorised representative(s), if any:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

10. Names of authorised representative(s) to be replaced, if any:

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\_\_\_\_\_

\_\_\_\_\_

## **DECLARATION**

I, \_\_\_\_\_ (Director/  
Member of juristic entity); hereby declare that the particulars in this application are true  
and correct.

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

## **REGISTRATION OF NATURAL PERSONS AS AUTHORISED REPRESENTATIVES OF JURISTIC PERSONS**

In terms of Diamonds Act, 1986 (Act 56 of 1986) Regulations as per Government Notice R680 of 1 April 1987 (No 10684)

4. (1) The requirements refer to in section 54(1) (a) of the Act shall be the following, namely, that the natural person concerned shall-
- a) Be over the age of 18 years;
  - b) Be a person who is employed by, or involved in the activities of such juristic person;
  - c) Not be a licensee under the Act;
  - d) Not be an authorised representative of any other juristic person;
  - e) Be a fit and proper person, having regard to such person's character, possible previous criminal convictions of such person, possible previous undesirable trading activities of such person, or any other similar factor or circumstance relating to such person, to be involved in purchasing and selling of unpolished diamonds; and
  - f) Have sufficient knowledge or experience of diamonds to be able to purchase or sell unpolished diamonds.

Provided that paragraph (d) shall not apply if the other juristic person contemplated in that paragraph has, with the Board's (Regulator's) knowledge or consent, Amalgamated its business with that of the juristic person applying for registration of an authorised representative, or is marketing its unpolished diamonds jointly with such last-mentioned juristic person.

(2) any person who subsequent to his registration as an authorised representative becomes subject to any of the disqualifications mentioned in paragraph (b), (c) and (d) of sub-regulation (1) shall forthwith notify the Board (Regulator), which shall on receipt of such notification cancel his registration.

(3) any person who fails to notify the Board (Regulator) of a disqualification under the circumstances contemplated in sub regulation (2) shall be guilty of an offence.

### **CURRENT PRACTICE:**

In case of South Africans, we require

- Certified copy of the first page of ID Book
- Curriculum Vitae
- Police Clearance Certificate

In case of Non- South African citizen, we require

- Certified copy of Passport
- Certified copy of work/ residence permit
- Curriculum Vitae
- Police Clearance certificate form country of origin