

Notice of the Ministry of Land and Resources on Issuing the Administrative Measures for the Appraisal of Mining Rights (for Trial Implementation)

(No.174 [2008] of the Ministry of Land and Resources)

The departments of land and resources (departments of land, environment, and resources, bureaus of land and resources, administrative bureaus of land, resources and housing, or administrative bureaus of houses and land resources) of all provinces, autonomous regions and municipalities directly under the Central Government:

To regulate the appraisal of mining rights and promote the healthy development of the mining right appraisal industry, the Administrative Measures for the Appraisal of Mining Rights (for Trial Implementation) are hereby issued for your compliance and implementation.

Ministry of Land and Resources

August 23, 2008

Administrative Measures for the Appraisal of Mining Rights (for Trial Implementation)

Chapter I General Provisions

Article 1 These Measures are formulated for the purpose of regulating the appraisal of mineral prospecting rights and mining rights (hereinafter referred to as mining rights), safeguarding the legitimate rights and interests of the state, the general public and the parties concerned, and guaranteeing and promoting the healthy development of the mining right appraisal industry.

Article 2 Mining right appraisal is a kind of entrustment-based market service provided by a person qualified to practice as a mining right appraiser or an agency with the mining right appraisal qualification by appraising and estimating the value of the specified mining rights and then providing their advice in the form of an appraisal report.

Article 3 These Measures apply to the following mining right appraisal-related activities that are conducted in the People's Republic of China and the administration thereof:

1. the appraisal of mining rights prescribed by laws, regulations or the relevant department of the State Council; and
2. other necessary appraisals of mining rights.

Article 4 The state adopts the mining right appraiser qualification management system and the mining right appraisal agency qualification management system. Individuals and agencies shall have corresponding qualifications in order to appraise mining rights.

Article 5 The Ministry of Land and Resources is the administrative department of the mining right appraisal work of the whole nation. It takes charge of the supervision and administration of the mining right appraisal industry of the country, the supervision over the self-discipline management of China Association of Mining Right Appraisal (CAMRA), the archive-filing of mining right appraisal reports within its examination and approval authority and the entrustment of the appraisal of mining rights which shall be made by the state as required by law.

Article 6 The administrative department of land and resources of a province, autonomous region, or municipality directly under the Central Government shall be responsible for the archive-filing of mining right appraisal reports and the entrustment of the appraisal of mining rights which shall be made by the state as required by law within its jurisdiction, with the exception of those prescribed in Article 5, and shall assist the Ministry of Land and Resources in the supervision and administration of the mining right appraisal industry.

Article 7 The CAMRA shall, according to the relevant state laws and regulations, its articles of association and these Measures, exercise self-discipline management in the mining right appraisal industry, guide and supervise the practices of mining right appraisers and mining right appraisal agencies, work out mining right appraisal criteria, build a technical service system, publicize and provide trainings on the mining right appraisal management system and criteria, and do a good job in mining right appraisal qualification management based on the requirements of the Ministry of Land and Resources.

Article 8 Mining right appraisers and mining right appraisal agencies shall operate the appraisal business in accordance with the relevant state laws and regulations, the provisions of the relevant department of the State Council, the national standards, the industrial norms, the

mining right appraisal criterions and the basic principles of objectivity, fairness, equity, good faith and competency.

Article 9 Mining right appraisers and mining right appraisal agencies are not subject to geographical restriction in operating the mining right appraisal business.

Article 10 Where a mining right appraiser bases his stand on, refers to or quotes the data or conclusion made by an entity with corresponding qualifications, such as geological reports, evaluation opinions, and other research, design or demonstration reports or the production and operation indicators for mining enterprises, etc., he shall make an objective and independent statement on the trustworthiness of the data or conclusion he uses, to what an extent it required for the appraisal and whether it is in line with the current standards or norms, etc., and shall be responsible for the reasonability of the appraisal methods, parameters and results.

Article 11 A mining right appraisal report issued by a mining right appraisal agency shall be signed by the legal representative of the agency and the appraiser that made the appraisal. Both the appraisal agency and the appraiser shall be legally responsible for the independency, objectiveness, equity and authenticity of the appraisal report.

## Chapter II Mining Right Appraisers

Article 12 To be a mining right appraiser, one shall meet the requirements as set by the Ministry of Human Resources and Social Security and the Ministry of Land and Resources, pass the mining right appraiser qualification examinations without being challenged in the announcement for challenge, and obtain the mining right appraiser qualification.

Article 13 A mining right appraiser shall work as a full-time employee of a mining right appraisal agency, be a member of the CAMRA and get registered as a practitioner at the CAMRA.

Article 14 None of the following persons who have the mining right appraiser qualification may get registered as a practitioner:

1. state functionaries;

2. public servants in public institutions;
3. full-time staff of social bodies;
4. persons without full civil capacity; and
5. other persons as specified by law.

Article 15 Mining right appraisers shall receive continuing education, otherwise they may not get registered or re-registered as practitioners.

Article 16 Where any mining right appraiser commits any of the following acts, the registration authority shall deregister him and disqualify him for any new registration:

1. working for two or more appraisal agencies concurrently;
2. accepting any appraisal business in his own name;
3. lending his qualification certificate or practicing certificate to any other person or allowing any other person to practice in his name;
4. giving false publicity to his practicing capability;
5. trading the stocks, bonds or other negotiable securities to which the entity under appraisal is related, or being involved in the purchase and sales of mining rights or purchasing any other property of the client during the period when he is involved in a mining right appraisal project;
6. accepting the orders given by the client or any other party concerned on the appraisal methods, parameters and results;
7. signing any appraisal report which is false or has serious errors or omissions; or
8. other illegal or regulation-incompliant acts.

Article 17 Where any person who has obtained the mining right appraiser qualification is disqualified upon his own application or according to the relevant provisions, the registration authority shall deregister him and nullify his qualification by announcement.

Article 18 To be a mining right appraisal agency, an institution shall simultaneously satisfy the following requirements:

1. it shall be an intermediary partnership or corporation that has been registered at the industrial and commercial administration;
2. in the case of a partnership, it shall have at least three practicing appraisers and at least two are partners; in the case of a corporation, it shall have at least four practicing appraisers and at least three are the financial contributors; and
3. it shall have full-time employees specialized in mining, ore dressing, smelting, geology, economy and law and professionals with the medium-grade professional title or bachelor's degree or above.

Article 19 To be registered as a qualified mining right appraisal agency, an intermediary agency which satisfies the requirements as prescribed in Article 18 shall get the CAMRA approval without being challenged in the announcement for challenge, handle the registration formalities and then obtain the mining right appraisal qualification.

Article 20 To be registered as a qualified mining right appraisal agency, an intermediary agency may not be affiliated or subordinated to any governmental body, public institution or social body in terms of personnel issues.

Article 21 A mining right appraisal agency shall set up and improve its systems for quality control, archives management, learning and training, personnel management and financial management.

Article 22 A mining right appraisal agency shall make sure that its mining right appraisers receive continuing education, keep strict control over the employment of appraisers and practitioners and accept and cooperate with the supervision and administration of the governmental organs and the relevant industrial self-disciplinary organizations.

Article 23 A mining right appraisal agency shall conclude an appraisal contract with its clients and charge appraisal fees in rational amounts in undertaking appraisal businesses.

Article 24 Where a mining right appraisal agency commits any of the following acts, the registration authority shall deregister it and disqualify it for any new registration:

1. seeking for illegal profits by taking advantage of its mining right appraisal business;
2. practicing in the name of any other agency;
3. soliciting business by maliciously beating down prices, offering kickbacks or by any other means of unfair competition;
4. giving false publicity to its practicing capability;
5. accepting any appraisal business which has an interest relationship with another subject under appraisal, another client or other party concerned;
6. issuing any appraisal report which is false or has any serious error or omission;
7. harboring or concealing any offense of its appraisers in practice; or
8. other illegal or regulation-incompliant acts.

Article 25 Where an agency which has obtained the mining right appraisal qualification is disqualified upon its own application or according to the relevant provisions, the registration authority shall deregister it and nullify its qualification by announcement.

#### Chapter IV Appraisal Clients and Appraisal Entrustment

Article 26 The administrative department of land and resources shall select a qualified mining right appraisal agency in an open and fair way for the transfer of mining rights and pay appraisal fees to the agency.

For the transfer or renewal of mining rights which involves the payment of the purchase price of mining rights to the state or any other issue involving national interests or public interests, a qualified mining right appraisal agency shall be selected openly and fairly to do the mining right appraisal work.

Article 27 The client of a mining right appraisal shall provide to the appraisal agency a certificate on the legal ownership of the subject matter under appraisal and the geological materials, financial and accounting information and other relevant documents necessary for the

appraisal, assist the appraisal agency in its appraisal work or provide other necessary assistance. The client may not instigate the appraisal results or conclusion or impose any requirement which is not stipulated in the entrustment contract.

The client shall be responsible for the authenticity, integrity and legality of the materials it provides, and correctly use the appraisal report and results according to the relevant provisions. If the client is an administrative department of land and resources, it shall make the appraisal report public.

Article 28 Where the administrative department of land and resources or the CAMRA supervises, inspects or investigates any mining right appraiser or mining right appraisal agency, the appraiser or appraisal agency shall provide cooperation and assistance.

#### Chapter V Supervision and Administration

Article 29 The administrative department of land and resources shall examine the regulation-compliance of the report of a mining right appraisal made according to Article 26, make it public, make an acceptance check upon it and then archive it.

The administrative department of land and resources shall archive a mining right appraisal agency's list of mining right appraisal reports not mentioned in the preceding paragraph.

The archive-filing results of mining right appraisal reports shall be made available to the public.

Article 30 The CAMRA shall strengthen self-disciplinary supervision and management, make random examination with respect to the regulation-compliance and reasonability of mining right appraisal reports, make annual inspections to the mining right appraisal agencies and examine their practices now and then.

Article 31 The examination results shall be betimes notified to the examined appraisal agencies and made available to the public. Any appraiser or appraisal agency in violation of law, the mining right appraisal criterions or these Measures shall be subject to corresponding

liabilities.

## Chapter VI Supplementary Provisions

Article 32 These Measures shall come into force on the day of issuance.