

**The Myanmar Gem Law**  
**(The Pyidaungsu Hluttaw Law No. 4, 2019)**  
**The 10<sup>th</sup> Waning Day of Pyatho, 1380 M.E.**  
**(30 January, 2019)**

The Pyidaungsu Hluttaw hereby enacts this Law.

**Chapter I**  
**Title and Definitions**

1. This Law shall be called **the Myanmar Gem Law**.
2. The following expressions contained in this Law shall have the meanings given below:
  - (a) **Gem** means ruby, sapphire, jade, diamond, spinel, peridot, chrysoberyl, tourmaline, danburite, beryl group gemstone, zircon, topaz, phenakite, garnet, moonstone, iolite, apatite, epidote, lapis-lazuli, diopside, amber, fluorite, nephrite, maw-sit-sit, albite, enstatite, fibrolite, kyanite, kornerupine, coral, painite, scapolite, serpentine, sphene, sodalite or amphibole group gemstone. In this expression, other varieties of coloured gemstone, quartz group gemstone and substances specified as gems by the notification of Ministry with the approval of the Government from time to time, are also included;
  - (b) **Gem extraction** means a process of extraction of naturally occurring rough gems;
  - (c) **Rough Gem** means extracted rough gems, sawed, sawed and polished, broken rough gems and pieces;
  - (d) **Finished gem** means gems which are improved on rough gems by cutting, polishing, shaping and carving but not jewellery;
  - (e) **Jewellery** means jewellery setting with finished gems;
  - (f) **Substance made of gems** means substances made by using any gem or substances setting with any gem;
  - (g) **Jewellery Manufacturing** means a process of making jewellery from finished gems;
  - (h) **Permit** means a permit issued under this Law to operate gem extraction;

- (i) **Licence** means a licence issued under this Law to operate a business selling rough gems, finished gems, jewellery or substances made of gems, or a business making finished gems from rough gems;
- (j) **Royalty** means a tax imposed under this Law on the sale of rough gems, finished gems, jewellery or substances made of gems;
- (k) **Extraction royalty** means a tax imposed under this Law on natural gems got from the gem extraction;
- (l) **Service fee** means fees collected in accordance with this Law for the service provided by Myanmar Gems Enterprise in the sale of rough gems, finished gems, jewellery or substances made of gems by permit holders or licensees in Myanmar currency or foreign currency at gem emporiums organized by the Union Government and places arranged by the Ministry. Permit holders or licensees must have paid royalty for such rough gems, finished gems, jewellery or substances made of gems;
- (m) **Company** means a company formed as a Myanmar company under the Myanmar Companies Law and registered at the Ministry to operate a gem business;
- (n) **Co-operative Society** means the Primary Co-operative Society, the Co-operative Syndicate, the Union of Co-operative Syndicate or the Central Co-operative Society registered under the Co-operative Society Law;
- (o) **Medium scale extraction** means gem extraction up to three years within a gemstone tract not more than five acres of a block which is potential for a commercial extraction by utilizing techniques of extraction and machinery specified by the rules issued under this Law;
- (p) **Small scale extraction** means gem extraction with low investment and expenditure up to two years within or outside a gemstone tract not more than three acres of a block by utilizing techniques of extraction and machinery specified by the rules issued under this Law;
- (q) **Artisanal extraction** means gem extraction with Myanmar citizens who have registered with the Region or State Gem Blocks Scrutiny and Allocation Body, up to one year within or outside a gemstone

tract not more than one acre of a block in the allowed area for a artisanal extraction designated by the Ministry in coordination with the relevant Region or State Government under the approval of the Union Government in accordance with terms and conditions;

- (r) **Land use permit** means a permit for the use of any place in a worksite within the specified period to construct temporary buildings, warehouses and huts for gem extraction, to put vehicles, machinery, extracted rough gem and gem-bearing earth, to rinse loose soil, to crush stones and to dispose loose soil;
- (s) **Association** means the Myanmar Gems and Jewellery Entrepreneurs Association registered and formed under the Myanmar Companies Law;
- (t) **Ministry** means the Ministry of Natural Resources and Environmental Conservation of the Union Government;
- (u) **Central Committee** means the Central Gems Supervisory Committee formed under this Law;
- (v) **Valuation Body** means gems valuation bodies formed under this Law;
- (w) **Director General** means the Director General of the Department of Mines under the Ministry of Natural Resources and Environmental Conservation;
- (x) **Artisanal miner** means a Myanmar citizen who has registered with the Region or State Gem Blocks Scrutiny and Allocation Body for the artisanal extraction;
- (y) **Gemstone Tract** means an area which produces any gem and is designated as a gemstone tract by the Ministry with the approval of the Union Government.

## **Chapter II**

### **Objectives**

3. The objectives of this Law are as follows: -
  - (a) to establish and develop a hundred percent gems and jewellery market within Myanmar for gems produced in Myanmar;

- (b) to allow permit holders and licensees in order to freely operate gem extraction and a business selling gems in accordance with the market economic system;
- (c) to open gem markets for selling gems and jewellery freely at any time;
- (d) to eradicate illegal gem extraction within Myanmar, to prevent and suppress unlawful export of gems, and to control unlawful import of gems;
- (e) to maintain the development of gem extraction and to promote the laboratory work and research;
- (f) to minimize impact on the environment due to gem extraction, and to make land repair and rehabilitation after the closure of gem blocks systematically.

### **Chapter III**

#### **Designation of Gemstone Tracts**

#### 4. The Ministry:

- (a) shall issue a notification of its intention to designate any area as a gemstone tract, with the approval of the Union Government when it is informed or finds that any gem can be produced from such area on a commercial scale;
- (b) shall form and assign tasks to a body comprising experts headed by the Director General in order to give reasonable rights and benefits to any individual or organization in the area to be designated as a gemstone tract after examining ownership, authority, right to cultivate, right to possession, right to use, right to enjoy benefit, right to succession or transfer, or other rights of them on such area, and to demarcate a gemstone tract after surveying whether the area may cause any damage if it is designated as a gemstone tract. When surveying and giving reasonable right and benefits, the body shall coordinate with the relevant Hluttaw representatives;
- (c) shall coordinate with the relevant government departments and government organizations before designating the land under the management of any government departments and government organizations, as a gemstone tract;

- (d) may purchase or be transferred the land at reasonable price with the consent of an individual or organization in accordance with law if it desires to designate such land as a gemstone tract on which such individual or organization has ownership, authority, right to cultivate, right to possession, right to use, right to enjoy benefit, right to succession or transfer;
- (e) shall designate an area or land as a gemstone tract by notification with the approval of the Union Government after undertaking the tasks under sub-sections (a), (b), (c) and (d);
- (f) may demolish and remove squatted buildings, materials and machinery and equipment on the gemstone tract designated under sub-section (e) if the individual or organization concerned does not remove them. The Ministry has no liability for any loss or damage caused when demolishing and removing them.

5. The relevant government departments and organizations shall coordinate with the Ministry and obtain the permission of the Union Government if they desire to extend urban or rural housing, cultivated land and forestry plantation, demarcate religious land, drill wells or ponds, construct irrigation canals, implement other projects and operate a business in the area designated as a gemstone tract.

6. The existing gemstone tracts, designated by notification before the enactment of this Law, shall be considered as gemstone tracts designated under this Law.

7. The Ministry may revise or cancel the designation of the whole or a portion of a gemstone tract with the approval of the Government.

8. All naturally occurring gems found either on or under the soil of any land on which an individual or an organization has the right to cultivate, right to possession, right to use, right to enjoy benefit, right to succession or transfer under the existing laws, or on ground, underground, sea bed and underwater ground within Myanmar shall be deemed as the State-owned gems.

## **Chapter IV**

### **Designation of Gem Blocks for the Medium Scale Extraction**

9. The Ministry:

- (a) shall designate areas within a gemstone tract where any gem can be produced, as medium scale gem blocks in coordination with the Region or State Government in order to permit gem extraction.
- (b) shall reserve a place between blocks for a road to dispose loose soil when designating areas as gem blocks under sub-section (a).

## **Chapter V**

### **Gem Extraction Permit**

10. The Ministry shall invite bids after determining a reserve price for each gem block to be permitted for medium scale extraction. If there are competitive bids for a block, they shall be chosen by a tender procedure in accordance with the stipulations.

11. Any company or co-operative society which desires to operate a gem extraction shall have the right to operate under its constitution or by-laws. In addition, the gem extraction shall also conform with the conditions prescribed by the Ministry.

12. A company or co-operative society which conforms with the provisions of section 11 has the right to offer bids for gem blocks to be permitted for medium scale extraction by the Ministry.

13. The Ministry shall issue a permit to the company or co-operative society which is approved for medium scale extraction as the bid offered by such company or society conforms with the stipulations specified in the rules under this Law.

14. The Ministry shall operate the medium scale extraction with a permit holder by practicing production sharing system in accordance with the rules issued under this Law.

15. The Ministry:

- (a) may allow to renew the permit for medium scale extraction in gem blocks after examining whether the permit holders comply with the specified conditions and whether they can implement their work plan, when they apply for continuation of the business after expiry of the permit;
- (b) shall renew the permit up to three years only once when allowing to renew the permit for medium scale extraction under sub-section (a). The price shall be re-determined for each gem block, if required.

16. The Ministry shall form the Gem Blocks Scrutiny and Allocation Body of the relevant Region or State with a maximum of nine members comprising a minimum of three local people nominated by the relevant Region or State Hluttaw, with the approval of the Union Government, in coordination with the Region or State where gems are produced.

17. (a) The Gem Blocks Scrutiny and Allocation Body of the relevant Region or State may, with the approval of the Ministry, designate areas within or outside gemstone tracts as gem blocks, where a small scale extraction or artisanal extraction will be permitted;
- (b) A place between blocks shall be reserved for a road to dispose loose soil when designating areas as gem blocks under sub-section (a).
- (c) A person who wishes to operate a small scale extraction or artisanal extraction within the area designated under sub-section (a) shall apply for a permit to the Gem Blocks Scrutiny and Allocation Body of the relevant Region or State in accordance with the stipulations.

18. The Gem Blocks Scrutiny and Allocation Body of the relevant Region or State shall:

- (a) determine the term of a permit and price after scrutinizing the application under sub-section (c) of Section 17. If there are competitive bids for a block, they shall be chosen by a tender procedure in accordance with the stipulations.
- (b) issue a permit if the applicant or selected person pays the determined price within the specified period;
- (c) renew the permit up to two years only once when allowing to renew the permit for small scale extraction. The price shall be re-determined, if required;
- (d) issue a renewed permit if the current operator pays the price determined under sub-section (c) within the specified period;
- (e) register each person who wishes to operate an artisanal extraction in accordance with the stipulations for one year.

19. The Ministry shall designate a place within a gemstone tract for disposal of soil in gem extraction operated by a permit holder.

20. (a) The permit holder for a medium scale extraction or small scale extraction shall apply to the Ministry for land use permit in a gemstone tract.
- (b) The Ministry:
- (i) may issue the land use permit by stipulating terms and conditions after scrutinizing the application under sub-section (a);
  - (ii) shall stipulate the term of land use permit and land use premium for any worksite outside the permitted block when issuing the land use permit under clause(i);
  - (iii) may renew the land use permit if the stipulated term under clause (ii) expires.

## **Chapter VI**

### **Duties and Rights of Permit Holders**

21. The permit holders shall:

- (a) abide by this Law and rules, regulations, orders, directives and procedures issued under this Law;
- (b) abide by the terms and conditions of the permit, licence or land use permit;
- (c) show the extracted rough gems to the relevant valuation body and register them in accordance with the stipulations;
- (d) pay the extraction royalty, royalty and service fee in accordance with this Law and payable taxes in accordance with the existing tax laws;
- (e) not sub-lease or transfer the obtained permit by any means;
- (f) submit the situation of gem extraction of each permitted block, payment of royalty, sale of gems and remaining gems for sale to the department or organization issuing the permit, once in every six months;
- (g) abide by the rules, procedures, orders and directives issued under this Law with respect to the following matters:
  - (i) appointing personnel and workers, assigning work, determining age, wage, salary and other remuneration and profit sharing in gem extraction;

- (ii) determining working days and working hours for the above and underground work in gem extraction;
- (iii) taking measures for the safety and accident prevention in gem extraction;
- (iv) implementing plans for the welfare, health, sanitation of mine personnel and workers and disciplinary measures in gem extraction;
- (v) taking measures to reduce environmental impact of gem production;
- (vi) reporting accidents, loss of life and bodily injury due to such accidents in gem extraction;
- (vii) accepting the inspection of the Chief Inspector, Inspection Body and inspectors.

22. If the permit holders have registered the extracted rough gems and paid the extraction royalty, they have the following rights in accordance with the existing laws and rules issued under this Law:

- (a) the right to make finished gems and substances made of gems from the said rough gems by abiding Law, rules, regulations and by-laws relating to sawing and cutting gems enacted by the relevant Region or State Hluttaw;
- (b) the right to make jewellery and substances made of gems from the said finished gems;
- (c) with respect to the said rough gems;
  - (i) the right to carry them freely within Myanmar;
  - (ii) the right to sell them freely in Myanmar kyat or foreign currency within Myanmar;
  - (iii) the right to sell them at gem emporiums held with the approval of the Ministry, gem markets officially opened, or gem emporiums held under the supervision of the Myanmar Gems Enterprise in the regions permitted by the Ministry;
  - (iv) the right to sell and export them in foreign currency at gem emporiums held under the supervision of the Ministry by obtaining the permission of the Union Government;
- (d) with respect to finished gems, jewellery, substances made of gems;
  - (i) the right to carry them freely within Myanmar;

- (ii) the right to sell them freely in Myanmar kyat or foreign currency within Myanmar;
- (iii) the right to sell them at gem emporiums held with the approval of the Ministry, gem markets officially opened, or gem emporiums held under the supervision of the Myanmar Gems Enterprise in the regions permitted by the Ministry;
- (iv) the right to export them;
- (v) the right to sell them by inviting gem traders from abroad on their own arrangement with the permission of the Ministry; and
- (vi) the right to sell them at the Foreign Gem emporiums.

23. Any permit holder who is dissatisfied with the value of the gems assessed by a valuation body has the right to submit a complaint to the Central Committee for revaluation within 30 days from the date of valuation.

24. The permit holders have the right to apply to the relevant Ministry for import of raw materials, and machinery and equipment for extraction, which are actually required for making and sale of finished gems or for jewellery manufacturing and the sale of them with the exemption or relief from customs duty.

25. Any permit holder who finds other minerals or metallic minerals other than gems within a block shall report and entrust them to the Ministry.

## **Chapter VII**

### **Licence for Sale of Rough Gems, Finished Gems and Jewellery**

26. Any person who wishes to operate any of the following business shall apply a licence to the Ministry or the relevant Region or State Government in accordance with rules issued under this Law:

- (a) sale and purchase of rough gems, finished gems, jewellery or substances made of gems;
- (b) making finished gems or jewellery manufacturing with a foreign investment;
- (c) making finished gems from rough gems.

27. The Ministry or the relevant Region or State Government:

- (a) may issue a licence or refuse to issue a licence after scrutinizing the application under section 26 in accordance with the stipulations;

- (b) shall determine the type of a licence, the term of a licence, the licence fee and terms and conditions when issuing a licence under sub-section (a).

28. The licensees shall:

- (a) abide by the rules, procedures, orders and directives issued under this Law;
- (b) abide by the terms and conditions of the licence;
- (c) pay the prescribed licence fees;
- (d) sell only at gem emporiums held with the approval of the Ministry or the relevant Region and State Government according to the type of a licence, domestic gem emporiums held by the private enterprises from time to time, international gem emporiums and gem markets officially opened or shops and places permitted under the licence;
- (e) not sub-lease or transfer the obtained licence, by any means.

29. The licensees have:

- (a) the right to purchase rough gems for which the extraction royalty has been paid, the right to carry and possess them, and to make finished gems, jewellery or substances made of gems after purchasing them;
- (b) in accordance with the stipulations contained in the rules issued under this Law and the existing laws:
  - (i) the right to carry rough gems purchased under sub-section (a) freely within Myanmar;
  - (ii) the right to sell them in Myanmar or foreign currency within Myanmar;
  - (iii) the right to sell them at gem emporiums held with the approval of the Ministry, gem markets officially opened or gem emporiums held under the supervision of the Myanmar Gems Enterprise in the regions permitted by the Ministry;
  - (iv) the right to sell them in foreign currency at gem emporiums held with the approval of the Union Government and under the supervision of the Ministry;
- (c) with respect to finished gems, jewellery or substances made of gems which are improved on rough gems purchased under sub-section (a),

in accordance with the stipulations contained in the rules issued under this Law and the existing laws:

- (1) the right to carry them freely within Myanmar;
- (2) the right to sell them in Myanmar or foreign currency within Myanmar;
- (3) the right to export them.

### **Chapter VIII**

#### **Formation and Duties of Valuation Bodies**

30. With regard to the medium scale extraction, the Ministry:
- (a) shall form valuation bodies comprising gem experts, technicians, persons assigned by the relevant Region or State Government, and other suitable persons in the required regions;
  - (b) may re-form a valuation body as necessary.
31. With regard to the small scale extraction and the artisanal extraction, the relevant Region or State Government, in coordination with the Ministry:
- (a) shall form valuation bodies in the required regions, comprising gem experts, technicians, persons assigned by the relevant Regions or States Government, and other suitable persons;
  - (b) may re-form a valuation body as necessary.
32. The members of valuation bodies who are not civil servants are entitled to remuneration prescribed by the Ministry and the relevant Region and State Government.
33. The duties of valuation bodies are as follows:
- (a) registering the quality, quantity, weight and size of rough gems shown to them by the permit holders in accordance with the stipulations under sub-section (c) of section 21;
  - (b) assessing the value of the registered rough gems in accordance with the stipulations;
  - (c) coordinating with the relevant department to collect extraction royalty on the value assessed under sub-section (b);
  - (d) reporting to the relevant organization to take action against a permit holder in accordance with this Law if they receive information that

the permit holder has fraudulently disposed the produced rough gems without showing and registering with a valuation body;

- (e) performing duties conferred by the Ministry and the relevant Region or State Government.

## **Chapter IX**

### **Payment of Extraction Royalty, Royalty and Service Fees**

34. After registering the extracted rough gems, a permit holder shall pay extraction royalty according to the following rates based on the value assessed by a valuation body under sub-section (b) of section 33:

- (a) 10 percent for ruby, sapphire, jade or diamond;
- (b) five percent for other gems except gems mentioned in sub-section (a).

35. When a permit holder sells the rough gems for which the extraction royalty has been paid under section 34 at the place where a service fee needs to be paid, three percent of the actual sale value shall be paid as a service fee.

36. If a permit holder sells finished gems, jewellery or substances made of gems improved on rough gems for which the extraction royalty has been paid under section 34 at the place where a service fee need to be paid, one percent of the actual sale value shall be paid as a service fee.

37. Licensees shall pay:

- (a) three percent of the actual sale value of rough gems for which the extraction royalty and royalty have been paid, as a service fee if they sell them at the place where a service fee needs to be paid;
- (b) one percent of the actual sale value of finished gems, jewellery or substances made of gems for which extraction royalty and royalty have been paid, as a service fee if they sell them at the place where a service fee is needs to be paid.

38. If permit holders or licensees sell rough gems, finished gems, jewellery or substances made of gems, they shall pay the royalty according to the rates on the actual sale value determined under the Union Taxation Law.

## **Chapter X**

### **Formation and Duties of the Central Gems Supervisory Committee**

39. The Ministry:

- (a) shall form the Central Gems Supervisory Committee comprising persons from the relevant government departments and government organizations, gems experts, technicians and representatives from the Association;
- (b) may re-form the Central Committee formed under sub-section (a) as necessary;

40. The members of the Central Committee who are not civil servants are entitled to remuneration prescribed by the Ministry.

41. The duties of the Central Committee are as follows:

- (a) giving advice to the Ministry on a hundred percent development of the gems and jewellery market within Myanmar for gems produced in Myanmar;
- (b) giving advice to the Ministry on designation of gemstone tracts, gem blocks, the reserve price and place for disposal of the loose soil for public use under section 19, issuing the land use permit for the worksite in section 20 and stipulation of the land use premium;
- (c) giving advice to the Ministry on provision of Government assistance for smooth and successful extraction and sale of gems;
- (d) recommending reasonable royalty rates to be imposed on gems to the Ministry according to their types;
- (e) making a final decision on an application made by a person who is dissatisfied with the value of gems assessed by a valuation body for the purpose of imposition of the extraction royalty;
- (f) re-assessing the value of gems assessed by a valuation body as necessary if it finds that the assessed value of the gems is less or more than the actual value;
- (g) giving advice to the Ministry on ways to prevent illegal extraction, export or sale of gems within Myanmar which does not conform with this Law and the rules, orders, directives and procedures issued under this Law;
- (h) holding gem emporiums and allowing to hold gem emporiums in the regions permitted by the Ministry for a hundred percent development of the gems, finished gems and jewellery market and for royalty payment in full within Myanmar;

- (i) proposing to the Ministry places selling gems to be designated as gem markets, where gems are produced and market may be developed or where market may be developed even though no gems are produced;
- (j) opening gemmology training centres, international gem markets and gem museums;
- (k) suggesting to hold private gem emporiums for the development of gem markets and supporting local businessmen to hold finished gems and jewellery emporiums abroad;
- (l) supporting the development of research on gems and standardized laboratories.

## **Chapter XI**

### **Inspection**

42. The Director General of the Department of Mines of the Ministry shall be the Chief Inspector for the purpose of this Law.

43. The Inspection Body comprising the Chief Inspector as the Chairperson, three officials assigned by the Ministry and one person nominated by the Office of the Auditor General of the Union shall be formed.

44. The duties of the Inspection Body are as follows:

- (a) inspecting whether the permit holders or licensees abide by the provisions of this Law and the rules, orders and directives issued under this Law and terms and conditions of the permit, licence or land use permit;
- (b) inspecting the health, sanitation, safety, prevention of accident, welfare, disciplinary measures for the personnel and workers engaged in gem extraction;
- (c) inspecting environmental impact of gem extraction and instructing permit holders or licensees to implement in accordance with the stipulations;
- (d) determining the duties of inspectors and supervising them;
- (e) performing the duties conferred by the Ministry from time to time.

45. The Inspection Body may:

- (a) assign any suitable officers from the Department of Mines of the Ministry or Myanmar Gems Enterprise as inspectors for the purpose of this Law;

- (b) delegate its powers to inspectors.

## **Chapter XII**

### **Taking administrative action**

46. If any permit holder, licensee, manager managing on behalf of the permit holder or licensee, the land use permit holder or any person who has registered for artisanal extraction fails to abide by rules, orders, directives and procedures issued under this Law or violates any terms and conditions of the permit, licence, land use permit or artisanal registration, the Ministry, for the medium scale extraction, and the relevant Region or State Government, for the small scale and artisanal extraction, may pass any of the following administrative orders:

- (a) allowing the continuation of the operation after instruction to pay a fine;
- (b) temporary suspension of the permit, licence, artisanal registration or land use permit by prescribing suspension period;
- (c) cancellation of the permit, licence, artisanal registration or land use permit.

## **Chapter XIII**

### **Offences and Penalties**

47. Whoever carries any rough gems, finished gems or jewellery abroad which does not conform with this Law and rules, orders, directives and procedures issued under this Law shall, on conviction, be punished with imprisonment for a term from a minimum of five years to a maximum of ten years and may also be liable to a fine.

48. Any permit holder, director of a permit holder or manager managing on behalf of a permit holder commits any of the following acts shall, on conviction, be punished with imprisonment for a term from a minimum of three years to a maximum of seven years and may also be liable to a fine:

- (a) gem extraction in a block or an area other than in the permitted gem block;
- (b) failure to register an produced rough gem, or registering a substituted rough gem instead of an actual produced rough gem.

49. Whoever carries any substance made of gems abroad which does not conform with this Law, rules, orders, directives and procedures issued under this

Law shall, on conviction, be punished with imprisonment for a term from a minimum of one year to a maximum of three years and may also be liable to a fine.

50. (a) Whoever operates artisanal extraction without registration shall, on conviction, be punished with imprisonment for a term from a minimum of one year to a maximum of three years and may also be liable to a fine.

(b) Whoever operates small or medium scale extraction without a permit shall, on conviction, be punished with imprisonment for a term from a minimum of three years to a maximum of seven years and may also be liable to a fine.

51. Whoever commits any of the following acts shall, on conviction, be punished with imprisonment for a term from a minimum of one year to a maximum of three years and may also be liable to a fine:

(a) possessing, transporting, selling, purchasing, taking, receiving or transferring any rough gems by any means which does not conform with this Law and rules, orders, directives and procedures issued by this Law;

(b) operating any business contained in section 26 without a licence;

(c) failure to pay royalty and tax in extraction and sale of gems in accordance with the provision of this Law.

52. If any permit holder or manager managing on behalf of a permit holder fails to abide by the rules and orders related to sub-section (g) of section 21, they shall be punished with imprisonment for a term not exceeding three years or with a fine or with both.

53. Whoever operates gem extraction in a work area which has land use permit shall, on conviction, be punished with imprisonment for a term from a minimum of one month to a maximum of three months and may also be liable to a fine.

54. Whoever attempts, conspires or abets in the commission of an offence under this Law shall be punished with the penalty provided for such offence in this Law.

55. The court shall pass a sentence for the relevant offence in a legal proceeding instituted under this Law, if found guilty. In addition, it:

- (a) shall pass an order to confiscate gems, jewellery and money related to the offence;
- (b) may pass an order to confiscate vehicles, machines, animals and other machinery, tools and implements used in commission of the offence.

## **Chapter XIV**

### **Miscellaneous**

56. A permit holder shall:

- (a) operate the gem extraction in accordance with existing laws with the least environmental impact and no socioeconomics impact on local people;
- (b) carry out land rehabilitation and green activities in accordance with the stipulations when gem extraction is closed;
- (c) establish a fund which is not less than two percent of an investment for the environmental conservation, health, education, transport and other development of the region under the relevant Region or State Government budget, as soon as they start the business;
- (d) ensure that the functions contained in sub-sections (a), (b) and (c) conform with the international standards including Extractive Industries Transparency Initiative for the extraction of Myanmar mineral resources.

57. The relevant Region or State Government shall coordinate with the relevant Hluttaw representatives in order to spend fund established under sub-section (c) of section 56.

58. Whoever sells rough gems, finished gems or jewellery shall express clearly about the improvement on colour, quality or resistance of such gems by using other technologies to be more valuable, to buyers except cutting or polishing natural minerals.

59. The Ministry or any officer who is assigned by the relevant Region or State Government shall recover all sums of money receivable under this Law as if it were an arrear of land revenue by exercising the powers of a Collector under the existing laws.

60. Joint ventures with the Government and private enterprises operating the gem extraction, according to unexpired permit, licence or land use permit issued

for the gem extraction under any existing laws before the enactment of this Law, shall be continued in accordance with the directives issued by the Ministry under the provisions of this Law.

61. The Ministry may, with the approval of Union Government, permit an individual, department or organization which desires to make finished gems and jewellery or sell finished gems, jewellery and substances made of gems with foreign investment.

62. The Ministry may delegate its powers conferred under this Law to the Department under its supervision or the Myanmar Gems Enterprise.

63. The Union Government may, for the interest of the State, allow any company, co-operative society or individual to prospect and explore gems in any appropriate area within a region where gems may be produced, by prescribing terms and conditions.

64. The Ministry shall take measures to ensure that Myanmar citizens can possess, carry, sell and purchase gems which they possess legally after paying the extraction royalty and registering them.

65. If the permit holders or licensees sell rough gems, finished gems, jewellery or substances made of gems before the Union Taxation Law comes into effect on payable royalty rates under this Law, they shall comply with the existing Union Taxation Law with respect to payment of royalty.

66. The money and extraction royalty, licence fees and registration fees obtained from the small scale extraction and the artisanal extraction permitted by the relevant Region or State Gemstone Block Scrutiny and Allocation Body in accordance with this Law, shall be deposited to the relevant Region or State Fund.

67. The Ministry may recommend import of rough gems or finished gems according to local market requirement.

68. The rules, notifications, orders and directives issued under the Myanmar Gemstone Law (The State Law and Order Restoration Council Law No. 8/ 1995) repealed by this Law, shall be applicable as long as they are not contrary to this Law.

69. In implementing the provisions of this Law:

- (a) the Ministry may issue rules, regulations and by-laws with the approval of the Union Government;

- (b) the Ministry may issue notifications, orders, directives and procedures;
- (c) Region and State government may, in coordination with the Ministry, issue notifications, orders, directives and procedures;
- (d) the Department of Mines and the Myanmar Gems Enterprise may issue orders and directives with the approval of the Ministry.

70. The Myanmar Gemstone Law (The State Law and Order Restoration Council Law No.8/ 1995) is hereby repealed under this Law.

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I hereby sign under the constitution of the Republic of the Union of Myanmar.

(Sd) Win Myint  
President of the Union  
The Republic of the Union of Myanmar