

MALAWI EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE (MWEITI)

MWEITI Report for 2015-2016 Financial Year

JUNE 2018



This Report has been prepared at the request of the Malawi EITI Multi-stakeholder Group (MSG) responsible for the implementation of the Extractive Industries Transparency Initiative in Malawi. The views expressed in the report are those of the Independent Administrator and in no way reflect the official opinion of the MSG. This Report has been prepared exclusively for use by the MSG members and must not be used by other parties, nor for any purposes other than those for which it is intended.

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LIST OF ABBREVIATIONS

AER	Annual Economic Report
ASM	Artisanal and Small-scale Mining
ATI	Access to Information
BO	Beneficial Ownership
CA	Contracting Authorities
CDN	Northern Development Corridor
CEAR	Central East African Railways
DA	Development Agreement
DoF	Department of Forestry
DoM	Department of Mines
EITI	Extractive Industries Transparency Initiative
EI	Extractive Industries
FA	Forestry Act
FY	Financial Year
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
GoM	Government of Malawi
IA	Independent Administrator
Ltd	Limited
MCL	Mining Claim Licence
ML	Mining Licence
MMA	Mines and Minerals Act
MNREM	Ministry of Natural Resources, Energy and Mining
MoF	Ministry of Finance, Economic Planning and Development
MoTPW	Ministry of Transport and Public Works
MRA	Malawi Revenue Authority
MSG	Multi-Stakeholder Group
MT	Materiality Threshold
MWEITI	Malawi Extractive Industries Transparency Initiative
MWK	Kwacha
NAO	National Audit Office
PAYE	Pay As You Earn
PEPA	Petroleum Exploration and Production Act
PPP	Public-Private-Partnership
PPPC	Public-Private Partnership Commission
PSA	Production Sharing Agreement
RA	Regulatory Authorities
RBM	Reserve Bank of Malawi
SOE	State Owned Enterprises
TPIN	Taxpayer Identification Number
USD	United States Dollar
VAT	Value-Added Tax
WP	Work Plan

PREFACE

Extractive Industries Transparency Initiative (EITI)¹

The Extractive Industries Transparency Initiative (EITI) was first announced at the World Summit for Sustainable Development in Johannesburg in 2002 (the ‘Earth Summit 2002’), and officially launched in London in 2003. It was founded on the recognition that, while oil, gas and minerals can help to raise living standards across the world, in countries where these resources are not managed appropriately, this may often lead to corruption and conflict and, for many people, a lower quality of life.

The Extractive Industries Transparency Initiative is a global coalition of Government Entities, extractive companies and civil society organisations working together to improve openness and accountable management of revenues from natural resources. EITI therefore promotes better governance in countries rich in oil, gas and mineral resources, and seeks to reduce the risk of diversion or misappropriation of funds generated by the development of a country’s extractive industries. A new EITI Standard was published on 23 February 2016 (the “EITI Standard”). Its principles are based on the affirmation that public understanding of government revenues and expenditure over time, could help public debate and inform choice of appropriate and realistic option for sustainable economic growth and reduction of poverty in resource-rich countries.

The EITI Standard sets out the requirements which countries need to meet in order to be recognised, first as an EITI Candidate and ultimately as an EITI Compliant country. There are currently 51 implementing countries, of which 16 made meaningful to satisfactory progress. 25 countries are yet to be assessed against the 2016 standard.

EITI in Malawi

Malawi was admitted as an Extractive Industries Transparency Initiative (EITI) candidate country in October 2015. The MWEITI process covers three sectors: mining, oil and gas, as well as forestry. The country published its first EITI report covering the 2014/15 financial year in April 2017.

EITI in Malawi is managed by a Multi-Stakeholder Group (MSG) chaired by the Director of Revenue of the Ministry of Finance, Economic Planning and Development of Malawi and comprising twenty-three members in total with seven (7) representatives from Government Entities, eight (8) representatives of the extractive companies, eight (8) representatives of the Civil Society and a representative of the National Assembly. The day-to-day implementation of the work programme is carried out by a permanent MWEITI Secretariat.

Timeline:

The following table summarises the timeline of MWEITI: ²

Date	Event
June 2014	Malawi’s government announces Commitment to EITI
February 2015	Malawi MSG formed
October 2015	Malawi becomes Candidate country.
April 2017	Publication for the first EITI Report (Period covered: July 2014 - June 2015)
June 2018	Deadline for the second EITI Report (Period covered: July 2015 – June 2016)
September 2018	Commencement of validation.

¹ Source: <https://eiti.org/eiti>

² For more information, please refer to EITI’s website on www.eiti.org.

Objective

EITI requires publishing comprehensive EITI reports, including full disclosure of government revenues from the extractive industries, as well as the disclosure of all material payments made to the government by companies operating in the oil, gas and mining sectors¹.

The objective of this EITI report is to strengthen the understanding of the level of contributions of the extractive sector to the economic and social development of Malawi in order to improve transparency and good governance in all components of the extractive industry value chain.

Nature and extent of our work

Moore Stephens has been appointed as Independent Administrator in order to prepare the EITI Report for the year ended 30 June 2016.

We have performed our work in accordance with the International Auditing Standards applicable to related services (ISRS 4400 Engagements to perform agreed upon procedures regarding Financial Information). The procedures performed were those set out in the terms of reference as defined in the Contract for Consultants' Services.

The reconciliation procedures carried out were not designed to constitute an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements and as a result we do not express any assurances on the transactions beyond the explicit statements set out in this report. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

The report consists of seven (7) chapters presented as follows:

- 1) Executive Summary;
- 2) Approach and Methodology;
- 3) Contextual Information on the Extractive Industry;
- 4) Determination of the reconciliation scope;
- 5) Reconciliation results;
- 6) Analysis of reported data; and
- 7) Recommendations.

Reported data disaggregated by individual companies, Government Entities and revenue streams, are presented in Section 6 of this report.

Our report incorporates information received up to **5 June 2018**. Any information received after this date is not, therefore, included in our report.

¹ Requirement 4 of the EITI standard (2016)

1. EXECUTIVE SUMMARY

This report covers payments made by extractive companies and revenues received by Government Entities and other material payments and benefits to Government Entities as stated by Requirement 4.1 of the EITI Standard.

It also includes contextual information about the extractive industries in accordance with EITI Requirements n°2 and 3. This information includes a summary description of the legal framework and fiscal regime; an overview of the extractive industries; the extractive industries' contribution to the economy; production data; the State's shareholding in extractive companies, revenue allocations, licence registers and licence allocations.

1.1. Revenue Generated from the Extractive Industries

The receipts reported by the government between 1 July 2015 and 30 June 2016 (2015/16 FY), after reconciliation are presented below:

Structure of direct revenues of the extractive industries

Total revenues received from the extractive sector amount to MWK 5,346 million in 2015/16 FY. MRA accounted for 69% of the total revenue streams generated by the sector, followed by the Department of Forestry (DoF) and the Ministry of Transport and Public Works (MoTPW) accounting for 17% and 6% respectively of total extractive industry revenues. The breakdown of revenues is set out in the table below:

- Revenues collected by Government Entities:

	Extractive revenue FY2014/15 (MWK million)		Extractive revenue FY2015/16 (MWK million)		Difference (MWK million)	
		% of total payment		% of total payment		%
Malawi Revenue Authority (MRA)	3,540	60%	3,710	69%	170	5%
Department of Forestry (DoF)	1,287	22%	907	17%	(380)	(29%)
Ministry of Transport and Public Works (MoTPW)	0	0%	337	6%	337	100%
Department of Mines (DoM)	551	9%	272	5%	(279)	(51%)
Social Contribution (SC)	557	9%	120	2%	(437)	(79%)
Total extractive revenues	5,935	100%	5,346	100%	(589)	(10%)

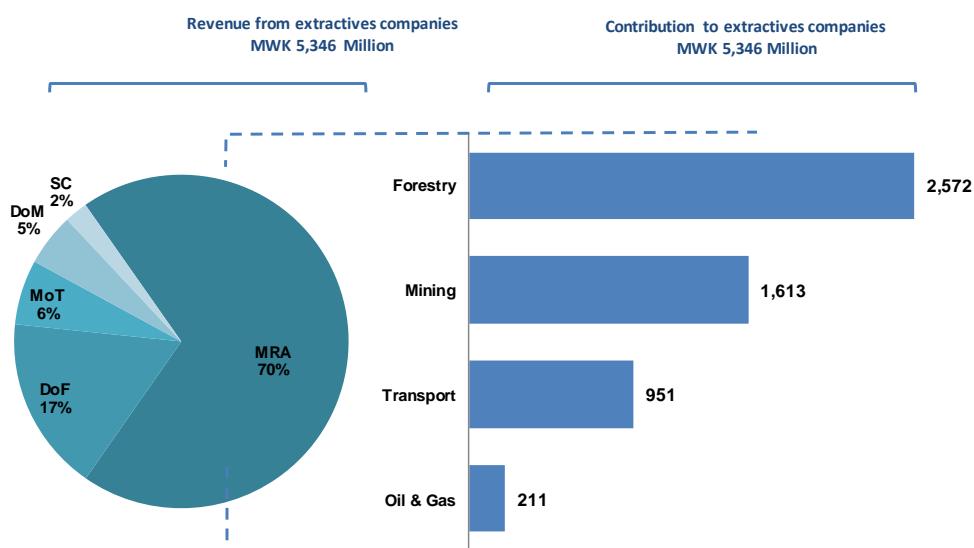
Source: EITI Report 2014/15 FY / EITI Reporting Templates 2015/16 FY

- Revenues detailed by sectors:

	Extractive revenue FY15/14 (MWK million)		Extractive revenue FY2015/16 (MWK million)		Difference (MWK million)	
		% of total payment		% of total payment		%
Oil & Gas	674	11%	211	4%	(463)	(69%)
Transport	0	0%	951	30%	951	100%
Mining	2,345	40%	1613	48%	(732)	(31%)
Forestry	2,916	49%	2,572	18%	(344)	(12%)
Total extractives revenues	5,935	100%	5,346	100%	(589)	(10%)

Source: EITI Report 2014/15 FY / EITI Reporting Templates 2015/16 FY

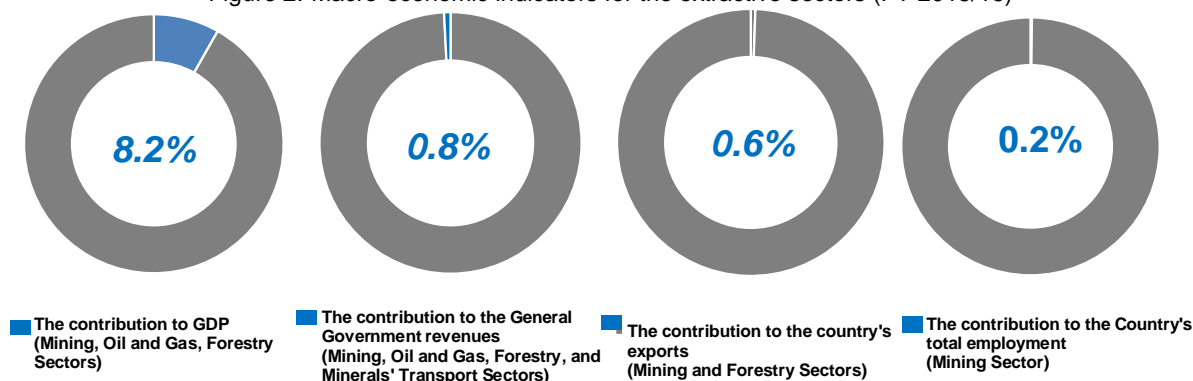
Figure 1: Structure of extractive industries revenues



Significance to Malawian economy

Based on the economic data presented in Sections 3.2.16, 3.3.11, 3.4.9 and 3.5.6 of the report, the contribution of the extractive industries can be summarised as follows:

Figure 2: Macro-economic indicators for the extractive sectors (FY 2015/16)



According to the National Statistical Office (NSO), the annual average Gross Domestic Product (GDP) from the mining, oil and gas, and forestry sectors for 2015-2016 represented 0.9%, 0% and 7.3% of the country's GDP respectively.

The extractive industry's contribution to the State's revenue amounted to MWK 5,346 million accounting for 8.2% of the total domestic revenues in 2015/16.

The value of exports from mining and forestry sectors amounted to MWK 112 million and MWK 3,274 million respectively. These represent about 0.53% and 0.02% of the total exports of the country respectively.

We understand that there was no Labour Market Survey conducted since 2013¹. In accordance with the Department of Mines, the mining sector employed 14,251 persons and the petroleum sector employed 7 persons² in 2015/16FY, accounting for 0.18% of total employment in the country.

1.2. Production

Mineral production data received from companies for the period covered only seven types of minerals, whilst the data from DoM provided a much wider array of minerals. The table below gives details of the production quantities and values during FY 2015/16 by mineral type as reported by extractive companies. In instances where companies's production data were unavailable, we have relied on the figures made available by DoM.

Mineral	2014/15			2015/16			Difference	
	Quantity (Tons)	Value of the production (in Million MWK)	%	Quantity (Tons)	Value of the production (in Million MWK)	%	Value	%
Coal	29,569	750	25%	34,012.58	1,185.21	28%	(*) (435)	-58%
Iron Ore	3,606	9	0%	3,329	8	0%	(*) 1	6%
Limestone	113,785	444	15%	149,335.80	599.62	14%	(**) (156)	-35%
Phosphate Rocks	3,558	32	1%	6,456	114	3%	(*) (82)	-256%
Rock Aggregate	268,203	1,711	56%	358,155.53	2,264.74	54%	(*) (554)	-32%
Others	6	99	3%	-	-		99	100%
Total		3,045	100%		4,172	100%	(1,127)	-276%

(*) Source: Extractive companies' declarations

(**) Source: Department of Mines' declarations

Production data are detailed by company in Section 6.3 of the report.

1.3. Scope of the data collection and reconciliation

Based on the revenue structures collected by Malawi Revenue Authority (MRA) and the Department of Mines (DoM), MSG agreed to include companies which made payments over the materiality threshold of MWK 33,000,000 in order to cover at least 90% of the total revenues collected by MRA and DoM from mining and petroleum companies during the 2015/16 financial year.

For the mining sector, MSG identified 16 companies to be included in the reconciliation process for the second EITI Report. These companies meet the selection criteria in the fiscal year 2015/16 as detailed in Section 4.2.1 of this report and they were therefore included in the reconciliation process.

For oil and gas sector, MSG agreed to include in the reconciliation process three (3) oil and gas exploration companies which made payments during 2015/16 as detailed in Section 4.2.2 of this report.

¹ http://www.nsomalawi.mw/index.php?option=com_content&view=article&id=209:malawi-labour-force-survey-2013&catid=8:reports&Itemid=97

² Reporting templates of Oil and Gas companies during 2015/16 FY

Reconciled revenues represent 91% of total adjusted revenues collected by MRA and DoM from mining and petroleum companies detailed as follows:

Payments from:	Revenue (MWK million)	%
Reconciled revenues from the Mining Sector (*)	1,403	82%
Reconciled revenues from the Oil and Gas Sector	141	8%
Total reconciled revenues	1,544	91%
Unilateral disclosure by Government Entities of receipts from mining companies	159	9%
Unilateral disclosure by Government Entities of receipts from Oil and Gas companies	1	0%
Total revenues unilaterally disclosure by Government Entities (**)	160	9%
Total Government receipts from Mining, Oil and Gas companies	1,704	100%
Total Unilateral disclosure by companies (***)	120	
Total (****)	1,824	

(*) Reconciled revenues are detailed by company in Section 5.1.1 of this report

(**) Unilateral disclosure from Government entities are detailed by company in Section 6.2.1 of this report

(***) Unilateral disclosure from companies are detailed by company in Section 6.2.2 of this report

(****) Detailed in Section 6.1

MSG agreed to request three (3) Government Entities, namely: MRA, DoM and MoF to submit reporting templates. These Government Entities received payments from the extractive companies as detailed in Section 4.3 of the report.

Unilateral disclosure for Mining Sector

As agreed by MSG, payments made by extractive companies below the materiality threshold (MT) were included in the EITI Scope through unilateral disclosure in accordance with EITI Requirement 4.1.d. The list of companies below MT are detailed in Section 6.2 of this report.

Based on the above, we have included payments of MWK 159 million and MWK 50 million with unilateral disclosure from Government Entities and mining companies respectively in the report. These unilateral disclosures represent 13% of total revenues of the mining sector, which therefore mean that 87% of total revenue of the mining sector was included in the reconciliation scope:

Payments from	Revenue (MWK million)	%
Mining sector total revenues	1,612	100%
Reconciled revenues	1,403	87%
Unilateral disclosure by Government Entities	159	10%
Unilateral disclosure by mining companies within the reconciliation scope	50	3%
Total unilateral disclosure of mining sector revenues	209	13%

Source: EITI Reporting Templates

Detail on the unilateral disclosure are presented in Section 6.2 of this report.

Unilateral disclosure for Oil and Gas Sector

Oil and gas revenues amounting to MWK 1 million representing 33% of revenues were reported unilaterally. This allowed us to include only 67% of total revenues of the oil and gas sector in the reconciliation scope:

Payments from:	Revenue (MWK million)	%
Oil and gas total revenues	212	100%
Reconciled revenues	141	67%
Unilateral disclosure by Government Entities	1	0%
Unilateral disclosure by oil and gas companies within the reconciliation scope	70	33%
Total unilateral disclosure of oil and gas revenues	71	33%

source: EITI Reporting Templates

Detail on the unilateral disclosure are presented in Section 6.2 of this report.

Unilateral disclosure for Forestry Sector

MSG decided that the forestry sector should be included in the second EITI report of Malawi through unilateral disclosure by the Department of Forestry.

All revenues from the forestry sector have been considered as aggregated payments of MWK 2,572 million with unilateral disclosure from Government Entities. This can be summarised as follows:

Payments from:	Revenue (MWK million)	%
Forestry sector total revenues	2,572	100%
Unilateral disclosure by the Department of Forestry (DoF)	907	35%
Unilateral disclosure by Malawi Revenue Authority (MRA)	1,665	65%
Total unilateral disclosure for forestry sector revenues	2,572	100%

Source: DoF and MRA

Details of the unilateral disclosure are presented in Section 6.2 of this report.

Unilateral disclosure for Transport of minerals

MSG decided that the transportation of minerals sector be included in the second MWEITI report through unilateral disclosure by Government Entities that are the Malawi Revenue Authority and the Ministry of Transport and Public Works.

All revenues from the transport sectors have been considered as aggregated payments of MWK 951 million with unilateral disclosure from Government Entities. This can be summarised as follows:

Payments from:	Revenue (MWK million)	%
Transport sector total revenues	951	37%
Unilateral disclosure by the Ministry of Transport and Public Works (MoTPW)	337	13%
Unilateral disclosure by Malawi Revenue Authority (MRA)	614	24%
Total unilateral disclosure for forestry sector revenues	951	37%

Source: MoTPW and MRA

Detail on the unilateral disclosure are presented in Section 6.2 of this report.

1.4. Completeness and Accuracy of Data

Data submission

All Government Entities included in the reconciliation scope submitted their reporting templates which represents 100% of reconciled revenues.

All extractive companies included in the reconciliation scope submitted reporting templates, except three mining (3) companies, namely: Kaziwiziwi Mining Co, M.A Kharafi & Sons and Pamodzi Stone Mining (PSM) Investments. Receipts reported by Government Entities and relating to these companies amounted to MWK 68 million accounting for 4.4% of the reconciled revenues.

The table summarised the situation of submission of required documents during 2015/16 FY:

Submission	2014/15 FY		2015/16 FY	
	Number	% per reconciled companies	Number	% per reconciled companies
Soft copy of the Reporting template	14	61%	16	84%
Audited Financial Statements	2	9%	9	47%
Hard copy of Reporting template signed by Senior Management	8	35%	9	47%
Reporting template certified by Auditor	1	4%	4	21%
Number of companies included within the scope	23		19	

Source : 2014/15 FY EITI report / EITI Reporting Templates 2015/16 FY

The Reconciliation sheets by reporting entity are set out in Annex 10 of this report.

On this basis, and except for the effects of the matters described above, we can reasonably conclude that this report covers all significant contributions made in the 2015/16 financial year by extractive company to the revenues of Malawi.

Data Reliability

Government Entities

All Government Entities have been able to submit reporting templates certified by the Auditor General and reporting templates signed by an authorised officer reporting templates.

Declarations made by Government Entities were made on the basis of the audited accounts of the Government for the year ended 30 June 2016.

Extractive companies

All companies submitted reporting templates that were signed by an authorised officer at management level or by an external auditor except of 10 companies. The revenues reported by Government Entities in respect of companies which submitted reporting templates not signed by management nor by an external auditor amounted to MWK 823 million representing 53% of the total reconciled revenues. These are detailed as follows:

Company	Amount (MWK million)	% of reconciled revenues
Paladin (Africa) Ltd	643	41%
Cpl-mchenga Coal Mines Ltd	82	5%
Kaziwiziwi Mining Co	68	4%
Mota Engil Minerals and Mining (MW) Ltd	17	1%
Optichem 2000 (malawi) Ltd	12	1%
Cement Products (MW) Ltd	1	0%
Shayona Cement Co	1	0%
M.A Kharafi & Sons	0	0%
Malawi University Of Science And Technology	0	0%
Pamodzi Stone Mining (PSM) Investments	0	0%
Total revenues	823	53%

Status of reporting templates submitted by extractive companies are presented in Annex 8 of this report.

Because of the significance of the matters discussed above, we were unable to conclude that the financial data submitted by reporting entities and included in this report were subject to audit applying international standards.

1.5. Reconciliation of Cash Flows

The purpose of reconciling payment flows was to identify any potential discrepancies in the declarations and to clarify them. The discrepancies initially identified were analysed and adjusted whenever the relevant supporting documents were made available by the reporting parties.

According to the data collected from extractive companies and Government Entities, after reconciliation, revenues generated from the extractive industries amounted to MWK 5,346 million. These revenues include reconciled revenues amounting to MWK 1,544 million and representing 28.9% of the total revenues during the fiscal year 2015/16. The reconciled revenues detailed by Government Entities is set out in the table below:

	Declared Government revenue (MWK million)	% of total payments
Malawi Revenue Authority (MRA)	1,371	26%
Department of Mines (DoM)	173	3%
Reconciled revenues	1,544	29%
Unilateral disclosure of revenues by extractive companies (*)	120	2%
Unilateral disclosure of revenues by Government (*)	3,682	69%
Total extractive revenues	5,346	100%

(*) Unilateral disclosure of revenue streams are detailed in Section 6.2 of this report

Cash flow reconciliation

After adjustments and reconciliation work, a net difference of MWK 99 million representing (8%) of Government revenues remained unreconciled and may be summarised by Government Entity and by Sector as follows:

In MWK million

Payments to	Extractive company (MWK Million) (a)	Govt (MWK Milion) (b)	Unreconciled Difference (c) = (a) - (b)	% (d) = (c)/(b)
Malawi Revenue Authority (MRA)	1,274	1,371	(97)	-7%
Department of Mines (DoM)	171	173	(2)	-1%
Total	1,445	1,544	(99)	-8%

source: EITI Reporting Templates

Details of the reconciliation exercise and adjustments made by company and by tax are set out in the Section 5 of this report and individual tax templates by company showing the reconciled amounts are presented in Annex 10 of this report.

1.6. Recommendations

Relevant recommendations and additional measures to be implemented in order to improve the EITI process in Malawi are presented in Section 7 of this report.



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29 June 2018

2. APPROACH AND METHODOLOGY

The reconciliation process relating to the EITI reporting consisted of the following steps:

- conducting a scoping study to determine the scope of the reconciliation exercise and to design the reporting templates;
- the collection of payment data from Government Entities and extractive companies, which provides the basis for the reconciliation;
- a comparison of amounts reported by Government Entities and extractive companies to determine if there are discrepancies between the two sources of information; and
- contact with Government Entities and extractive companies to resolve the discrepancies.

2.1. Scoping Study

In accordance with our terms of reference, we carried out a scoping study and reported to MWEITI on matters which should be considered in determining the scope of the 2015/16 FY EITI report, including:

- materiality threshold for receipts and payments;
- taxes and revenues to be covered;
- companies and Government Entities to be included in the report;
- reporting templates to be used; and
- assurances to be provided by reporting entities to ensure the credibility of the data made available to us.

The results of the scoping study described in Section 4 of this report were approved by MWEITI MSG.

2.2. Data Collection

We developed instructions, including reporting templates and reporting guidelines, requesting extractive companies and Government Entities to report all required data.

We carried out a Stakeholder Workshop in Lilongwe on 15 May 2018 to present the:

- reconciliation process;
- reconciliation scope;
- reporting templates and instructions;
- lessons learnt from the previous reconciliation reports; and
- reconciliation issues.

The reporting package, including the Reporting Templates and the Instructions for its completion, was sent electronically to the stakeholders.

Extractive companies and Government Entities were required to report directly to the Independent Administrator (IA), to whom they were also requested to direct any queries about the reporting templates.

2.3. Reconciliation and Investigation of Discrepancies

The process of reconciling the data and investigating discrepancies was carried out between 28 May 2018 and 1st June 2018. In carrying out the reconciliation, we performed the following procedures:

- figures reported by extractive companies were compared item-by-item to figures reported by Government Entities. Consequently, all discrepancies identified have been listed item by item in relation to each Government Entity and extractive company;
- where data reported by extractive companies agreed with the data reported by Government Entities, the government figures were considered to be correct and no further action was undertaken; and

- Government Entities and extractive companies were asked to provide supporting documents and/or confirmation for any adjustments to the information provided on the original data collection templates.

In cases where we were unable to resolve discrepancies, we contacted the reporting entities for additional supporting documentation evidencing the payments declared. In certain cases, these differences remained unresolved. The results of the reconciliation exercise are presented in Section 5 of this report.

2.4. Reliability and Credibility of Data Reported

In order to comply with EITI Requirement 4.9 and to ensure the credibility of data submitted, we proposed the following approach in the preparation of the 2015/16 FY EITI Report:

- for every company the “Payment/Receipt Report” should be signed by an authorised senior official (at board level);
- for every Government Entity the “Payment/Receipt Report” must be signed by an authorised senior officer; and
- each Reporting Template must be certified by an external auditor:
 - **Extractive companies:** are required to obtain confirmations from a registered external auditor that the figures reported in the Reporting Templates are in accordance with instructions issued by MWEITI, are complete and agree with their financial statements of the period covered by the reconciliation; and
 - **Government Entities:** are required to obtain confirmation from the Auditor General that the figures reported in the Reporting Templates are in accordance with instructions issued by MWEITI, are complete and agree with the audited accounts of government for the FY 2015/16.
- extractive companies were encouraged to submit their audited 2015 and 2016 financial statements; and
- the Auditor General is required to carry out agreed upon procedures under international standards in his certification of reporting templates provided by Government Entities.

For any changes to the information provided on the original data collection templates, supporting documents and/or confirmation from reporting entities were made available to the IA.

2.5. Accounting records

In accordance with Requirement 4.7 of the EITI Standard, data has been reported by company, by payment flow and by Government Entity. Reporting entities were asked to provide the relevant details along with the reporting templates for each payment flow, as well as contextual information.

The reconciliation has been carried out on a cash basis. Accordingly, payments made prior to 1 July 2015 have been excluded. The same applies to payments made after 30 June 2016.

2.5.1. Extractive companies

Extractive companies normally prepare their accounting records on accrual basis, i.e. the tax expense is recognised at the time it is due rather than the time when it is paid. Only amounts actually paid during the Financial Year 1 July 2015 to 30 June 2016 were reported in the Reporting Templates.

2.5.2. Government Entities

In respect of Government Entities, care has been taken to ensure that amounts shown on the “Payment/Receipt Report” include all receipts during the FY 2015/16, irrespective of whether the receipt was allocated in the Agency’s records against amounts due in a previous or subsequent financial year.

3. CONTEXTUAL INFORMATION ON THE EXTRACTIVE INDUSTRY

3.1. Extractive sector in Malawi

Malawi has a surface area of 118,000 km² with an estimated population of 18 million¹. Located in South Eastern Africa, it is traversed by the Great East African Rift Valley through Lake Malawi. The country is landlocked and shares borders with Mozambique, Zambia and Tanzania.

The extractive industries in Malawi was dominated by artisanal and small-scale rock aggregate and limestone quarrying and gemstone prospecting and mining in all the three regions of the country for a long time from independence in 1964 until 1981, when the Mines and Minerals Act was enacted.

One of the prerogatives of the Malawian Government is to raise the GDP contribution of the mining sector from 0.9% in 2014/15 FY to 20% by 2020². To that end, MNREM started the implementation of a five-year programme called Geological Mapping and Mineral Assessment Project (GEMMAP)³ in April 2017. The programme covers 6 areas that include the geological mapping, a mineral resource potential mapping, natural risks geo-hazard mapping, support to small scale mining, procurement of laboratory, and field equipment and construction of a documentation centre at Geological Survey Department, and capacity building.

The country is also promoting oil and gas exploration, particularly along the Lake Malawi region although there have been concerns raised by others about the sector's environmental impact on the lake.

The sectors covered by this report are:

- oil and gas exploration;
- quarrying and mining;
- forestry; and
- transport of minerals.

In 2011, the Mining Governance and Growth Support Project was conducted in order to improve the efficiency, transparency and sustainability of mining sector management and extended up to the end of July 2018. This project is co-financed by an IDA credit of SDR 16, 100,000 (USD 25 million equivalent) and an EU Grant of EUR 2,918,686 (US\$5.66 million, equivalent at the time of Board approval)⁴. The main objectives of this project are to provide a modern computer-based cadastral system, to review 1981 Mines and Minerals Act and associated regulations.

And The Malawi Growth and Development Strategy (MGDS) III was put in place in 2017 in order to reduce poverty and create wealth through sustainable economic growth and infrastructure development at the end of Vision 2020. The extractive sector would benefit from this strategy by:

- Amending legal and institutional framework;
- Implementing legislation on viable management of mineral resources;
- Improving transparency in the management of the sector through the Extractive Industries Transparency Initiative (EITI);
- Increasing exploration and mining of mineral resources; and
- Improving participation and regulation of artisanal, small and medium scale miners.

¹ <http://www.worldbank.org/en/country/malawi/overview>

² <https://eiti.org/malawi>

³ <https://mininginmalawi.com/2017/05/24/press-release-commencement-of-field-surveys-for-malawis-geological-mapping-and-mineral-assessment-project-gemmap/>

⁴ <http://documents.worldbank.org/curated/en/756461507640371419/pdf/IL-RESDATA-EXT-P120825-10-10-2017-1507640362815.pdf>

3.2. Legal framework and context of the mining sector

3.2.1. General context of mining sector

The country has large reserves of coal in Rumphu, Karonga and Chikwawa and other minerals such as phosphates (apatite) at Tundulu in Phalombe, bauxite on Mulanje Mountain, kaolinitic clays at Linthipe and Senzani in Dedza and Ntcheu respectively, kyanite in Ntcheu, limestones in several districts in the country, rare earths (including strontianite and monazite) associated with alkaline rocks in Balaka and Phalombe, graphite in Salima and Lilongwe, iron sulphides (Pyrite and Pyrrhotite) in Lilongwe, titanium minerals along the Lakeshore in Salima and Nsanje, vermiculite in Mwanza and uranium in Karonga. Most of these minerals have been evaluated in the past by either the Geological Survey Department or private companies. Only phosphate, coal, limestone and uranium have been exploited. In addition, rock aggregate is quarried in many parts of the country for the construction industry.

The location of the main mineral deposits in Malawi can be summarised as follows:

Deposit	Location	Reserves
Bauxite	Mulanje	28.8/43.9% Al ₂ O ₃
Uranium	Kayelekera	12,5/0.15% U ₃ O ₈
Monazite/ Strontianite	Kangankhunde	11/ 8% Strontianite and 60% REO
Graphite	Katengeza-Dowa	8.0/75.6gm per m ³
Limestone	Malowa Hill-Bwanje Chenkumbi-Balaka; Chikoa-Livwezi-Kasungu	15/4% CaO, 1.2% MgO 10/46.1% CaO, 3.5% MgO
Titanium bearing Heavy	NKhotakota-Salima Chipoka	700/5.6% HMS
Mineral Sands	Mangochi Halala (Lake Chilwa)	680/6.0% HMS 15/6.0% HMS
Vermiculite	Feremu-Mwanza	2.5/4.9% (Med+Fine)
Coal	Mwabvi-Nsanje Ngana-Karonga Mchenga	4.7/30% ash 15/21.2% ash 5/1 7% Ash, 0.5% Sulphur and calorific value of 6,800kcal/kg
Phosphate	Tundulu-Phalombe	2.017% P ₂ O ₅
Pyrite	Chisepo-Dowa Malingunde-Lilongwe	34/8% S 10/12% S
Glass Sands	Mchinji Dambos	1.6/97% SiO ₂
Dimension Stone	Chitipa, Mzimba, Mangochi, Mchinji, Chitipa Chikwawa, Rumphu, Ntcheu	Blue, Black, Green, and Pink Granite Numerous pegmatites and volcanic

Source: Annual Economic Report 2017

Uranium

In 2009, the first modern and relatively major mining operation for uranium was officially opened at Kayelekera in Karonga district in the northern part of the country. The mine operated by Paladin (Africa) Ltd is considered to be the biggest mining project in Malawi's history with an average production of 1,500 tonnes of uranium per year. This mine put Malawi on the world map as a mining country and considerably increased the contribution of the sector to GDP (about 1% of the country's GDP). The company suspended the mine's activities in 2014 as a result of the prevailing low Uranium prices and the mine placed on "care and maintenance".

Global demand is expected to increase in the coming years due to the construction of nuclear reactors in China, India, Russia and the Middle East. This is expected to lead to uranium price increase. Production of uranium in the country is therefore likely to resume in the coming years.¹

¹ Section 2.2.2, AER 2017

Coal

There are proven coal reserves across the country and most of the production is from Mchenga, Malcoal and Kaziwiziwi mines. Coal is used by local factories and it is exported to Tanzania and Zambia since recent years.

Lime

Limestone was used as feed stock for the production of lime and manufacture of cement, tobacco estates, poultry and paint industries for local market. Recently, the country has started to export lime products to Mozambique.

Rock Aggregate

Production of Rock Aggregate is significant from small to large scale levels. Rock aggregate has been exploited in many parts of the country for the construction industry. The sector, however; seems to suffer from illegal practices. Companies producing rock aggregate for government projects are exempt from paying royalties but several of them also engage in commercial activities against the law.

3.2.2. Context of the Artisanal and Small-Scale Mining sector in Malawi

Artisanal and Small-Scale Mining (ASM) in Malawi is generally carried out through labour intensive methods for limestone for lime production, terrazzo for the construction industry, rock aggregate crushing for quarry stone, river and dambo sand extraction for construction, clay for ceramics and pottery, extraction of saline soils for salt making gemstones and gold panning.

Small scale mining is facilitated by Mineral Permits, Mining Claim Licences and Reserved Mineral Licences.

ASM is an important sub-sector in Malawi and its continued growth led the Government of Malawi (GoM) to draft an ASM policy. ASM's importance in the Malawi context lies in its contribution to livelihood and its significant negative impact to the environment. Roughly 40,000 Malawians, 10% of whom were women, were engaged in artisanal mining in Malawi as of 2002¹, that number having grown since then. Most artisanal miners are informal, and it is difficult to obtain statistics on both their production and sales. There is no study or proper mapping to indicate if these activities have any significant contribution to Malawi's economy.

Limestone for lime production

Lime production is mostly done in southern Malawi in the districts of Blantyre, Balaka and Ntcheu. In some areas, lime producers operate in groups through cooperatives. However, even then, statistics on production and sales is hard to obtain from these cooperatives as the operators lack basic knowledge in record keeping.

Gold

Gold resources of Malawi remain unexplored. Informal alluvial gold panning activities in the Makanjira area in the lakeshore district of Mangochi was reported to the Department of Mines in August 2017. Artisanal gold mining operations included several rivers such as Unga, Lugalo, Lukoloma and Thilasi.

Gemstones

Gemstones that are being mined at small scale level in the country include ruby, sapphire, tourmaline, aquamarine, and rhodolite. New gem deposits have been reported in Salima and Dowa Districts and Kafukule in Mzimba District. Small scale gem miners face a problem of lack of gemstone marketing centre where they can sell the products extracted. As a result, very small quantities are being declared and exported officially². In order to curb illegal marketing of gemstones, the Ministry of Natural Resources, Energy and Mining (MNREM) has plans to set up a gemstone marketing centre.

¹ USAID Report

² <https://mininginmalawi.com/2016/10/05/views-from-malawis-asm-sector-malawi-losing-out-through-gemstone-smuggling/>

3.2.3. Production

Based on the Annual Economic Reports, the production of key minerals can be presented as follows:

Mineral	2014		2015		2016	
	Quantity (tonnes)	Value (MWK Million)	Quantity (tonnes)	Value (MWK Million)	Quantity (tonnes)	Value (MWK Million)
Rock Aggregate	1,038,168	1,661	1,158,742	1,566	1 990 000	3,309
Coal	63,673	785	58,774	791	43 338	639
Agricultural Lime	20,206	197	33,158	433	38 278	500
Phosphate	11,194	16	12,400	205	2 500	12,400
Gemstones	110	19	136	103	1 300	206
Uranium Concentrates	1,065	13,800	-	-	-	-
Dimension stone			40,500	13	70 000	16
Iron ore					3 800	10
Total		16,479		3,111		17,079

Source: AER 2016 / AER 2017

Uranium has not been produced since 2014 because the mine went under care and maintenance since following the drop in the price of uranium after the Fukushima nuclear accident.

Coal production decreased in quantity and in value. The major reason for the decrease is because of coal is imports from Mozambique at lower cost.

According to the above table, the most valuable mineral produced during 2015/16 FY was phosphate which accounted for MKW 12,400 million in production value. The main production of phosphate comes from the Tundulu carbonite complex in Phalombe District and the deposit was evaluated to contain reserves of about 2 million metric tonnes with a grade of 17% P2O5¹. The phosphate production shows inconsistent trends where quantities decreased in 2016 to one fifth of 2015 produced quantities while the value has increased by sixty times. We believe that these are due to calculation mistakes in the Annual Economic Reports.

Rock aggregate, gemstones, agriculture lime and dimension stone increased in value. 2016 also marked the inclusion of iron ore production evaluated at MKW10 million although mining is known to have started much earlier.

Additionally, reporting entities were requested to declare data on production and these are detailed in Section 6.3 of this report.

3.2.4. Main Exploration and Prospecting activities

According to the country-wide airborne geophysical survey results funded by the World Bank² and the European Union, new areas with potential for mineral prospects have been identified in Malawi. This will boost exploration and mining opportunities in the country and help to develop the mining industry.

The following is a list of the main prospective projects in Malawi during 2015/16 FY:

¹ Annual Economic Report 2017

²

Company	Minerals to be mined	Site	Status
Mota-Engil Minerals and Mining (Mw) Ltd	Gold, Base metals and PGMs	Southern Region	Exploration work for; Gold, Base metals and PGMs. Main activities include : Geophysical surveys, Trenching and Sample analysis
Globe Metals and Mining Exploration (Africa) Ltd	Gold, Base metals and PGMs	Central and Northern	Exploration work for; Gold, Base metals and PGMs. Main activities include : Geophysical surveys, Trenching and Sample analysis
Dantasie Mining Company	Gold, Base metals and PGMs	Northern	Exploration work for coal. Main activities include: Trenching and Sample analysis
New king international	Heavy Mineral Sands	Southern Region	Exploration work for Heavy Mineral Sands. Main activities include : Geochemical analysis and Sampling
Lancaster Exploration Ltd	Rare Earth Minerals	Southern Region	Exploration work for; Rare Earth Minerals. Main activities include : Geophysical surveys, Trenching, Pitting, Drilling and Sample analysis
Sovereign Services Ltd	Graphite and Basemetals	Central Region	Exploration work for; Graphite and Basemetals. Main activities include : Geophysical surveys, Drilling, Trenching and Sample analysis
Paladin Africa Ltd	Uranium	Northern Region	Exploration work for; Uranium. Main activities include : Geophysical surveys, Trenching, Pitting and Sample analysis
Spring Stone Ltd	Rare Earth Minerals (REE)	Southern Region	Exploration work for Rare Earth Minerals. Main activities include: Geophysical surveys, Trenching and Sample analysis
Tengani Titanium Minerals Ltd	Titanium Minerals	Southern Region	Exploration work for Titanium Minerals. Main activities include : Beneficiation and Metallurgical test, Drilling Trenching and Sample analysis

Source: Department of Mines

3.2.5. Institutional Framework

The main stakeholders in the mining sector are:

- a) **Department of Mines:** at the Ministry of Natural Resources, Energy and Mining (MNREM) is the Government Entity responsible for the administration of the minerals sector, including issuing mining licences. It has statutory oversight of the Mining sector as follows:
 - preparation of the Mines and Minerals Act, and the Petroleum Act;
 - ensuring technical assistance in setting up mining operations;
 - researching into the benefits of various minerals;
 - providing technical support and assistance to the minerals sector;
 - promote the mineral resources of Malawi;
 - granting prospecting and mining licences, permits and licences for explosives and licences to blaster;
 - providing statistical information on mineral production;
 - conduct bench and pilot scale tests on individual or industrial suitability of the different Malawian minerals;
 - inspection of mines and magazines; and
 - generate and execute mineral development projects.
- b) **The Ministry of Natural Resources, Energy and Mining:** This Ministry is responsible for:
 - ensuring good management of the natural resources;
 - promoting development, implementation and compliance of natural resources, energy and environment policies, programmes, legislation and other related instruments;
 - realising capacity building in environmental education, public awareness and participation in sound natural resources, energy and environmental management practices;

- ensuring participatory development and implementation of natural resources, energy and environmental management planning and monitoring tools;
 - providing efficient and responsive weather and climatic services including provision of information on climate changes that meet national and international obligations and contribute to Malawi's social economic development; and
 - transforming the country's energy economy from one that is overly dependent on biomass to one with a high modern energy component in the energy mix.
- c) **Department of Geological Survey:** in the Ministry of Natural Resources, Energy and Mining (MNREM) is the Government Entity responsible for acquiring, monitoring, updating, archiving and disseminating of geo-scientific information of Malawi in order to foster socio-economic development and contribute to poverty reduction through the utilization and management of minerals, oil and gas and other geological resources.
- d) **Malawi Revenue Authority (MRA):** it's a Government agency under MoF. It is responsible for assessment, collection and accounting of tax revenues.
- e) **Ministry of Finance Economic Planning and Development (MoF):** This Ministry is mandated to formulate economic and fiscal policies and manage financial and material resources of the Government of Malawi in order to realise balanced and sustainable economic growth and to reduce poverty.

3.2.6. Legal Framework

The Constitution of Malawi stipulates that "all lands and territories of Malawi are vested in the Republic". The Registered Land Act defines 'land' and "land covered with water, all things growing on land and buildings and other things permanently affixed to land". All minerals in land in Malawi are vested in the President on behalf of the people of Malawi in accordance with Mines and Minerals Act (1981)¹. Similarly, property of petroleum in land in the country is vested in the President on behalf of the people of Malawi in accordance with the Petroleum Exploration and Production Act (1983).²

Legislation into force during 2015/16

The minerals sector is regulated by the Mines and Minerals Act (1981). This Act provides for the licensing and regulation of private operators. The Mines and Minerals Policy of Malawi was approved in March 2013 to outline the Government's expectations with regards to the contributions of all stakeholders in the sustainable development of Malawi's mineral resources.

MNREM has also drafted an Artisanal and Small-Scale Mining Policy. This policy was submitted to the Office of the President and Cabinet, but it has yet to be approved. The ASM policy was developed to stimulate and guide ASM operations by administering, regulating and facilitating the growth of the sub-sector through a well-organised and efficient institutional framework. The Policy will further promote orderly and environmentally friendly artisanal and small-scale mining.

We set out below the list of regulations in the Mines and Minerals Act³:

- Mines and Minerals (Claims) Regulations: Limitation of claim area, shape of claim area, possession process of claim, mode of application and renewal application and priority, registration, posting of claim number, suspension of work, in the case of ground in excess, taking forcible possession of a claim, obligations on abandonment, transfer of whole or share of claim and miscellaneous provisions regarding transfers, amalgamation of claims, survey necessities and registration, notification of grant process, non-resident holder of claim

¹ Ch6101s1]1

² [Ch6102s2]2

³ Most of these regulations are available online on the following link : <https://mininginmalawi.com/key-documents/>

- obligations, accounts to be kept by the holder, returns to be furnished, titles to be produced, fees and rent;
- Mines and Minerals (Disputes) Regulations: Dispute procedures, powers and responsibilities of the Commissioner for Mines and Minerals, fees;
 - Mines and Minerals (Mineral Rights) Regulations: Shape of land area, dimensions of Mineral rights, demarcation of mining areas, application for approval of transfers, fees and annual charges;
 - Mines and Minerals (Miscellaneous Fees) Regulations: Fees for granting of permits for export minerals, issuing minerals permits and reserved mineral licences;
 - Mines and Minerals (Non-Exclusive Prospecting Licence) Regulations: Application process for licences and their renewals, information requirement, restrictions, duties of licence holders, transferability of licences, types of licences and fees;
 - Mineral Permits (Prescribed Minerals) Regulations: These Regulations provide for a list of specific minerals that are prescribed;
 - Mines and Minerals (Prescribed Operations) Regulations: List of prescribed operations and manner of carrying out these operations;
 - Mines and Minerals (Public Purposes) (Prescription) Regulations: The Regulations defines the public purposes of section 103 of the Act when it is necessary or expedient in the interests of defense, public safety, public order, public health, town and country planning, or the development or utilization of any property for the public benefit;
 - Mines and Minerals (Reserved Minerals) Regulations: List of minerals reserved;
 - Mines and Minerals (Reserved Minerals Licence) Regulations: Application process for Reserved Minerals Licence, records obligations of licensees and their rights of appeal, duration and termination of licences and consequences of termination, export of reserved minerals guidelines;
 - Mines and Minerals (Royalty) Regulations: Application of mining regulations, demand processes and methods of calculation, returns and obligations by licensees, interpretation and royalty rates; and
 - Mining (Safety) Regulations: Interpretation of the safety regulations, their citations and applications, offences, and penalties. The regulations also cover: Health, Safety and Accidents, Surface and Underground Operations in general and in detail, Hauling and Hoisting.

Following a meeting held on 10 August 2016 at the UN Conference ¹ Centre in Addis Ababa, Malawi's MNREM hosted a three-day stakeholder consultative meeting with the support of the African Minerals Development Centre for aligning the Malawian mining law with that of the Africa Mining Vision (AMV).

Ongoing reforms

Through the (Mining Governance and Growth Support Project) MGGSP, Malawi is currently implementing some reforms in the mining sector. The most notable ones are listed below:

- i. Reviewing and Reforming of the Mining Legislation:
 - o Review of the Mines and Minerals Act of 1981: The draft bill is currently at Cabinet level and has already been passed by the Cabinet Committee on Legal Affairs ;
 - o Development of the Mines and Minerals Regulations: The regulations have been drafted and await the passing of the Mines and Minerals Bill before they can be finalised and published in the local gazette.
 - o Drafting of a standard Mining Development Agreement: Mining companies wishing to have a mining agreement with Government of Malawi will be presented with a standard Mining Agreement where the fiscal and environmental terms will be imposed, but the technical terms may be negotiated.
- ii. Modernising Minerals Licensing through development of a computerised mining cadastre system: The Department of Mines is implementing a computerised mining cadastre system for the management of all mineral rights. Amongst other things, the system will strengthen

¹ <http://www.uneca.org/stories/malawi-aligns-its-mining-policy-africa-mining-vision>.

investors' property rights and security of tenure and enhance the transparency of the mineral licensing process. The system will thus maintain a database of all concession areas with their ownership status, time validity, geographical position of the mineral concession areas, fees and dues paid, and other relevant information.

- iii. Drafting of the Artisanal and Small-Scale Mining Policy: An Artisanal and Small-Scale Mining Policy was drafted and is yet to be submitted to Cabinet for approval. This Policy has been developed to stimulate and guide ASM activities by administering, regulating and facilitating the growth of the sub-sector through a well-organised and efficient institutional framework and intensifying provision of technical extension services to the artisanal and small-scale miners.
- iv. Strengthening Minerals Operations Supervision: The Department of Mines intends to develop standard procedures for mining inspections and supervision to ensure that all mining inspectors look for the same aspects at any mining operation. The exercise would involve:
 - o collecting data on occupational health, safety and environment;
 - o developing an inventory of all industrial explosives;
 - o monitoring compliance to safety standards of explosives magazines;
 - o checking mine operators' compliance to Environmental Management Plans (EMP) as well as mine plans;
 - o collecting environmental samples (water samples from mining sites) for further scientific analyses; and
 - o ensuring that radiation safety is being adhered to from the mine up to the processing plant.
- v. Reform the Minerals Royalty and Tax Regime: The Mining fiscal regime was reviewed to ensure a coherent, standardised and globally competitive fiscal regime through the design and implementation of suitable royalty and tax regulations;
- vi. Building Mineral Revenue Transparency through the formation of a Multi-Stakeholder Group (MSG) in preparation for candidacy in the Extractive Industries Transparency Initiative (EITI);
- vii. Building Capacity for Tertiary Education in Mining to increase the supply of Malawians qualified in mining-related disciplines;
- viii. The current Mines and Minerals Act of 1981 does not have provisions for voluntary Corporate Social Responsibility (CSR) or Community Development Agreements (CDA). The new Mines and Minerals Bill has included a provision for any holder of a large-scale mining licence to sign a CDA with communities that will be affected by its mining operations in order to assist in the development and enhance the general welfare and the quality of life of the affected communities. CDA is a mandatory requirement and companies will still be required to exercise CSR; and
- ix. Generation of modern geoscience data and setting up of a modern electronic based geodata management centre at the Geological Survey Department which is responsible for acquiring, compiling, managing, publishing and disseminating geoscience databases and information concerning the geology and mineral resources of Malawi.

3.2.7. Fiscal Regime

The fiscal regime specific for mining companies set out in the Taxation Act (2006)¹ was amended in 2016 as well as the Mines and Minerals Act (1981) The main taxes paid by a mining company are: Income tax, Dividends Tax, Royalties and Fees.

¹ http://www.mra.mw/assets/upload/downloads/Taxation_Act.pdf.

No	Payment	Description
1	Pay As You Earn (PAYE) ¹	Collected from income earned by individuals between three income tax brackets: 0% for the first MKW84,000 per annum, 15% between MKW84,000 and MKW100,000 per annum, and 30% for income above MKW100,000 per annum
2	Corporate Income Tax ¹	The rate of tax on taxable income from a mining project shall be 30% for companies incorporated in Malawi in accordance with paragraph (ca) of the Eleventh Schedule of the Taxation Act (2006). However, the rate is 35% for companies operating through a branch. The income tax is paid by making provisional tax ² instalments quarterly and a final payment when declaring the final financial profit.
3	Resource Rent Tax ³	Applicable to companies only when their rates of return exceed 20%, in which case a resource rent tax of 10% is applicable to the after-tax profit. Both Paladin Africa Ltd and Nyala Mines Ltd are exempt from Resource Rent Tax in accordance with the provisions of their DA.
4	Withholding Tax ⁴	Amount withheld from any payments made from one person to another person, withheld before the payment is made. The nature of the payment determines the rate of tax withheld. For example, WHT of 20% is applicable on payments of royalties and 10% for rents.
5	Fringe Benefits Tax ⁵	Fringe benefits provided by an employer (Government excluded) are subject to tax, payable by the employer at 30%, the current rate specified in the Eleventh Schedule.
6	Value Added Tax	An indirect tax imposed on goods and services at a standard rate of 16.5%. Domestic VAT is applied to goods and services produced domestically and Import VAT is applied to imported goods and services. Zero rated goods and services include medical supplies and drugs among others. MRA announced this reform in May 2016 as a way to expand the tax base and in order to create a simpler and fair tax system. Both DA exempt Paladin Africa Ltd and Nyala Mines Ltd from VAT.
7	Customs and Excise Tax	An International trade tax applicable to imported goods. 0%-5% for products classified as raw materials, 15% for intermediate products, and 25% for finished or final goods. With an exception of equipment with multipurpose use, all agricultural equipment is duty-free. Both DA exempt Paladin Africa Ltd and Nyala Mines Ltd from import duties.
8	Dividend Tax	10% Dividend tax is applicable on any dividend distributed and payable within 14 days from distribution date to the Commissioner ⁶
9	Non-Residents Tax ⁷	15% tax is applicable to any income payable arising from a source within Malawi and which is not attributed to a permanent establishment in Malawi.
10	Penalties ⁸	Payable when an eligible tax payer does not observe the tax regulations or procedures applicable to them. 0% if the unpaid tax amounts to less than 10% of total taxes payable, 25% of the unpaid amount if it is between 10%-50% of total taxes payable, and 30% of the unpaid amount if it is more than 50% of total taxes payable.
11	Royalty ⁹	Rates specified in the regulations are: - 10% on exports of rough uncut precious and semi-precious stones and 5% in any other state - 5% on precious metals and radioactive minerals; and - 7% on exports of unprocessed industrial minerals. Development Agreement may provide agreed rates for royalties.
12	Application fee / Licence fees ¹⁰	An application for a licence shall be accompanied by a prescribed application fee.
13	Dividends	A portion of the profits realised from a company's annual operations is remitted to the government.

¹ Section 66, Taxation Act 2006.

² Section 84.A, Taxation Act 2006

³ Eleventh Schedule, Taxation Act 2006.

⁴ Section 102A and Fourteenth Schedule, Taxation Act 2006.

⁵ Section 94A and 94B, Taxation Act 2006.

⁶ Section 70A, Taxation Act 2006.

⁷ Section 76A, Taxation Act 2006.

⁸ Section 84E, Taxation Act 2006.

⁹ Regulation 5 – Mines and Minerals (Royalty) Regulations, Mines and Minerals Act.

¹⁰ Regulation 7 – Mines and Mineral (Mineral Rights) regulations and Regulation 2 – Mines and Minerals (Miscellaneous Fees) Regulations, Mines and Minerals Act.

No	Payment	Description
14	Annual charge / Ground rent	The annual charge is a surface rental that should be paid by the exploration or mining company per square kilometre of the area covered by the licence. The amount of the surface rental is stated in the Mines and Minerals Regulations.
15	Concession fees	Annual fees of 4% of gross turnover of the concessionaire on product transportation by rail over the concessionaire's railway section. The payments are collected by Ministry of transport and Public Works.

3.2.8. Types of Mining licences

A number of mining rights can be granted under the Mines and Minerals Act in Malawi. An application should be submitted in written form along with the prescribed fee, to the Minister through the Commissioner for Mines and Minerals.

Licence	Description	Validity period
Reconnaissance Licence ¹	Granted when the area is not already a prospecting, Mining, or Claim Area. The holder is given exclusive rights to carry out reconnaissance operations in that area using the techniques authorised to him. The area shall not exceed 100,000 Km ² . The application should include a plan of the area, identify the minerals sought, and the financial and technical resources available.	Not exceeding 12 months, renewable for another period of 12 months.
Exclusive Prospecting Licence (EPL) ²	Granted when the area is not already a Mining or Claim area and is not already subject to a reconnaissance licence. The holder is given exclusive rights to carry out prospecting operations. The application should include a plan of the Area, identify the minerals sought, and the financial and technical resources available. The application should also be accompanied by a statement of planned Malawi citizens' employment and a training proposal.	Not exceeding 3 years, renewable for another two periods not exceeding two years each.
Mining Licence (ML) ³	The holder of an EPL can also apply for this within 2 months of his notification of the Minister of any minerals discovered and only for the land subject to the EPL. The holder has exclusive rights to carry out both prospecting and mining operations.	Not exceeding 25 years or the estimated life of the mine, renewable for a maximum of a 15-year period
Non-exclusive Prospecting Licence (NEPL) ⁴	Gives authorisation to the holder to enter and prospect/carry out prospecting operations in a district or part of a district as specified in the licence. The area must not already be a reconnaissance area, a prospecting area, or a mining area.	12 months, renewable each year for another 12 months
Mining Claim Licence ⁵	A NEPL holder can apply for a claim. A Claim gives the holder exclusive rights to enter a claim area to prospect, mines, remove from and dispose of minerals identified from that Claim.	From day of pegging until the following 31 March, renewable from the 1 st April for a 12-month period.
Mineral Permit ⁶	Allows the holder to enter any public or customary land and mine minerals prescribed in the Regulations. Forest Reserves, National Parks, Game Reserves, any protected Monuments or Relics are prohibited. Underground mining operations, use of explosives and any powered machinery for the purposes of mining are also prohibited under this licence.	Non-applicable.
Reserved Mineral Licence ⁷	Issued by the Commissioner for Mines and Minerals appointed by the Minister, this licence authorises the holder to buy reserved minerals (usually identified as precious stones and metals), and entitles the holder to buy, possess and sell the reserved minerals.	1 Year, renewable each year

¹ Division 2 – Reconnaissance Licence, Mines and Minerals Act.

² Division 3 – Exclusive Prospecting Licence, Mines and Minerals Act.

³ Division 4 – Mining Licence, Mines and Minerals Act.

⁴ Part IV – Section 73-75, Mines and Minerals Act.

⁵ Part IV – Section 76-79, Mines and Minerals Act.

⁶ Part V – Section 81-85, Mines and Minerals Act.

⁷ Part VIII – Section 98-100, Mines and Minerals Act.

Licence	Description	Validity period
Development Agreement	In accordance with the Mines and Minerals Act, the Minister may enter into an agreement on behalf of the Government with any person with respect to matters listed in Section 10 of the Act.	As per the contract

3.2.9. Award procedures for mining agreements and licences

(i) Mining Licences Allocation Process

There is a strict requirement that a person shall not prospect for minerals or carry on any mining operations without holding a licence or permit granted by the Minister of Natural Resources, Energy, and Mining or by a Commissioner for Mines and Minerals appointed by the Minister¹.

For the Minister to grant a licence for mineral rights, all applications are scrutinised by a Mineral Licencing Committee, formed under administrative arrangement, which is composed of professionals in mining, geology, environmental issues, land and physical planning, police and customs. The following institutions are represented:

- Ministry of Natural Resources, Energy and Mining;
- Office of Commissioner for Mines and Minerals;
- Department of Mines;
- Geological Survey Department;
- Department of Environmental Affairs;
- Malawi Revenue Authority;
- Malawi Police;
- Ministry of Lands; and
- (Any other institution that may be co-opted by the committee depending on the nature of business).

The Committee recommends to the Minister to grant mineral rights to applicants, after an assessment showing their technical and financial capabilities to undertake prospecting or mining work.

The new Mines and Minerals Bill proposes the setting up of a Mineral Resources Committee which will perform similar functions as the Mineral Licencing Committee with its decisions becoming legally binding.

Additionally, the new Mines and Minerals Bill proposes a competitive tender process to allocate mineral rights over areas that have been reserved by the Geological Survey Department after undertaking detailed exploration. The terms and conditions of a competitive tender process shall include at least the following:

- a) definition of a qualified bidder;
- b) requirement for payment of a tender pre-qualification application fee;
- c) description of the pre-qualification process;
- d) requirement for payment of a bid processing fee;
- e) requirement that any bidder shall offer at least the minimum bonus payment stated in the competitive tender invitation;
- f) requirement that the bid shall be awarded solely on the basis of the qualified bidder pledging the highest bonus payment; and
- g) requirement that open bidding (to which a member or members of the press shall be invited and allowed to report on the bidding results) shall be used and will be done in three (3) rounds at only one meeting of pre-qualified bidders.

Furthermore, the Department of Mines has put in place administrative and technical information that should be met by applicants for awarding Mining Licences and Exclusive Prospecting Licences. These are as follows:

¹ More information is published on the website: (Link: <http://www.mines.gov.mw/index.php/downloads>)

N°	Administrative and technical criteria	Mining Licence (ML)	Exclusive Prospecting Licence (EPL)
1	Name of applicant company (Attach company registration documents and tax registration documents)	✓	✓
2	Names and nationalities of the directors or equivalent officers of the company (Attach Photo ID)	✓	✓
3	Name of any person holding more than 5% of the issued share capital (if company has share capital)	✓	✓
4	The mineral intended to be mined or prospected	✓	✓
5	The map of the area over which the licence is sought on the 1:50,000 map series	✓	✓
6	Names of lawful occupiers of a holding in that area	✓	
7	The period in which the licence is sought	✓	
8	Technological report on mining and treatment responsibilities	✓	
9	Statement of the programme of mining/prospecting operations intended to carry out during the life of the licence	✓	✓
10	Estimated date mining operations will become profitable	✓	
11	Estimated capacity of production and scale of operations	✓	
12	Estimated overall recovery of the ore and mineral product	✓	
13	Any significant effect which the out of mining operations will have on the environment	✓	✓
14	Proposals for the prevention of pollution, the treatment of waste and safeguarding of natural resources	✓	✓
15	Particulars of the expected infrastructure to be put in place in the area	✓	✓
16	Proposals with respect to employment and training of Malawi citizens	✓	✓
17	Proposals for the procurement of goods and services required for the project	✓	✓
18	Details of capital investment, operating costs and revenues and the anticipated type and source of financing	✓	✓
19	Application fee	✓	✓
20	Statement of compliance on proposed expenditure (*)		✓
21	Ensure all reports and financial obligations have been fulfilled (*)		✓

Source: Department of Mines

(*) Additional considerations for renewal

Once the all of the administrative and technical information listed above are met by the applicant, the application is systematically approved by the Mineral Licencing Committee and the licence can be granted. The Minister of Natural Resources, Energy and Mining is responsible for ensuring that the law and regulations are administered properly.

(ii) Procedures for awarding mining contracts

The legislation allows the Minister to conclude agreements with extractive companies through direct negotiation. A company is required to submit all administrative and technical information listed above for a licence application as well as a request for an agreement. There are no requirements to follow tendering procedures for granting contracts.

(iii) Transferability of rights

The Mines and Minerals Act (1981) allows the transfer of rights with the prior written consent of the Minister of Natural Resources, Energy and Mining. The transferee should meet all of the administrative and technical information that should be met by any new applicant and which are described above in sub-section 3.2.9 (i) of this report.

There were no transfers of rights during the 2015/16 FY.

3.2.10. Mining licences awarded during the 2015/16 FY

During the FY 2015/16, there were two mining licences that were granted. Other prospecting and small-scale licences totalling 434 were also allocated as detailed below:

Licence type	Number
Exclusive Prospecting Licences	9
Mining Claims	114

Licence type	Number
Mining Licences	2
Non-Exclusive Prospecting Licences	139
Reconnaissance Licences	3
Reserved Minerals Licences	167
Total	434

Source: Department of Mines

We did not note any non-trivial deviations from the applicable legal framework governing licence awards for the licences allocated during the reconciliation period 2015/16.

The list of licence granted during FY 2015/16 is detailed in Annex 9 of this report.

3.2.11. Register of licences

The EITI Standard requires countries to maintain publicly available registers of extractive sector licences and concessions (EITI Requirement 2.3). The Mining Legislation does not prohibit the disclosure of licence information required by the EITI Standard.

MNREM has developed a Mining Cadastre Portal online in order to improve transparency and promote investment in the Malawi mining sector.

The following information are now available online on the following link:
<http://portals.flexicadastre.com/malawi/>

- The licence holder;
- The type of licence;
- The granted date;
- The expiry date;
- The list of commodities; and
- The location of the licence area.

3.2.12. Policy on disclosure of contracts and licences

In accordance with Requirement 2.4 of the EITI Standard, implementing countries are encouraged to publicly disclose any contracts and licences that provide the terms attached to the exploitation of minerals.

The right of access to information is explicitly stated in the country's Constitution¹ (1995) as follows: "Subject to any Act of Parliament, every person shall have the right of access to all information held by the State or any of its organs at any level of Government in so far as such information is required for the exercise of his rights."

The Access to Information Bill (2015) would be applied to "information in the custody or under the control of any public body, relevant private body or other listed information holders" regardless of whether the information came into existence before the Act² or not.

The Mines and Mineral Act does not include any express restrictions on the public disclosure of contracts and licences by the government.

The country has recently made important progress in contract disclosure in the mining sector and some contracts are publicly available on the website of "Resource contracts" on the following link:
<https://resourcecontracts.org/search?q=&country%5B%5D=mw>

¹ <http://www.wipo.int/wipolex/en/details.jsp?id=13999>

² Access to Information Bill, 2015

The following agreements are now available on this website:

Document	Year	Contract type
Nyala Mines Ltd, Concession, 2008	2008	Development Agreement
Paladin (Africa) Ltd, Paladin Energy Minerals NL, Kayelekera, Concession, 2007	2007	Development Agreement

3.2.13. State Participation in the mining sector

MWEITI MSG agreed that MoF should disclose their level of participation in mining companies operating in Malawi, including those held by SOE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period. Details of public interests reported by MoF is set out in the following table:

Extractive Company	% Interest	Nature of the transaction	Terms attached to their equity stake
Paladin (Africa) Ltd	15%	Shareholder stakes	Attachment B, Item 1, paragraph (e) of the Development Agreement signed between Paladin (Africa) Ltd and the Government on 22 February 2007, the company shall issue 15% equity to the Government as advance payment of corporate tax and rent resource tax.
Nyala Mines Ltd	10%	Shareholder stakes	Paragraph (g) of the agreement signed between Nyala Mines Ltd Company and the Government on 18 June 2008, Nyala has agreed to issue 10% of its equity to the Government before the Initial Public Offering.

Source: MoF

In exchange for the shareholding in the mining companies, the Government of Malawi gave tax rebates to both of them. For instance, Paladin's Income tax was reduced from 30% to 27.5%, while royalties were reduced from 5% to 3% for the first three years and there were other tax concessions. Similarly, Nyala Mines has been exempted from paying Resource Rent Tax and VAT on capital purchases.

According to the data provided by MoF, apart from the above shareholdings, there are no further shares held in extractive companies and there are no State-Owned Enterprises operating in the extractive sector in Malawi. Furthermore, the percentage of participation in the joint ventures has not changed during the financial year 2015/16.

3.2.14. Local content in mining sector

The Mines and Minerals Act specific obligations with regards to employment and training of Malawian nationals as well as procurement of goods and services that can be procured locally as follows:

Category	Articles
Employment and training	Article 25(f) states that an application for the grant of an exclusive prospecting licence shall give or be accompanied by a statement giving particulars of the applicant's proposals with respect to the employment and training of citizens of Malawi. Article 37(k) states that an application for the grant of a mining licence shall give or be accompanied by a statement giving particulars of the applicant's proposals with respect to the employment and training of citizens of Malawi.
Good and services	Article 37 states that an application for the grant of a mining licence shall be accompanied by a report on the goods and services required for the mining operations which can be obtained within Malawi and the applicant's proposals with respect to the procurement of those goods and services

Additionally, Article 2 in the agreement between the Government of the Republic of Malawi and Nyala Mines Ltd states that the company shall:

- set up a lapidary in the country and provide capacity building in lapidary to Malawians; and
- train Malawian Nyala employees in the operation, maintenance, and supervision of all machinery used in the mining and recovery of the Corundum and in the use of computers for satellite navigation equipment for accurately studying the mining areas.

Similarly, the agreement between the Government of the Republic of Malawi and Paladin (Africa) Ltd states that the company shall:

- give Malawian businesses the opportunity to participate in tender procurements launched by the company. Preference shall be made to the Malawian tender submissions when these meet the required specification of the tender request (Article 4.2 of the agreement);
- develop a programme for the setting up or expansion of Malawian businesses capable of providing goods and services to the company (Article 5.1 of the agreement);
- conduct an annual review of progress being made on the implementation of the Local Business Development Programme (Article 5.1 of the agreement); and
- employ and train Malawian nationals in and for the operations, development and extraction of yellowcake (Article 12 of the agreement).

3.2.15. Infrastructure provisions and barter arrangements

We identified agreements involving the provision of goods and services in exchange of mining concessions as defined by EITI Requirement 4.3, in the agreement between the Government of the Republic of Malawi and Nyala Mines Ltd. This agreement stipulates in article 2 that, in consideration of the Government granting the Mining Licence, Nyala shall:

Agreement	Infrastructure provisions and barter arrangements	Beneficiaries	Government obligations
Agreement between the GoM and Nyala Mines Ltd	Renovate the local hospital at Katsekera by providing funds and materials such as new beds and linen	Local hospital at Katsekera	- Duty free on import of materials, consumables and equipment used in the mining and processing of minerals
Agreement between the GoM and Nyala Mines Ltd	Install a solar panel	Local hospital at Katsekera	- Exemption of Resource Rent Tax
Agreement between the GoM and Nyala Mines Ltd	Provide financial assistance to the Clinic through the provision of drugs, medicines, dressings and other general medical supplies for use within the local community. This financial aid shall not exceed USD 20,000 per calendar year; and	Katsekera Community	- Exemption of VAT
Agreement between the GoM and Nyala Mines Ltd	Provide funds and materials to build at least four (4) houses for teachers at the school at Kandoma	Kandoma Community	- Exemption of Fuel Duty used in direct mining operations
			- Certification of exemption from duties and taxes

3.2.16. Mining Sector Contribution in the Economy

- **GDP:**

In accordance with figures made available by the National Statistical Office (NSO), the mining and quarrying sector accounts for MKW 11,622 million on average of the calendar years 2015 and 2016, and for 0.90% of the average GDP at the constant price. The contribution of mining sector to GDP decreased compared to previous year's contribution (0.92%).

MKW Million	2014	2015	2016	Average 2014-2015	Average 2015-2016
Mining & Quarrying Sector	11,468	11,597	11,647	11,532	11,622
GDP at constant market price	1,231,911	1,272,260	1,306,377	1,252,086	1,289,319
% mining revenues	0.93%	0.91%	0.89%	0.92%	0.90%

Source: NABOP Committee (Department of Economic Plan & Development, NSO, RBM, Treasury, Ministry of Agriculture, Food and Security, Ministry of Industry and Trade)

- **Employment:**

During the FY 2015/16 calendar year, the average number of employees in the Mining sector was 14,251 and detailed as follows:

Workforce	2013	2014	2015	2016	Average 2014- 2015	Average 2015- 2016
Coal	637	606	580	621	593	601
Uranium Mine	703	300	197	179	248.5	188
Agricultural, Calcific and Hydrated Lime	1,677	1,593	1,832	1,943	1,713	1888
Rock Aggregate production	8,573	8,144	9,200	9,582	8,672	9391
Cement manufacturing	106	101	148	1295	124.5	722
Gemstones/Mineral Specimens	124	117	220	343	168.5	282
Ornamental Stones	30	29	35	44	32	40
Terrazzo	57	54	58	105	56	82
Other Industrial Minerals	884	839	710	1012	774.5	861
Exploration activities	177	168	160	238	164	199
Total employment in mining sector (*)	12,968	11,951	13,140	15,362	12,546	14,251
Total employment (**)	7,333,843	7,601,913	7,877,632	8,172,228	7,739,773	8,024,930
Contribution of mining sector (%)	0.18%	0.16%	0.17%	0.19%	0.16%	0.18%

Source:

(*) Department of Mines (Annual economic report 2015 & 2017)

(**) Perspective Monde – Université de Sherbrooke website¹

We note that employment levels in the sector increased in 2016 compared with 2015. The total employment in 2016 was 8,172,228, which makes the average contribution of the mining sector for the years 2015 and 2016 to be 0.18% as detailed above

¹<http://perspective.usherbrooke.ca/bilan/servlet/BMTendanceStatPays?codeTheme=8&codeStat=SL.TLF.TOTL.IN&codePays=MWI&optionsPeriodes=Aucune&codeTheme2=8&codeStat2=x&codePays2=MWI&optionsDetPeriodes=avecNomP&langue=fr>

Extractive companies retained in the reconciliation scope were requested to report data on employment in their reporting templates. Details of employment figures reported by company are set out in the Annex 1 of this report.

- **Exports:**

The details of exports of main commodities in the mining sector can be summarised as follows for the calendar years 2015 and 2016:

Mineral	2014		2015		2016		Annual Average 2014-2015	Annual Average 2015-2016	Country of destination
	Quantity (tonnes)	Value (MWK Million)	Quantity (tonnes)	Value (MWK Million)	Quantity (tonnes)	Value (MWK Million)			
Coal	8,845	98	7,520	85	8,071	160	92	122	Rwanda
Agricultural/calclitic lime				-	1,550	310	-	155	Mozambique
Dimension stones	36,795	10,638	40,500	13	41,218	0	5,326	7	
Rock aggregate	23	155	35	1,750			952	875	
Gemstones	104	15	150	186	293	382	100	284	India, Indonesia, Thailand, Malaysia, South Africa, China, U.S.A, Italy and UK
Rock/Soil sample	95	5	86	5	32	8	5	6	
Uranium cake	500	14	-	-	-	-	7	-	
Total		10,924		2,038		860	6,481	1,449	

Source: Annual Economic Report 2017

However, the annual average exports of MWK 1,449 million for 2015/2016 as per the AER seems to be significantly different from MRA data. In accordance to MRA, the exports out of the mining sector amount to MWK 78,134,385 as summarised below:

Mineral	Quantity (tonnes)	FY2015/16 FOB VALUES (MWK)
Limestone samples [for laboratory analysis]	320	155,601
Other coal, not agglomerated	4,659,000	76,872,016
Other mineral substances	8	14,768
Precious (excl. Diamonds) or semi-precious	255	80,000
Sand samples	2,528	480,000
Sandstone	9,280	410,000
Worked cultured pearls, (excl. Strung,...)	438	122,000
Total		78,134,385

Source: Malawi Revenue Authority (MRA)

Finally, NSO confirmed a higher amount of exports of mining commodities for the financial year 2015/16 amounting to MWK 6,400 million as detailed below:

Mineral	Exports FY 2015/16 (MWK)
Limestone flux; limestone and other calcareous stone	1,921,245
Quicklime	800,518
Slaked lime	22,261,108
Felspar	30,000
Other mineral substances	6,302,603,082
Other coal, not agglomerated	72,228,739
Total	6,399,844,694

Source: National Statistical Office (NSO)

Total exports of the country during FY 2015/16 amounts to MWK 614,639 million detailed as follows:

Period	FY 2015/16 Value (MWK)
Q3 2015	180,436,769,547
Q4 2015	142,622,180,120
Q1 2016	162,055,441,781
Q2 2016	129,524,469,205
Total	614,638,860,653

Source: National Statistical Office (NSO)

After per the reporting entities retained in the reconciliation scope, exports out of the mining sector account for MWK 112 million which represents 0.02%. The detail of exports data reported by entities retained in the reconciliation scope are presented in Section 6.4 of this report.

As per the above data, we can summarise the other sources of the mining sector's contribution to the exports of the country as follows:

Source	2015/16 FY (MWK million)			
	AER	MRA	Reporting entities (***)	NSO
Exports out of the Mining & Quarrying Sector	1,449	78	112	6,400
Total exports as per NSO	614,639(*)	588,150(**)	614,639(*)	614,639(*)
% mining exports	0.24%	0.01%	0.02%	1.04%

(*) Source: Total export as per MRA

(**) Source: Total exports as per NSO

(***) Source: EITI reporting templates as detailed in Section 6.4 of this report

- **Domestic revenues:**

The contribution of total revenue from mining companies for 2015/16 to the domestic revenues is as follows.

MKW Million	2015/16 FY
Total mining revenues	1,612
Domestic Revenue¹	666,348
% Mining revenues	0.24%

3.3. Legal framework and context of the Oil & Gas sector

3.3.1. General context of the Oil and Gas sector

Malawi has a vast area located in the Great East African Rift Valley where neighbouring countries continue to discover oil resources. The oil discoveries in lakes in Chad, Sudan, Kenya and Uganda, which form part of the East African Rift System, aroused interest by oil companies to explore oil and gas in Lake Malawi.

During the late 60's and early 70's gravity and magnetic surveys were typically the primary method of exploration of oil and gas. Back in the 80s, Duke University conducted a ship-borne seismic survey over Lake Malawi under a research permit granted by the Government of Malawi. The research work was sponsored by over ten international oil companies including Shell Exploration B.V., Mobil, and Placid. The results of this research work indicated that there were thick sedimentary rocks in some parts of the lakebed with potential for hydrocarbon accumulation. This was followed by shallow

¹ Annual Economic Report 2015.

scientific drilling on the lakebed by the American Syracuse University in 2004 in order to collect drilled core samples for research purposes. Although the primary objective of the research work was to study the drilled core samples to understand the past climate and geological evolution of the rift valley system containing the Malawi Lake, the research was of great interest to Malawi as the results of the work increased the knowledge of the geology and hydrocarbon potential of the lakebed.

In 2009, the Government of Malawi demarcated six blocks over the whole country to grant exploration licences.

Surestream Petroleum Ltd was awarded prospecting licences in 2011 and subsequently acquired Blocks 2 and 3. The combined surface area of Blocks 2 and 3 equals to 20,000 square kilometres consequently making Surestream the holder of the 3rd largest land (in net acreage) in the East African rift system.

In 2012, the government awarded the petroleum Prospecting Licence over Block 1 to SacOil Holdings Ltd (SacOil) of South Africa for the period 2012 to December 2016 with the option of two additional three-year extension periods.

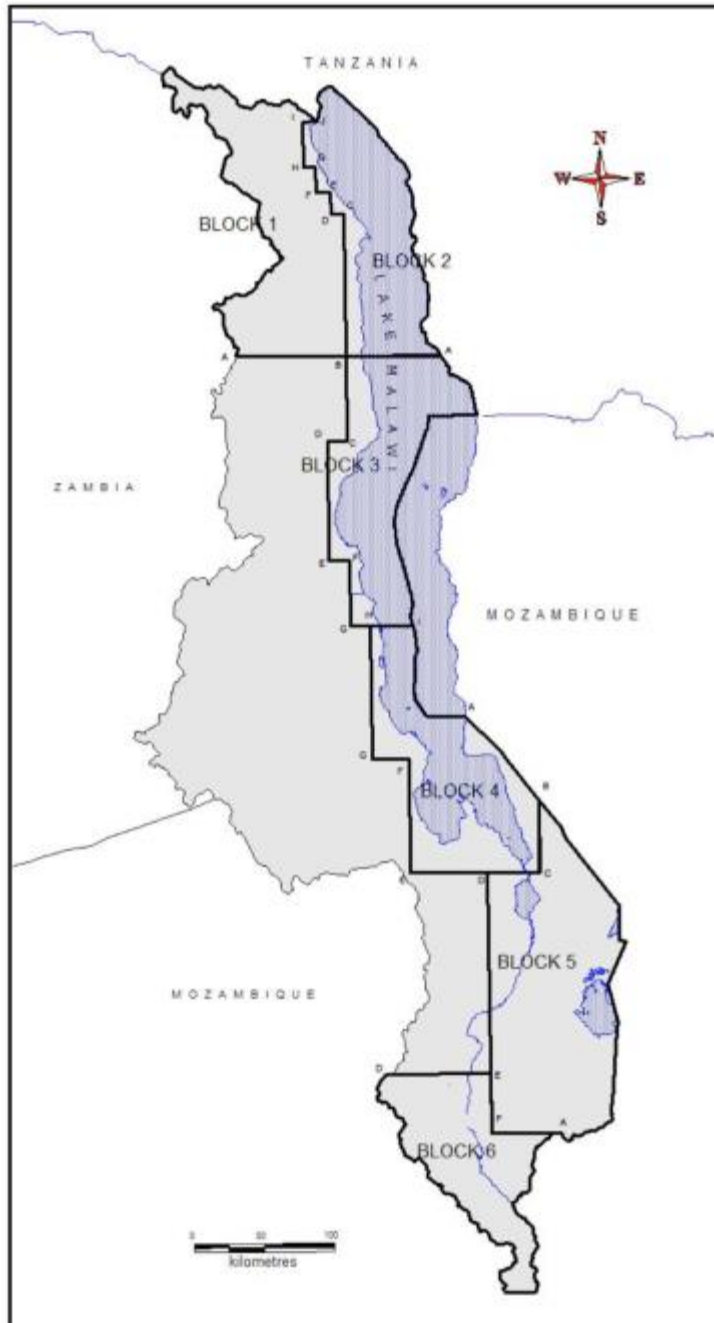
In 2013, the Government of Malawi granted two licences over Blocks 4 and 5 to the Emirati company RakGas LLC and a licence over Block 6 to Pacific Oil Ltd. During the same year, Surestream Petroleum Co. entered into an agreement with an Emirati company Hamra Oil Holdings Ltd whereby the former disposed of 51% of its participating interest in its prospecting licences for Blocks 2 and 3. In 2015, Surestream Petroleum Ltd sold an additional 29% to Hamra Oil Holdings Ltd.

All exploration activities were suspended in November 2014 in order to review the process of awarding licences and the agreements that were made with Rak Gas MB45 (the local subsidiary of RakGas LLC) and Pacific Oil Ltd, and whether all the relevant laws of the country had been complied with or not. The other objective of the suspension was to verify whether or not all the blocks apart from Block 1 had been acquired by related parties, meaning the same beneficial owners, which is not allowed by law as it exceeds the permissible maximum of two contiguous blocks.¹ The suspension was lifted in February 2016 and the companies were notified that they could resume all exploration activities without including the suspension period in the licenced period.

¹ Scoping Study (Minerals, Oil and Gas, Forestry)
https://eiti.org/sites/default/files/documents/160120_mweiti_scoping_study_draft_final_report.pdf

3.3.2. Main oil and Gas projects

Malawi has been divided into six (6) blocks in accordance with the Petroleum (Constitution of blocks) Regulations as depicted in the following map:



After the suspension was lifted in February 2016, there has been growing interest in the exploration of oil in Malawi by the companies such Hamra Oil (Block 2 and 3), Pacific Oil Ltd (Block 6) and Rak Gas MB45 (Block 4 and 5).

Company	Project	Block	Prospecting licence	PSAs
Hamra Oil (United Kingdom)	Hamra Oil accomplished initial environmental and social impact studies at the site.	Block 2 and 3	22 September 2011	
RAK Gas MB45 Ltd (Cayman Islands)	Exploration licences for Blocks 4 and 5 were held by RAK Gas MB45 Ltd, a Cayman Island subsidiary of the state oil company for Ras Al Khaima Emirate in the United Arab Emirates	Block 4 and 5	5 July 2013	12 May 2014
Pacific Oil Ltd (British Virgin Islands)	Pacific Oil Ltd, an oil exploration company registered in the British Virgin Islands, hold the exploration licence for Block 6.	Block 6	24 July 2013	12 May 2014

Source: OXFAM - Malawi's Troubled Oil Sector:

SacOil conducted its exploration activities including drilling, geological and geochemical investigations, sampling and sample analysis and Full Tensor Gradiometry (FTG) survey during the 2015/16 FY as confirmed by the Department of Mines. The company however left the country in 2017.

3.3.3. Legal framework

The Malawian upstream oil and gas sector is regulated by the Petroleum Exploration and Production Act (1983) (PEPA) and the Environmental Management Act of 1996. A Petroleum Policy as well as a model Production Sharing Agreement are being drafted and Malawi is currently reviewing the Petroleum Exploration and Production Act (PEPA).

We set out below key PEPA regulations¹:

Regulation	Description
Petroleum (Application) Regulations	The regulations present pre-requirements for applicants to petroleum exploration licences and to petroleum production licences and for their renewals.
Petroleum (Constitution of Blocks) Regulations	The regulation stipulates that the Minister shall cause to prepare a reference map showing the geographical area of the country divided into blocks. The regulations refer to the 6 Blocks already designated for exploration activities.
Petroleum (General Provisions) Regulations	The regulations give more guidance on Section 26 of the PEPA and define protocol on survey of wells that be requested by the Commissioner.
Petroleum (Prescribed Fees and Annual Charges) Regulations	The regulations set out: - in the First Schedule the application fees and renewal of exploration and production licences; - in the Second Schedule the annual charge; and - - in the Third Schedule the training fees.
Petroleum (Records, Reports and Accounts) Regulations	The regulations set out detailed administrative and reporting requirements of the licence holder as well as the duties on termination of the licence.
Petroleum (Registration and Transfer of Licences) Regulations	The regulations set the licence transferability requirements and the right of the Minister to ask for any additional information.

¹ Most of these regulations are available online on the following link : <https://mininginmalawi.com/key-documents/>

Ongoing reforms

Malawi is currently implementing some reforms in the Petroleum sector. The most notable ones are listed below:

- i. **Petroleum Policy:** The Malawian Government is in the process of developing a Petroleum Policy which is currently underway. The main purpose of this policy is to govern oil exploration and production activities in order to ensure that petroleum resources that may be found in the country are exploited for the benefit of the current and future generations without compromising on the sustainable management of the environment¹.
- ii. **Reviewing of the Petroleum Exploration and Production Act of 1983:** The Malawian government is currently reviewing this act.

3.3.4. Fiscal Regime

The fiscal regime specific for petroleum companies is set out in the Taxation Act (2006)² as there are no specific laws for the fiscal regime in the Oil and Gas sector. Non-tax payments are set in the Petroleum Exploration and Production Act (1983) and in the Petroleum Production Agreement:

No	Taxes	Description
1	Royalty	A petroleum producer engaged in the exploitation or extraction of petroleum deposits of Malawi is required to pay royalties. The law does not however give any guidance on the amount of royalty nor whether it is based on production amounts or selling price. The royalties may be paid in kind ³ at the discretion of the Minister.
2	Annual charge / Ground Rent	The annual charge is a surface rental that should be paid by the petroleum company per square kilometre of the area remaining at the anniversary of each year from the granting date limited . The amount of the surface rental is stated in the Second Schedule of the Petroleum (Prescribed Fees and Annual Charges) Regulations.
3	Signature bonuses	These are fees paid by companies to the Government of Malawi upon signature of Petroleum Prospecting Licence.
4	Application fee / Licence fees	An application for a licence shall be accompanied by an application fee of MKW 250,000 for a petroleum exploration licence or MKW 500,000 for a petroleum production licence. Application fees of MKW 500,000 for renewal of the licence and MKW 150,000 for the assignment of petroleum exploration licence, while a fee of MKW 510,500 is payable for the assignment of petroleum production licence.
5	Training fees	The amount of training fees is stated in the Third Schedule of the Petroleum (Prescribed Fees and Annual Charges) Regulations. It is payable annually and by block.
6	Social contribution	A mandatory social contribution shall be at a minimum of MKW 7,000,000 and MKW 21,000,000 per block for exploration licence and for production licence respectively. This mandatory social contribution is payable annually. ⁴

Part XI of the Taxation Act (2006) namely 'Collection and Recovery of Tax' refers to PAYE and to withholding taxes on payments to residents and non-residents. Oil and Gas entities are still liable to pay common taxes such as Income Tax, Resource Rent Tax, Withholding Tax, Fringe Benefit Tax, Value Added Tax, Non-resident Tax, Penalties, Customs and Excise Tax as detailed in Sub-Section 3.1.7 of this report.

3.3.5. Institutional Framework

PEPA (1983) into force during 2015/16 FY recognises the Minister of Natural Resources, Energy and Mining and the Commissioner for Petroleum Exploration and Production as authorities regulating the petroleum sector.

¹ <https://mininginmalawi.com/2017/07/18/malawis-draft-petroleum-policy-in-place-government-admits-flaws-in-oil-sector-governance/>

² http://www.mra.mw/assets/upload/downloads/Taxation_Act.pdf

³ [Ch6102s46]46 of Petroleum Exploration and Production Act (1983)

⁴ Third Schedule of the Petroleum (Prescribed Fees and Annual Charges) Regulations.

The Commissioner for Petroleum Exploration and Production is appointed by the Minister and the latter is the sole and final licensing authority for petroleum operations in Malawi. However, in exercising his functions under PEPA, the Minister of Natural Resources, Energy and Mining shall always act subject to the general or special directions of the President.

As detailed in Section 3.2.5 of this report, the main Government Entities in the Oil and Gas sector are:

- the Department of Mines;
- Geological Survey Department;
- the Ministry of Natural Resources, Energy and Mining;
- Malawi Revenue Authority (MRA); and
- Ministry of Finance (MoF).

3.3.6. Procedures for the award of Oil and Gas blocks

Licences allocation process

Section 11 of PEPA provides that licence applications have to be made in accordance with the Petroleum Regulations (1984) as amended by subsequent Regulations (2009). Applications shall be submitted to the Minister and the Commissioner for Petroleum Exploration and Production.

In accordance with Regulation 2 of the Petroleum (Application) Regulations, applications for a petroleum exploration licence should include the names and nationalities of the applicants, the names and places of incorporation where applicants are companies, names and nationalities of the directors and if it has a share capital, the name of any person who is the beneficial owner of more than 5% of the issued share capital, as well as a statement giving particulars of the works to be carried out and the minimum expenditure involved.

The Minister may consider the application for an exploration licence in respect of one or two blocks at most where he considers it to be appropriate to do so. An application for the renewal of a petroleum exploration licence shall be made ninety days before the expiry date of the exploration licence.

Sub-regulation 1 of the Petroleum (Application) Regulation 4 sets out the list of particulars required for persons or corporations applying for petroleum production licences and which are similar to those for exploration licences but additionally, the applicant should include his financial status, technical competence and experience; the period for which the production licence is being sought for, identify the composition of the petroleum which it is intended to produce, a comprehensive report of the petroleum deposit and any other information listed in the sub-regulation.

The Minister may exempt the applicant for a petroleum production licence from any of the requirements listed in sub regulation 1 of Petroleum (Application) Regulation 4 where he considers appropriate at his own discretion. An application for the renewal of a petroleum production licence shall be made twelve months before the expiry date of the production licence.

Besides the information to be included in the applications for both exploration and production licences, the legislation does not provide any information on technical or financial criteria to be applied for the application assessment and does not specify administrative procedures to be followed when submitting the application.

The government ran only 3 awarding processes of blocks in the past and there were no licences awarded during the 2015/16 FY. During both the first and second awarding processes carried out in July 2010 and December 2011 respectively, seventy (70%) score was regarded as the minimum for any company to be considered for award of a block applying the following technical and financial criteria:

	Criteria	Maximum Mark
1	Particulars of applicant (in the case of company, certificate of incorporation, directors,	2
2	Adequacy of financial resources to carry out the proposed programme of prospecting	15
3	Adequacy of technical resources to carry out the proposed programme of prospecting and the company's previous performance	18
4	Adequacy of programme of prospecting activities to be carried out	10

Criteria	Maximum Mark
5 Adequacy of the cost of carrying out the prospecting programme	10
6 Procurement of goods and services	5
7 Employment and training plan of Malawian citizens	10
8 Previous performance, both locally and internationally	5
9 Plans for Corporate Social Responsibility	5
10 Plans for Production Sharing Agreement with Government of Malawi if prospecting identified a viable oil field	5
11 Plans for Environmental Impact Assessment and mitigation	15
TOTAL SCORE	100

During the third awarding process carried out in July 2013, fifty (50%) score was regarded as the minimum for any company to be considered for award of a block, applying the following technical and financial criteria:

Criteria	Mark allocated
PARTICULARS OF APPLICANT	
Address, Company certificate, Directors, Power of Attorney	5
COUNTRIES WORKING/WORKED	
No work in any country indicated in the submission	0
One Country	1
Two Countries	2
Three and more Countries	5
EXPERIENCE IN AFRICA	
No Experience in Africa	0
Experience in Africa	2
Experience in East African Rift System	5
LEVEL OF PROJECT: MOST ADVANCED	
No Project cited	0
Memorandum of Understanding Signed	1
Licence Holder	2
Exploration work in progress or done and project closed	8
Oil extraction done/or being done	20
TECHNICAL CAPACITY	
No proposal on TC submitted	0
TC experience: less than Five Years	5
TC experience: more than Five Years	15
FINANCIAL CAPACITY	
No indication of funds to be committed	0
Unrealistic figures presented (less than US\$10.0 Million)	5
Funds properly allocated in phases	10
LOCAL PARTICIPATION (Government and Local Investors)	
No indication given	0
Indicated but not very clear	2

Criteria	Mark allocated
Indicated: with modalities, be used given (investor, government's participation and locals plus Cost sharing arrangements presented clearly)	10
TRAINING OF LOCALS	
No indication presented	0
Presented but not with proposed amounts	2
Presented in detail - with figures to be spent (in US Dollars or Malawi Kwacha)	5
CORPORATE SOCIAL RESPONSIBILITY ISSUES	
No indication	0
Less than \$0.5 Million Dollars during phase 1	2
Ranging from \$0.5 to \$1.0 Million USD	4
Over \$1.0 Million with clear indication of period to be spent	5
ENVIRONMENTAL ISSUES	
No indication of Environmental adherence	0
Indicated without relevant Acts to be adhered to (which could translate into lack of knowledge of Malawi's Environment Laws).	2
Indicated with relevant Environment Laws to be adhered to	5
PROVISION OF WORK SCHEDULE	
No work schedule	0
Work schedule presented in phases	2
Work schedule presented in phases and estimated duration	5
Procurement of Goods and Services	
No indication	0
Ready to procure goods and services of local Malawians	5

Awarding contracts

In accordance with Section 10 of PEPA, the Minister of Natural Resources, Energy and Mining on behalf of the Republic of Malawi may, with the consent of the President, enter into an agreement with any person or body corporate with respect to granting a licence. Therefore, the awarding licence procedures mentioned above also apply to the awarding Production Sharing Agreements. However, the legal framework does not provide any petroleum agreement model on the matter nor guidance on the fees.

The Act defines the arrangement rules between the Government and petroleum companies without providing the conditions and minimum requirements of the agreement. The Minister has the power, without resorting to competitive bidding nor to directives of the council of Ministers, to directly negotiate and enter into a petroleum agreement with respect to the grant of licences:

In May 2014, the Minister of Natural Resources, Energy and Mining signed petroleum Production Sharing Agreements (PSA) with RakGas LLC and Pacific Oil, before they were approved by the Ministry of Justice.

Transferability of rights

The Petroleum (Registration and Transfer of Licences) Regulations sets out state ownership of oil and gas and allows the transfer of rights. This proclamation allows the transfer of licences with the prior written consent of the Minister of Natural Resources, Energy and Mining.

There were no transfers of rights during the 2015/16 FY.

3.3.7. Types of rights

(i) Types of licences

PEPA (1983) differentiates between exploration licences and production licences in terms of eligibility for licensees:

Types of licences	Description
Petroleum Production Licence	This licence authorises a company to carry out development and production activities in a particular area for up to twenty-five years after a preparation period which does not exceed one year. The Minister may grant an extension in accordance with Section 32 of the Petroleum Exploration and Production Act (1983).
Petroleum Exploration Licence	This licence confers upon a company the right to carry out petroleum exploration activities in a particular area for up to four years after a preparation period which does not exceed one year ³⁹ . The Minister may renew the licence in accordance with Section 21(1)(c) of the Petroleum Exploration and Production Act (1983).

(ii) Types of contracts

Production Sharing Agreements (PSA) are the specific model chosen governing the oil and gas sector. In this system, ownership of the petroleum remains with the state, while the contractor funds exploration and development activities and is reimbursed through a share of the oil produced.

A draft model PSA which is still under discussion and subject to adoption by the Government of Malawi. Based on signed agreements published, we note that these include the following clauses:

- Scope and interpretation including definitions;
- Scope, term, exploration obligations and termination (term, surrender, minimum exploration work and expenditure obligations);
- Rights and obligations of the contractor;
- Rights and obligations of the Government and the Minister;
- Work programme expenditure, development and production;
- Domestic supply obligation, cost recovery, production sharing and marketing;
- Books, accounts, audit, imports, exports and foreign exchange; and
- General (representations and warranties, payments, assignment, joint operating agreement, force majeure, waiver, governing law, settlement of disputes, stability period, notices and amendments).

3.3.8. Register of licences

MNREM developed an online Mining Cadastre Portal in order to improve transparency and promote investment in both Malawi mining and petroleum sector. The following information are now available online on the following link: <http://portals.flexicadastre.com/malawi/>

- The licence holder;
- The type of licence;
- The granted date;
- The expiry date;
- The list of commodities; and
- The location of the licence area.

3.3.9. Policy on disclosure of contracts

In accordance with Requirement 2.4 of the EITI Standard, implementing countries are encouraged to publicly disclose any contracts and licences that provide the terms attached to the exploitation of oil, gas and minerals.

The right of access to information is explicitly stated in the country's Constitution¹ (1995) as detailed in Section 3.2.12 of this report.

The Petroleum Act does not include any express restrictions on the public disclosure of contracts and licences by the government. Production Sharing Agreements are made publicly available on the website of "Resource contracts" at the following link: <https://resourcecontracts.org/search?q=&country%5B%5D=mw>

The following agreements are now available on this website:

Document	PSAs date	Contract type	Prospecting Licence
RAK Gas MB45 Ltd, Block 4, PSA, 2014	12 May 2014	Production or Profit Sharing Agreement	5 July 2013
RAK Gas MB45 Ltd, Block 5, PSA, 2014	12 May 2014	Production or Profit Sharing Agreement	5 July 2013
Pacific Oil Ltd, Block 6, PSA, 2014	12 May 2014	Production or Profit Sharing Agreement	24 July 2013

3.3.10. State Participation in the mining sector

MWEITI MSG agreed that the State participation in oil and gas companies operating in Malawi, including those held by SOE subsidiaries and joint ventures, and any changes in the level of ownership during the reporting period be reported. Details of public interests in the oil and gas sector is set out in the following table:

Joint Venture	% Interest	Nature of the transaction	Terms attached to the State participation
Bloc 4 (Rak Gas MB45 Ltd)	15%	Free Carried Interest in the licenced area	Section 32.1 of the PSA signed between Rak Gas MB45 Ltd and the Government on 12 May 2014, the Government shall have the option to acquire 10% participation in the rights and interest of licence and the contract area for Bloc 4.
Bloc 5 (Rak Gas MB45 Ltd)	15%	Free Carried Interest in the licenced area	Section 32.1 of the PSA signed between Rak Gas MB45 Ltd and the Government on 12 May 2014, the Government shall have the option to acquire 10% participation in the rights and interest of licence and the contract area for Bloc 5.
Bloc 5 (Pacific Oil Ltd)	10%	Free Carried Interest in the licenced area	Section 32.1 of the PSA signed between Pacific Oil Ltd and the Government on 12 May 2014, the Government shall have the option to acquire 10% participation in the rights and interest of licence and the contract area for Bloc 6.

Source: PSAs

According to the data provided by DoM, there is no state participation in the equity of the Oil and Gas companies as at 30 June 2016. Furthermore, the percentage of participation in the joint ventures has not changed during the financial year 2015/16.

3.3.11. Oil and Gas Sector Contribution in the Economy

The sector is still at the exploration stage, and accordingly there is no production or exports. There is no contribution of the oil and gas sector to the GDP².

- **Domestic revenues:**

The contribution of total revenue collected by the Government from oil and gas companies for 2015/16 to the domestic revenues.

¹ <http://www.wipo.int/wipolex/en/details.jsp?id=13999>

² AER 2017

MKW Million	2015/16 FY
Total Oil and Gas revenues (*)	212
Domestic Revenue ¹	666,348
% Oil and Gas revenues	0.03%

(*) Source: Section 6.1.1 of this report

- **Contribution to employment:**

Oil and Gas companies declared 7 employees as detailed in Annex 1 of this report. The contribution of oil and gas sector represents therefore 0% of total employment in the country.

3.4. Legal framework and context of the forestry sector

3.4.1. Forestry Sector Overview

Malawi used to have the largest man-made forest in Southern Africa originally called Chikangawa Forestry. The forest has been developing as a forestry reserve since the 1940s until independence in 1964 when the Vipha Plantations project started in view of producing inputs to pulp and paper production. Exotic soft woods have been planted in a number of areas such as Luwawa, Chikangawa, Champhoyo and Lusangazi. Since then, over 53,000 hectares of trees had been planted across the area up until 1988.

Malawi's forests have then declined significantly since the majority of the population relies upon the forests and forest resources as a source of energy. This has also been compounded by illegal logging. Forest, Woodland and plantations area decreased during the period 1991 to 2008 as only some plantations are replanted to meet the rate of depletion as presented in the table below.

Malawi area by land-use type (1991 and 2008)

Land use category	1991		2008	
	Area (thousand ha)	%	Area (thousand ha)	%
Intensive agriculture	3,091	33%	3,721	40%
Extensive agriculture	2,669	29%	2,852	30%
Forest, Woodland & Plantation	2,657	28%	1,988	21%
Grassland	766	8%	614	7%
Miscellaneous	216	2%	224	2%
Total	9,399	100%	9,399	100%

Source: Malawi Biomass Energy Strategy study 2009

As shown in the table below, the Central region has the smallest forest land in terms of surface area across the country, narrowly followed by the Southern region.

	Land Area (thousand ha)	% of forest land ²	Area (thousand ha)
Northern Region	2,720	32%	868
Central Region	3,560	15%	523
Southern Region	3,119	19%	597
Total	9,399	21%	1,988

Source: Malawi Biomass Energy Strategy study 2009

The forestry sector is crucial in supporting livelihoods, infrastructure development and energy in Malawi. Nonetheless, in one of the less urbanised country in the sub-saharian region, forests and woodlands represent the third largest land-use category, occupying 21% of the total surface area,

¹ Annual Economic Report 2015.

² Malawi Biomass Energy Strategy (BEST) Study 2009

far behind agriculture land (intensive and extensive), which occupied 70% of the country in 2008, up from 62% in 1991.

As a result, forestry resources are degrading at a fast rate of 2.6% per annum, mostly due to the agricultural expansion driven by population growth but also because of forest degradation for fuel wood (firewood and charcoal)¹.

Malawi is heavily dependent on biomass fuels, defined as firewood, charcoal, crop residues and animal dung. The National Energy Policy (2003) estimated that biomass accounted for 93% of total energy consumption in 2000 and new research conducted under the 2009 Malawi BEST study suggested that the contribution of biomass was still 88.5% in 2008.

20,000 hectares of the Chikangawa Forest is under a sixty-year concession agreement with Raiply Malawi Ltd since 2009. The company agreement covers Chikangawa, Champhoyo and Kalungulu of Viphya Plantation. These areas include not only pine species but also areas of cypress, cedar, eucalyptus and other species.

The remaining 33,000 hectares of Viphya Plantations were managed by government to avail to Malawian cooperatives' loggers to log forests in a sustainable manner. For instance, Timber Millers Cooperatives Union (TMCU) have been authorised to manage 10,000 hectares under an agreement since December 2011.

3.4.2. Legal Framework

The forestry sector is governed by:

Name	Description
National Forestry Policy effective June (2016)	The National Forest Policy (1996) which was revised in 2016 sets out the policy framework for the forestry sector.
Forestry Act (FA) (1997)	It enacts many of the policy recommendations discussed in the National Forest Policy. It created a Forestry Administration, a Forest Management Board, Forest Reserves/Protected Areas, Customary Land Forests, afforestation and forest protection procedures, utilisation practices and a Forest Development and Management Fund.
Forest Rules (2010)	The rules set the amounts the non-tax payments to be made. These non-tax amount include the amount of royalties per indigenous tree as well as fees for camping, rest-houses occupation and business activities such as export licence application fees, mobile sawmill and logging fees.

Even though the National Forest Policy strategy was to harmonise the Forestry Act (FA) with the National Parks and Wildlife Act (1992), stakeholders consider the fact that the FA was developed without sufficient consultation and neglecting environmental issues as a weakness.

It is also possible, under section 36 of FA, that "Notwithstanding anything on the contrary contained in this Act, the Minister may authorise the Director of Forestry to enter into a forest plantation agreement with any non-governmental organisation or community which may wish to plant trees in forest reserves, public land, customary land and private land."

The FA grants specific responsibilities and functions to the Director of Forestry such as initiating and facilitating co-management agreements, in accordance with section 25 of FA, and/or village forest areas, as per section 30 of FA.

The Forestry rule was amended in December 2010 following government notice number 23 for Forestry Act (Cap.63:01), section 86, issued by the Minister of Natural Resources, Energy and Environment.

¹ Economic Valuation of Sustainable Natural Resource Use in Malawi, January 2011

There are strong connections of the legal framework governing the forestry sector with other sectorial policies such as:

Name	Description
National Environmental Policy (2004)	It coordinates natural resources and environmental policy instruments in the country
National Land Policy (2002)	It promotes equitable access and tenure security to land and facilitates the attainment of social harmony and public awareness to ensure environmentally sustainable land use practices
National Decentralisation Policy (1998)	It promotes popular participation in governance through local governments
Water Policy (2005)	It promotes effective participation of the forestry in water resources management
National Parks and Wildlife Policy (2000)	It promotes conservation of wildlife including forestry and biodiversity
Land Resources Management Policy (2000)	It promotes natural generation and conservation in order to achieve suitable land utilisation
Energy Policy (2003)	It promotes the use of alternative sources of energy to reduce pressure on wood biomass

3.4.3. Fiscal Regime

The main payment flows received by the Department of Forestry for the corresponding sector are summarised as follows.

No.	Taxes	Description
1	Royalty	Forestry Rules Second schedule, section 1. Indigenous forests. Price depends on species ¹ .
2	Sales of firewood	Forestry Rules Second schedule, section 4 Fuelwood: Sales of Fuelwood from the plantation
4	Rest-house fees	These are paid for using guesthouses' lodges' facilities in accordance to the Third schedule, Section 1 and Section 2 of the Forestry Rules.
5	Application fee / Licence fees	An application for a licence shall be accompanied by an application fee. Licence fees are also payable in accordance with the Third schedule, Section 3 of the Forestry Rules.
6	Sales	Several revenues are collected by the Department of Forestry with the sales of logs, Firewood, Boarded off items, research produce items, Farm Produce, Forest Seeds,

The Department of Forestry reported receiving other payment flows such as concession fees, Phytosanitary Certificates, Course Fees, Rental of Government Houses, Accommodation and Hall hire and Tuition Fees. Concessions and logging agreements have been issued to some private companies and are still not available at the time of the current study. These agreements may define additional payment flow such as concession fees.

Part XI of the Taxation Act (2006) namely 'Collection and Recovery of Tax' refers to PAYE and to withholding taxes on payments to residents and non-residents. Entities operating in the forestry sector are still liable to pay common taxes that are Income Tax, Withholding Tax, Fringe Benefit Tax, Value Added Tax, Non-resident Tax, Penalties, Customs and Excise Tax as detailed in Sub-Section 3.1.7 of this report.

3.4.4. Institutional Framework

Under the Ministry of Natural Resources, Energy and Mining, a Department of Forestry (DoF) was set up in 1942 to administer the National Forest Policy (1996) and Act (1997) through annual work plans. It coordinates and promotes active participation of all stakeholders in the sustainable

¹ <http://www.malawitradeportal.gov.mw/index.php?r=site/display&id=152>

management and utilisation of forest resources, goods and services. This department works to ensure the sustainable development and use of forest resources. The main aims of the DoF are:

- Built local forest governance;
- Support community forest management;
- Improve smallholder livelihoods; and
- Strengthen forest extension¹.

In addition to DoF, the following entities are also players in the forestry sector as detailed in Section 3.2.5 above:

- the Ministry of Natural Resources, Energy and Mining;
- Malawi Revenue Authority (MRA); and
- the Ministry of Finance (MoF).

3.4.5. Awarding procedures of forestry rights

According to section 82 of FA, “No person shall engage in commercial processing of any wood or forest produce without a permit from the Director of Forestry’.

Section 83 of the FA also states that “No indigenous wood shall be moved from any private land to any place outside the private land without a permit issued by the Director of Forestry. Any revenue realised from the removal of the indigenous wood from leasehold land shall all accrue to the Villager Natural Resources Management Committee of the area...”

(i) Allocation procedures of licences and permits

As a result, the FA grants to the Director of Forestry the power to:

- issue export, imports or re-export permits or commercial processing of wood or forest produce, section 42 and section 82 of the Forestry Act (1997); and
- issue licences for utilisation of indigenous timber from private land, section 83 of the Forestry Act (1997).

There seems to be no clear mechanisms for accountability in licensing procedures, and no guidance is provided in current legislations. In accordance with the Department of Forestry, the Chief Licensing Officer (CLO) is responsible for the licences under the Forest Reserves and the following administrative procedures have to be followed in order to obtain Export Licences and permits.

Export Licence Allocating Process	
1. Preliminary	Any applicant for the licence shall meet the Chief Licensing Officer for an explanation regarding the procedures to be followed and documents to be submitted such as: - certificate from MRA with Tax Payer Identification Number (TPIN), business registration certificate; - contract agreement or order from buyer outside Malawi; - bank account details; and - a letter from the seller providing evidence of the source of the forestry product being exported. The seller should be a licenced operator or member of a cooperative) to hold an export licence. The Chief Licensing Officer subsequently directs the client to the Forestry Licensing System’s Office (FLSO) to submit his application.
2. Application	The applicant’s details are recorded in the Forestry Rights Administration Support (FRAS). The application fee is paid at the Accounts Office and the receipt of payment is taken to the Forestry Licensing System’s Office (FLSO) to be recorded in the FRAS and the receipt scanned. The completed application form is printed, signed by the applicant and sent to the Chief Licensing Officer (CLO) to initiate the approval process.
3. Approval	The Chief Licensing Officer (CLO) forwards the application to the Director of Forestry and makes a recommendation whether the application should be approved or not.

¹ <https://www.worldfishcenter.org/department-forestry-malawi>

Export Licence Allocating Process	
	The Director sends all approved and rejected applications back to the CLO, and on to the Forestry Licensing System's Office (FLSO) to be entered and approved in FRAS.
4. Payments	The application's approval or rejection is notified to the applicant who takes the approved application to the Accounts Office for payment of the annual operational fees. The Accounts Officer attaches the General Receipt to the application which is taken to the FLSO.
5. Licensing	The Licence is printed by the Forestry Licencing Systems Office, sent to the Director of Forestry for signature, after which, it is dispatched to the licensee.
Export Permit Allocating Process	
1. Preliminary	Any applicant shall meet the Chief Licensing Officer to understand the procedures in place and documents required: - the relevant Export Licence; - CD1 form; - a Phytosanitary Certificate of the forest produce to be exported; - the payment of fees of MWK 5,000 per consignment truck of 45m ³ for a maximum of 21 days. The Chief Licensing Officer refers the Exporter to the Forestry Licensing System's Office (FLSO) to submit the application for a permit.
2. Application	The exporter provides the Forestry Licencing Systems Office (FLSO) with details of his Export Licence and additional information for each consignment, before he is granted a permit number.
3. Payments	The exporter pays for each permit to be issued at the Accounts Office and the applicant provides staff with the permit numbers. The Accounts Office records the permit numbers upon receipt. The exporter then takes the receipt to the Forestry Licensing System's Office (FLSO) where the receipt is being scanned.
4. Issuance	The Forestry Licencing Systems Office (FLSO) prints all the permits and the client receives the final signed permits.

(ii) Awarding Procedures of Contracts

Besides the different licences and permits granted by the Department of Forestry, it is also possible, under section 36 of FA, that the Minister authorises the Director of Forestry to enter into a forest plantation agreement with any non-governmental organisation or community which may wish to plant trees in forest reserves, public land, customary land and private land."

The FA grants specific responsibilities and roles to the Director of Forestry such as initiating and facilitating co-management agreements, in accordance with section 25 of FA, and/or village forest areas, as per section 30 of FA. The legal framework does not include any insights or guidance on the terms of the forest agreements subject to negotiation and there are no model contracts that the Director of Forestry may follow.

Before 2016, there were no requirement to carry out bidding processes before awarding forestry agreements and the authorities allocated forest lands to companies after direct negotiations. However, while the law is silent about the award procedures, forestry agreements have increasingly been awarded through tender rounds since 2016. A bidding process and evaluation procedure is being implemented for the award of contracts.

Stages	Procedure
Request for Proposals and site visits	<p>The Ministry invites bidders to submit technical and financial proposals within specified period of time, generally three months.</p> <p>The request for proposals includes the instructions and the criteria for evaluation. Bidders are also encouraged to visit the project sites in order to assess the site conditions, water and other utilities, climatic conditions and any other matters considered relevant before submitting their bids.</p> <p>A pre-bid conference for interested parties is convened and during which interested bidders can seek clarifications and make suggestions in writing for consideration by the Ministry.</p>

Stages	Procedure
Proposal	<p>Interested candidates submit proposals or letters to the Ministry of Natural Resources, Energy and Mining with all previous activities recorded.</p> <p>The following documents shall be included in the technical bid envelope:</p> <ul style="list-style-type: none"> - technical capacity details of the bidder including experience; - a concept report with financial and investment plan for the project; - financial capacity details of the bidder including information on its equity and net cash accruals; - power of attorney for signing the bid; - copy of the memorandum and article of association; - copy of the latest audited financial statements; <p>The financial bid shall include the financial offer in a format provided by the request for proposals.</p>
Evaluation	<p>The technical criteria below are published in the request for proposals along with their corresponding scores for the evaluation of technical proposals. These include:</p> <ul style="list-style-type: none"> - number of years' experience in managing forest plantation; - proven experience in value addition technologies with regards to forestry products; - proven familiarity with eco-tourism development and management; and - the minimum net worth of the bidder. <p>The shortlisted bidders are informed so that their financial offer can be opened in their presence. The financial bids are evaluated based on the following criteria:</p> <ul style="list-style-type: none"> - the fixed annual concession fee; - the minimum investment levels in the project in the first years specified in the request for proposals; and - the level of involvement of local communities. <p>The selection method should be specified in the request for proposal and generally follows the quality and cost-based selection which gives a score to the points of the technical proposals of the shortlisted bidders and to their corresponding financial proposals. The calculation method of the score to be awarded to each bid are specified in the request for proposals.</p>
Draft agreement	<p>The bidder with the highest combined technical and financial score will be invited for negotiation through a Letter of Award (LoA). The Ministry shall then draft the forestry agreement and other relevant information including all relevant information about financial requirements (royalties, annual concession fees...) bank guarantee and minimum expenditure.</p>
Signature of the contract	<p>After agreeing a draft contract, both parties sign the agreement, which takes immediate effect.</p>

3.4.6. Types of Rights

(i) Rights issued by the Department of Forestry

According to section 82 of FA, "No person shall engage in commercial processing of any wood or forest produce without a permit from the Director of Forestry".

Section 83 of the FA also states that "No indigenous wood shall be moved from any private land to any place outside the private land without a permit issued by the Director of Forestry. Any revenue realised from the removal of the indigenous wood from leasehold land shall all accrue to the Villager Natural Resources Management Committee of the area..."

The forestry legislation specifies six types of permits that can be issued (Licence To Collect Logs in Forest Reserves, Conveyance Certificate, Licence to Prospect, Licence to Prospect Minerals in a Forest Reserve, Licence to Extract Quarry Stones in a Forest Reserve, Licence to Operate a Quarry Plant in a Forest Reserve, Export Licence, Export permit).

In addition to the rights listed above, the Department of Forestry has the following rights in place, which do not necessary relate to logging activities. These are Import Licence, Import permit, Licence to Construct a road in a Forest Reserve, Licence for Installation of Telecommunication Equipment in a Forest Reserve, Licence to Install Electricity Grid in a Forest Reserve, Licence To Construct Lodges in a Forest Reserve, Licence for Installation of Telecommunication Equipment in a Forest Reserve, Licence to Hang/Erect Bee Hives in a Forest Reserve, and Operational Licence Allowing Eco-Tourism Services:

(ii) Forestry Agreements

In addition to the licences and permits and as far as concessions are concerned, the FA does not mention any details, and it is quite difficult to find any sources of information or any guidance in the legislation about the terms to be included in such agreements.

Besides the forestry agreements, the Department of Forestry is also part of co-management agreements signed with local communities throughout several districts in the country where forest reserves exist. These co-management agreements are supported by co-management plans, generally for a period of 3 to 5 years. According to the Department of Forestry, there were 129 co-management agreements at the end of the FY 2015/16.

3.4.7. Register of licences

The legislation does not seem to mention any requirement to maintain a cadastre system for the forestry licences and agreements with the timely and comprehensive information regarding the licence holder, coordinates of the licence area, the date of application, date of award and duration of the licence, and the commodity being produced.

The Department of Forestry maintains an indicative map including approximative coordinates of the land areas covered by the licences/concession as detailed in Annex 2. We understand that the Department of Forestry does not maintains a list of all rights in a register. It appears that the list of different rights active during 2015/16 financial year is scattered between the central office and the decentralised regional offices of the Department of Forestry.

We understand that the Department of Forestry does not make public any list of licences or concessions.

3.4.8. Policy on disclosure of forestry agreements

The forestry legislation does not include any express restrictions on the public disclosure of contracts and licences by the government. The existing agreements entered into by MNREM and private operators do not contain a confidentiality clause which prevents the public disclosure of the terms of these contracts.

In practice, signed contracts are not published electronically.

3.4.9. Forestry Sector Contribution in the Economy

- **Gross Domestic Product:**

In accordance with information from NSO, the forestry sector accounts for MKW 94,180 million on average of the calendar years 2015 and 2016, and for 7.30% of the average GDP at the constant price.

MKW Million	2014	2015	2016	Average 2014-2015	Average 2015-2016
Forestry and logging	89,956	93,103	95,257	91,530	94,180
GDP at constant market price	1,231,911	1,272,260	1,306,377	1,252,086	1,289,319
% forestry revenues	7.30%	7.32%	7.29%	7.31%	7.30%

Source: NSO

- **Domestic Revenue:**

The forestry sector's contribution to the Malawian economy has steadily decreased from MWK 2,915 Million 2014/15 FY to MWK 2,572 Million in 2015/16 FY, as shown in the table below.

MKW Million	FY 2014/15	FY 2015/16
Total revenues of Forestry Sector	2,915(*)	2,572
Domestic Revenue¹	530,696	666,348
% forestry revenues	0.55%	0.39%

(*) Detailed revenues out of the Forestry Sector are presented in Section 6.1.1 of this report

- **Exports:**

Based on the information received from the Department of Forestry, the exports out of forestry sector during 2015/16 FY amounted to MKW 3,275 million as detailed below:

No.	Forest Product	Quantity	Export Value		(A+B) in MKW
			A Dollars earned	B Rands earned	
1	MDF plain boards	131050 sheets	1,371,369	12,809,975	1,356,249,568
2	Shutter ply	106140 sheets	445,826	15,018,883	917,795,357
3	Kiln dried timber	1926 M ³	271,260	360,000	142,491,560
4	Laminated shelvings	201104 sheets 475 M3	229,959	2,573,356	238,155,642
5	Plywood	4776 sheets 714M3	72,183	2,429,339	136,629,924
6	Timber	15020M ³	764,547	2,743,964	479,779,874
7	Curios	558 pieces	5,855		3,499,541
8	Colombo roots	28000 Kg			
Total Export – Forestry sector			3,160,999	35,935,516	3,274,601,466

Source: Department of Forestry - Exports for 2015/16 FY

In accordance with the data received from the National Statistical Office (NSO), details of exports of main commodities in forestry sector can be summarised as follows for 2015/16 FY:

Description	FY2015/16 (MKW)
OTHER TROPICAL WOOD SPEC'D IN SUBHDG.NOTE 1 TO CH44 SAWN LENGTHWISE>6MM NES	178,321,150
WOOD, NES SAWN OR CHIPPED LENGTHWISE, SLICED OR PEELED, >6MM THICK	1,198,942,954
CONIFEROUS WOOD, CONTINUOUSLY SHAPED ALONG ANY OF ITS EDGES OR FACES	20,250
PLYWOOD, VENEERED PANELS AND SIMILAR LAMINATED WOOD	1,893,145,895
VENEER SHEETS AND SHEETS FOR PLYWOOD AND OTHER WOOD, =<6MM THICK	5,002,961
Total exports of forestry sector	3,275,433,211

Source: National Statistical Office (NSO)

Based on the information mentioned above, the contribution of the forestry sector to the total exports of the country can be summarised as follows:

	2015/16 FY (MKW million)		
	Source	DoF	NSO
Exports out of the Forestry Sector		3,274	3,275
Total exports as per NSO		614,639	614,639
% forestry exports		0.53%	0.53%

¹ Annual Economic Report 2015.

- **Employment:**

The Labour Market Survey completed in 2013 stipulates that the working population comprises 7.8 million individuals of whom 5.5 million are employed. The survey indicates that around 64% of people employed are engaged in agriculture, forestry and fishing sectors.

3.5. Transport of minerals

3.5.1. Transport of minerals overview:

For a landlocked country as Malawi, road and rail systems and those of the neighbouring countries are the corner stone for international trading and transportation from and to sea ports. The transport system is currently comprising 15,451 kilometres of roads, 810 kilometres of railway track, 4 major lake harbours and 5 commercial airports¹.

The very first railway track to be built in Malawi was from Blantyre to Chiromo, on the south bank of the shire river in 1909. Since that time, several rail projects have been built². Passing through Mozambique, the rail covers a distance of 799 kilometres from Blantyre to the port of Nacala and a distance of 568 kilometres from Blantyre to the port of Beira³.

Transport of Malawi minerals

Extractive companies operating in Malawi use their own vehicles as primary means of transport to move extracted minerals throughout and outside the country. Therefore, revenues from transportation of minerals extracted from Malawi are not expected to be material.

Transport project for coal extracted from abroad

The Nacala Railway project was developed for the transportation coal extracted from mines located in Western Mozambique to the Mozambican port of Nacala passing through Malawi lands. The project was meant to develop rail access from the deep-water port of Nacala to the company's mines near Moatize in the North of Mozambique⁴.

Under an agreement signed between the Government of Malawi and the Brazilian mining company Vale Logistics Ltd in December 2011, the company financed the construction of 138 kilometres railroad from Kachaso in Chikwawa on the western border of Malawi, passing through Mwanza and Neno Districts to join the existing railway network at Nkaya junction in the Balaka District in the South central of Malawi. Vale Logistics Ltd started operating trains on the rail line in 2016⁵.

The Brazilian mining company also concluded a partnership with Mozambican State-Owned Enterprise Mozambique Ports and Railways (CFM) in July 2012 to improve the existing line of the Nakala Logistics Corridor⁶.

Given that the rail route to the Indian Ocean is shorter than existing export routes from most parts of Zambia, it has potential of becoming the main international mode of goods transport from all or parts of Zambia, to both ports of Nacala and Beira.

¹ <http://www.motpwh.gov.mw/index.php/about-us>

² http://www.malawi.gov.mw/images/Publications/NTMP_Final_Documents/Sub_Sectr_Rail/NTMP_Rail_Sub-Sectoral_Plan.pdf page 20

³ <http://www.motpwh.gov.mw/index.php/about-us>

⁴ "Mining drives African rail plans". *Railway Gazette*. 1 November 2010. Retrieved 30 November 2017.

⁵ Annual Economic Report 2016

⁶ "Vale starts work on Nacala corridor". *Railway Gazette*. 10 December 2012. Retrieved 30 November 2017.

Figure1: Railway transport routes¹



3.5.2. Institutional Framework:

The main stakeholders in the transport sector are:

a) The Ministry of transport and Public Works:

The Ministry of Transport and Public Works is the Government Entity responsible for the administration of the transportation sector in Malawi. Its mission is to provide a safe and sustainable transport system that can foster a competitive operation of commercially viable, financially sustainable and environmentally friendly services.

The main objectives of the ministry are to²:

- enhance the provision of orderly, safe, reliable and efficient services;
- encourage the private sector to promote the development and operation of an economically and socially justified transport system;
- improve operational efficiency and commercial viability of railway companies; and
- create a climate that nurtures, encourages, and sustains the participation of the private sector in the financing the construction, maintenance and management of roads in Malawi;

¹ Malawi National Transport Master Plan, Ministry of Transport and Public Works
http://www.malawi.gov.mw/images/Publications/NTMP_Final_Documents/Sub_Sector_Rail/NTMP_Rail_Sub-Sectoral_Plan.pdf

² <http://www.motpwh.gov.mw/index.php/about-us>

The Ministry of Transport and Public Works is composed of the department of:

- Civil Aviation;
- Road Traffic;
- Roads/Public Works;
- Marine;
- Rails;
- P.V.H.O; and
- Transport Planning.

b) Railway Division within the Ministry of Transport and Public Works:

This division was created in March 2010 and is responsible for all matters relating to railway transportation as well as issues relating to the implementation of policies and directives sanctioned by Government and various Regional and International conventions to which Malawi is party. The purpose of the Railways Division is to ensure a safe, efficient and reliable railway transport system for ease of movement of goods, people and services.

c) Roads Fund Administration:

Set up in 2006, the mission of the roads fund administration is to mobilise, administer, and account for funds for the construction, maintenance, and rehabilitation of public roads in an efficient, transparent, effective and sustainable for the benefit of road users in Malawi¹. The main objectives of the roads fund administration are to:

- promote accountability and transparency in public roads financing and management;
- help develop capacity of local construction industry and implementing agencies;
- ensure efficient and effective use of funds; and
- enforce excellence and professionalism in service delivery².

d) The Public-Private-Partnership-Commission of Malawi (PPPC):

The Public Private Partnership Commission was created as the Privatisation Commission under the Public Enterprises Act in 1996 and is governed by a policy. As the implementing Government agency of the public-private partnership programme in Malawi³, it is the only legal authority that implements divestiture of direct and indirect government interests in SOEs.

This Commission is responsible for:

- developing guidelines on best practices to assist sector ministries in the roll-out of their PPP projects;
 - reviewing and assessment of PPP project affordability, value-for-money, feasibility, and contingent liabilities associated with PPP projects;
- e) providing support and advice to Contracting Authorities (CAs) in the following domains⁴:
- procurement process: supervising competitive bidding processes to select the best private sector offer;
 - negotiation: providing backing to the CA during negotiations with the private sector provider;

¹ http://www.sdn.org.mw/budget-2011/votes-2011/Vote_274_-_Road_Fund_Administration.pdf

²

https://www.malawilii.org/mw/consolidatedlegislation/6908/roads_fund_administration_act_pdf_76596.pdf

³ <http://www.pppc.mw/articles/about-us>

⁴ <http://www.pppc.mw/articles/about-us>

- contract management/re-negotiation: assisting in on-going contract oversight, especially over the construction phase and assisting in contract re-negotiation and re-financing;
- liaison with PPP Monitoring and Review Unit at MoF: assist CAs in understanding the approval requirements, helping them develop necessary documents for review and generally guiding the CAs through the approval process; and
- promotion and Capacity Building and providing the guidance on PPP procedures and processes.

f) **Malawi Revenue Authority (MRA):**

MRA is that tax authority responsible for assessment, collection and accounting for fiscal revenues.

3.5.3. Legal Framework:

The rail sub-sector is regulated by the:

- **Railways Act (1907):** it provides the regulations of construction, control, management and operation of all railways in Malawi¹. The RA is framed in a way that provides for public sector and private sector participation in the railways subsector in Malawi.
- **Public-Private Partnership Act (2011):** was enacted by the parliament of Malawi in December 2011. This act regulates the partnership agreements between the public sector and the private sector for the supply of infrastructure and delivery of services as means of contributing towards, sustaining economic growth, social development and infrastructure development of the country.
- **Roads Fund Administration Act (2006):** the main purposes of this act are to create an administration Board to raise, administer and account for funds for construction, maintenance and rehabilitation of public roads, as well as to set up a Road Administration Fund.
- **Concession agreements:** the Government of Malawi signed concession agreements with both companies CEAR and Vale Logistics Ltd. These agreements enclose specific terms and requirements for both parties with regards the Project Financing of the Nacala Corridor.

Fiscal regime:

The fiscal regime specific for companies engaged in transporting the coal is summarised as follows:

N°	Taxes	Description
1	Customs and Excise Tax	An International trade tax applicable to imported goods. 0%-5% for products classified as raw materials, 15% for intermediate products, and 25% for finished or final goods. With an exception for equipment with multipurpose use and all agricultural equipment is duty-free. Both Development Agreements exempt Paladin Africa Ltd and Nyala Mines Ltd from import duties.
2	Pay as You Earn (PAYE) ¹	Collected from income earned by individuals falling in three income tax brackets: 0%, 15%, and 30% The first MWK 84,000 are not taxable. However, income between MWK 84,000 and MWK 100,000, are taxed at 15% while taxable income above MK100,000 are taxed at 30%.
3	Value Added Tax	An indirect tax imposed on goods and services at a standard rate of 16.5%. Domestic VAT is applied to goods and services produced domestically and Import VAT is applied to imported goods and services. Rail companies can import rail materials without paying import duties and import VAT.

¹ Malawi National Transport Master Plan – Rail Sub-Sectoral Plan.

N°	Taxes	Description
4	Fringe Benefits Tax	Fringe benefits provided by an employer (Government excluded) are subject to tax, payable by the employer at 30%.
5	Domestic excise	The amount of Domestic Excise to be paid is determined by multiplying the cost of production of each product by its rate as outlined under column 10 of the Customs and Excise Tariff Order.

In addition to the above, companies responsible for transporting coal are also subject to the following obligations in line with their respective concession agreements:

N°	Taxes	Description
Vale Logistics Ltd (Vale)		
1	Fee	<p>Concession fee: Vale will pay to the government the concession fee, which shall accrue in arrears in respect of each concession payment period.</p> <p>Regulatory fees: Vale shall pay such taxes and duties as are generally applicable under law with respect to driver's licences, vehicle registrations, corporate registration, residency and work permits and other licences, registrations and permits incidental to doing business or conducting activities in Malawi.</p> <p>With respect to works conducted in relation to the Project Financing of the Nacala Corridor, Vale, its affiliates and subcontractors will be subject to Malawian income tax as follows:</p> <ul style="list-style-type: none"> - <u>The incorporate income tax rate</u> applicable during the project term shall be reduced by 30% of the headline income tax rate applicable by the laws. - <u>Value added tax:</u> VALE and the approved project participants shall be exempt from VAT on goods and services acquired for exclusive permanent use in Malawi in connection with the construction, renovation and possible expansion of the railway. The works and transport services performed by VALE under the concession agreement shall be Zero rated for VAT purposes.
2	Taxes and duties	<p>Exemption from customs duties and excise duties:</p> <ul style="list-style-type: none"> - All modules, plant, equipment, construction, material, machinery, light and heavy vehicles, rolling stock, spare parts as well as raw materials, intermediate inputs and fuels imported to Malawi for exclusive permanent use in Malawi in connection with the project deliverables will be exempt from import duties and excise duties of whether they are imported by VALE. - The customs duties exemption set out above shall also apply to any expansion of the railway as required under this agreement as well as to any major renovation or refurbishment thereof. - Approved imports by VALE and the approved project participants for temporary use in Malawi, shall be exempt from customs duties regardless of when such admissions to Malawi take place. The subsequent export of such temporary admission items shall not be subject to export fees. - Minimum Tax: VALE is exempt from the payment of any minimum tax, which currently stands at 2%, calculated on its gross revenue pursuant to the 11th schedule to the taxation act.
Central East African Company Ltd (CEAR)		
1	Fee	<ul style="list-style-type: none"> - <u>The entry fee:</u> CEAR shall pay USD 500,000 on or before the effective date of this concession against which sum any security deposit paid shall be credited. - <u>The annual fee:</u> 5% of the Gross Revenues accruing to CEAR from the provision of Railway Services on the railway Estate, excluding any share of revenue belonging to neighbouring railways, but including maintenance charges and all other payments to CEAR from other railway service providers for use of the railway Estate, and all revenues resulting from licences, rights of occupancy, or leases of property comprising the Railway Estate. <p>The annual Fee shall be at a minimum amount to the equivalent in Malawi Kwacha of USD 500,000 until the starting of the coal operation and USD 1,000,000 thereafter.</p>
2	Taxes and duties	<p>CEAR shall pay all taxes and duties and conform to all procedures pursuant to applicable regulations,</p> <p>CEAR shall enjoy all tax incentives set forth in the applicable regulations and as otherwise specifically agreed with the government and consistent with applicable law.</p>

3.5.4. The PPP transport contract allocation:

The PPP project cycle covers five distinct phases; project identification and initial viability assessment, project preparation and development, project procurement, contract signing and financial closure and detailed as follows¹:

Phase		Description
Phase 1: Project Initiation, Screening and Selection	1st step: Project Identification, Needs and Options Analysis	Ministries and Contracting Authorities “MCAs” with the assistance of the PPPC must conduct an analysis of the needs and options available in order to determine the best solution to give the service / build infrastructure.
	2nd step: Initial Viability Analysis and Pre-feasibility	Preparation of a feasibility analysis which must include: <ul style="list-style-type: none"> • an initial indication whether the project is likely to be viable and affordable; • the possible locations of the project; • estimates of overall project costs. The MoF Review and Authorisation Unit will review and provide comments, but not a formal approval at this stage. The PPPC in association with the MoF Review and Authorisation Unit should provide the requirements for the pre-feasibility analysis and determine if a full feasibility analysis is required.
Phase 2: PPP Feasibility Analysis's and Risk Allocation	3rd step : Feasibility Studies :	In this step, the government will evaluate whether the proposed project is robust and meets GoM criteria with regards to risk, bankability, viability, affordability and value for money. Following, the Monitoring and Evaluation Unit (MoF) is responsible for the clearance and approval of the project before proceeding to the next step of the process.
Phase 3: PPP Tendering and Procurement	4th step : Procurement Process :	The PPPC is largely responsible for managing the procurement process. In this step the PPPC works in collaboration with MCA.
Phase 4: PPP Contract signing and Financial closure	5th step : Contract Management :	Contracting Authorities (CAs) and Regulatory Authorities (RAs) are responsible for: <ul style="list-style-type: none"> • ensuring contract compliance; • contract enforcement; • contract adjustment/re-negotiation. CAs as the landlord and signatory to the concession contract will ensure that the performance standards stipulated in the agreement have been adhered to by the private party; RAs will ensure that the tariffs and technical quality/service delivery standards are in compliance with the PPP agreement.
Phase 5: PPP Post-Award Performance Monitoring	6th Step: Implementation and Appraisal:	The evaluation of the PPP project and its implementation is done by CAs and the PPPC in order to assess the efficiency and effectiveness of project implementation.

3.5.5. Policy on disclosure of contracts:

In Malawi, coal transportation operations are governed mainly by agreements between the Government and private operators. Currently, the transportation legislation does not set out any procedures or provisions to keep, maintain, retain or safeguard transportation agreements disclosure.

Article 35.1 of the agreement between Vale and the government stipulates that the agreement is not confidential, and the concessionaire is not entitled to confidential treatment of information relating to the agreement except certain information relating to the business and operations of the concessionaire and its affiliates shall be entitled to keep such information confidential.

Contract between the Government and Vale Logistic Limited:

¹ Public-Private Partnership Policy Statement

Description	
Parties	- The Republic of Malawi represented by the Minister of Transport and Public Infrastructure and Vale Logistics Ltd - Vale Logistic Ltd incorporated under the laws of Malawi and having its registered office at First floor, 7 th , Victoria Avenue, Chayamba Building, Plot number BC9-1, Blantyre, Republic of Malawi.
Object	Concession to rebuild trackage and construct new railroad (Nacala Railway Corridor).
Date	22 December 2011
Amendment date	12 January 2017
Duration	- Initial term: 30 years take effect on the effective date of this contract. - Renewal term: Vale is entitled to renew this agreement for an additional period of 20 years

Contract between the Government and the Central and East African Railways Company Limited (CEAR):

Description	
Parties	- The Government of the Republic of Malawi acting through the Public Private Partnership Commission. - Central and East African Railways Company Limited (CEAR), a limited liability company incorporated under the laws of the Republic of Malawi. Registered number 5429 with its registered office at Station Road, PO Box 5144, Limbe, Republic of Malawi
Object	Concession to manage and operate the Nacala Railway Corridor.
Date	01 December 1999
Amendment date	30 September 2013 12 January 2017
Duration	- 20 years from the commencement date. The commencement date is 1 December 1999; - Renewal term: to 2045

3.5.6. Contribution to the economy:

- **Gross Domestic Product:**

There is no publicly available information about the contribution of the transportation rail sub-sector to GDP. However, in accordance with figures made available by the National Statistical Office (NSO), the transportation and storage sector accounts for MKW 1,302,422.5 million on average for the calendar years 2015 and 2016, which represents approximately 2.7% of the average GDP at the constant price. The contribution of transportation and storage sector to GDP is stable compared to last year's contribution (2.7%).

MKW Million	2014	2015	2016	Average	Average
				2014-2015	2015-2016
Transportation and storage sector	32,580	33,995	35,651	33,287.50	34,823.00
GDP at constant market price	1,231,911	1,272,260	1,306,377	1,252,085.50	1,289,318.50
% GDP	2.6%	2.7%	2.7%	2.7%	2.7%

Source: National Statistical Office (NSO) and Department of Economic Planning and Development (DEPD).

- **Domestic revenues :**

The total Government revenue collected from transportation companies for 2015/16 amounts to MKW 951.01 and represents 0.14% of the domestic revenue and presented as follows:

MKW Million	2015/16 FY
Total transportation revenues	951.01
Domestic Revenue¹	666,348
% Transportation revenues	0.14%

3.6. Fiscal devolution

In 1993, Malawians voted for a multiparty system of government putting an end to centralised and autocratic rule. The National Decentralisation Policy was finally approved by the Government in 1998. This radical political transformation resulted in a multiparty democracy and the adoption of a new constitution.

The main objectives of this policy are:

- to create a democratic environment and institutions in Malawi for governance and development at the local level;
- to eliminate dual administrations (field administration and local government) at district level with the aim of making public service more efficient, more economical and cost effective;
- to promote accountability and good governance at the local level in order to help Government reduce poverty; and
- to mobilise the masses for socio-economic development at the local level.

The new local government system is made up of District Assemblies. Cities and Municipalities will be Districts. District Assemblies will have powers to create committees at Area, Ward or Village levels to facilitate participation of the people in the Assembly's decision making.

3.7. Collection and Distribution of the Extractive Revenues

3.7.1. Budget Process ²

The Public Financial Management (PFM) Act 2003, coupled with the introduction of the Medium-Term Expenditure Framework (MTEF), introduced in the budget for the first time in the 1994/95 FY, has significantly enhanced the national budget process.

The Government of Malawi (GoM) has gone through various stages of budgetary reforms. This involved transformation of budgeting methods from incremental to performance or result based budgeting (based on activities). Currently, Malawi is uses a cash budget system.

The cash budget system is based on the principle that no cash is to be released to line ministries or other budget heads unless sufficient funds are available in the Treasury's main bank accounts, in this case account number 1 at the Reserve Bank of Malawi (RBM), to cover government expenditure. The Ministry of Finance (MoF) can decide which activities are to be funded among those initially approved by Parliament in the budget.

It is the responsibility of the Minister of Finance to present a statement of the estimated receipts and the expenditure of the government in respect of each financial year before the National Assembly.

¹ Annual Economic Report 2016

² Source: Government of Malawi Budget Framework paper FY15/16 (www.mfdp.gov.lw).

The key budget documents include:

- i. Budget Statement: This is the budget speech read in the National Assembly by the Minister of Finance. It is a summary of the whole budget but also covers an outlook of the world economy, performance and achievements of the previous budget, summary of main Government policies, objectives and targets, tax policy measures and expenditure controls;
- ii. Economic report: Provides details of the world economy outlook and the economic performance of Malawi in the preceding year;
- iii. Financial Statements: This provides a broad summary of the budget both revenue and expenditure by sector of the economy;
- iv. Output Base: This presents more details on the budget. It outlines a ministry's objectives, achievements, challenges for the previous period as well as the activities to be undertaken with related costs and outputs;
- v. Detailed Estimates: Provides details of all expenditure for all the votes up to the sub-item level. This forms the basis of accounting in Government.

The budgeting process includes reviewing proposals on major issues and initiatives, setting programme goals, objectives and their associated costs as well as prioritising the proposals submitted or developed.

The principles are as follows:

1. The policy development and planning process needs to begin well in advance of the budget preparation process.
2. Policy decisions should be well documented and incorporated into the budget preparation instructions.
3. The results of the policy planning and development process will strengthen if specific goals and objectives are defined. These may include major government initiatives and other sector specific programmes.
4. Policies should be a major determining factor of budgetary ceilings for ministries and departments.
5. Policies should identify the priorities to guide allocation of funds among competing needs. Ministries and departments should therefore submit proposals which are consistent with government priorities.

3.7.2. Revenues Collection

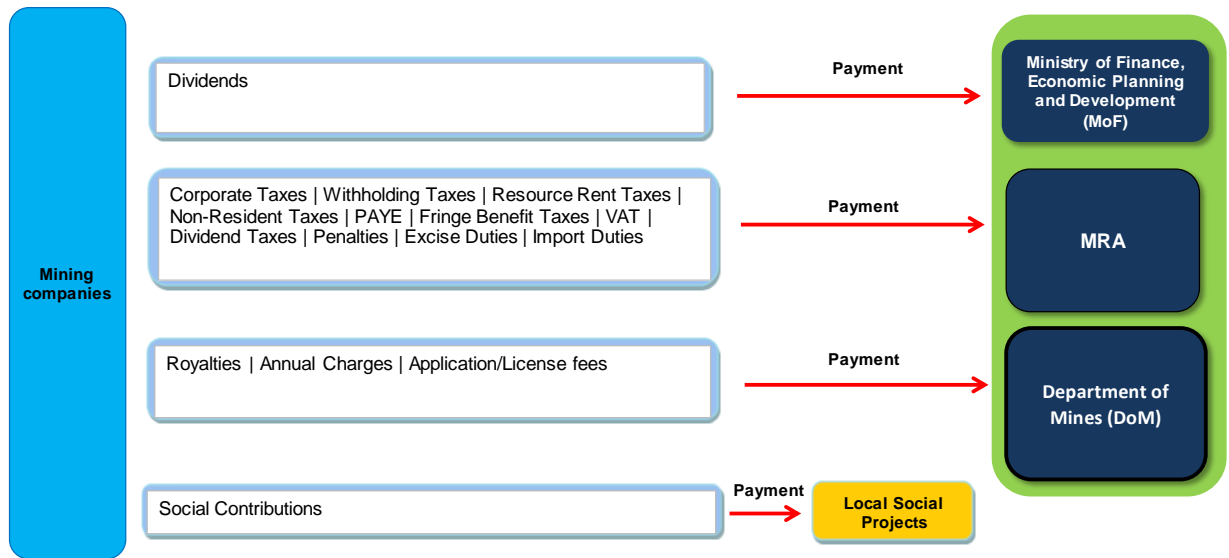
The National Budget is the Government's plan on how to collect and spend money to deliver services to the citizens of Malawi. The budget begins on 1 July and ends the following year on 30 June. This is referred to as the Financial year.

Revenue comes from different sources, such as taxes and borrowing from other countries. According to sections 172-173 of the Constitution of Malawi, "All revenues or other funds raised or received for the purposes of the Government shall, subject to this Constitution and any Act of Parliament, be paid into and form one fund, to be known as the Consolidated Fund.

No funds shall be withdrawn from the Consolidated Fund except in the manner prescribed by the National Assembly."

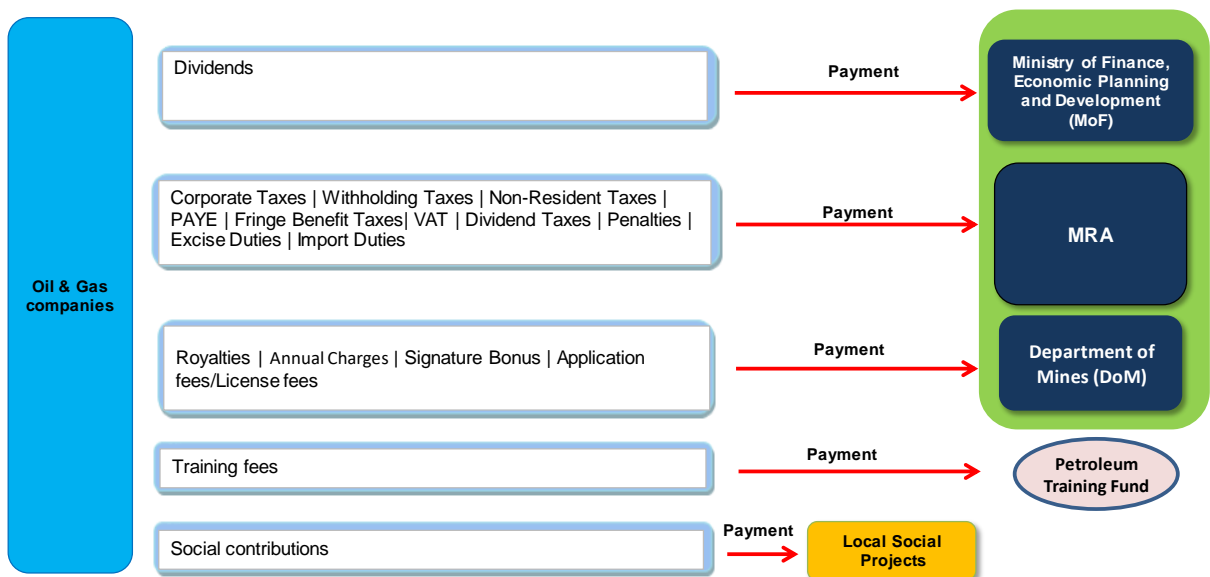
The extractive revenue collections framework can be represented diagrammatically as follows:

• **Mining Sector**



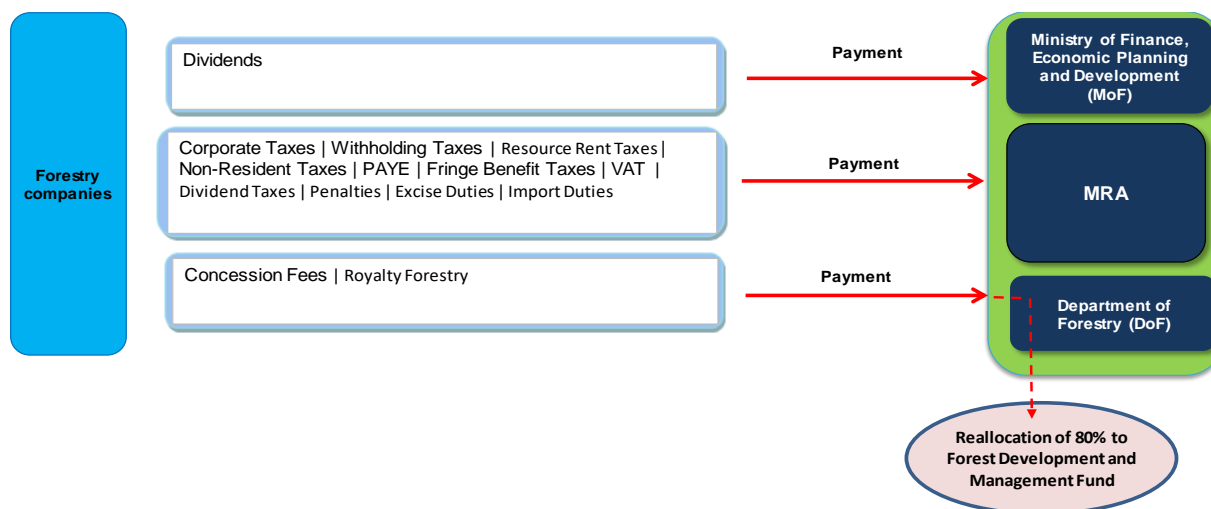
The revenue streams of mining sector are detailed in Annex 13.

• **Oil and Gas Sector**



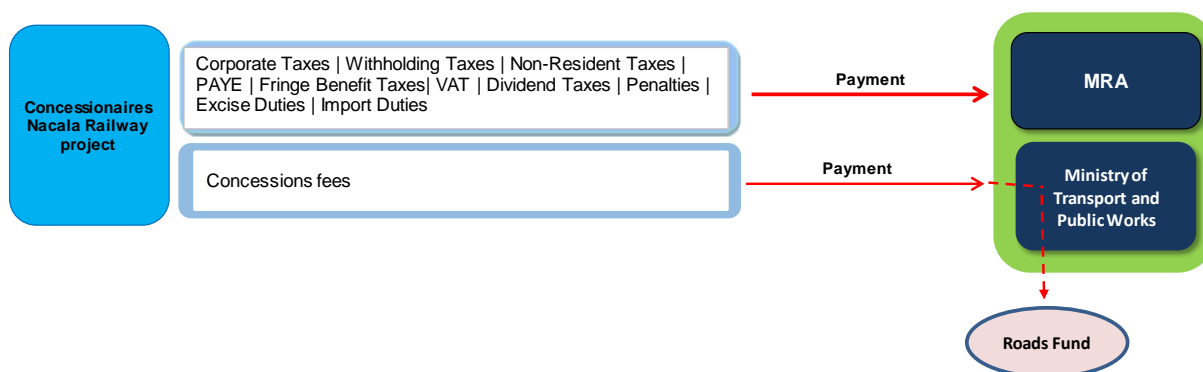
The revenue streams of oil and gas sector are detailed in Annex 13.

- **Forestry Sector:**



The revenue streams of mining sector are detailed to section 6.2.1.

- **Transport of minerals**



The revenue streams of mining sector are detailed to section 6.2.1.

3.7.3. Revenue allocation

All revenues raised are deposited into the Government of Malawi Account Number 1 at the Reserve Bank of Malawi which forms the Consolidated Fund as stipulated in sections 172-173 of the Constitution of Malawi. Government revenues are available for appropriation by the legislation for general government spending. We note that there is no provision within the legislation in Malawi governing any Sub-National Transfers.

(i) Petroleum Training Fund

According to the Third Schedule of the Petroleum (Prescribed Fees and Annual Charges) Regulations, the petroleum companies shall contribute with training fees at USD 50, 000 for exploration Licence per annum per block and at USD 150, 000 per annum per block for production licence.

Training fees from oil and gas companies are paid directly to the Petroleum Training Fund account. The Petroleum Training Fund is a separate bank fund which is different from the Government Account number 1. It is managed by MNREM and aims to fund capacity building activities in the oil and gas sector.

(ii) Forest Development and Management Fund

FDMF became operational in the 2011/12 FY¹. It aims at supporting and increase the conservation and management of forest resources and forest land in Malawi. For the fiscal year 2015/16, the Department of Forestry was allocated MWK 789,314,440 million as confirmed in the Annual Economic Report 2016. The major relating expenditure during the financial year were:

- tree Planting and Management
- contract work in government plantations for various silvicultural operations,
- law enforcement; and
- training of Forestry Assistants at Malawi College of Forestry and Wildlife,

According to the Department of Forestry, total revenues collected by the department during the previous year 2014/15 amounted to MWK 1,286,783,000, and 80% thereof represents MWK 1,029,426,400.

(iii) Roads Fund

The Roads Fund is separate from the State budget. Its purpose is:

- to finance the maintenance and rehabilitation of public roads; and
- to administer any monetary contribution of donor-funded projects for the construction, maintenance and rehabilitation of any public road.

3.8. Beneficial ownership

3.8.1. Legal and regulatory framework governing companies

The legal framework governing companies incorporated in Malawi is the Companies Act (1984), which provides guidelines for the formation, administration, and winding up of registered corporate bodies. The Companies Act (1984) is expected to be reformed in the near future to include further transparency and disclosure provisions in the law.

There are various types of companies which can be formed in Malawi; namely limited by shares, limited by guarantee and unlimited companies. Furthermore, in Malawi a company can be classified either as a private company or a public company. A “private company” means a private company limited by shares, a company limited by guarantee or an unlimited company. On the other hand, a “public company” means a company incorporated as such, being a company satisfying section 5(3) of the Companies Act (1984).

3.8.2. Beneficial ownership in Malawi’s legal and regulatory framework

Disclosure requirements for private companies

The definition of “beneficial ownership” should not necessarily be linked to share ownership. Owning more than a certain percentage of shares certainly gives a meaningful indication of beneficial ownership. However, in identifying the real beneficial owner, the focus should also be on contractual and informal arrangements.

The notion of control or beneficial ownership has not been treated by the Companies Act. However, the Financial Crime Act (2017) provides a clear definition of beneficial ownership in Malawi as follows: “Beneficial Owner means a natural person who ultimately owns or controls a customer or a person on whose behalf, a transaction is conducted and includes a natural person who exercises ultimate effective control over a legal person or arrangement.”

Disclosure requirements for mining companies

The term beneficial ownership is mentioned in section 16 of the Mines and Minerals Act (1981) which refers to the application for granting of licences. The following information is required in respect of the applicant:

- if it is an individual, his full name and nationality; or
- in the case of a body corporate, its name and place of incorporation, the names and nationalities of the directors or equivalent officers and, if the body corporate has a share

¹ Annual Economic Report 2015

capital, the name of any person who is the beneficial owner of more than five per cent of the issued share capital.

The term “Beneficial owner” is stated in this Act. However, its definition is more akin to a shareholder as opposed to beneficial ownership, leaving room for ambiguity.

Disclosure requirements for Oil and Gas companies

Furthermore, the term beneficial ownership is also mentioned in the Petroleum Exploration and Production Act (1983). Section 79 of PEPA refers to the application for the grant of petroleum exploration licences “shall give in respect to the person... making the application, in case of body corporate..., if the body corporate has a share capital, the name of any person who is the beneficial owner of more than five percent of the issued share capital.”

Disclosure requirements for Government officials

Currently, there are no specific rules for government officials to disclose their interests, incomes or assets in/from the extractive sector.

3.8.3. EITI requirements

The 2016 EITI Requirement recommends that implementing countries maintain a publicly available register of the beneficial owners of the corporate entity(ies) that bid for, operate or invest in extractive assets, including the identity(ies) of their beneficial owner(s), the level of ownership and details of how ownership or control is exerted. Where possible, beneficial ownership information should be incorporated in existing filings by companies to corporate regulators, stock exchanges or agencies regulating extractive industry licensing. Where this information is already publicly available, the EITI Report should include guidance on how to access this information.

Currently, full details of the beneficial owners of companies operating in the extractive industries are not publicly available in Malawi.

By 1 January 2017, the Malawi multi-stakeholder group published a roadmap for disclosing beneficial ownership information in accordance with clauses (c) - (f) below. The multi-stakeholder group determined milestones and deadlines in the roadmap. The Beneficial Ownership Roadmap is available on the EITI website under the following link:

<https://eiti.org/document/malawi-beneficial-ownership-roadmap>

As from 1 January 2020, the EITI report must include implementing countries’ requests, and companies discloses of beneficial ownership information.

Beneficial Ownership as defined by the EITI Standard

- i) A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity*
- ii) The multi-stakeholder group should agree an appropriate definition of the term beneficial owner. The definition should be aligned with international norms and relevant national laws into existence and should include ownership threshold(s). The definition should also specify reporting obligations for politically exposed persons.*
- iii) Publicly listed companies, including wholly-owned subsidiaries, are required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed.*
- iv) In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided.*

3.8.4. Proposed Definition of Beneficial Ownership

In accordance with the EITI Standard, Requirement 2.i5.f.i, “a beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity”. Further to Requirement 2.5.f.ii and in accordance with MSG’s decision, a beneficial owner is defined as:

Proposal for a definition of beneficial ownership

A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity. In addition, a beneficial owner shall include legal owners and share ownership of such corporate entity (ies):

- a) *The definition also includes all the private trusts and names of those beneficiaries of those private trusts and their details. For the purpose of the reporting process:
 - a percentage of 5% of direct shares held by a natural person, shall be evidence of ownership or control through shareholding; and
 - a percentage of 5% of indirect shares held by a natural person, shall be evidence of ownership or control through shareholding.*
- b) *This definition also includes publicly listed companies, including wholly-owned subsidiaries, which would be required to disclose the name of the stock exchange and include a link to the stock exchange filings where they are listed.*
- c) *In the case of joint ventures, each entity within the venture should disclose its beneficial owner(s), unless it is publicly listed or is a wholly-owned subsidiary of a publicly listed company. Each entity is responsible for the accuracy of the information provided.*

The following definition of Politically Exposed Persons (PEPs) was agreed by the MSG according to the beneficial ownership disclosure roadmap:

Politically Exposed Persons (PEPs)

PEPs are defined as individuals belong to one of the following categories:

- a) *an individual who holds, or has held, public office, and includes— (i) a Head of State or Government; (ii) a Minister; (iii) a Deputy Minister; (iv) a politician; (v) a political party official; (vi) a judicial official or other senior official of a quasi-judicial body; (vii) a military official; (viii) a member of an administrative, management or supervisory body of a State owned enterprise;*
- b) *an individual who is, or has been, entrusted with a public function by a State, public body or local or international organisations;*
- c) *an immediate family member of a person referred to in paragraph (a); or*
- d) *a close associate of a person referred to in paragraph (a).*

3.8.5. Beneficial ownership declaration

Extractive companies were requested to report on beneficial ownership in the reporting templates. A beneficial owner in the context of the extractive sector means a person(s) who directly or indirectly ultimately own(s) or control(s) the corporate entity. Details of beneficial ownership as declared by companies are summarised in Annex 15 of this report.

3.8.6. Legal ownership declaration

Extractive companies were requested to report on legal ownership in the reporting templates. Details of legal ownership by company are set out in Annex 4 of the report.

3.9. Auditing and accounting

3.9.1. Extractive Companies

Providing audited accounts is required by the Companies Act (1984). The specific audit provisions in the Companies Act as the requirement to comply with auditing standards are as follows:

- S182 requires directors of every company annually to cause to be prepared and sent to every member and every debenture holder of the company a report by the auditors;
- S191 (1) requires every company, within three months after its incorporation and thereafter at every annual general meeting, to appoint auditors to hold office until the next annual general meeting;

- S194 (1) requires auditors of a company while in performance of their duties to act in such a manner as faithful, diligent, careful, and ordinarily skillful auditors would act in the circumstances;
- S194 (2) stipulates that no provision in the memorandum or articles of the company or in any contract with the company shall exempt the auditor from the duty to act in accordance with S194 (1) or indemnify him against any liability incurred as a result of breach thereof;
- The Fourth Schedule requires the auditor's report to state whether in their opinion the company's balance sheet and profit and loss account and the group accounts have been properly prepared in accordance with the Act and whether in their opinion a true and fair view is given;
- S191 (2) and S192 (1) require that persons to be appointed as auditors be only those duly qualified, eligible, and entitled to act as such under the Public Accountants and Auditors Act.

We may conclude that the same requirements apply to extractive companies.

Additionally, the Society of Accountants in Malawi (SOCAM) has adopted International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA) as applicable standards for corporate financial accounting and auditing in the country. The directive given by the SOCAM states that all auditors in Malawi must adopt ISA standards. However, in fact, some auditors may not be applying ISA.

3.9.2. Government Entities

Government Entities are audited by the Auditor General (AG), the National Audit Office (NAO) and the Public Accounts Committee (PAC). NAO is headed by the Auditor-General.

In June 2003, an Act was passed to update the public finance, procurement of goods and services and audit laws in Malawi: the Public Audit Act (PAA).

According to Section 4 of the PAA "The Auditor General shall be responsible for carrying out the duties and responsibilities conferred upon him under the Constitution, this Act, or any other written law, and shall be responsible for the National Audit Office".

At this point a discrepancy between the PAA and the constitution may hinder the independence of the Auditor General, thus, affecting his work. In accordance to Section 184 paragraph 2 of the Constitution, the Auditor General shall submit reports through the Minister of Finance instead of submitting his reports directly to the National Assembly. PAA, however, states in its Section 15 paragraph 1 that the Auditor General should forward his report to the President and to the Speaker of the National Assembly.

Though in both cases, the report goes to the National Assembly, the Constitution clearly states that the Auditor General should report to the Ministry of Finance. This may affect the AG's independence and may pose an ethical issue.

As for the Public Account Committee (PAC), PAA in Part IV Section 19-1 stipulates that "the function of the Committee are to examine and report to the National Assembly on the financial statements of the Government generally, and in particular to examine and report on the financial statements of the Government in the light of the outputs proposed and the performance criteria in relation to estimates, together with each statement and report of the Auditor General presented to the National Assembly."

PAC is a standing committee of Members of Parliament; whose responsibilities are to ensure along with the AG and NAO that public funds is put to good use.

The Malawi National Audit Office Auditing Standards are based on, and in full compliance with the Auditing Standards of the International Organisation of Supreme Audit Institutions (INTOSAI). The National Audit Office has adapted the INTOSAI Auditing Standards to fit the Malawi environment.

4. DETERMINATION OF THE RECONCILIATION SCOPE

Our work included a general understanding of the extractive industry in Malawi. We also consulted with Government Entities in order to collect relevant information on the size of the extractive sectors in Malawi, its contribution to the economy and to government revenues, as a part of the process to define the scope for the reconciliation for the financial year ending 30 June 2016.

4.1. Revenue flows

4.1.1. Direct payments

During the scoping phase, we consulted Government Entities which received payment flows from the extractive sectors. The MSG agreed to include in the reconciliation scope all payment flows exceeding MWK 33 million. These included eight (8) payment flows detailed as follows:

N°	Type of payment/Revenue	Receiving Government Entity
Department of Mines (DoM)		
1	Royalties paid	DoM
2	Annual Charges / Ground rent	DoM
Malawi Revenue Authority (MRA)		
1	Pay As You Earn "PAYE"	MRA
2	Value Add Tax (VAT)	MRA
3	Income tax paid	MRA
4	Withholding tax on payments	MRA
5	Non-resident tax	MRA
6	Fringe Benefits Tax	MRA

To avoid omissions that may be considered significant, MSG decided to include a separate line entitled "Other material payments flows" in the reporting template for extractive companies to report any significant payment exceeding MWK 5 million including any payment flows which are not shown in the reporting template.

With regards to payment flows, which have not been included in the reconciliation scope, the MSG decided that these are unilaterally disclosed by Government Entities in accordance with EITI Requirement 4.1.d. All of the revenue streams disclosed after reconciliation are detailed in annex 13 of this report.

During the reconciliation process, MRA declared customs duty which has not been previously declared during the scoping phase and which exceeded the materiality threshold. This payment stream has therefore been added to the reconciliation scope of the payment flows.

In total the MSG agreed to include 11 revenue streams in the reconciliation scope as follows:

Ref.	Type of payment/Revenue	Receiving Government Entity
Department of Mines (DoM)		
1.1	Royalties paid	DoM
1.2	Annual Charges / Ground rent	DoM
1.3	Other material payments to Mining Authorities	DoM
Malawi Revenue Authority (MRA)		
2.1	Value Add Tax (VAT)	MRA
2.2	Pay As You Earn "PAYE"	MRA
2.3	Income tax paid	MRA
2.4	Withholding tax on payments	MRA
2.5	Non-resident tax	MRA
2.6	Fringe Benefits Tax	MRA
2.7	Customs duty / Excise Tax	MRA
2.8	Other material payments to MRA	MRA

4.1.2. Social payments

These consist of all contributions made by extractive companies to promote local development and to finance social projects in line with EITI Requirement 6.1. This Requirement encourages the multi-stakeholder groups to apply a high standard of transparency to social payments and transfers, the parties involved in the transactions and the materiality of these payments and transfers to other benefit streams, including the recognition that these payments may be reported even though it is not possible to reconcile them.

These contributions can be voluntary or non-voluntary (mandatory) and can be made in cash or in kind, depending on individual contracts. This category includes, inter alia infrastructures in health, education, road and market gardening projects related to the promotion of agriculture as well as grants provided to the population.

Accordingly, MSG decided to include social payments made during the 2015/16 FY in the EITI scope through unilateral disclosure by extractive companies.

4.1.3. In-kind revenues

There is no payment in-kind because the sector is still in exploration and prospection phase.

4.1.4. Subnational payments

There are no sub-national government entities that receive direct or indirect revenues from the extractive companies.

4.1.5. Subnational transfers

There are no sub-national transfers under Malawian legislation.

4.2. Extractive companies

The reconciled revenues by sector are detailed as follows:

Sector	Total revenues	Unilateral disclosure by Government	Reconciled amounts	%
Mining	1,561,986,963	158,950,910	1,403,036,053	90%
Oil and Gas	142,269,955	986,490	141,283,465	99%
Total Government receipts from Mining, Oil and Gas companies	1,704,256,918	159,937,400	1,544,319,518	91%
Unilateral disclosure by Companies: Social contribution	119,722,192			
Total revenues from Mining, Oil and Gas sectors	1,823,979,109			

4.2.1. Mining Companies

During the scoping phase, the MSG decided to include fifteen (15) mining companies corresponding to companies making payments exceeding a materiality threshold of MWK 33 million in the 2015/16 FY in order to meet a reconciliation coverage of 90% of government receipts out of the mining, oil and gas sectors.

During the reconciliation phase, it appeared that the company Zalewa Agriculture Lime Co made significant payments that exceed the materiality threshold set by the MSG in the 2015/16 FY. On this basis, **sixteen (16) mining companies** are included in the reconciliation scope and detailed as follows:

N°	Company	Total revenues	Unilateral disclosure by Government	Reconciled amounts	%
1	Mota Engil Minerals And Mining(Mw) Ltd	16,953,083	546,500	16,406,583	96.8%
2	Paladin (africa) Ltd	641,671,039	10,000	641,661,039	100.0%
3	Shayona Cement Corporation	948,284	255,000	693,284	73.1%
4	Lafarge Cement Company Ltd	500,000	500,000	0	
5	Cement Products (MW) Ltd	1,050,000	-	1,050,000	100.0%
6	Terrastone Ltd	330,457,391	5,500	330,451,891	100.0%
7	Cilcon Ltd	13,609,624	2,000	13,607,624	100.0%
8	Cpl-mchenga Coal Mines Ltd	81,914,121	22,500	81,891,621	100.0%
9	Optichem 2000 (Malawi) Ltd	11,681,336	-	11,681,336	100.0%
10	Zalewa Agriculture Lime Co	114,109,669	128,000	113,981,669	99.9%
11	Kaziwiziwi Coal Mine Ltd	68,045,121	-	68,045,121	100.0%
12	Sovereign Services Ltd	40,750,878	55,000	40,695,878	99.9%
13	M.A Kharafi & Sons	0	-	0	
14	Malawi University Of Science And Technology	0	-	0	
15	Master Stone Breakers	82,870,007	-	82,870,007	100.0%
16	Pamodzi Stone Mining (PSM) Investments	9,000	9,000	0	96.8%
	Companies under the materiality threshold	157,417,409	157,417,409	0	0%
	Total of mining companies	1,561,986,963	158,950,909	1,403,036,053	90%

The following were included in the reconciliation scope of 2014/15 FY but they do not meet the materiality threshold for 2015/16 FY:

Company
Nyala Mines
Globe Metals & Mining Africa Ltd
Malcoal Mining Ltd
Zunguziwa Quarry Ltd
Lancaster Explorations Ltd
Intra Energy Trading Ltd
Premier Construction Equipments Ltd

For extractive entities operating in the mining sector, which made payments below the materiality threshold, MSG decided disclosure unilaterally by Government Entities of the combined revenue streams from the companies listed in Section 6.2 of this report in accordance with EITI Requirement 4.1.d.

4.2.2. Oil and Gas Companies

During the scoping study, the oil & gas companies that made payments exceeding the materiality threshold MWK 33 million were included in the reconciliation scope in order to meet a reconciliation coverage of 90% of government receipts out of the mining, oil and gas sectors. On this basis, the MSG agreed to include two (2) oil and gas companies that are SacOil Holdings Ltd and Hamra Oil Holdings Ltd in the reconciliation scope.

During the reconciliation phase, MRA declared that the company RAKGAS MB45 also made significant payments exceeding the materiality threshold agreed by the MSG in the 2015/16 FY. This company was therefore added to the reconciliation scope.

On this basis, **three (3) Oil & Gas companies** are included in the reconciliation scope for the EITI Report 2015/16. These companies are presented as follows:

N°	Company	Total revenues	Unilateral disclosure by Government	Reconciled amounts	%
1	Hamra Oil Holdings Ltd	75,314,562		75,314,562	100%
2	RAKGAS MB45	65,968,903		65,968,903	100%
3	SacOil Holdings Ltd	-		-	
Companies under the materiality threshold		986,490	986,490		0
Total of Oil & Gas companies		142,269,955	986,490	141,283,465	99%

4.2.3. Pacific Oil Ltd has been included in the reconciliation scope during 2014/15 FY but the company does not meet the materiality threshold this year. Forestry Companies

MSG decided that the forestry sector should not be part of the reconciliation scope of the second EITI report of Malawi and that unilateral disclosure by the Department of Forestry would be included in the second EITI report.

4.2.4. Transport of minerals' companies

MSG decided that the forestry sector should not be part of the reconciliation scope of the second EITI report of Malawi and that unilateral disclosure by the Railway Services Department of the Ministry of Transport and Public Works would be included in this EITI report.

4.3. Government Entities

The Government Entities selected to the scope for the 2015/16 FY EITI Report were:

Sector	Total revenues	Unilateral disclosure by Government	Reconciled amounts	%
1 Malawi Revenue Authority (MRA)	1,432,112,587	61,049,545	1,371,063,042	96%
2 Department of Mines (DoM)	272,144,331	98,887,855	173,256,476	64%
3 Ministry of Finance, Economic Planning and Development (MoF)	-			
Total Government receipts from Mining, Oil and Gas companies	1,704,256,918	159,937,400	1,544,319,518	91%

Although the DoF and the Ministry of Transport and Public Works do not have to submit templates to the reconciliation process, they remain part of the general reporting process to answer potential queries and to provide contextual information about the sectors they regulate.

5. RECONCILIATION RESULTS

We present below detailed results of our reconciliation exercise, as well as differences noted between amounts paid by extractive companies and received by Government Entities. We have highlighted the amounts initially reported and the adjustments made following our reconciliation work, as well as the final amounts and unreconciled differences.

5.1. Payment Reconciliation between extractive Companies and Government Entities

5.1.1. Reconciliation by Extractive Company

The table below summarises the differences between the payments reported by extractive companies and receipts reported by Government Entities. It includes consolidated figures based on the reporting templates prepared by each extractive company and Government Entity, adjustments made by us following our reconciliation work and the residual, unreconciled differences. Details of the adjustment treatment are presented in Section 5.2 of this report and in order to keep the report size reasonable, detailed reporting templates for each company are included in Annex 10 of this report.

Amounts in MWK

No.	Company	Templates originally lodged			Adjustments			Final amounts		
		Extractive company (a)	Government (b)	Difference (c) = (a - b)	Extractive company (d)	Government (e)	Difference (f) = (c-d)	Extractive company (g) = (a+d)	Government (h) = (b+e)	Difference (i) = (g-h)
1	Paladin (Africa) Ltd	642,778,539	527,956,893	114,821,646	(1,120,000)	113,704,146	(114,824,146)	641,658,539	641,661,039	(2,500)
2	Terrastone Ltd	453,639,873	788,137,475	(334,497,602)	(123,187,979)	(457,685,584)	334,497,605	330,451,894	330,451,891	3
3	Zalewa Agriculture Lime Co	112,197,623	15,837,712	96,359,911	(16,653,621)	98,143,957	(114,797,578)	95,544,002	113,981,669	(18,437,667)
4	Master Stone Breakers	79,866,081	58,633,787	21,232,294	(5,435,376)	24,236,220	(29,671,596)	74,430,705	82,870,007	(8,439,302)
5	Cpl-mchenga Coal Mines Ltd	78,422,074	81,490,584	(3,068,510)	3,439,574	401,037	3,038,537	81,861,648	81,891,621	(29,973)
6	Hamra Oil Holdings Ltd	89,314,562	77,725,541	11,589,021	(14,000,000)	(2,410,979)	(11,589,021)	75,314,562	75,314,562	-
7	Kaziwiziwi Mining Co	-	68,045,121	(68,045,121)	-	-	-	-	68,045,121	(68,045,121)
8	RAKGAS MB45	67,082,230	60,716,333	6,365,897	(1,113,327)	5,252,570	(6,365,897)	65,968,903	65,968,903	-
9	Sovereign Services Ltd	42,413,840	40,750,878	1,662,962	(58,500)	(55,000)	(3,500)	42,355,340	40,695,878	1,659,462
10	Mota Engil Minerals and Mining (MW) Ltd	69,774,058	4,927,845,164	(4,858,071,106)	(54,113,078)	(4,911,438,581)	4,857,325,503	15,660,980	16,406,583	(745,603)

No.	Company	Templates originally lodged			Adjustments			Final amounts		
		Extractive company (a)	Government (b)	Difference (c) = (a - b)	Extractive company (d)	Government (e)	Difference (f) = (c-d)	Extractive company (g) = (a+d)	Government (h) = (b+e)	Difference (i) = (g-h)
11	Cilcon Ltd	9,507,951	379,496,517	(369,988,566)	(1,997,897)	(365,888,893)	363,890,996	7,510,054	13,607,624	(6,097,570)
12	Optichem 2000 (malawi) Ltd	277,136,961	274,704,898	2,432,063	(264,674,925)	(263,023,562)	(1,651,363)	12,462,036	11,681,336	780,700
13	Cement Products (MW) Ltd	2,094,236	1,119,344,191	(1,117,249,955)	(1,044,236)	(1,118,294,191)	1,117,249,955	1,050,000	1,050,000	-
14	Shayona Cement Co	828,059,147	1,645,968,208	(817,909,061)	(827,365,863)	(1,645,274,924)	817,909,061	693,284	693,284	-
15	SacOil Holdings Ltd	719,459	37,735,059	(37,015,600)	(719,459)	(37,735,059)	37,015,600	-	-	-
16	Lafarge Cement Co Ltd	2,674,328,048	2,661,825,038	12,503,010	(2,674,178,048)	(2,661,825,038)	(12,353,010)	150,000	-	150,000
17	M.A Kharafi & Sons	-	97,805,779	(97,805,779)	-	(97,805,779)	97,805,779	-	-	-
18	Malawi University Of Science And Technology	-	205,114,217	(205,114,217)	-	(205,114,217)	205,114,217	-	-	-
19	Pamodzi Stone Mining (PSM) Investments	-	131,791,047	(131,791,047)	-	(131,791,047)	131,791,047	-	-	-
Total		5,427,334,682	13,200,924,442	(7,773,589,760)	(3,982,222,735)	(11,656,604,924)	7,674,382,189	1,445,111,947	1,544,319,518	(99,207,571)

Source: EITI Reporting Templates

5.1.2. Reconciliation by revenue stream

The table below shows the total Basic Payments reported by extractive companies and Government entities, considering all adjustments:

Amounts in MWK

N°	Description of Payment	Templates originally lodged			Adjustments			Final amounts		
		Extractive company (a)	Government (b)	Difference (c) = (a) - (b)	Extractive company (d)	Government (e)	Difference (f) = (d) - (e)	Extractive company (g)	Government (h)	Difference (i) = (g) - (h)
A- Bilateral company disclosures		5,427,334,682	13,200,924,442	(7,773,589,760)	(3,982,222,735)	(11,656,604,924)	7,674,382,189	1,445,111,947	1,544,319,518	(99,207,571)
1- Department of Mines (DoM)		185,582,539	212,105,498	(26,522,959)	(14,829,071)	(38,849,022)	24,019,951	170,753,468	173,256,476	(2,503,008)
1.1	Royalties paid	129,121,190	107,855,791	21,265,399	1,234,347	23,795,799	(22,561,452)	130,355,537	131,651,590	(1,296,053)
1.2	Annual Charges / Ground rent	38,193,390	102,716,207	(64,522,817)	2,204,541	(61,111,321)	63,315,862	40,397,931	41,604,886	(1,206,955)
1.3	Other payments to Mining authority	18,267,959	1,533,500	16,734,459	(18,267,959)	(1,533,500)	(16,734,459)	-	-	-
2- Malawi Revenue Authority (MRA)		5,241,752,143	12,988,818,944	(7,747,066,801)	(3,967,393,664)	(11,617,755,902)	7,650,362,238	1,274,358,479	1,371,063,042	(96,704,563)
2.1	Income tax paid	890,628,958	1,330,536,971	(439,908,013)	(780,713,101)	(1,207,701,309)	426,988,208	109,915,857	122,835,662	(12,919,805)
2.2	Non-resident tax	223,628,855	224,639,070	(1,010,215)	(168,336,200)	(169,346,415)	1,010,215	55,292,655	55,292,655	-
2.3	Pay As You Earn "PAYE"	1,024,060,190	2,050,052,046	(1,025,991,856)	(381,175,430)	(1,376,296,505)	995,121,075	642,884,760	673,755,541	(30,870,781)
2.4	Withholding tax on payments	510,997,958	1,088,498,766	(577,500,808)	(368,456,409)	(945,503,490)	577,047,081	142,541,549	142,995,276	(453,727)
2.5	Fringe Benefits Tax	79,860,823	100,018,856	(20,158,033)	(35,743,438)	(55,028,578)	19,285,140	44,117,385	44,990,278	(872,893)
2.6	Value Add Tax (VAT)	2,246,939,648	1,993,966,617	252,973,031	(1,990,907,718)	(1,706,781,208)	(284,126,510)	256,031,930	287,185,409	(31,153,479)
2.7	Customs duty / Excise Tax	68,722,039	6,201,106,618	(6,132,384,579)	(45,147,696)	(6,157,098,397)	6,111,950,701	23,574,343	44,008,221	(20,433,878)
2.8	Other payments to MRA	196,913,672	-	196,913,672	(196,913,672)	-	(196,913,672)	-	-	-
Total payments		5,427,334,682	13,200,924,442	(7,773,589,760)	(3,982,222,735)	(11,656,604,924)	7,674,382,189	1,445,111,947	1,544,319,518	(99,207,571)

Source: EITI Reporting Templates

Unadjusted residual differences are detailed in Section 5.3 of the present report.

5.2. Adjustments

5.2.1. Extractive companies' adjustments

The adjustments were carried out on the basis of confirmations received from extractive companies and Government Entities and were supported by adequate evidence wherever deemed appropriate. The adjustments made are detailed as follows:

Adjustments to extractive company payments	Total amount MWK
Taxes related to activities other than mining (a)	(4,017,334,642)
Taxes paid not reported (b)	92,655,397
Taxes paid and reported but falling outside the period covered (c)	(32,712,986)
Tax paid reported but outside the reconciliation scope	(24,675,058)
Tax paid to other Government entity	(1,150,000)
Tax amount incorrectly reported	994,554
Total added/deducted to amounts originally reported	(3,982,222,735)

(a) Taxes related to activities other than mining

These are payments reported, but which are related to activities other than extractive as per the reporting templates. We set out in the table below details of the adjustments made to company payments on the basis of their percentages of non-mining activities:

Company	Taxes related to activities other than mining (in MWK)	% Other than extractive activities
Lafarge Cement Co Ltd	(2,674,178,048)	100.00%
Shayona Cement Co	(827,085,863)	100.00%
Optichem 2000 (malawi) Ltd	(265,943,613)	76.00%
Terrastone Ltd	(200,489,367)	98.00%
Mota Engil Minerals and Mining (MW) Ltd	(47,045,618)	80.85%
Cilcon Ltd	(1,997,897)	95.00%
Cement Products (MW) Ltd	(594,236)	100.00%
Total	(4,017,334,642)	

The same adjustments were applied to unilateral disclosures of social contributions by companies as detailed in Section 6.1.1 of this report.

(b) Taxes paid not reported

These are payment flows reported by Government Entities but not reported by Extractive companies. Adjustments were made on the basis of flag receipts or confirmations made available by the companies. We set out in the table below a summary of the adjustments made to company payments:

Company	Taxes paid not reported (in MWK)
Terrastone Ltd (1)	78,663,898
RAKGAS MB45 (2)	5,481,530
Cpl-mchenga Coal Mines Ltd	3,469,574
Optichem 2000 (malawi) Ltd	2,217,688
Mota Engil Minerals and Mining (MW) Ltd	1,772,707
Cement Products (MW) Ltd	1,050,000
Total adjustments	92,655,397

- (1) Terrastone Contraction Ltd did not report the following payments in its original reporting template:

Tax	Amount (in MWK)
2.3- Income tax paid	73,000,000
1.1- Royalties paid	4,995,045
1.2- Annual Charges / Ground rent	441,041
2.6- Fringe Benefits Tax	227,812
Total adjustments	78,663,898

- (2) RAKGAS MB45 did not report the following payments in its original reporting template:

Tax	Amount (in MWK)
2.2- Pay As You Earn "PAYE"	4,601,464
2.4- Withholding tax on payments	880,066
Total adjustments	5,481,530

(c) Taxes paid reported but falling outside the period covered

These are payments were reported, but fall outside the reconciliation period, i.e. before 1 July 2015 or after 30 June 2016. We set out in the table below details of the adjustments made to company payments:

Company	Tax payments falling outside the period covered (in MWK)
Zalewa Agriculture Lime Co (1)	(11,996,452)
Mota Engil Minerals and Mining (MW) Ltd (2)	(8,733,167)
RAKGAS MB45 (3)	(6,594,857)
Master Stone Breakers	(5,176,000)
Terrastone Ltd	(212,510)
Total	(32,712,986)

- (1) Zalewa Agriculture Lime Co (ZALCO) reported the following payments in its original reporting template:

Tax	Amount (in MWK)
2.3- Income tax paid	(10,437,338)
2.6- Fringe Benefits Tax	(686,094)
2.4- Withholding tax on payments	(437,398)
2.1- Pay As You Earn "PAYE"	(435,622)
Total adjustments	(11,996,452)

- (2) Mota Engil Minerals and Mining (MW) Ltd reported the following payments in its original reporting template:

Tax	Amount (in MWK)
1.1- Royalties paid	(8,670,667)
1.2- Annual Charges / Ground rent	(62,500)
Total adjustments	(8,733,167)

(3) RAKGAS MB45 reported the following payments in its original reporting template:

Tax	Amount (in MWK)
2.2- Pay As You Earn "PAYE"	(5,237,357)
2.4- Withholding tax on payments	(1,357,500)
Total adjustments	(6,594,857)

5.2.2. Adjustments to Government Entity templates

The adjustments were carried out on the basis of confirmations received from extractive companies or from Government Entities and supported by flag receipts wherever deemed appropriate. These adjustments are detailed as follows:

Adjustments to Government payments	Total Amount (in MWK)
Taxes related to activities other than extractive (a)	(8,938,470,972)
Taxes reported incorrectly (b)	(2,850,104,946)
Taxes received but not reported (c)	174,708,464
Taxes reported but falling outside the period covered	(40,146,038)
Tax received reported but outside the reconciliation scope	(2,591,430)
Taxes received under another identification number	(2)
Total deducted from amounts originally reported	(11,656,604,924)

(a) Taxes related to activities other than extractive

These relate to instances where companies reported that some of their activities are other than extractive. Therefore, all payments which are not specific to the extractive industries have been adjusted:

Revenue stream	Government Entity	Amount (in MWK)
2.7 Customs duty / Excise Tax	MRA	(3,306,993,451)
2.1 Value Add Tax (VAT)	MRA	(1,706,429,898)
2.2 Pay As You Earn "PAYE"	MRA	(1,480,580,658)
2.3 Income tax paid	MRA	(1,257,075,643)
2.4 Withholding tax on payments	MRA	(955,225,257)
2.5 Non-resident tax	MRA	(172,726,847)
2.6 Fringe Benefits Tax	MRA	(59,439,218)
Total		(8,938,470,972)

We set out in the table below details of the adjustments made by company:

Company	Taxes paid not reported (in MWK)
Mota Engil Minerals and Mining (MW) Ltd	(2,698,953,274)
Shayona Cement Co	(1,573,879,558)
Lafarge Cement Co Ltd	(2,436,033,942)
Cement Products (MW) Ltd	(1,112,804,352)
Terrastone Ltd	(439,235,530)
Cilcon Ltd	(146,955,055)
Optichem 2000 (malawi) Ltd	(227,689,265)
M.A Kharafi & Sons (*)	(97,805,779)
Malawi University Of Science And Technology	(205,114,217)
Total adjustments	(8,938,470,972)

The DoM confirmed that although M.A Kharafi & Sons held active licences during FY 2015/16, it did not carry out any extractive activities during that period.

(b) Amounts reported incorrectly

These are amounts which were reported incorrectly by MRA. We note that Customs Duties amounting to MKW 2,850,104,946 was included twice and we adjusted MRA's initial reporting templates.

(c) Taxes received but not reported

These are payment flows reported by extractive companies, but which were not reported by Government Entities. We set out in the table below a summary of the adjustments made to the Government Entities' initial reporting templates:

Revenue stream	Government Entity	Amount (in MWK)
2.2 Pay As You Earn 'PAYE'	MRA	106,695,131
2.3 Income tax paid	MRA	49,374,335
2.4 Withholding tax on payments	MRA	10,424,389
2.6 Fringe Benefits Tax	MRA	4,410,640
2.5 Non-resident tax	MRA	3,380,432
1.1 Royalties paid	DoM	423,537
Total		174,708,464

After reviewing details of revenues sent by Government Entities, we noted that the amounts originally recorded in the reporting templates were incorrect. Several taxes were under-reported. We therefore adjusted payments based on confirmations from the companies and/or reviewed of the supporting documents.

5.3. Unreconciled discrepancies

Following our adjustments, the total unreconciled discrepancies amounted to MWK (99,207,571) representing 6% of reconciled revenues. This is the sum of positive differences of MWK 9,592,903 and negative differences amounting to MWK (108,800,474). These unreconciled differences can be analysed as follows:

	Differences (in MWK)
Reporting templates not submitted by the extractive company (a)	(68,045,121)
Taxes not reported by the extractive company (b)	(40,488,091)
Taxes not reported by the Government Entity (c)	7,573,727
Missing extractive company details from receipt numbers	1,566,000
Detail of payments could not be used	453,176
Immaterial differences	(267,262)
Total	(99,207,571)

(a) Reporting templates not submitted by extractive companies

This unreconciled difference is a result of three (3) companies failing to submit their reporting templates. The payment flows reported by Government Entities in respect of these companies amounted to MWK (68,045,121) representing 4% of the reconciled revenues reported by Government Entities as listed below:

Company	Amount (in MWK)
Kaziwiziwi Mining Co	(68,045,121)
M.A Kharafi & Sons	0
Pamodzi Stone Mining (PSM) Investments	0
Total	(68,045,121)

(b) Taxes not reported by extractive companies

These differences relate mainly to taxes reported by DoM and MRA. In most cases, we were unable to confirm from the companies the existence of certain payments declared, given the lack of the receipt number of payments of custom duties, withholding taxes, excise tax and other material payments on imports declared by DoM and MRA. We present the breakdown of unreconciled differences by company in the table below:

	Amount (in MWK)
Zalewa Agriculture Lime Co	(20,431,700)
Master Stone Breakers	(10,454,801)
Cilcon Ltd	(7,629,325)
Optichem 2000 (malawi) Ltd	(1,350,857)
Mota Engil Minerals and Mining (MW) Ltd	(588,908)
Cpl-mchenga Coal Mines Ltd	(30,000)
Paladin (africa) Ltd	(2,500)
Total	(40,488,091)

We present in the table below a breakdown of unreconciled differences by tax:

Revenue Stream	Amount (in MWK)
1- Department of Mines (DoM)	(1,404,638)
1.2 Annual Charges / Ground rent	(1,362,150)
1.1 Royalties paid	(42,488)
2- Malawi Revenue Authority (MRA)	(39,083,453)
2.7 Customs duty / Excise Tax	(19,671,597)
2.3 Income tax paid	(14,784,358)
2.2 Pay As You Earn "PAYE"	(3,163,511)
2.6 Fringe Benefits Tax	(883,554)
2.4 Withholding tax on payments	(580,433)
Total	(40,488,091)

(c) Taxes not reported by Government Entities

These differences relate mainly to Pay As You Earn 'PAYE' and Withholding taxes on payments reported by companies and not confirmed by MRA. We present in the table below a breakdown of unreconciled differences by tax:

Revenue Stream	Amount (in MWK)
1- Department of Mines (DoM)	1,771,950
1.1 Royalties paid	1,496,755
1.2 Annual Charges / Ground rent	275,195
2- Malawi Revenue Authority (MRA)	5,801,777
2.1 Value Add Tax (VAT)	1,997,146
2.3 Income tax paid	1,864,553
2.2 Pay As You Earn 'PAYE'	1,664,711
2.4 Withholding tax on payments	126,706
2.7 Customs duty / Excise Tax	124,388
2.6 Fringe Benefits Tax	24,273
Total	7,573,727

We set out in the table below details of the unreconciled differences by company:

Amounts in MWK

Company	Unreconciled difference	Reasons for differences					
		Reporting template not submitted by the extractive company	Missing extractive company detail per receipt number	Tax not reported by the extractive company	Tax not reported by the Government Entity	Detail of expenditure could not be used	Not material difference
Kaziwiziwi Mining Co	(68,045,121)	(68,045,121)	-	-	-	-	-
Zalewa Agriculture Lime Co	(18,437,667)	-	-	(20,431,700)	1,997,146	-	(3,113)
Master Stone Breakers	(8,439,302)	-	1,566,000	(10,454,801)	-	466,788	(17,289)
Cilcon Ltd	(6,097,570)	-	-	(7,629,325)	1,531,755	-	-
Sovereign Services Ltd	1,659,462	-	-	-	1,673,074	(13,612)	-
Mota Engil Minerals and Mining (MW) Ltd	(745,603)	-	-	(588,908)	90,195	-	(246,890)
Optichem 2000 (malawi) Ltd	780,700	-	-	(1,350,857)	2,131,557	-	-
Lafarge Cement Co Ltd	150,000	-	-	-	150,000	-	-
Cpl-mchenga Coal Mines Ltd	(29,973)	-	-	(30,000)	-	-	27
Paladin (Africa) Ltd	(2,500)	-	-	(2,500)	-	-	-
Terrastone Ltd	3	-	-	-	-	-	3
Total	(99,207,571)	(68,045,121)	1,566,000	(40,488,091)	7,573,727	453,176	(267,262)

We set out in the table below details of unreconciled amounts by type of payment:

Amounts in MWK

No.	Revenue Stream	Unreconciled difference	Reasons for differences					
			Reporting template not submitted by the extractive company	Missing extractive company detail per receipt number	Tax not reported by the extractive company	Tax not reported by the Government Entity	Detail of expenditure could not be used	Not material difference
1-	Department of Mines (DoM)	(2,503,008)	(4,433,237)	1,566,000	(1,404,638)	1,771,950	-	(3,083)
1.1	Royalties paid	(1,296,053)	(4,313,237)	1,566,000	(42,488)	1,496,755	-	(3,083)
1.2	Annual Charges / Ground rent	(1,206,955)	(120,000)	-	(1,362,150)	275,195	-	-
2-	Malawi Revenue Authority (MRA)	(96,704,563)	(63,611,884)	-	(39,083,453)	5,801,777	453,176	(264,179)
2.1	Value Add Tax (VAT)	(31,153,479)	(33,370,523)	-	-	1,997,146	466,788	(246,890)
2.2	Pay As You Earn 'PAYE'	(30,870,781)	(29,354,692)	-	(3,163,511)	1,664,711	-	(17,289)
2.7	Customs duty / Excise Tax	(20,433,878)	(886,669)	-	(19,671,597)	124,388	-	-
2.3	Income tax paid	(12,919,805)	-	-	(14,784,358)	1,864,553	-	-
2.6	Fringe Benefits Tax	(872,893)	-	-	(883,554)	24,273	(13,612)	-
2.4	Withholding tax on payments	(453,727)	-	-	(580,433)	126,706	-	-
	Total	(99,207,571)	(68,045,121)	1,566,000	(40,488,091)	7,573,727	453,176	(267,262)

6. ANALYSIS OF REPORTED DATA

6.1. Analysis of extractive revenues

This section summarises the total revenues reconciled, unilateral disclosure of revenues by company and unilateral disclosure of revenues by Government Entities.

In MWK

Government Agency	Reconciled figures (a)	Unilateral disclosure (b)	Reported revenue (c) = (a)+(b)	Total revenue by Sector			
				Oil & Gas Sector	Mining Sector	Forestry Sector	Transport Sector
Malawi Revenue Authority (MRA)	1,371,063,042	2,339,419,711	3,710,482,753	131,064,465	1,301,048,122	1,664,071,784	614,298,382
Department of Forestry (DoF)	-	907,430,562	907,430,562	-	-	907,430,562	-
Ministry of Transport and Public Works (MoTPW)	-	336,715,112	336,715,112	-	-	-	336,715,112
Department of Mines (DoM)	173,256,476	98,887,855	272,144,331	10,219,000	261,925,330	-	-
Social Contribution (SC)	-	119,722,192	119,722,192	69,885,278	49,836,914	-	-
Total	1,544,319,518	3,802,175,432	5,346,494,950	211,168,743	1,612,810,366	2,571,502,346	951,013,494

Source: EITI Reporting Templates

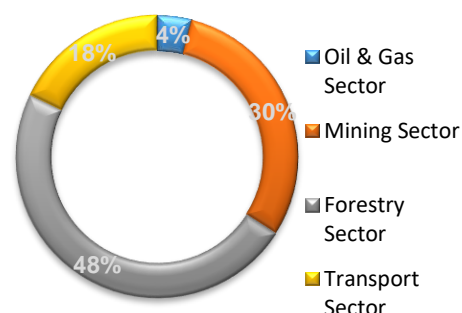
6.1.1. Analysis of payments by sector's contribution

The analysis of Government revenues by sector contribution indicates that the **forestry sector** contributed 48% of the total extractive sector revenues during the FY 2015/16. The table below presents the contribution of each sector:

Figure 4: Contribution by Sector

Sector	Reported revenue (MWK)	% of total payment
Forestry Sector	2,571,502,346	48%
Mining Sector (*)	1,612,810,366	30%
Transport Sector	951,013,494	18%
Oil & Gas Sector (*)	211,168,743	4%
Total extractive sector revenue	5,346,494,950	100%

Source: EITI Reporting Templates



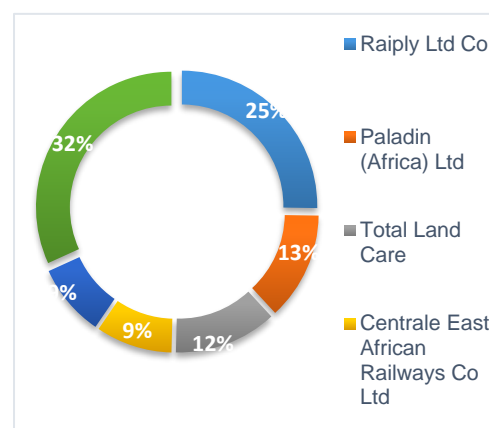
(*) all revenues streams are detailed in Annex 13

6.1.2. Analysis of payments by companies' contribution

The analysis of Government revenues by company indicates that 5 companies contributed approximately to 68% of the total extractive sector revenue during the FY 2015/16. Raiply Malawi Ltd and Paladin Africa Ltd account for almost 25% and 13% of the country's extractive revenues respectively.

Figure 5: Top five companies' contribution

Company	Sector	Reported revenue (MWK)	% of total payment
Raiply Ltd Co	Forestry	1,349,284,326	25%
Paladin (Africa) Ltd	Mining	688,422,747	13%
Total Land Care	Forestry	657,219,291	12%
Central East African Railways Co Ltd	Transport	487,779,542	9%
Vale Logistics	Transport	463,233,952	9%
Others	Others	1,700,555,091	32%
Total extractive sector revenue		5,346,494,950	100%



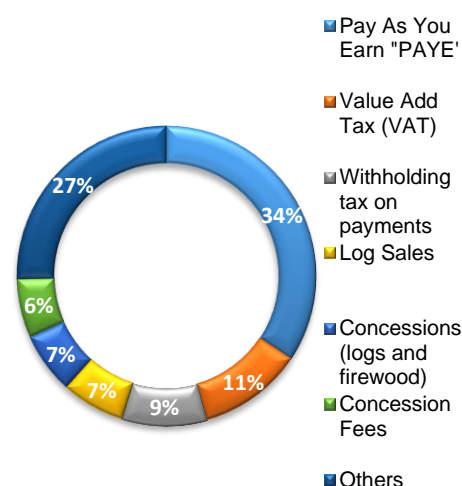
Source: EITI Reporting Templates

6.1.3. Analysis by payment stream

The analysis of payment flows by contribution shows that the top six taxes represent 73% of the total extractive sector revenue during the FY 2015/16. We also note that Pay As You Earn "PAYE" accounts for 34% and VAT accounts for 11% of the taxes.

Figure 6: Top five payment flows

Payment stream	Reported revenue (MWK)	% of total payment
Pay As You Earn "PAYE"	1,804,789,402	34%
Value Add Tax (VAT)	593,519,432	11%
Withholding tax on payments	483,276,679	9%
Log Sales	357,345,386	7%
Concessions (logs and firewood)	347,883,518	7%
Concession Fees	336,715,113	6%
Others	1,422,965,420	27%
Total extractive sector revenue	5,346,494,950	100%



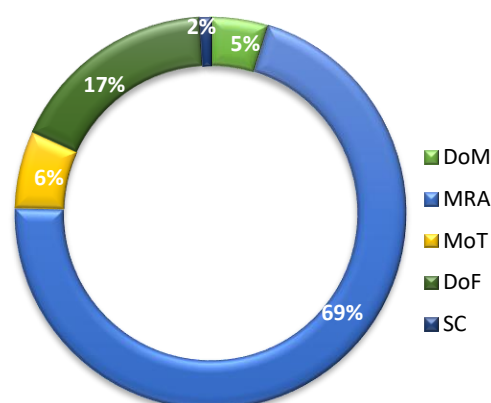
Source: EITI Reporting Templates

6.1.4. Analysis of revenues by Government Entity

During the financial year 2015/16, MRA collected the largest amount of taxes, followed by the Department of Forestry as shown in the table below:

Figure 7: Government Entities' contribution

Government Entity	Reported revenue (MWK)	% of total payment
MRA	3,710,482,753	69%
DoF	907,430,562	17%
MoTPW	336,715,112	6%
DoM	272,144,331	5%
SC	119,722,192	2%
Total extractive sector revenue	5,346,494,950	100%



Source: EITI Reporting Templates

6.2. Unilateral disclosure of revenue streams

In accordance with EITI Requirement 4.1.d, Government Entities have unilaterally disclosed revenue streams collected from companies that have not been included within the reconciliation scope. Extractive companies have also unilaterally disclosed social contributions paid to third parties in accordance with EITI Requirement 6.1.a.

These unilateral disclosures are summarised as follows:

Government Entity	Declared Government revenue (a)	Reconciled figures (b)	Unilateral disclosure (c) = (a)-(b)	Unilateral disclosure by Sector			
				Oil & Gas Sector	Mining Sector	Forestry Sector	Transport Sector
Malawi Revenue Authority (MRA)	3,710,482,753	1,371,063,042	2,339,419,711	986,490	60,063,055	1,664,071,784	614,298,382
Department of Forestry (DoF)	907,430,562	-	907,430,562	-	-	907,430,562	-
Ministry of Transport and Public Works (MoTPW)	336,715,112	-	336,715,112	-	-	-	336,715,112
Department of Mines (DoM)	272,144,331	173,256,476	98,887,855	-	98,887,855	-	-
Social Contribution (SC)	119,722,192	-	119,722,192	69,885,278	49,836,914	-	-
Total	5,346,494,950	1,544,319,518	3,802,175,432	70,871,768	208,787,824	2,571,502,346	951,013,494

Source: EITI Reporting Templates

6.2.1. Unilateral disclosure by Government Entities

Mining Sector

Unilateral disclosures by the Department of Mines and MRA covering the mining sector is summarised as follows:

Government Entity	DoM	MRA
Unilateral disclosure by Government Entities for receipts from companies within the reconciliation scope	1,533,500	
Unilateral disclosure by Government Entities for receipts from companies not retained in the reconciliation scope (*)	97,354,355	60,063,055
Total unilateral disclosure by Government Entities	98,887,855	60,063,055

Source: EITI Reporting Templates

(*) Details are set out in Annex 7 of this report.

Oil and gas Sector

Unilateral disclosures by MRA for Pacific Oil and Gas Ltd amount to MWK 986,490.

Forestry Sector

Unilateral disclosure by the Department of Forestry and by MRA are detailed as follows:

Government Entity	Type of tax	Amount (MWK)
MRA	Pay As You Earn 'PAYE'	762,395,738
MRA	Value Add Tax (VAT)	306,334,023
MRA	Income Tax paid	302,341,325
MRA	Withholding tax on payments	145,632,929
MRA	Non-resident tax	103,729,406
MRA	Dividend Tax	30,000,000
MRA	Fringe Benefits Tax	13,624,575
MRA	Other payments	13,788
Total MRA (a)		1,664,071,784
DoF	Log Sales	357,345,386
DoF	Concessions (logs and firewood)	347,883,518
DoF	Sale of Firewood	70,675,348
DoF	Licence Fees	51,520,720
DoF	Royalties on Forestry Produce	35,946,916
DoF	Phytosanitary Certificates	18,370,569
DoF	Misc. Fees	16,989,909
DoF	Rent MG Houses	4,594,515
DoF	Forest Seed Sales	2,554,571
DoF	Course Fees	483,500
DoF	Acc & Hall Hire	389,050
DoF	Sale of Farm Produce	385,560
DoF	Rest house Fees	291,000
Total DoF (b)		907,430,562
Total forestry sector (c) = (a) + (b)		2,571,502,346

Source: Department of Forestry and Malawi Revenue Authority

Detail of payments by Government Entity and by tax payer are set out in Annex 11 of this report.

Transport Sector

Unilateral disclosures by the Ministry of Transport and Public Works (MoTPW) and MRA covering the transport sector amount to MWK 336,715,113 and MWK 614,298,381 (total MWK 951,013,494).

Government Entity	Type of tax	Amount (MWK)
MRA	Pay As You Earn "PAYE"	368,638,122
MRA	Withholding tax on payments	194,648,475
MRA	Fringe Benefits Tax	32,930,901
MRA	Customs duty	15,572,327
MRA	Domestic Excise	2,508,555
Total MRA (a)		614,298,381
MoTPW	Concession Fees	336,715,113
Total MoTPW (b)		336,715,113
Total Transport sector (c) = (a) + (b)		951,013,494

Source: Ministry of Transport and Public Works (MoTPW) and Malawi Revenue Authority

6.2.2. Social payments unilaterally disclosed by companies

Social payments consist of all contributions made by extractive companies to promote local development and to finance social projects in line with EITI Requirement 6.1. This Requirement encourages multi stakeholder groups to apply a high standard of transparency to social payments and transfers, the parties involved in the transactions and the materiality of these payments and transfers to other benefit streams, including the recognition that these payments may be reported even though it is not possible to reconcile them.

Social contributions reported by companies are detailed in the table below:

Company	Figures as reported by companies	Adjustments ^(*)	Total social Contributions (in MWK)	Payment in kind	Total social payments
RAKGAS MB45				69,885,278	69,885,278
Paladin (Africa) Ltd	-	46,751,708	46,751,708	-	46,751,708
Terrastone Ltd	-	839,392	839,392	-	839,392
Optichem 2000 (malawi) Ltd	1,488,450	(1,458,681)	29,769	-	29,769
Zalewa Agriculture Lime Co	2,216,045	-	2,216,045	-	2,216,045
Total	3,704,495	46,132,419	49,836,914	69,885,278	119,722,192

Source: EITI Reporting Templates

(*) Payments declared by companies do not relate to extractive activities as detailed in Section 5.2.2(a) of this report.

Details of social contribution in cash totalling MWK 49,836,914 declared by the extractives companies are presented in Annex 12 of this report.

Additionally, RAKGAS MB45 declared voluntary social contributions in kind amounting to MWK 69,885,278 to upkeep of Malawian students studying in UAE.

6.3. Analysis of production data

Extractive Companies were requested to disclose total production volumes and the value of production by commodity in accordance with EITI Requirement 3.2. These production data as declared by DoM have been considered when company data were not available. Details of production are set out in the table below:

Companies	License Number	Mineral Type	2015/16		Source
			Quantity (Tons)	Value of the production in MWK	
Terrastone Ltd	002/97	Rock Aggregate	132,114	925,687,321	(*)
	006/2005	Rock Aggregate	17,105	118,850,094	(*)
	0134/2005	Rock Aggregate	89,682	650,237,172	(*)
Zalewa Agriculture Lime Co (b)	0075/99	Limestone	20,679	598,972,368	(*)
Cpl-mchenga Coal Mines Ltd	ML0164/08R	Coal	15,488	557,905,317	(*)
Kaziwiziwi Mining Co	ML0118	Coal	15,488	557,905,317	(**)
Mota Engil Minerals and Mining (MW) Ltd	ML0194/11R	Rock Aggregate	82,852	357,374,914	(*)
Zunguziwa Quarry Ltd	ML0161	Rock Aggregate	1,868	119,194,727	(**)
Optichem 2000 (malawi) Ltd	ML0172/08	Phosphate Rock	6,456	114,027,815	(*)
Malcoal Mining Ltd	ML1432/2005	Coal	3,037	69,398,649	(*)
Master Stone Breakers	ML0003	Rock Aggregate	29,900	59,800,000	(*)
Cilcon Ltd	ML082/10R	Rock Aggregate	4,634	33,595,920	(*)
Shayona Cement Co	ML0130	Iron ore	3,329	8,462,246	(*)
	ML0046	Limestone	128,657	643,285	(*)
Total			551,289	4,172,055,146	

Source: EITI Reporting Templates

(*) From the companies

(**) From DoM

6.4. Analysis of exports data

Exports data reported by companies or by DoM (where the data was not provided by the companies) are set out in the table below:

Company	Solid Minerals Type	Quantity (Tons)	FOB Value (MWK)	Source
Cpl-mchenga Coal Mines Ltd	Duff Coal	4,324.09	66,319,841	(*)
Zalewa Agriculture Lime Co	Agriculture Lime and Calcitic Lime	2,254.00	33,021,000	(*)
Nyala Mines Ltd	Rough Corundum	0.02	11,500,000	(**)
Mota Engil Minerals and Mining (MW) Ltd	Soil, Rock and Sand samples	14.00	840,750	(***)
Globe Metals & Mining Exploration Ltd	Rock samples	0.96	300,000	(***)
	Soil samples	0.05	10,000	(***)
Sovereign Services Ltd	Metallurgical Ore	0.11	20,000	(**)
	Rock Chip Samples	0.33	80,000	(**)
Paladin (Africa) Ltd	Arkose, Rock samples and Mudstone	0.10	60,000	(***)
Total extractive sector			112,151,591	

Source: EITI Reporting

(*) From the companies

(**) From DoM

(***) DoM reported that these values are for samples only

Details of exports data declared by reporting entities are presented in Annex 5 of this report.

6.5. Infrastructure provisions and barter arrangements

None of the companies included in the reconciliation scope reported expenses under infrastructure provisions or barter arrangements in their reporting template.

None of the Government Entities reported loans or loan guarantees granted to extractive companies.

7. RECOMMENDATIONS

In order to improve the EITI process in Malawi, we recommend additional measures to be implemented as presented below.

7.1. Mainstreaming EITI disclosure

In accordance with EITI 4.9.c, “where the assessment in 4.9(a) concludes that there is (i) routine disclosure of the data required by the EITI Standard in requisite detail, and (ii) that the financial data is subject to credible, independent audit, applying international standards, the multi-stakeholder group may seek Board approval to mainstream EITI implementation in accordance with the ‘Agreed upon procedure for mainstreamed disclosures.

The government currently produces an Annual Economic Report (AER) for each calendar year systematically. The AER covers the main sectors generating wealth to the country’s economy and summarises data on the major changes in these sectors, the main projects, data on production, exports and contribution to the economy. However, data presented on the AER are not subject to credible, independent audits, applying international standards. As a result, data included in the AER may present material mistakes due to the lack of thorough review and assurance process.

Additionally, the AER does not include information about receipts and revenues collected by Government Entities involved in the extractive industry in the country such as collections of MRA, DoM and DoF.

Furthermore, the Department of Mines is currently using a cadastral system which is publicly accessible online. However, contextual information on the extractive industry, data on revenues collected and budget allocation as required by the EITI standard, are not yet subject to electronic publication in the form of interactive open data.

In order to improve transparency in Malawi and make it an integral feature of the country’s governance and management systems, we recommend that MSG develops a work plan for mainstreaming and the creation of open data for EITI into government systems. Such work plan may include:

- *improving the cadastral system by salient details such as shareholders and information about the beneficial owners of the company;*
- *a detailed description of the bidding process by highlighting the technical and financial criterias;*
- *studying the feasibility of implementation of mainstreaming EITI data in order to identify any technical or legal obstacles;*
- *upgrading the existing management information systems of the Government Entities involved in the MWEITI process (i.e. DoM, DoF, MRA, MoF, MoTPW) in order to allow systematic publication of EITI data required to be published in the EITI report;*
- *capacity building and raising awareness of government officials on mainstreaming open data concept; and*
- *developing/updating of procedures manual of relevant Government Entities to put processes in place to ensure timeliness, quality of data, reuse and cost effectiveness of the systems.*

7.2. Reporting at project level

EITI Requirement 4.7 requires reporting of EITI data at project level in certain circumstances.

The MWEITI Report does not contain this level of disaggregation because Government Entities do not allocate revenue streams between projects.

We note that the accounting system of the Department of Mines is not integrated with its technical division. As a result, all receipts are issued and recorded without disaggregation at project level.

Furthermore, data on exports maintained at technical division level of DoM are not necessarily allocated to the relevant project.

Similarly, MRA maintains exports and revenues data allocated by TPIN rather than disaggregated at project level.

We recommend that Government Entities assess how to disaggregate revenue streams between projects wherever possible, in order to report these revenue streams at project level by:

- *upgrading the information systems of the Department of Mines and MRA in order to include the relevant modules for reporting exports data, revenue collections, and production data at project level. Revenue streams that are levied on a project level include all payments to Department of Mines and may also include VAT, PAYE made to MRA; and*
- *reviewing the tax declaration processes and forms to be submitted by companies for both MRA and the Department of Mines in order include information about disaggregation and reporting at project level wherever applicable.*

7.3. Accuracy of export data

EITI Requirement 3.3 refers to the disclosure of export data for the fiscal year covered by the EITI Report, including total export volumes and the value of exports by commodity, and when relevant, by state/region of origin.

However, DoM's records on exports by licence holder is different from MRA's records in some cases as detailed below.

N°	Companies	Solid Minerals Types	Declared by MRA		Declared by DoM		Difference Quantity (Ton)	Difference Value (MWK)
			Quantity (Tons)	FOB Value (MWK)	Quantity (Tons)	FOB Value (MWK)		
1	Mota Engil Minerals and Mining (MW) Ltd	Soil, Rock and Sand samples	11.75	840,000.00	14.00	840,750	2	750
2	Cpl-mchenga Coal Mines Ltd	OTHER COAL, NOT AGGLOMERATED	4,659.00	76,872,016	1,440.00	18,381,081	(3,219)	(58,490,935)
3	Globe Metals & Mining Exploration Ltd	Rock samples			0.96	300,000	(0.3)	95,232
		Soil samples			0.05	10,000		
		OTHER MINERALS	0.01	14,767.52				
		EXCL. STRUNG	0.43	120,000.00				
		PRECIOUS OR SEMI-PRECIOUS	0.26	80,000.00				
Total			4,671	77,926,783	1,455	19,531,831	(3,217)	(58,599,720)

Similarly, total export volumes and the value of exports by commodity as per DoM's records may be different from the company's records as per the following case:

N°	Companies	Solid Minerals Types	Declared by Company		Declared by DoM		Difference Quantity (Ton)	Difference Value (MWK)
			Quantity (Tons)	FOB Value	Quantity (Tons)	FOB Value		
1	Cpl-mchenga Coal Mines Ltd	Duff Coal	4,324.09	66,319,841	1440.00	18,381,081	2,884	47,938,760.

We understand that the export data provided by DoM are based on declarations submitted by Mining companies for each export transaction and that DoM does not necessarily crosscheck these data with MRA's records.

We recommend that DoM develops procedures to ensure the completeness of the export data reported by mining companies and implements a computerised system to monitor and update this data. This may include obtaining MRA's data on exports on a monthly basis in order to update DoM's cadastral system.

7.4. Accuracy of statistics published

The Annual Economic Report (AER) is prepared by MoF in collaboration with several Government Entities including the National Statistical Office and it covers major sectors of the country including forestry, transport, mining and quarrying sectors. Several statistical data on Malawi's economy are published in the AER. These statistics include important contextual data such as production data, exports, employment statistics, new projects and investments.

Employment statistics

The 2017 AER presents statistics on employment in the formal mining and quarrying sector for 2015 and 2016. We understand however that the last national labour force survey conducted so far by NSO back to 2013. The AER mentions that employment data were obtained from DoM while the latter was not able to provide a comprehensive database of companies' monthly declarations for production and employment records. As a result, the accuracy and reliability of the employment statistics published are questionable.

Export data

Data on exports of the mining and quarrying sector present significant differences depending on their source. We note that exports of minerals estimated by the AER amount to MWK 1,449 million while these amounts to MWK 6,400 million in accordance with NSO. Similarly, MRA records show MWK 78 million for mineral exports while the amounts disclosed in the reporting templates of DoM and companies show MWK 112 million as detailed in Section 3.2.16 of this report. These discrepancies can be summarised as follows:

Source	2015/16 FY (MWK million)			
	AER	MRA	Reporting entities	NSO
Exports out of the Mining and Quarrying Sector	1,449	78	112	6,400
c		-1,371	34	6,288
Variances (%)		-95%	44%	5614%

Source: Section 3.2.16 of this report

Such material differences from one source to another may put a doubt on the export data published.

Production data

The AER publishes production data out the mining and quarrying sector. These data show material and unexplained variation from one year to another as detailed below:

	(MWK million)		
	2014	2015	2016
Production out of the Mining & Quarrying Sector	16,479	3,111	17,079
Discrepancies		-13,368	13,968
Variances (%)		-81%	449%

Source: AER 2016 / AER 2017 as detailed in Section 3.2.3 of this report

Additionally, AER's production data is also significantly different from the production declared by reporting entities as summarised below:

Mineral	Annual Economic Reports				EITI Reporting		Variation	
	2015		2016		2015/16		AER 2016 / EITI Reporting 2015/16	
	Quantity (tonnes)	Value (MWK Million)	Quantity (tonnes)	Value (MWK Million)	Quantity (tonnes)	Value (MWK Million)	Quantity (tonnes)	Value (MWK Million)
Rock Aggregate	1,158,742	1,566	1,990,000	3,309	403,961	1,908	1,586,039	1,401
Coal	58,774	791	43,338	639	26,903	757	16,435	-118
Agricultural Lime	33,158	433	38,278	500	139,618	600	-101,340	-100
Phosphate	12,400	205	2,500	12,400	6,456	114	-3,956	12,286
Other	136	116	1,300	231	-	-	-	-
Total		3,111		17,079		3,378		13,470

Source: AER 2016 / AER 2017 as detailed in Section 3.2.3 of this report, and EITI reporting templates as detailed in Section 6.3 of this report

Such significant variances may be the results of reporting mistakes in the preparation of the annual economic report.

In order to ensure that statistics published are accurate and reliable, we recommend to:

- ensure that relevant national surveys are conducted regularly. For instance, national labour force surveys to be conducted every 5 years at a minimum;
- NSO may need to consult both DoM and MRA about exports data in order to conduct reliable analysis and to provide accurate data with their approvals;
- MRA may need to upgrade its system in order to allow systematic updates to exports data by sector. Such system shall allow the allocation of each product exported to the relevant sector through a codification system of exported items;
- DoM shall ensure that it collects all relevant data on exports from MRA and/or companies before populating the AER statistics; and
- DoM shall ensure an adequate reviewing process of its reports before submitting it for the AER preparation. Additionally, DoM shall ensure that all production data are being collected comprehensively from all companies operating in the mining and quarrying sector.

7.5. Electronic publication of contracts/agreements for transportation and forestry sector

Requirement 2.4 (a) of the 2016 EITI Standard states that Implementing countries are encouraged to publicly disclose contracts and licences that provide the terms attached to the exploitation of oil, gas and minerals.

As detailed in Section 3.4.8 of this report, both of the legal framework and the existing agreements entered into by DoF and operators in the forestry sector do not contain a confidentiality clause which prevents the public disclosure of the terms of these contracts.

Similarly, the transport legislation and concession agreements signed between the government and Vale Logistics Ltd and CEAR respectively do not bear any confidentiality restrictions.

However, we note that:

- there is no model agreement which provides the standard terms attached to the management of forests and plantations; and
- agreements signed by DoF with private entities operating in the forestry sector and those signed by the government with the concessionaires under the Nacala Railway project, are not published electronically.

We recommend that the MWEITI MSG considers working on a roadmap to publish all contracts/agreements in the forestry sector and concession agreements. This roadmap may include the following:

- *an action plan setting out how the electronic publication of contracts must be performed;*
- *the steps required for all petroleum contracts to be published electronically and how to make these accessible to the public;*
- *review of the institutional or practical barriers that may be prevent such electronic publication.*

7.6. Accelerate updating the act and the policy that regulates the oil and gas sector

The Malawian upstream oil and gas sector is governed by the Petroleum Exploration and Production Act (1983) (PEPA) and the Environmental Management Act of 1996. A Petroleum Policy as well as a model Production Sharing Agreement are still being drafted and the Government of Malawi is currently reviewing the Petroleum Exploration and Production Act (PEPA).

All exploration activities were suspended from November 2014 to February 2016. The suspension aimed at reviewing the process of awarding licences and PSAs in place. Reforms of the PEPA and policy have also been launched simultaneously with the preparation of a PSA model under existing local legislations.

However, to date, the reforms of the petroleum Exploration and Production Act are still in progress, the petroleum policy is still being drafted and model of the Production Sharing Agreement is still not available. This situation does not allow a favourable investing environment for petroleum companies to carry out intensive exploration activities as required by their respective PSA's.

In order to promote a favourable legal environment for investment and in a bid to boost the confidence of private operators in the country, we recommend the MSG to follow up with MNREM on:

- *how to accelerate the reform of the petroleum legislation and how to address any technical barriers delaying the process; and*
- *finalising the production sharing agreements.*

7.7. Publishing revenue allocations of separate funds

Requirement 5.1.a of the 2016 EITI standard states that *“Implementing countries should indicate which extractive industry revenues, whether cash or in kind, are recorded in the national budget. Where revenues are not recorded in the national budget, the allocation of these revenues must be explained, with links provided to relevant financial reports as applicable (e.g., sovereign wealth and development funds, subnational governments, state-owned enterprises, and other extra-budgetary entities)”*.

According to the Third Schedule of the Petroleum (Prescribed Fees and Annual Charges) Regulations, the petroleum companies shall contribute with training fees at USD 50,000 for exploration licence per annum per block and at USD 150,000 per annum per block for production licence.

Training fees from oil and gas companies are not recorded in the national budget but directly paid to the Petroleum Training Fund account as detailed in Section 3.7.3 of this report. Similarly, concession fees are transferred directly to a separate Road Administration Fund. However, the allocations of these revenues are not published.

We recommend that revenues recorded outside the national budget are explained and disclosed. These can be disclosed as part of the EITI process as decided by the MSG or as a systematic disclosure on the audit report of the Auditor General. The disclosure of these data for the fiscal year covered by the EITI report must include:

- *the total amount of revenues collected such as the training fees from petroleum companies and concession fees from concessionaires;*
- *an explanation of the allocation of these revenues and any allocation formula applied; and*
- *a reference or link to the location where these are published.*

7.8. Centralising a cadastre system for the forestry sector

The EITI Standard requires implementing countries to maintain a publicly available register or cadastral system including comprehensive information regarding each of the licences pertaining to companies covered in the EITI Report. This register should cover the following information:

- i. licence holder(s);
- ii. coordinates of the licence area;
- iii. date of application, date of award and duration of the licence; and
- iv. in the case of production licences, the commodity being produced.

One third of Malawi's land area is classified as forest including protected areas, national parks, government and private plantations, and natural and planted forests on customary land. However, different surveys indicate significant differences in forest cover estimates as rate of deforestation. Despite the importance of the green areas and their contribution to Malawi's economy¹, it is noted that the Department of Forestry does not have a national land cadastre detailing all of licences/agreements in the country which identify land cover classification.

The Department of Forestry has an indicative map including approximative coordinates of the land areas covered by the licences/concession as detailed in Annex 2 of this report. The map does not include information required to be included in a cadastre such as the type of licence, the precise coordinates of the logging areas, the date of application, the duration of the concession, the commodities produced. Furthermore, the indicative map has not been made accessible electronically by the public.

This situation does not allow the development of a global strategy, proper control over the land use, prevention of the natural risks and sustainable development.

We recommend that the Department of Forestry takes all necessary steps in order to set-up a forestry cadastre system that is able to integrate all the data to ensure a transparent and efficient management of the forestry licences and green lands of the country. This may include the following steps:

- *summarising all the agreements/licenced coordinates in a single national map;*
- *gathering all relevant and most updated studies conducted so far and funded by different donors on Malawi's forestry sector, in order to update a national cadastre map with the most recent and actual land specifications;*
- *upgrade the information system in order to include all cadastral information as open data/interactive map;*
- *ensure that all export permits and licences are centralised on the integrated information system;*

¹ Forest Landscape Restoration Opportunities Assessment for Malawi, the Ministry of Natural Resources, Energy and Mining, June 2017

- ensure that a minimum of all information on each licence/agreement required by the EITI standard are included; and
- make the cadastral system publicly available and online accessible.

7.9. Amendment of the fee amounts in the forestry sector

The Forestry Act has been gazetted in 1997 and the forestry rules have not been amended since December 2010. The amounts of the main fees raised from the amendment of the Forestry rules in 2010 range as follows:

- from MWK 2,000 to MWK 10,000 for export of forest produce; and
- from 2,000 to 50,000 for logging rights.

Given that these fees have not been updated since 2010, these do not seem to allow the Government to meet its obligations in terms of licence administration.

Additionally, we note that the inflation rate has significantly increased from 7.4%¹ in 2010 to 19.8%² in 2016. The fee amounts do not therefore seem to keep up with the current economic conditions of the country and do not seem to meet the current living standards.

In order to meet the actual economic opportunities and constraints, we recommend updating the schedules of the Forestry Rules.

Additionally, given the high annual inflation rate and that the amendment of the legislation that sets the fee amounts may take a substantial amount of time, we recommend amending the fee amounts in the forestry sector through a ministerial memorandum or an administrative decision that can be easily made on an annual basis. This may allow a more progressive increase in the fees over time.

7.10. Amendment of the fee amounts in the mining sector

The country still continues to use the Mines and Minerals Act of 1981 which is an outdated law. The main fees are amounting:

- from 5 to 10 per cent of exports or sales as royalties; and
- up to MWK 10,000 per Km² as ground rents; and

Additionally, we note that the inflation rate has significantly increased from 7.4%³ in 2010 to 19.8%⁴ in 2016. The fee amounts do not therefore seem to keep up with the current economic conditions of the country and do not seem to meet the current living standards.

We recommend reviewing the mineral royalties regularly in order to maintain realistic and competitive fees comparable to those applicable in other mining countries.

Additionally, given the high annual inflation rate and that the amendment of the legislation that sets the fee amounts may take a substantial amount of time, we recommend amending the fee amounts in the mining sector through a ministerial memorandum or an administrative decision that can be easily made on an annual basis. This may allow a more progressive increase in the fees over time.

7.11. Amendments to be made to the Governmental Entity PPP Contracts

¹ AER2010

² AER2016

³ AER2010

⁴ AER2016

Section 1.9.5 of the PPP Policy Statement provides that the PPPC shall take large responsibility in the procurement process: supervising a competitive bidding process to select the best private sector offer. Section 10.2.4 of the PPP Policy Statement provides that the Contracting Authority remain the landlord and signatory to the concession contract and shall therefore ensure that the performance standards laid down in the agreement are met by the private party.

Both concession agreements between the Government of Malawi and the companies (Vale Logistics Ltd and CEAR) under the Nacala Railway project are PPP contracts have been signed before the PPP Act came into force. The concession agreement between Vale Logistics Ltd and the Ministry of Transport and Public Works has been signed on 22 December 2011, one day before the PPPC Act came into force. The concession agreement between CEAR and PPPC was signed in December 1999 and amended in September 2013 and in January 2017.

Section 70 of the PPP Act (2011) provides that PPP arrangements shall have effect and be taken always to have had effect as if the PPP Act was in operation when the arrangement or agreement was entered into.

We recommend therefore that the concession agreement with CEAR to be amended and to be managed by the Ministry of Transport and Public Works in accordance with the provisions of the PPP Policy Statement and the PPP Act.

7.12. Capacity building for the Oil and Gas Division at DoM

Production Sharing Agreements signed between the Government and the oil and gas companies state in Article 17 that the contractor shall supply the Minister responsible for mining with monthly reports on, but not limited to, (i) drilling operations, (ii) production operations, and (iii) geophysical operations. These reports shall contain, in respect of the period which it covers:

- details of the petroleum operations carried out and the factual information obtained;
- a description of the area in which the contractor has operated;
- an account of the expenditure on petroleum operations in accordance with the accounting procedure;
- a map indicating all boreholes, wells and other petroleum operations; and
- details of the petroleum operations on expiry or termination of the PSA.

The current structure of the Oil and Gas Division at DoM lacks capacity and resources to conduct proper desk analysis of the technical reports submitted by companies and field verification to appreciate the accuracy and actual interpretation of the reports and surveys. Furthermore, the technical officers at the DoM do not seem to follow any continuous trainings to ensure independent and competent analysis when conducting field verification visits to the sites where oil and gas companies are operating from.

The lack of capacity of government structure does not allow suitable control of the companies' activities and to assess if these companies met their legal and contractual obligations.

We recommend that the structure of the Oil and Gas Division in the DoM to be reviewed in order to allow all technical officers within the Division to access relevant training and capacity building programs.

The training workshops can be conducted by hiring experienced and independent professionals for technical assistance.

7.13. MSG composition

EITI Requirement 1.4 states that *the government is required to commit to work with civil society and companies, and to establish a multi-stakeholder group where stakeholders are adequately represented by including but not necessarily limited to: the private sector; civil society.*

As per the Annual Activity Report 2015, the MSG members comprised the following participants during the 2015 fiscal year:

- two (2) members of the Ministry of Finance, Economic, Planning and Development;
- two (2) members of the Ministry of Natural Resources, Energy and Mining;
- two (2) members of the National Audit Office;
- two (2) members of the Reserve Bank of Malawi;
- eight (8) members from four mining companies; and
- eight (8) members from four civil society organisations.

We note that Malawi the Multi-Stakeholder Group does not include representatives from the oil and gas and forestry companies.

We recommend to re-assess the composition of the MSG in line with the EITI Standard and with regards to scope of sectors agreed to be part of the EITI implementation process. The MSG shall ensure that all stakeholders are adequately represented and that they are fully, actively engaged in the EITI process.

7.14. Follow up of the previous recommendations

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p>Reliability of the data reports / lack of assurance on reported data</p> <p>EITI Requirement 4.9 requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. As part of procedures set to ensure the reliability of the data reported to us in the reconciliation process detailed in Section 2.4 of the report, we requested reporting entities to provide signed copies of their reporting templates, certified by an external auditor for extractive companies and by the Auditor General for Government Entities, along with a copy of their latest audited financial statements. These requirements have been clearly set out during the training workshop as well as in the instructions which were sent to the reporting entities along with the reporting templates. We note that:</p> <ul style="list-style-type: none"> - only seven (7) companies failed to submit reporting templates signed by an authorised officer. These are namely Mota-Engil Engenharia, Terrastone Construction Ltd, Mchenga Coal Mines Ltd, Optichem (2000) Ltd, Globe Metals & Mining Africa Ltd, Sovereign Services Ltd and Zunguziwa Quarry Ltd; and - fourteen (14) companies failed to submit reporting templates certified by an external auditor as detailed in Annex 8; - none of the Government Entities submitted reporting templates certified by the Auditor General; - MoF did not submit reporting templates signed by an authorised officer. <p><i>This is a very important part of the reconciliation process that has not been complied with, which can be viewed as lack of transparency. Accordingly, we recommend for the future that the instructions for next year's reporting emphasize the importance of complying with this process, failing which, the government could take action against defaulting reporting entities.</i></p>	<p>Partially</p>	<ul style="list-style-type: none"> - All templates of Government Entities were signed by a senior official and certified by the Auditor General. - Ten (10) companies failed to submit reporting templates signed by an authorised officer: <ul style="list-style-type: none"> Company Paladin (Africa) Ltd Cpl-mchenga Coal Mines Ltd Kaziwiziwi Mining Co Mota Engil Minerals and Mining (MW) Ltd Optichem 2000 (malawi) Ltd Cement Products (MW) Ltd M.A Kharafi & Sons Malawi University Of Science And Technology Pamodzi Stone Mining (PSM) Investments Shayona Cement Co - Fifteen (15) companies failed to submit reporting templates certified by an external auditor as detailed in Annex 8. <p>MWEITI comment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> With regards to companies, the MWEITI Secretariat raised the awareness of Mine Managers and Mine Owners on the importance of having their reporting templates signed by an authorising officer and certified by an external auditor in the reconciliation process. This

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
		<p>was done at a Mine Managers and Mine Owners meeting in Salima. The meeting was organised by DoM.</p> <p><input type="checkbox"/> For reporting Government Entities, a special meeting was conducted between the MWEITI Secretariat and the National Audit Office (NAO) to address recommendation one (1). The meeting was held on 6th October 2017 at the National Audit Office in Lilongwe.</p> <p>According to the minutes of this meeting, which are available on the MWEITI website, the following resolutions were passed, which await implementation in the second revenue reconciliation process for the extractive industry in Malawi:</p> <ul style="list-style-type: none"> • Minute two (2) on certification of reporting templates from government reporting entities - NAO agreed that they will certify reporting templates of Government reporting entities, submitted through MWEITI; • Minute three (3) on certification of audit reports from companies, NAO committed that they will review certified company reporting templates for further scrutiny to ensure credibility of reported data. The Auditor General (AG) recommended that company reporting templates should be signed by the company Chief Executive Officer (CEO), Finance Manager or Board Chair as the authorising officer to ensure answerability; • Minute four (4): NAO may conduct further audit of MDAs based on MWEITI report figures and report the outcome to Parliament; and • Minute five (5) on capacity building: MWEITI to include NAO officer in its capacity building activities.

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
		Furthermore, a letter has been written notifying MDAs on the need to submit templates to NAO through MWEITI.
<p>Reporting deadlines not met by Government Entities and Extractive Companies</p> <p>Despite chasing up reporting entities by e-mail and by telephone as well as visits effected by the MWEITI Secretariat staff, neither Government Entities nor extractive companies submitted their reporting templates by the stipulated deadline.</p> <p>Furthermore, we note the lack of feedback from reporting entities to comment and explain the reconciliation differences.</p> <p>We list out below instances of significant delays we came across in addition to cases where reporting entities failed to submit reporting templates altogether as detailed in Annex 8:</p> <p><u>Extractive companies</u></p> <ul style="list-style-type: none"> - reporting templates were sent to twenty (23) extractives companies; - fifteen (15) reporting templates were received at the end of the exercise (65%); - eight (8) reporting templates were received after the deadline (23%); - eight (8) companies failed to submit their reporting templates to date (23%); - significant delays occurred in getting feedback and obtaining comments from most of the reporting companies for the reconciliation of discrepancies; and - some extractive companies did not reply to our queries for additional details requested. <p><u>Government Entities:</u></p> <ul style="list-style-type: none"> - reporting templates were sent to 3 Government Entities; - all reporting templates were received but after the deadline due to time and capacity constraints (100%); and - DoM and MRA have not been able to respond to our queries on discrepancies identified with companies' confirmation and on the list of 	Partially	<p>Overall, the reporting deadlines for the 2015/16 EITI report have been adhered to except for some non-significant delays.</p> <p>Three (3) companies failed to submit their reporting templates to date as detailed in Annex 8 of this report.</p> <p>We noticed a significant decrease of unreconciled differences during the 2015/16 FY MKW 99 million compared to the previous report MWK 810 million.</p> <p>MWEITI comment:</p> <p>The MWEITI Secretariat has used the MWEITI Website and Social Media to stakeholders' awareness on MWEITI, its operations, the importance of the reconciliation process and disseminated relevant data. The Outreach activities of the MWEITI MSG and the Secretariat include participation in the following activities:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Mine Managers and Mine Owners Workshop in Salima; <input type="checkbox"/> The 2017 Malawi Alternative Mining Indaba held on 18th December 2017; <input type="checkbox"/> Panel discussion on merging issues in the extractive industries in Malawi held on 27th September 2017; and <input type="checkbox"/> EITI Report Awareness Campaign at Kayelekela Mining Community held on 7th December 2017. <p>Special activities that targeted reporting entities vis-a-vis reconciliation process awareness:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Meeting with Department of Mines, where according to Minute 3 of the Minute of the meeting between DoM and MWEITI, Acting Director for Mines acknowledged the challenge explaining that the first reporting cycle was a learning process for DoM; <input type="checkbox"/> Meeting with Department of Forestry; and

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p>receipts detail for some companies due to lack of capacity and system's shortfalls as presented in Section 7.3 of this report.</p> <p>As a result, the deliverables encountered significant delays and resulted in material unreconciled differences between amounts reported by extractive companies and Government Entities.</p> <p><i>We recommend that emphasis should be laid on the importance of the collaboration of reporting entities following the submission of reporting templates. Both Extractive Companies and Government Entities make time for working alongside the Independent Administrator in a bid to resolve differences whenever these arise.</i></p> <p><i>We also recommend that the EITI Secretariat raises awareness of reporting entities regarding the importance of the reconciliation process. MWEITI MSG should undertake more effective outreach activities with companies, by communicating with them not only through their website and letters, but also by informing stakeholders of the government's progress in implementing EITI in Malawi and disseminating the EITI Report to a wider audience.</i></p> <p><i>We also recommend for the future that the timing of the reconciliation exercise should be better planned in order to avoid tight and pressured deadlines. This is likely to promote better cooperation from reporting entities and they would provide better support to the Independent Administrator.</i></p>		<p><input type="checkbox"/> Workshop for Mine Managers and Mine Owners held in Salima.</p>
<p>Reporting templates not adequately prepared by several reporting entities</p> <p>Reporting templates from extractive companies and Government Entities were not adequately prepared. We set out below several weaknesses noted during the EITI reconciliation process:</p> <ul style="list-style-type: none"> ▪ companies and Government Entities must report detailed payment flows by receipt number, as this information is vital for reconciliation work. However, in several cases: 	<p>Partially</p>	<p>Overall, unreconciled difference in the 2015/16 EITI reconciliation process is less than that of the 2014/15 EITI reconciliation report.</p> <p>However, we set out below several weaknesses noted during the 2015/16 EITI reconciliation process:</p> <ul style="list-style-type: none"> ▪ companies and Government Entities must report detailed payment flows by receipt number, as this information is vital for reconciliation work. However, in several cases: <ul style="list-style-type: none"> ✓ companies reported figures aggregated tax figures and did not provide the required level of breakdown by receipt

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<ul style="list-style-type: none"> ✓ companies reported figures aggregated tax figures and did not provide the required level of breakdown by receipt number or tax type as presented in Section 5.3 (b) of the report; ✓ details of payment flows reported by MRA did not include the relevant receipt numbers for significant revenues associated with each of the payments as detailed in Section 5.3 (c) of the report; and ✓ several companies did not report payments by receipt number as requested in the instructions, but referred to cheque numbers or other payment references instead; ▪ MRA did not report significant revenues received from extractive companies in its initial reporting templates as detailed in Section 5.2.2 (b) of this report. The lack of reported payments was mainly due to: <ul style="list-style-type: none"> ✓ payments received on MRA's system, but the relevant receipt could not be traced; ✓ receipts may be issued manually but the system had yet to be updated; or ✓ receipts may have been simply unavailable. ▪ DoM reported incorrect amounts of revenues received as detailed in Section 5.2.2 (c) of the report. ▪ declarations made by DoM on the State's participation in extractive companies were incomplete and several details have not been reported as presented in Section 6.8 of this report; ▪ several reporting templates submitted by companies did not include information on <ul style="list-style-type: none"> ✓ comprehensive details on the beneficial owners as detailed in Annex 4; ✓ export details such as detailed in Annex 5; and ✓ production details such as detailed in Annex 6. 		<ul style="list-style-type: none"> number or tax type as presented in Section 5.3 (b) of the report; and ✓ several companies did not report payments by receipt number as requested in the instructions, but referred to cheque numbers or other payment references instead; ▪ MRA did not report significant revenues received from extractive companies in its initial reporting templates as detailed in Sections 5.2.2 (b) and 5.2.2 (c) of this report. The lack of reported payments was mainly due to: <ul style="list-style-type: none"> ✓ payments received on MRA's system, but the relevant receipt could not be traced; ✓ double entries of customs duties reported by MRA; ✓ receipts may be issued manually but the system had yet to be updated; or ✓ receipts may have been simply unavailable. ▪ DoM reported incorrect amounts of revenues received in its initial reporting templates as detailed in Section 5.2.2 (c) of this report. This was mainly due to: <ul style="list-style-type: none"> ✓ payments received by DoM, but the relating receipt had been issued several months after the payments; or ✓ receipts may have been simply unavailable; ▪ several reporting templates submitted by companies did not include information on <ul style="list-style-type: none"> ✓ comprehensive details on the beneficial owners as detailed in Annex 4; ✓ export details such as detailed in Annex 5; and ✓ production details such as detailed in Annex 6. <p>MWEITI comment:</p>

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p>These shortcomings led to material unreconciled differences in the report despite deploying more resources in an attempt to try and look for this information.</p> <p><i>We recommend that for future exercises extractive companies, MRA and DoM devote ample time towards the preparation of their respective reporting templates by adhering strictly to the instructions set out by the Independent Administrator and following the supporting schedules carefully.</i></p> <p><i>This can be achieved only by all reporting entities being made aware of the importance of the EITI data they are providing, and that due care and attention is paid during the preparation of these reporting templates.</i></p> <p><i>Furthermore, we strongly recommend that training should be provided to reporting entities on beneficial ownership and on the EITI reporting requirements. During this training, the reporting templates are to be presented to all reporting entities and instructions and guidance notes should always be provided for the preparation of the payment and contextual information reports.</i></p>		<ul style="list-style-type: none"> <input type="checkbox"/> This recommendation has been addressed through special meetings that were organised to specifically look at the recommendations pertaining to reporting entities and the reporting process. <input type="checkbox"/> According to Minute 4 of the Minutes of the meeting between DoM and MWEITI, Acting Director of DoM said that the second EITI Report will be better with the presence of the Cadastre System, which he confirmed was now working properly. <input type="checkbox"/> Capacity building workshops have been planned and have been budgeted for in the Secretariat Annual Work Plan for 2018 to train the reporting entities further in EITI reporting. <input type="checkbox"/> All reporting government entities had a meeting in Salima during the week commencing 21 May 2018 in order to finalise the reporting templates and audit them by NAO.
<p>Enactment of EITI reporting regulations</p> <p>We understand that there is no existing legislation in the Extractive Sector that makes EITI reporting obligations mandatory. This is one of the main reasons which led to delays and/or failure to submit EITI reporting templates by some extractive companies.</p> <p><i>We recommend a review of the mining regulations by introducing EITI reporting provisions such as:</i></p> <ul style="list-style-type: none"> <i>• reporting obligations for extractive companies and government entities alike, while specifying the level of disaggregation of the data to be submitted;</i> <i>• a time frame set for updating and publishing forms and instructions and selection of the reporting entities and submission of declarations and completion of all reconciliation work; and</i> 	Ongoing	<p>MWEITI comment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Activities aimed at developing the MWEITI Act has been included in the MWEITI Annual Work Plan for 2018. <input type="checkbox"/> A draft of the PEPA Policy is being developed.

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<ul style="list-style-type: none"> sanctions which could be imposed against companies or Government Entities in the event of non-compliance or false declaration. <p>We also recommend expediting development of the new PEPA policy and Act in order to enhance the oil and gas exploration activities management.</p>		
<p>Accuracy of Production data</p> <p>EITI Requirement 3.2 imposes the disclosure of production data for the fiscal year covered by the EITI Report, including total production volumes and the value of production by commodity. In order to maintain accurate and comprehensive records of production, DoM must produce reliable data for the EITI process, for assessing the companies' liabilities in terms of royalties on production and monitoring their payments subsequently, as well as the development of the extractive activities in the country. However, we note that the minerals' production data base held by DoM do not include all production volumes that were produced during the reconciliation period. Comparison with the data collected from companies in the scope has revealed significant gaps in the production volumes held by DoM. Quantities reported by DoM are in most of the cases lower than those reported by companies as detailed in Annex 6.</p> <p>We understand that the production data provided by the Department of Mines was based on monthly self-declarations submitted from the extractive companies. The Department of Mines does not have its own procedures and systems to collect and control production data reported by mining companies. As a result, data on the mining production is unreliable.</p> <p><i>In addition to declarations submitted, we recommend that the Department of Mines:</i></p> <ul style="list-style-type: none"> develops procedures to ensure the completeness of the production data reported by companies and implements a computerised system to monitor and update these data on a monthly basis. This would improve DoM's ability to reconcile royalties and other non-tax 	<p>Ongoing</p>	<p>A computerised cadastral system has been implemented starting in 2017. It is expected to have the impact of the new system starting from 2016/17EITI exercise.</p> <p>MWEITI comment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> According to Minute 4 of the Minutes of the meeting between DoM and MWEITI, Acting Director of DoM said the Cadastre System was in place and he confirmed that it was working properly and was even able to send SMS notifications on outstanding payments to companies that have outstanding payments. He assures the participants of the meeting that DoM is taking the issue of under declaration seriously and will put in place measures to manage the problem. <input type="checkbox"/> The cadastre system is capable of producing reports. <input type="checkbox"/> Onsite verifications exercise has been conducted by a team from MoF and DoM (The Mineral Revenue Reconciliation and Production Survey)

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p><i>payments with production data and investigate any discrepancies; and</i></p> <ul style="list-style-type: none"> <i>provides the MWEITI MSG with a comparison of the production volumes declared by extractive companies with the measurements made by the Department of Mines throughout the year.</i> 		
<p>Incomplete database for extractive industries</p> <p>We note that to date the MWEITI Secretariat does not have a comprehensive database of all extractive companies operating in the mining sector. In some cases, contacting extractive companies can be difficult as no contact details (e.g. name of contact person, phone number, email address) are available or the contact details are wrong. We understand that this is due to the lack of communication between Government Entities and extractive companies operating in the mining sector. In some cases making contact with extractive companies can be difficult as no contact details were available. There were no integrated system nor any sharing information system between MRA and DoM with regards to the companies holding a licence:</p> <ul style="list-style-type: none"> contact details of several licence holders were not up to date or unavailable in the cadastre maintained by DoM; several licence holders are not registered with MRA, and therefore MRA does not have a complete list of the registered mining entities; and several licence holder names were written wrongly in DoM's records and this may lead to errors identifying the Taxpayer Identification Number (TPIN) of the registered companies in the MRA system. This may result in potential mistakes during the reconciliation exercise while allocating the revenue collected by MRA to the right licence holder; <p>Additionally, the Department of Forestry and the Department of Mines did not appoint designated focal points to deal with the EITI process. We also found that most of the government officials had not even been briefed with regards</p>	Partially	<p>Focal points have been appointed during the 2015/16 EITI reporting exercise.</p> <p>All contact details of reporting entities were available except one company, namely: M.A. Kharafi & Son.</p> <p>DoM is still not using TPIN of companies as these are not necessarily required to be registered with MRA.</p> <p>Additionally, the identification of companies by DoM is made by the company names which may be spelt differently from one database to another. This does not allow easy matching with MRA database.</p> <p>MWEITI comment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> According to Minute 1 of the Meeting between DoM and MWEITI, an official was selected as the designated a focal point to deal with EITI processes. <input type="checkbox"/> Arrangements are being made to escalate discussions on implementation of EITI recommendations to the highest level at MRA. <input type="checkbox"/> The CADASTRE system is an effective data base <input type="checkbox"/> According to Minute 5 of the Minutes of the Meeting between DoM and MWEITI, DoM will share with MWEIT an updated Excel Sheet containing licence holders' information and all their contacts. <p>Private sector reporting entities have not been notified yet due to delays in engaging the Independent Administrator (Reconciler).</p>

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p>to the EITI process ahead of our intervention, and as such they were not aware of the exercise being carried out, or their roles in the EITI process.</p> <p>Besides, the website of the Department of Mines does not seem to have been updated since March 2014 as it is still referring the former Minister and former Principal Secretary.</p> <p><i>We recommend that each extractive company and Government Entity included in the reconciliation scope should appoint designated focal points to ensure the smooth running of EITI exercise and the reporting entities should communicate the MWEITI Secretariat of the name and contact details of their focal person. These focal persons would be responsible for providing all relevant information for the EITI process and should get in touch with all relevant services in their respective entities to ensure the availability of prompt and reliable data to the Independent Administrator.</i></p> <p><i>We recommend that a thorough review of the databases of both MRA and DoM is undertaken to ensure that they capture all existing licence holders and all relevant details from each licence. We recommend therefore that, in the first instance, the MWEITI Secretariat creates its database following the current reconciliation exercise. The Secretariat should then liaise with the Government Entities to ensure it obtains adequate information regularly and updates its database accordingly. To this end, we believe it is vital that any new entrants to the mining sector are registered with the MWEITI Secretariat as part of the process before or at the same time as they obtain their operating licence.</i></p>		
<p>Licences register</p> <p>The EITI Standard requires implementing countries to maintain a publicly available register or cadastre system with the following up to date and comprehensive information regarding each of the licences pertaining to companies covered in the EITI Report:</p> <ul style="list-style-type: none"> i. Name(s) of licence holder(s); ii. Coordinates of the licenced area; 	Ongoing	<p>An electronic cadastral system has been developed and put online by DoM in 2017.</p> <p>MWEITI comment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> DoM has the Cadastre and a Manual Register. <input type="checkbox"/> These two Registers are being updated.

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<p>iii. Date of application, date of award and duration of the licence; and iv. In the case of production licences, the commodity being produced.</p> <p>We note the following weaknesses in the cadastre made available to us:</p> <ul style="list-style-type: none"> ▪ companies' TPINs were not mentioned in the register in order to identify the companies. The only means of identification was the company names, which were sometimes misspelt or completely different from the actual name of the licensee (i.e. the licence of Sovereign Services Ltd was recorded under the name of MC Court Mining Pty Ltd); ▪ information on the licenced area detailing the coordinates and surface in the licences' register do not include any coordinate defining the surface and perimeter of each licence; ▪ the register is not published on the website of the Department of Mines; ▪ all small scale licences included in the small scale register provided by DoM were issued as from September 2015 (i.e. after the 2014/15 FY). The list of small scale licences which have been active during 2014/15 FY are therefore still unavailable; ▪ the large-scale register provided by DoM does not include licences that have been active during 2014/15 FY and that ended before October 2016; and ▪ application dates are missing for several licences. <p>The completeness of the licences registry system is extremely important to ensure the completeness of the EITI scope and to allow DoM to fulfil its licensing authority duties and ensure an effective oversight of the extractive industries.</p> <p>Furthermore, we noted that the status of the licences as recorded in the register of licences is not up to date and does not reflect the actual status.</p>		<p>According to Minute 6 of the meeting between DoM and MWEITI, Mineral Rights Manager at DoM, said that the new system is a reliable licence register... and companies are now required to submit a TPIN during registration.</p>

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p>Several licencees holding active mining licences are not necessarily undertaking any mining activities such as the following:</p> <ul style="list-style-type: none"> • Bwanje Cement Products has been granted a mining licence since 2010. The licence is recorded as being active and the company has yet to start production of limestone. We understand that the company has financial difficulties and is still looking for a partner to start mining; • Mota-Engil Engenharia is reported to hold an active licence ML0205/13 to operate in Bunda, Lilongwe. This licence however was not included in the cadastre; • Lafarge Cement Co holds an active mining licence since 2012. The company, however, did not report any mining licence in its reporting templates. Lafarge currently imports klinker and does not conduct any quarrying activities while still holding an active licence according to DoM's records. We are also not aware of any expected project for any plant to be built; and • Rocksizer Mining Contractor Ltd is a company that stopped operating since several years but the cadastre still shows it as being an active mining licence holder. <p>This lack of real-time information prevents the mineral deposits from being exploited by other investors who have the required technical and financial capacities to undertake the mining activities over that mineral in that specific area.</p> <p><i>We recommend that in the first place a thorough review is undertaken to ensure, which captures all existing licences and all relevant details from each licence. We recommend that inactive licences should be removed from the register of licences. DoM should conduct a thorough review of the cadastre and follow up with companies on the status of each licence. Once the register of licences is comprehensive, DoM need to ensure that the cadastre is kept up to date and that all new information on licences is systematically recorded therein.</i></p>		

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<p><i>The register of licences should include the integration of TPIN of current licence holders or any other identification number rather than using mere company names. Only TPIN would enable an efficient way of tracking tax collections, which would facilitate the corroboration of data from one database to the other as well as communications between two government entities.</i></p>		
<p>Publication of statistics and information on the extractive industry</p> <p>The EITI Standard stipulates the disclosure of contextual information of the activities and regulations in the extractive industries, including the disclosure of:</p> <ul style="list-style-type: none"> an overview of the extractive industries in terms of reserves, regions, current structure and size, significant exploration activities (Requirement 3.1); contribution to the economy, with regards to employment and export levels (Requirement 6.3); government revenues generated by the extractive industries and funds earmarked for specific programmes / geographic regions and sub-national transfers (Requirement 4.6 and Requirement 5); and public information on licence allocations, register of licencees, beneficial owners, contract terms (Requirement 2). <p>Currently, a comprehensive database of contextual information and statistics per Malawian financial year is yet to be completed at the level of the MWEITI Secretariat. The contextual information in this report is referenced to different sources dispersed across publicly as well as information not publicly available. Certain analysis was limited due to unavailability of statistical data on the sector per financial year such as employment, exports and GDP contribution.</p> <p>Much statistical data on Malawi are published in the Annual Economic Report (AER) prepared by MoF in collaboration with the National Statistical Office. Most of the data in the AER is, however, based on the calendar year while the EITI is based on a 2014/15 FY, which does not allow a comparative analysis.</p> <p>Certain analysis was limited due to unavailability of statistical data in the sector such as employment which was based on an outdated study</p>	<p>Partially</p>	<p>The contribution of the forestry sector to GDP has been separated in the 2018 AER. However, the AER and NSO still does not present the GDP and the main macro-economic indicators based on Malawian financial year running from July (N) to June (N+1).</p> <p>MWEITI comment:</p> <ul style="list-style-type: none"> According to Minute 2, Forestry and Fisheries data will be segregated in the next financial year. Ecosystem Services might be included in the forestry segment depending on the outcome of next meeting with NSO, DoF According to Minute 4 on production of quarterly figures, EP& D indicated that work has already started on producing GDP quarterly figures, which MWEITI may use to capture data covering specific months in order to be in line with Government financial year.

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p>(conducted before 2013), exports and GDP contribution based on calendar year as detailed in Section 3.1.11 of this report.</p> <p>This issue is even more complex in the Forestry sector, which is included in the agriculture, forestry and fishing sectors as detailed in Section 3.3.6 of this report, and not a separate sector as requested by the MWEITI MSG. Consequently, the Forestry GDP is merged with that of Agriculture. As a result, we were unable to provide disaggregated figures in this report with regards to the Forestry sector.</p> <p><i>In order to improve the accuracy, reliability and accessibility of contextual information, we recommend that the MWEITI Secretariat in conjunction with DoM, DoF and MRA gather and update (at least annually) contextual information including: the industry potential, the contribution to the economy, the strategy for the sector, relevant events and facts, current regulations and upcoming changes, amongst others.</i></p> <p><i>In order to comply with Requirement 6.3 (a), we recommend that the Forestry sector is segregated in the Annual Economic Report or any workbook the MWEITI Secretariat considers as a reference and that statistical data compiled on GDP and for the Government accounts be structured on a monthly or quarterly basis to be presented by financial year running from July N to June N+1.</i></p> <p><i>In order to comply with Requirement 6.3 (b), the Department of Forestry should be in a position to provide comprehensive information on the exports for the entire financial year period rather than compiling it at the end of March of each year as detailed in Section 3.3.6.</i></p> <p><i>As such, the Forestry sector should compile its own statistics, such as contribution to GDP, employment, exports and revenues. This will contribute towards improving visibility in the sector and would lead to compliance with the EITI Secretariat's expectations.</i></p> <p><i>In order to improve the accuracy, reliability and accessibility of contextual information, we recommend that the MWEITI Secretariat in conjunction with MNREM, MoF and MRA gathers and updates (at least annually) contextual information including: the industry potential, the contribution to the economy,</i></p>		

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<p><i>the strategy for the sector, relevant events and facts, current regulations and upcoming changes, amongst others.</i></p>		
<p>Weaknesses in the revenue administration/ Non-collection of payments</p> <p>DoM is the authority responsible for monitoring and collecting non-tax payments such as royalties and ground rent. We make the following observations with regards to the period under review:</p> <ul style="list-style-type: none"> it is expected that all companies holding exploration or mining licences, or a reconnaissance licence systematically pay ground rent. However, several licencees did not pay any ground rent nor royalties during 2014/15 FY despite holding active licences such as Bwanje Cement Products; Crown Minerals Ltd, Dantansie Mining Company Ltd, Blackfire Explorations Ltd, Ashgill Australia Pty Ltd, DDY General Dealears and FSK Civil Engineering; Nyala Mines Ltd is supposed to pay royalties of 2.5% of sales once the corundum has been cut, polished and sold by Columbia Gem House Inc.¹. DoM did not collect any sales' royalties while the Malawian company reported to have exported up to 432 Kg of Corundum during the 2014/15 FY. On the other hand DoM does not also seem to have the required resources to carry out an audit in order to estimate the sales' royalties due; Mota Engil Ltd pays royalties on only one licence while the company has over eight (8) mining licences. We understand that the company is exempt from paying royalties on non-commercial licences used for Governmental infrastructure projects. The register of licences does not allow recognition of non-commercial licences from the other licences. At the same time, DoM has no means of ensuring which quarried products are being sold for commercial purposes from those 	<p>Ongoing</p>	<p>We noticed that Oil and Gas companies did not pay any Mandatory Social Contribution.</p> <p>MWEITI comment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> The Forestry Act is under revision and DoF confirmed that the draft of the Bill will be completed 2018. According to Minute 6 of the Meeting between DoF and MWEITI on Waiver of Fees, Forestry Management Board should make a recommendation to the PS and that duties and mandate of the Board were also under review. A recommendation was made that during this review, appropriate reference should be made to the Public Finance Management Act. <input type="checkbox"/> The Mining Cadastre has reduced weaknesses in non-tax revenue collection. According to Minute 6 of the Meeting between DoM and MWEITI, DoM now has the Cadastre System in place and is able to issue SMS notifications for outstanding payments. <input type="checkbox"/> Companies that did not submit EITI templates will be written letters signed by PS of MNREM to comply in the second reconciliation exercise.

¹ Based in United States of America

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<p>being sold for Government projects' use. This weakness could present an opportunity loss in revenue.</p> <p>This situation indicates a general lack of control and inadequate monitoring of the activities of mining licence holders throughout the country. We also note that there are no procedures in place currently to check outstanding amounts. These shortcomings only result in lost revenues to the Government, and can lead to tax evasion. Rigorous monitoring systems and coordination between the various authorities is essential to ensure an effective enforcement system.</p> <p>Additionally, the forestry legislation allows the Director of Forestry to waive in whole or in part any fees or royalties due under the law for a specified period, subject to the general or special instructions of the Minister.¹</p> <p>Such power vested in the Director of Forestry, compounded by the lack of a centralised Forestry cadastre lead to a lack of traceability, transparency and accountability, which would only result in revenue losses to the State.</p> <p><i>We recommend that DoM follows up systematically all amounts due from companies to ensure that all fees are collected on a timely basis. DoM should also improve its tax administration and collection capacity to effectively discharge its duties and maximise tax collection. We suggest the following approach:</i></p> <ul style="list-style-type: none"> • <i>perform a desk review of all ground rent payments outstanding;</i> • <i>enquire about non-payment of royalties on active licences – these should be fully documented in the mining cadastre;</i> • <i>perform spot checks at the mining sites of the key mining companies in order to review the level of activity and assess the genuineness of the declarations made by these companies as well as the payments made; and</i> • <i>perform annual audits of amounts declared.</i> <p><i>We strongly advise a revision of the Forestry Act in order to ensure that any fee waiver should go through a committee comprising representatives, with</i></p>		

¹ Section 49 of the Forestry Act (1997)

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p><i>no direct connection at all with the Forestry sector (e.g. representatives from the following institutions: Reserve Bank, FIU, AG Office, MSG and possibly one or two members of Parliament). The reasons for the waiver should be fully documented, discussed in the presence of the committee, minuted and a decision taken on the basis of votes.</i></p>		
<p>Lack of basis for charging royalties</p> <p>We note that current legislations do not specify the basis for charging royalties on production amounts basis or on the selling price basis.</p> <p>Section 78 (u) of Petroleum Exploration and Production Act (1983) and Section 128 (2.g) of the Mines and Mineral Act (1981) stipulate that royalties may be paid in kind at the discretion of the Minister of Natural Resources, Energy and Mines. The legal framework does not provide any guidelines to the Minister of Natural Resources, Energy and Mines for determining royalties payable.</p> <p><i>We recommend that both the Petroleum Exploration and Production Act (1983) and the Mines and Mineral Act are amended in order to stipulate the precise basis for charging royalties along with recommended rates in order to avoid any disputes.</i></p>	Ongoing	<p>MWEITI comment:</p> <p>The Petroleum Policy Draft has been developed. Internal PEPA review meetings have also started at Department of Mines.</p> <p>The Mines and Minerals Bill which is under review might consider incorporation of some of these first EITI Report Recommendations under mineral title regulations.</p>
<p>Extractive Sector Contracts' awarding procedures</p> <p>EITI Requirement 2.2 requires the disclosure of the list of applicants and the bid criteria when contracts have been awarded through tendering process. Any non-trivial deviations from the applicable legal and regulatory framework governing licence transfers and awards should be disclosed. The multi-stakeholder group may include commentary on the efficiency and effectiveness of licensing procedures.</p> <p>Government can enter into an agreement with any private operator in the mining, forestry or oil and gas sectors. In addition to the information required to be included in the applications for contracts for forestry land management or for solid minerals and petroleum productions. The legal framework that was</p>	Ongoing	<p>MWEITI comment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> PEPA review has started. <input type="checkbox"/> Review of the Forestry Act is in progress. <input type="checkbox"/> Mines & mineral Act is also being revised

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p>in effect during FY 2014/15, does not seem to include any technical or financial criteria to be used for the assessment of the application for contracts.</p> <p>Additionally, there are no requirements to award contracts through any tendering process or to advertise requests for proposals when awarding contracts. The Minister of Natural Resources, Energy and Mining or the Director of Forestry have the power to enter into forestry, mining or petroleum agreements and can grant a licence without resorting to competitive bidding nor to directives of the council of Ministers, by direct negotiation.</p> <p>The legislation defines the rules of arrangement between the Government and petroleum companies without providing the conditions and minimum requirements of the agreement. The Act does not regulate the contents of petroleum agreements and this critical aspect is left to the sole discretion of the Minister of Natural Resources, Energy and Mining or to the Director of Forestry Department. The legal framework does not provide any indicative Model Agreement to be followed by the Minister of Natural Resources, Energy and Mining or by the Director of Forestry when negotiating the terms of the contract.</p> <p><i>We recommend that the legislation governing the extractive industries is amended in order to ensure that the Minister is provided with adequate guidance in exerting the powers conferred upon him/her in all transparency, while at the same time ensuring that his/her decisions do not become questionable. To that end, the legislation should clearly state the steps to be followed by the Minister before granting a licence to a particular company.</i></p> <p><i>We also recommend that the legal framework is revised in order to provide Model Agreements for Production Sharing Agreements, Forestry Management Agreements and for solid mineral development agreements as a guidance and which should also detail the technical and financial criteria to be applied for awarding contracts.</i></p>		
<p>Weaknesses in the accounting records of DoM and DoF</p>	<p>Ongoing</p>	<p>MWEITI comment:</p>

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p>During the reconciliation process, we noted that government systems are not always set up in such a way that it is easy for government to capture information required for EITI reporting to be made on a timely basis. We note that the Department of Mines and the Department of Forestry reported over 5,900 and 11,300 receipts respectively and both departments keep manual records of the revenues.</p> <p>As a result, there were weaknesses on the list of revenues made available to us as follows:</p> <ul style="list-style-type: none"> • non-tax revenue payers are not identified by a unique identification number. Several payments are supposed to have been made by the same taxpayer, but the name was written differently. This could be a source of mistakes in the payments allocation to each taxpayer; • several payments have been reported without identifying the name of the taxpayer, resulting in payments being reported without being disaggregated by the paying entity. DoF reported total revenue of MWK 1,286,783,000 but could not provide details of taxpayer's names for payments amounting to MWK 342,419,653. Similarly, DoM did not provide taxpayers' names for payments amounting to MWK 471,548; and • several payments have been reported in the Department of Mines' cashbook as being received from unlicensed entities such as Allied Procurement; Abraham Mbewe; African Commodity Traders: Ali Diab; Ali Jones Chagamule; Alice Mvula; Ananiya .B. Chimlaza. This may lead to data relating to total revenues from the mining sector to be incorrect by either including non-related revenues or by excluding entities which do not hold licences. <p><i>Good accounting practice is crucial to ensure providing data that it is timely and reliable and to meet the EITI reporting requirements. Accounting records need to be updated on a daily basis and reconciled with the bank accounts. Any discrepancies arising from bank reconciliations should be fully investigated and resolved in a timely manner.</i></p> <p><i>Cashbooks should include an identification number such as TPIN or other rather than using names for identifying payers. This would lead to an efficient</i></p>		<ul style="list-style-type: none"> <input type="checkbox"/> DoM will organise a meeting with the Accountant General, MRA, MWEITI to sort out the accounting records issue. <input type="checkbox"/> According to minute 9 of the minutes of the meeting between DoF and MWEITI, DoF acknowledged this challenge and attributed it to the fact that the Forestry Cadastre System at the Head Quarters is unable to track what is happening at the regional offices.

Recommendations	Implemented (Yes, No, Ongoing, Partially)	Descriptions of the actions maintained
<p><i>tracking of non-tax collection and ensure sharing of information and synergy between different tax authorities.</i></p> <p><i>We recommend that the Government Entities involved, in particular DoM and DoF should review their systems for recording and reporting information on receipts from extractive companies, so that information can be reported reliably, completely and in a straightforward manner.</i></p>		
<p>Decentralised cadastral system of DoF</p> <p>The Department of Forestry implemented a Forestry Cadastre System (FCAS) during the two years (2013-15). FCAS was designed and implemented in order that all forestry rights applications are scanned, approved, issued and managed electronically within the licensing system. The system is also supposed to manage the payments recording and financial reporting.</p> <p>Government staff at the zone offices have been trained to use and manage FCAS and that support has been provided to further hands-on experience within the Department of Forestry. However, we understand that only export licences and permits are currently issued using FCAS at the central level office of the Department of Forestry.</p> <p>As a result, licences, certificates, agreements, permits and rights are still being issued by several Offices of DoF manually instead of using FCAS. Had these offices used FCAS, this would have allowed them in real time amongst the different services and the data would be up to date in real time both at the Central and zonal offices.</p> <p><i>We recommend that DoF adopts the use of the computerised system in order to manage the sector more efficiently.</i></p>	<p>Ongoing</p>	<p>MWEITI comment:</p> <p><input type="checkbox"/> According to minute 11 of the meeting between MWEITI and DoF, FCAS (Decentralised Cadastral System of DoF) will be upgraded by Government resources in 2018.</p>

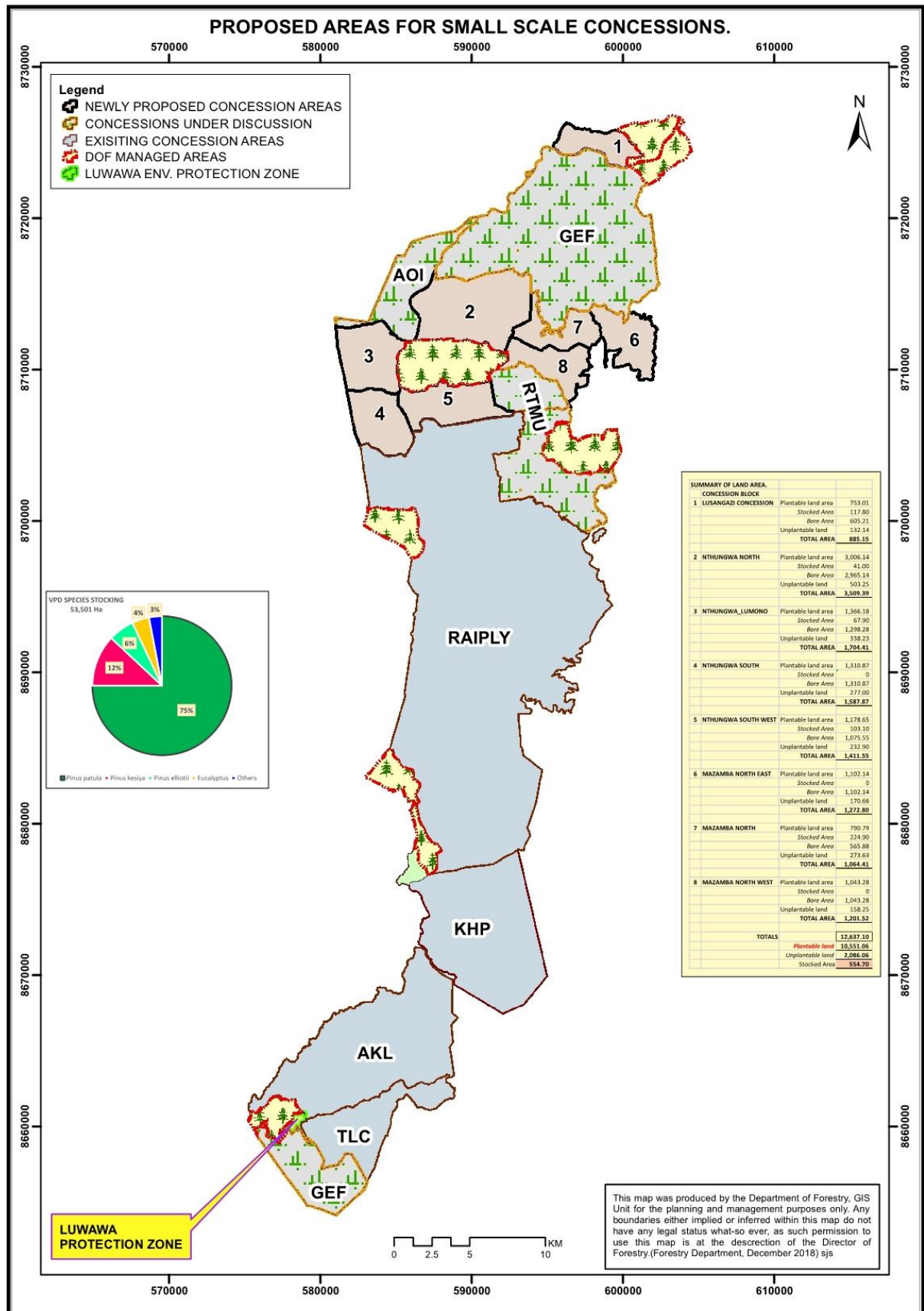
ANNEXES

Annex 1: Employment figures in the reconciled companies

N°	Companies	Average number of direct local employees (Malawian)	Average number of direct foreign employees (Expatriates)	TOTAL
1	Hamra Oil Holdings Ltd	2	0	2
2	RAKGAS MB45	5	0	5
3	SacOil Holdings Ltd	0	0	0
4	Mota Engil Minerals and Mining (MW) Ltd	140	4	144
5	Paladin (Africa) Ltd	174	16	190
6	Shayona Cement Co	719	13	732
7	Lafarge Cement Co Ltd	89	2	91
8	Cement Products (MW) Ltd	NC	NC	NC
9	Terrastone Ltd	140	5	145
10	Cilcon Ltd	31	0	31
11	Cpl-mchenga Coal Mines Ltd	300	1	301
12	Optichem 2000 (malawi) Ltd	124	2	126
13	Zalewa Agriculture Lime Co	60	0	60
14	Kaziwiziwi Mining Co	NC	NC	NC
15	Sovereign Services Ltd	31	2	33
16	M.A Kharafi & Sons	NC	NC	NC
17	Malawi University Of Science And Technology	NC	NC	NC
18	Master Stone Breakers	NC	NC	NC
19	Pamodzi Stone Mining (PSM) Investments	NC	NC	NC
		1,815	45	1,860

NC: Not communicated

Annex 2: Forestry sector: Proposed areas for small scale concessions



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Annex 3: Extractive companies profile

No.	Company	TIN	Founding date	Nature of operation/Business	% Other than extractive activity	% Extractive activity	Capital (MWK)	Company Address
1	Hamra Oil Holdings Ltd	20210564	18/07/2014	Oil and Gas Exploration	0%	100%	NIL	P.O Box 31357, Lilongwe 3, Malawi
2	RAKGAS MB45	20211835	16/07/2014	Oil and Gas Exploration	0%	100%	NIL	PO BOX 31799 Lilongwe 3
3	SacOil Holdings Ltd	Not registered	01/02/1993	Oil and Gas	0%	100%	NC	1st Floor, 12 Culross Road Bryanston, 2021 Sandton, South Africa
4	Mota Engil Minerals and Mining (MW) Ltd	20206901	09/10/2013	Quarry	100%	0%	NC	Nasra House 1st Floor – City Centre PO Box 31379 – Lilongwe 3
5	Paladin (Africa) Ltd	20170867	01/08/2000	Uranium mining	0%	100%	1,040	Ernst & Young Villa, Pacific Villas, Area 14, Lilongwe
6	Shayona Cement Co	20150059	22/04/1994	Limestone mining/ Manufacture and Sale of Cement	100%	0%	200	P. O Box 679, Lilongwe, Malawi
7	Lafarge Cement Co Ltd	20108793	10/01/2008	Manufacture and sale of cement	100%	0%	15,786,274	Plot NY 318, Makata Heavy Industrial Area, PO Box 523, Blantyre
8	Cement Products (MW) Ltd	20190063	15/04/2004	Cement grinding	100%	0%	10,000,000	POBox 241, BT
9	Terrastone Ltd	20112570	20/01/1983	Building construction / mining	81%	19%	5,500,000	P.O Box 995, Lilongwe
10	Cilcon Ltd	20102901	20/08/2004	Civil construction / Quarry stone	95%	5%	100,000	P.OBox 454, Blantyre
11	Cpl-mchenga Coal Mines Ltd	20136744	20/07/1992	Mining	0%	100%	10,000,000	P.O Box 635, Lilongwe
12	Optichem 2000 (malawi) Ltd	20157873	04/04/2000	Phosphate mining / Manufacturing and distribution of fertilizers	98%	2%	6,000,000	P.O Box 30055
13	Zalewa Agriculture Lime Co	30400080	04/02/1998	Quarrying limestone / Manufacture lime products	0%	100%	NC	P.O Box 1669, Blantyre, Malawi
14	Kaziwiziwi Mining Co	20167690	NC	NC	NC	NC	NC	NC
15	Sovereign Services Ltd	20202123	03/12/2012	Mineral Exploration	0%	100%	22,052,610	PO Box 30523, Lilongwe 3, Malawi, Plot Number 44 Area 44 Lilongwe
16	M.A Kharafi & Sons	20173548	NC	NC	100%	0%	NC	NC
17	Malawi University Of Science And Technology	20207850	03/01/2012	University	100%	0%	NIL	Along Bingu Highway 7km Off Robert Mugabe Highway

No.	Company	TIN	Founding date	Nature of operation/Business	% Other than extractive activity	% Extractive activity	Capital (MWK)	Company Address
								Near Ndata Farm P.O Box 5196 - Limbe
18	Master Stone Breakers	20183919	2008	Quarrying	0%	100%	NC	P o Box 312 LL
19	Pamodzi Stone Mining (PSM) Investments	30407812		NC	0%	100%	NC	P.O Box 1669, Blantyre, Malawi

Source: EITI Reporting Templates by companies

NC : Not Communicated

Annex 4: Legal ownership

N°	Companies	N°	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (yes/no)	Stock exchange	Owner (if the company's shares are not quoted)
1	Hamra Oil Holdings Ltd	1	Hamra Oil Holdings Ltd (Cayman Islands)	100.00%	Emirati	No	N/A	Government of Ras Al Khaimah
2	RAKGAS MB45	1	RAK Gas MB45 Ltd (Cayman Registered)	100.00%	Government of Ras Al Khaimah	NC	NC	RAK Gas LLC / Government of Ras Al Khaimah
3	SacOil Holdings Ltd	1	Efora Energy Ltd	100.00%	South African	Yes	Johannesburg Stock Exchange ("JSE") with share code : EEL	N/A
4	Mota Engil Minerals and Mining (MW) Ltd	NC	NC	NC	NC	NC	NC	NC
		1	Government of Malawi	15.00%	Malawian	N/A	N/A	N/A
5	Paladin (Africa) Ltd	2	Paladin Energy Minerals NL	84.90%	Australian	Yes	Paladin Energy Ltd, which is listed on both Australian Securities Exchange & Toronto Stock Exchange	N/A
		3	PEM Malawi Pty Ltd	0.10%	Australian	No	N/A	Paladin Energy Minerals NL
6	Shayona Cement Co	1	Jitendra Kumar Patel	30.00%	British	N/A	N/A	Jitendra Kumar Patel
		2	Rajesh Narshibhai Patel	30.00%	British	N/A	N/A	Rajesh Narshibhai Patel
		3	Parque Investments	40.00%	British	NC	NC	Parque Investments
7	Lafarge Cement Co Ltd	1	Pan African Cement Company Ltd	100.00%	Swiss	Yes	Swiss Stock Exchange	N/A
8	Cement Products (MW) Ltd	1	NC	NC	Malawian	NC	NC	Aslam Abdul Gaffar
		1	Armenio M. Dacosta	60.00%	Portugese	N/A	N/A	Armenio M. Dacosta
		2	Jose Armenio A. Dacosta	10.00%	Portugese	N/A	N/A	Jose Armenio A. Dacosta
9	Terrastone Ltd	3	Maria Isabel Costa Oliveira	10.00%	Portugese	N/A	N/A	Maria Isabel Costa Oliveira
		4	Maria Terezina Costa Alves	10.00%	Portugese	N/A	N/A	Maria Terezina Costa Alves
		5	Maria Manuela Costa Leite	10.00%	Portugese	N/A	N/A	Maria Manuela Costa Leite
10	Cilcon Ltd	1	Cilcon Ltd	100.00%	Malawian	NC	NC	NC
11	Cpl-mchenga Coal Mines Ltd	1	Linx Investments	40.00%	Malawian	No	N/A	Rafik Gaffar
		2	R.Gaffar Transport Ltd	60.00%	Jamaican	No	N/A	Lincoln Bailey
12	Optichem 2000 (malawi) Ltd	1	MCFI Africa Ltd	100.00%	Mauritian	No	N/A	Paul Attwood (British)
13	Zalewa Agriculture Lime Co	1	ZALCO	100.00%	Malawian	No	N/A	Martin C. Saunders

N°	Companies	N°	Name/Entity	Level of ownership	Nationality of the owner	Stock exchange quotations (yes/no)	Stock exchange	Owner (if the company's shares are not quoted)
14	Kaziwiziwi Mining Co	NC	NC	NC	NC	NC	NC	NC
15	Sovereign Services Ltd	1	Sovereign Metals Ltd	100.00%	Australian	Yes	ASX	N/A
16	M.A Kharafi & Sons	NC	NC	NC	NC	NC	NC	NC
17	Malawi University Of Science And Technology	NC	NC	NC	NC	NC	NC	NC
18	Master Stone Breakers	1	Ali Alame	16.67%	NC	N/A	N/A	Ali Alame
		2	Mohamad Alame	16.67%	NC	N/A	N/A	Mohamad Alame
		3	George Mezher	16.67%	NC	N/A	N/A	George Mezher
		4	Abbas Alame	16.67%	NC	N/A	N/A	Abbas Alame
		5	Marwan El-Hayek	16.66%	NC	N/A	N/A	Marwan El-Hayek
		6	Mohamad Diab	16.66%	NC	N/A	N/A	Mohamad Diab
19	Pamodzi Stone Mining (PSM) Investments	NC	NC	NC	NC	NC	NC	NC

Source: EITI Reporting Templates by companies

N/A: Not Applicable

NC: Not communicated

Annex 5: Data on exports for 2015/16 FY

Extractive companies included in the reconciliation scope

N°	Companies	Companies		Government			Difference Quantity (Tons)	
		Solid Minerals Types	Quantity (Tons)	FOB Value	Quantity (Tons)	FOB Value		Country of destination
1	Mota Engil Minerals and Mining (MW) Ltd	Soil, Rock and Sand samples	0	0	14.00	840,750	South Africa and Australia	(14)
2	Cpl-mchenga Coal Mines Ltd	Duff Coal	4,324.09	66,319,841	1440.00	18,381,081	Tanzania	2,884
3	Zalewa Agriculture Lime Co	Agriculture Lime and Calcitic Lime	2,254.00	33,021,000	2254.00	33,006,000	Mozambique	-
4	Sovereign Services Ltd	Metallurgical Ore	0	0	0.11	20,000	Canada	(0)
		Rock Chip Samples	0	0	0.33	80,000	South Africa	(0)
5	Paladin (Africa) Ltd	Arkose, Rock samples and Mudstone	0	0	0.10	60,000	USA	(0)
Total Exports - Extractive companies included in the reconciliation scope				99,340,841	52,387,831		2,870	

Extractive companies outside the reconciliation scope

N°	Companies	Solid Minerals Types	Government		
			Quantity (Tons)	FOB Value	Country of destination
1	Globe Metals & Mining Exploration Ltd	Rock samples	0.96	300,000	South Africa and Australia
		Soil samples	0.05	10,000	South Africa
2	Nyala Mines Ltd	Rough Corundum	0.02	11,500,000	USA and Thailand
Total Exports - Unilateral disclosure			11,810,000		

Annex 6: Data on production 2015/16 FY

Extractive companies included in the reconciliation scope

N°	Companies	Solid Minerals Types	Companies Declaration		Department of Mines' Declaration		Difference Quantity (Tons)	Difference in Value (MWK)
			Quantity (Tons)	Value of the production in MWK	Quantity (Tons)	Value of the production in MWK		
1	Hamra Oil Holdings Ltd	NC	NC	NC	-	-	-	-
2	RAKGAS MB45	NC	NC	NC	-	-	-	-
3	SacOil Holdings Ltd	NC	NC	NC	-	-	-	-
4	Mota Engil Minerals and Mining (MW) Ltd	Rock Aggregate	82,852	357,374,914	82,852	446,718,643	0	(89,343,729)
5	Paladin (Africa) Ltd	Uranium	0	0	-	-	-	-
6	Shayona Cement Co	Limestone Iron Ore	128,657 3,329	643,285 8,462,246	118,939 3,042	594,695 7,908,888	(118,939) 287	(594,695) 553,358
7	Lafarge Cement Co Ltd	Limestone, Kaolinitic Clay	NC	NC	-	-	-	-
8	Cement Products (MW) Ltd	Limestone	N/A	N/A	-	-	-	-
9	Terrastone Ltd	Rock Aggregate	238,902	1,694,774,587	749,657	1,821,736,404	(510,756)	(126,961,816)
10	Cilcon Ltd	Rock Aggregate	4,634	33,595,920	14,573	145,986,069	(9,939)	(112,390,149)
11	Cpl-mchenga Coal Mines Ltd	Coal	15,488	557,905,317	15,488	557,905,317	-	-
12	Optichem 2000 (malawi) Ltd	Phosphate Rocks	6,456	114,027,815	6,456	114,027,815	-	0
13	Zalewa Agriculture Lime Co	Limestone	20,679	598,972,368	15,219	504,949,488	5,460	94,022,880
14	Kaziwiziwi Mining Co	Coal	NC	NC	15,488	557,905,317	(15,488)	(557,905,317)
15	Sovereign Services Ltd	Graphite, Base Metas and Sulphide Minerals	N/A	N/A	-	-	-	0
16	M.A Kharafi & Sons	Rock Aggregate	NC	NC	-	-	-	-
17	Malawi University Of Science And Technology	Clay Silica sands	6 3	NC NC	- -	- -	6 3	- -
18	Master Stone Breakers	Rock Aggregate	29,900	59,800,000	35,602.00	109,806,000.00	(5,702)	(50,006,000)

N°	Companies	Solid Minerals Types	Companies Declaration		Department of Mines' Declaration		Difference Quantity (Tons)	Difference in Value (MWK)
			Quantity (Tons)	Value of the production in MWK	Quantity (Tons)	Value of the production in MWK		
19	Pamodzi Stone Mining (PSM) Investments	Limestone	NC	NC	-	-	-	-
			530,905	3,425,556,452	1,057,315	4,267,538,637		(842,982,185)

N/A : Not Applicable

NC : Not communicated

Extractive companies outside the reconciliation scope

N°	Companies	Solid Minerals Types	Companies Declaration		Department of Mines' Declaration		Difference in Quantity (Tons)	Difference in Value (MWK)
			Quantity (Tons)	Value of the production in MWK	Quantity (Tons)	Value of the production in MWK		
1	Malcoal Mining Ltd	Coal	3,037	69,398,649	-	-	-	-
2	Zunguziwa Quarry Ltd	Quarry Stone	NC	NC	1,868	119,194,727	(1,868)	(119,194,727)
			3,037	69,398,649	1,868	119,194,727		(119,194,727)

Annex 7: Unilateral disclosure by Government Entities for Mining Sector

Name of company	DoM	MRA	Total (NWK)	Name of company	DoM	MRA	Total (NWK)
Globe Metals & Mining Exploration Ltd	11,989,400	12,276,481	24,265,881	Alexander Machinjiri	2,000	-	2,000
Malcoal Mining Ltd	50,000	307,951	357,951	Alfred Musi	2,000	-	2,000
Zunguziwa Quarry Ltd	5,284,535	15,681,988	20,966,523	Bromeson Mbundih	2,000	-	2,000
Lancaster Exploration Ltd	9,960,000	3,155,125	13,115,125	Bright Chikomeni	2,000	-	2,000
Intra Energy Ltd	20,000	-	20,000	Christopher Bulla	2,000	-	2,000
Premier Construction Equipments Ltd	-	7,790,306	7,790,306	Christopher Kaiche	2,000	-	2,000
Nyala Mines Ltd	1,907,500	4,618,518	6,526,018	Dorothy Mhango	2,000	-	2,000
Global Mining Limited	210,750	12,276,480	12,487,230	Emma Katengeza	2,000	-	2,000
ABDK EMAW Mining Co.	5,540,000	-	5,540,000	Feston Malanjira	2,000	-	2,000
TATE MINERALS (PTY) LTD	4,070,000	-	4,070,000	Fishani Mhango	2,000	-	2,000
Fabio Capannes	3,982,360	-	3,982,360	Gladstone Chilombo	2,000	-	2,000
ZASCO INTERNATIONAL LIMITED	2,650,000	-	2,650,000	Innocent Khembo	2,000	-	2,000
EARTH RESOURCES LIMITED	2,295,000	-	2,295,000	Jessie Munthali	2,000	-	2,000
ASPIRE GLOBAL LIMITED	-	1,908,194	1,908,194	Judas Nkhonde	2,000	-	2,000
Z.Z.T.H Wealth Company Limited	19,000	1,748,012	1,767,012	Lenson Mhango	2,000	-	2,000
Lynas Africa Limited	900,000	-	900,000	McDonald Nyirenda	2,000	-	2,000
LAKE VALLEY MINERALS	666,570	-	666,570	Moffat Kaulanda Jere	2,000	-	2,000
CHIWARDAMA ENTERPRISES	648,600	-	648,600	Mariam Msowoya	2,000	-	2,000
RMP Investments	554,100	-	554,100	Maluso Nyirongo	2,000	-	2,000
Eland Coal Mining Company Limited	479,000	-	479,000	Paul Abraham	2,000	-	2,000
World Of Granite	455,000	-	455,000	Pascaz Simentala Nthiwatiwa	2,000	-	2,000
VOLANTIS MINING COMPANY LIMITED	420,000	-	420,000	Rhodney Ngulube	2,000	-	2,000
Margret Nkhoma	376,280	-	376,280	Saru Ventures	2,000	-	2,000
Ilomba Granite Company Ltd	340,000	-	340,000	Tandu Chisuse Somanje	2,000	-	2,000
Tijan Mining Company	308,950	-	308,950	Tendai Bukani Jambo	2,000	-	2,000
Crown Minerals Limited	2,840	300,000	302,840	William P Mkandawire	2,000	-	2,000
All Power Solutions	292,500	-	292,500	Yohane Ng'oma	2,000	-	2,000
Edward Gumbalo Makaniko	259,950	-	259,950	Kennie C Kaunda	2,000	-	2,000
Madi Conteh	238,000	-	238,000	Nexon K.M Msiska	500	-	500
Mwansa Josephy	222,500	-	222,500	ABH.Mangochi	7,500	-	7,500

Name of company	DoM	MRA	Total (NWK)	Name of company	DoM	MRA	Total (NWK)
Kulimba Cement Ltd	200,000	-	200,000	African Commodity Traders	37,500	-	37,500
L.A.W Gondwe	174,500	-	174,500	A.GANDA	123,000	-	123,000
John Mthandi	166,500	-	166,500	A. Jemus	10,000	-	10,000
Miracle Limited	166,000	-	166,000	Akatswiri Mineral Resources	14,075,482	-	14,075,482
Lime Company	160,204	-	160,204	ALEXANDER TOPOLA	2,000	-	2,000
SINO SKY INDUSTRIAL COMPANY LTD	160,000	-	160,000	Ali RAJAB	10,000	-	10,000
Nkhauti Trading	137,856	-	137,856	Aljeed A. Munthali	6,000	-	6,000
Panji Nyirenda	125,500	-	125,500	Annia Mahenge	29,800	-	29,800
GEMALL LIMITED	112,800	-	112,800	A. Mwachande	500	-	500
Ant Traders	106,500	-	106,500	ANNASTASIA NTONYA	3,000	-	3,000
Strabag International Limited	104,000	-	104,000	A.S. Geloo	18,000	-	18,000
Abdul Hakim Ganda	102,500	-	102,500	Anshan Steel & Iron M M Ltd	4,500	-	4,500
DDY General Traders	99,573	-	99,573	Aubrey K. Kawerama	500	-	500
EGST Gate Mining Co.	95,665	-	95,665	Benald Sande	10,000	-	10,000
Mannan Minerals	71,500	-	71,500	Benson	22,500	-	22,500
Bassam Jawad	59,050	-	59,050	B.Gondwe	1,000	-	1,000
Minerals Development Company (MINDECO)	59,000	-	59,000	B.H. Construction	30,000	-	30,000
Zimkole Investments	54,250	-	54,250	Blantyre Mining Association	38,000	-	38,000
African Bricks & Tiles	50,000	-	50,000	BLISCO	3,000	-	3,000
FHC MINING HOLDINGS CO. LIMITED	50,000	-	50,000	B.Mskais	500	-	500
SPRING STONE LIMITED	50,000	-	50,000	Box 247,Mangochi	16,000	-	16,000
Maureen Nkhoma	48,500	-	48,500	Reginald Charles Carvalho	10,000	-	10,000
Flore-Annie Kamanga	45,950	-	45,950	C Engenhana	5,000	-	5,000
Phillip James Kamoto	31,398	-	31,398	CHAKHALA ENTERPRISE S	10,000	-	10,000
Charles Thomas Gondwe	28,000	-	28,000	Charity Munthali	10,000	-	10,000
Alick Levison Kwenda	27,500	-	27,500	Chatherine Banda	2,500	-	2,500
Zeenat Sameer Abdul Rashid	26,500	-	26,500	Chawanangwa Duke Ng'ambi	2,000	-	2,000
Robin Mines	25,000	-	25,000	Chen Fudan	2,700	-	2,700
Hanish Ishmael	23,500	-	23,500	Chenga coal mine	2,500	-	2,500
Akram Sharif Khan	22,000	-	22,000	Chikomeni Manda	10,000	-	10,000

Name of company	DoM	MRA	Total (NWK)	Name of company	DoM	MRA	Total (NWK)
Mahomed Hassam	22,000	-	22,000	Hendrix Shaibu Chimalizeni	2,000	-	2,000
Maleta Gems and Jewels	22,000	-	22,000	Chimeto Investment	10,000	-	10,000
Duncan Maziya Chikapa	21,300	-	21,300	China Africa Cooperation	4,000	-	4,000
Christos Liakos	20,500	-	20,500	Chitsulo M.K Jelita	3,000	-	3,000
BLUE HOUND CONSTRUCTION EQUIPMENT AND MATERIAL SUPPLIES	20,000	-	20,000	C.Kojadiya	500	-	500
Gabriel Anjilu Chilunga	20,000	-	20,000	Columbus Jealo Mwafulirwa	10,000	-	10,000
Gemstone Association of Malawi South	20,000	-	20,000	Commecial Quarry	230,000	-	230,000
Michael I.Chisala	20,000	-	20,000	Conduil Enginharia	4,000	-	4,000
Benson Manyera	19,000	-	19,000	Conduril co	7,500	-	7,500
E. Tsokalida	19,000	-	19,000	Crown Nyirenda	2,775	-	2,775
TPT Investments	19,000	-	19,000	Cydrick Liyera	5,000	-	5,000
Florence Banda	18,500	-	18,500	Dika Construction Co.	100,000	-	100,000
Mussa Ahamed Lambat	18,000	-	18,000	D .Kawonga	202,500	-	202,500
J.Jere	18,000	-	18,000	David Mzembe	500	-	500
DAVID DONALD BANDA	17,000	-	17,000	D.W.Banda	500	-	500
Mathias Chimbuto	17,000	-	17,000	E. Chiunda	500	-	500
Rodrique Nyirenda	16,500	-	16,500	E.Kamanga	500	-	500
Alema Group and Company	16,000	-	16,000	Emmanuel Mhango	2,000	-	2,000
Andrew Billiat Faria	16,000	-	16,000	ENOCK D. MWIKHO	10,000	-	10,000
Billy Kaunda	16,000	-	16,000	Esther Annie Gaven	10,000	-	10,000
Brenda Chalanda	16,000	-	16,000	Favour Group	4,000	-	4,000
Charles E Kachingwe	16,000	-	16,000	F. Capannesi	16,000	-	16,000
Grace Chamdula Jere	16,000	-	16,000	Fertilizer Company	287,500	-	287,500
Feroz Haroon	16,000	-	16,000	Fillip Majawa	10,580	-	10,580
HUSEIN DIAB	16,000	-	16,000	F.Kasonga	37,000	-	37,000
Isaiah Jeremiah	16,000	-	16,000	Mtonga Francis Samson	5,000	-	5,000
John Gave	16,000	-	16,000	FT.M. Fedrico	500	-	500
Jonathan Katsirizika	16,000	-	16,000	Sun Fucheng	2,000	-	2,000
Lowry S Mbulo	16,000	-	16,000	Garnet Thoms Nelibola	6,000	-	6,000
Martin Steven Chalanda	16,000	-	16,000	General Limited	955,000	-	955,000
Kelly Moses Kumwenda	16,000	-	16,000	Geological Survey	7,500	-	7,500
Loveness Annastansia Ntonya	16,000	-	16,000	George Gauzi	2,000	-	2,000

Name of company	DoM	MRA	Total (NWK)	Name of company	DoM	MRA	Total (NWK)
Stonie Chadzunda	16,000	-	16,000	Grapmal	3,000	-	3,000
Stevenson E G Chileka	16,000	-	16,000	Green Benson	2,000	-	2,000
Anthony Jackson Kitha	16,000	-	16,000	G.S.Department	18,750	-	18,750
Kay Limited	15,500	-	15,500	G.Sidyawonga	3,000	-	3,000
BZP Ventures	14,000	-	14,000	Hachu Enterprises	524,020	-	524,020
Dyton N.A. Nyirenda	14,000	-	14,000	Hamdan Ibrahim	10,000	-	10,000
HUDSON K. NYIRENDA	14,000	-	14,000	H.Chidamwa	500	-	500
Abdulkadre Jaiteh	12,500	-	12,500	HENRY B. CHAULUKA	9,000	-	9,000
Emma E Adam	12,500	-	12,500	H.K.Moyo	3,000	-	3,000
Wise Koon De Silva Roshan	12,500	-	12,500	H.M.Chavula	500	-	500
Edina Banda	12,000	-	12,000	Holdings	10,000	-	10,000
Kennedy E Chindenga	12,000	-	12,000	Diane Ibrahima(Dine x Gemstones Imperial Mining and Gemstone Processing.	41,000	-	41,000
MECRAZ Women	12,000	-	12,000	Isaac Betserai Nyoka	2,500	-	2,500
Osiana Munkhondya	12,000	-	12,000	Jailex Abalue	7,500	-	7,500
Steward Chipala	12,000	-	12,000	James Kimu	6,000	-	6,000
Sam Victor Ken	12,000	-	12,000	Janina Dierks	7,500	-	7,500
Allan.J. Allabi	11,000	-	11,000	Jason Thauzeni	7,000	-	7,000
Hannifa Alli	11,000	-	11,000	Jaurad Lahid	2,000	-	2,000
Ornamental Stores Mining Co	10,500	-	10,500	JAY FIRESTONE TRADING	6,000	-	6,000
5 Enterprises	10,000	-	10,000	J.Enterprises	47,500	-	47,500
Alice Banda	10,000	-	10,000	Jepther Ngwila	112,950	-	112,950
African Consolidated Mining	10,000	-	10,000	Jitie Jagne	5,000	-	5,000
AJA Mining Company	10,000	-	10,000	J Kalasi	4,150	-	4,150
Ahmed Khamis Guhum	10,000	-	10,000	J .Kaulanda	10,000	-	10,000
Alaa Sleiman Jawad	10,000	-	10,000	J.Mazulu	6,000	-	6,000
Arthur Liwonga	10,000	-	10,000	John Ndiza Nyirenda	500	-	500
Mphatso Bokosi	10,000	-	10,000	JOSEPH NOEL BAPU	18,000	-	18,000
Brenda Tembo	10,000	-	10,000	Joyce Jacque Holla	6,000	-	6,000
Dr Bruce Munthali	10,000	-	10,000	Juliet Salima	2,500	-	2,500
Felix Chinguwo	10,000	-	10,000	Juma Hamisi Msilu	39,500	-	39,500
Collen Mathew Mtimaukanene Covenant General	10,000	-	10,000	J.Z.Miska	500	-	500
David Sibande	10,000	-	10,000	Kamvula Quarry	4,000	-	4,000
Dantasie Mining Ltd	10,000	-	10,000	KK Mines	10,000	-	10,000

Name of company	DoM	MRA	Total (NWK)	Name of company	DoM	MRA	Total (NWK)
Duncan Wilson Magomba	10,000	-	10,000	KENNETH BONDO	10,000	-	10,000
Edwin Thera	10,000	-	10,000	Kondwani Antony	2,500	-	2,500
Evalisto Njewa	10,000	-	10,000	Kotadiya Chirag	500	-	500
Frank Mwausegha	10,000	-	10,000	K.Simwaka	500	-	500
Seema Ganatra	10,000	-	10,000	Kumwenda Pute	10,000	-	10,000
Gem General Dealers	10,000	-	10,000	Landirani Banda	85,500	-	85,500
Alice Jere	10,000	-	10,000	L Christos	10,000	-	10,000
Jonah Chimwamchere	10,000	-	10,000	L.D Mwanya	3,000	-	3,000
Biziwiki Kabondo	10,000	-	10,000	Lilian Chirwa	11,300	-	11,300
Selina Zainab Kankhulungo	10,000	-	10,000	Lilian Chuwa	150,000	-	150,000
Frank MI Kamti	10,000	-	10,000	Lilian Kamala	7,320	-	7,320
Laston Zimba	10,000	-	10,000	Lilian Paul Kamala	38,690	-	38,690
Levison Munthali	10,000	-	10,000	Lilien Gondwe	9,000	-	9,000
Rafik Mahomed	10,000	-	10,000	L.Mlombwa	500	-	500
Maria Madula	10,000	-	10,000	L. Nyirenda	2,000	-	2,000
Gift Master	10,000	-	10,000	Lucky Kaiwa	2,000	-	2,000
Pitso Matabesi	10,000	-	10,000	Luka Kanyatta Jele	2,000	-	2,000
Mayamiko Mwanza	10,000	-	10,000	Mackon Nyirenda	7,500	-	7,500
Peter T Mdulamizu	10,000	-	10,000	Makwinja Kasonga	4,000	-	4,000
Michael Edward Chkafa	10,000	-	10,000	Malawi Fertilizer Company	748,580	-	748,580
Michael Msungama	10,000	-	10,000	Manduwa Phillip	5,000	-	5,000
Abdula Sattar Geloo	10,000	-	10,000	Martha Malumbe	2,500	-	2,500
Maurine Muchaneta Chizimba	10,000	-	10,000	MATTHEWS CHABWERA	10,000	-	10,000
Moses Khembo	10,000	-	10,000	Chandiwira A.M. Shaba	6,000	-	6,000
Mustafa Saidi Milanzi	10,000	-	10,000	Mboma Lwitiko	2,000	-	2,000
Bond Mtembezeka	10,000	-	10,000	MACPHERSO N BULLA	10,000	-	10,000
Multi Royal Mining co	10,000	-	10,000	Diana Mchilikizo	10,000	-	10,000
Zione Nuka	10,000	-	10,000	Mhiha Zuberi Omary	10,000	-	10,000
Fiona O'dala	10,000	-	10,000	MID WEST MINERALS LIMITED	200,000	-	200,000
Owen Lawrence Nkhungulu	10,000	-	10,000	Mimiza Cottage	10,000	-	10,000
Omar Aiweni Asedi	10,000	-	10,000	MINDECO	6,000	-	6,000
Phillip Viyazyi	10,000	-	10,000	Mining Solutions	3,000	-	3,000
Obrien Phiri	10,000	-	10,000	Minnie Silumbu	4,000	-	4,000
Prisma Marketing Company	10,000	-	10,000	Mkhondya Asiana	4,000	-	4,000
PSP Group	10,000	-	10,000	M Nhlane	2,000	-	2,000

Name of company	DoM	MRA	Total (NWK)	Name of company	DoM	MRA	Total (NWK)
Peter Thomas Ndesoma	10,000	-	10,000	Mohammad Shahid	9,350	-	9,350
Valentine Sakala	10,000	-	10,000	Moses Kachemwe	2,500	-	2,500
Chiwandama Enterprises	10,000	-	10,000	Mpatsa Holdings	13,130,500	-	13,130,500
Shoprite Investments	10,000	-	10,000	Mphatso Hamiton	10,500	-	10,500
Sino Ma Tobacco Company	10,000	-	10,000	M.Salako	3,000	-	3,000
Thomas Chilinga Kayira	10,000	-	10,000	M.S. Mangun	3,000	-	3,000
Tilimbike Women Mining	10,000	-	10,000	M.T.A Enterprises	143,000	-	143,000
K. William	10,000	-	10,000	Muddy Liwonde	2,000	-	2,000
John Thousand Gomani	10,000	-	10,000	Muvacle Limited	9,000	-	9,000
AHD Mining Company	9,000	-	9,000	FRANK K MWAUSEGH A	10,000	-	10,000
Snakie Alie	9,000	-	9,000	Mzee Nyirongo	8,075	-	8,075
Global Energy Limited	8,000	-	8,000	Nature Groans Mining	6,000	-	6,000
Grecian Singano	8,000	-	8,000	Ndeleman Robin Phiri	500	-	500
Isaac Khomezga Nkhambula	8,000	-	8,000	Nebert Harawa	500	-	500
Saba General Dealers	8,000	-	8,000	Nkhanga Mines	5,000	-	5,000
Sonizawaka Mvula	8,000	-	8,000	Fikile Ntaba	3,000	-	3,000
Sidney Pondani	8,000	-	8,000	Mlotha One Village One Product	3,000	-	3,000
Rose Sibande	7,550	-	7,550	Oscar Henderson Kauwa	10,000	-	10,000
EL.Minerals	7,500	-	7,500	O.Zuberi	9,500	-	9,500
Jonathan C Chavula	7,000	-	7,000	Machira Paul Kondwani,	22,300	-	22,300
Tiyezye Club	7,000	-	7,000	Phillip Majawa	21,000	-	21,000
Magnum Mining CO.	6,150	-	6,150	P.Josephy	2,500	-	2,500
Alexander Chimbenja Banda	6,000	-	6,000	P.Mombas	500	-	500
Anthony Mpano	6,000	-	6,000	P.Najeja	7,500	-	7,500
Bonfansio Chiziwa	6,000	-	6,000	Prinica General Suppliers	10,000	-	10,000
Catherine Harawa	6,000	-	6,000	QO Halottasa Investment	16,000	-	16,000
David Dane	6,000	-	6,000	Rabson N Nkhoma	10,000	-	10,000
Dambo Thewo	6,000	-	6,000	Rafik Ishmael	6,000	-	6,000
Ground Worth Investments	6,000	-	6,000	R.Mwachenga	500	-	500
Harry Mwawa	6,000	-	6,000	Rockfields Ltd	50,000	-	50,000
Kissinger Kumwenda	6,000	-	6,000	R. Phiri	112,000	-	112,000
Kwikwasi Enterprises	6,000	-	6,000	RONALD CHANTHUNY A	10,000	-	10,000
Renaulds Osman Moyo	6,000	-	6,000	R.O. Ndovi	500	-	500
Reuben Gondwe	6,000	-	6,000	Rosin Mines	6,000	-	6,000

Name of company	DoM	MRA	Total (NWK)	Name of company	DoM	MRA	Total (NWK)
Robert Mgundo	6,000	-	6,000	Rukuru Mining	112,600	-	112,600
Saidi Matiyasi	6,000	-	6,000	Sabina Patel	10,000	-	10,000
Tadeyo K.G Shaba	6,000	-	6,000	Sameer Abdul Rashid	5,200	-	5,200
Telita Chitsulo	6,000	-	6,000	Samson Kamthoma	4,000	-	4,000
Veronica Gunde	6,000	-	6,000	Shamrove	10,000	-	10,000
Agness Mbewe,	5,000	-	5,000	SIGN OF VICTORY	37,000	-	37,000
George Nyirenda	5,000	-	5,000	Smart M.B Kasamale	6,000	-	6,000
Inga Gemstone Enterprise	5,000	-	5,000	S.Mulilima	10,000	-	10,000
JK Investments	5,000	-	5,000	SS Ndovi	10,000	-	10,000
SRI SAI MINING LIMITED	5,000	-	5,000	STANLEY A. KADAM'MANJ A	16,000	-	16,000
Thandizo Mining Club	5,000	-	5,000	Stanly Billy	500	-	500
Lazarus Benson C Harawa	4,500	-	4,500	Sungani Andsen	2,000	-	2,000
Donald Stephen Banda	4,000	-	4,000	SURYA MINING COMPANY LIMITED	5,505,000	-	5,505,000
Dyson Kazembe Chitani	4,000	-	4,000	Zuzgo MuNkwenda	309,500	-	309,500
George Duncan Chidzankufa	4,000	-	4,000	Tanzanite One Group Co.	7,500	-	7,500
Gift Mwale	4,000	-	4,000	Tatenda Katsoti	6,000	-	6,000
Godfrey J Gondwe	4,000	-	4,000	T.Chafunguka	10,000	-	10,000
Kachiswaswa Hlupazi	4,000	-	4,000	T. Chitsulo	3,000	-	3,000
Lawrence Feston Phuza	4,000	-	4,000	Tendai Theresa	10,000	-	10,000
Luzu Orphan Care	4,000	-	4,000	T.E NYIRENDA	2,000	-	2,000
Mary Ng'ambi	4,000	-	4,000	THABO EVERISTO CHALIRA	10,000	-	10,000
Martha Chione	4,000	-	4,000	The Director GSD	12,500	-	12,500
Milton Thindwa	4,000	-	4,000	The Masumba's Investment	10,000	-	10,000
Monique Salako	4,000	-	4,000	Tichaona Kapazira,	2,000	-	2,000
Stanley L, Mkandawire	4,000	-	4,000	Tijan Jagne	7,500	-	7,500
Titus P Nkosi	4,000	-	4,000	T. NAVAYA	10,000	-	10,000
Kayakangu Julius Malange	3,900	-	3,900	T N Mc court	4,000	-	4,000
Annie Kachere	3,000	-	3,000	THUVAN PATRIC MEYER	10,000	-	10,000
Charity Mhango	3,000	-	3,000	VERVE INCORPORATED LIMITED	100,000	-	100,000
Chavi Cooperative	3,000	-	3,000	Virginia Blackson Nduwa	10,000	-	10,000
James Mazulu	3,000	-	3,000	Virginia Chavula	10,000	-	10,000
Ian Petrol Mbewe	3,000	-	3,000	Wallace Kennedy	2,000	-	2,000

Name of company	DoM	MRA	Total (NWK)	Name of company	DoM	MRA	Total (NWK)
Kalima Mining	3,000	-	3,000	Weston Nyirenda	3,000	-	3,000
Mackness Gondwe	3,000	-	3,000	William Phiri	5,500	-	5,500
Marlyn M Munthali	3,000	-	3,000	W.Luwawa	500	-	500
Peter Hollande	3,000	-	3,000	Wangisani Mizedya	4,000	-	4,000
Samson Manduwa Phiri	3,000	-	3,000	Zeemin Sameer	4,250	-	4,250
Star Mangani	3,000	-	3,000	Z.S.Abdul Rashid	62,500	-	62,500
Sunstone Limited	3,000	-	3,000	Z.S.A Rashid	57,500	-	57,500
Tijiwuske Club	3,000	-	3,000	Z.Thopola	500	-	500
Patel Umesh	3,000	-	3,000	Name of licence holders not mentioned	2,500	-	2,500
Umoza Mining Club	3,000	-	3,000	Tanwell Chilonga Mhango	6,000	-	6,000
Mattius K Mkandawire	2,500	-	2,500	Total	97,354,354	60,063,055	157,417,409

Annex 8: Data submission and reliability FY 2015/16

N°	Name of company	Soft copy of the Reporting template	Audited Financial Statements	Hard copy of Reporting template signed by Senior Management	Reporting template certified by Auditor
		(Submitted/Not submitted)	(Submitted/Not submitted)	(Submitted/Not submitted)	(Submitted/Not submitted)
1	Hamra Oil Holdings Ltd	Submitted	Submitted	Submitted	Submitted
2	RAKGAS MB45	Submitted	Not submitted	Submitted	Submitted
3	SacOil Holdings Ltd	Submitted	Submitted	Submitted	Not submitted
4	Mota Engil Minerals and Mining (MW) Ltd	Submitted	Not submitted	Not submitted	Not submitted
5	Paladin (Africa) Ltd	Submitted	Submitted	Not submitted	Not submitted
6	Shayona Cement Co	Submitted	Submitted	Not submitted	Submitted
7	Lafarge Cement Co Ltd	Submitted	Submitted	Submitted	Not submitted
8	Cement Products (MW) Ltd	Submitted	Not submitted	Not submitted	Not submitted
9	Terrastone Ltd	Submitted	Submitted	Submitted	Submitted
10	Cilcon Ltd	Submitted	Submitted	Submitted	Not submitted
11	Cpl-mchenga Coal Mines Ltd	Submitted	Submitted	Not submitted	Not submitted
12	Optichem 2000 (malawi) Ltd	Submitted	Not submitted	Not submitted	Not submitted
13	Zalewa Agriculture Lime Co	Submitted	Not submitted	Submitted	Not submitted
14	Kaziwiziwi Mining Co	Not submitted	Not submitted	Not submitted	Not submitted
15	Sovereign Services Ltd	Submitted	Not submitted	Submitted	Not submitted
16	M.A Kharafi & Sons	Not submitted	Not submitted	Not submitted	Not submitted
17	Malawi University Of Science And Technology	Submitted	Not submitted	Not submitted	Not submitted
18	Master Stone Breakers	Submitted	Submitted	Submitted	Not submitted
19	Pamodzi Stone Mining (PSM) Investments	Not submitted	Not submitted	Not submitted	Not submitted

Annex 9: List of licences awarded during the FY 2015/16

	Company Name	DISTRICT	Grant Date	Expiry Date	Licence Type	Lic No
1	African Bricks & Tiles	NC	09/10/2015	08/10/2020	Mining Licence	ML0219
2	Lafarge Cement Company Ltd	NC	20/11/2015	19/11/2020	Mining Licence	ML0220A
3	APULE TRADERS	DOWA	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0432
4	BLUE HOUND CONSTRUCTION EQUIPMENT AND MATERIAL SUPPLIES	MANGOCHI	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0425
5	CHIWARDAMA ENTERPRISES	RUMPHI	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0431
6	EARTH RESOURCES LTD	LILONGWE	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0430
7	FHC MINING HOLDINGS CO. LTD	LILONGWE	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0433
8	MAKANJIRA MINERALS LTD	CHITIPA	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0426
9	SINO SKY INDUSTRIAL COMPANY LTD	MANGOCHI	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0428
10	VOLANTIS MINING COMPANY LTD	DOWA	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0429
11	WHY LIMESTONE MINING	KARONGA	09/10/2015	08/10/2018	Exclusive Prospecting Licence	EPL0427
12	Global Mining Ltd	NC	09/10/2015	08/10/2016	Reconnaissance Licence	RL0153
13	Global Mining Ltd	NC	09/10/2015	08/10/2016	Reconnaissance Licence	RL0154
14	Chiwandama Enterprises	NC	09/10/2015	08/10/2016	Reconnaissance Licence	RL0155
15	Fabio Capannesi (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00096
16	Multi Royal Mining (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00121
17	Evaristo Njewa (100%)	NC	26/09/2015	25/09/2016	Reserved Minerals Licence	RML0449
18	Tijan Mining (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00485
19	Ahmed Mahomed Hassam (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00493
20	John Gave (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00517
21	Madi Conteh (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00521
22	RMP Investments (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00525
23	John Mattias Chimbuto (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00540
24	EL-Mineral (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00582
25	LAKE VALLEY MINERALS (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00621
26	Gabriel Anjilu Chilunga	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00641
27	AJA Mining Company (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00642
28	Prisma Marketing Company (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00651
29	Alick Levison Kwenda (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00654
30	Rose Sibande (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00655
31	Mannan Minerals (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00661
32	Abdulkadre Jaiteh (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00678
33	Abdul Hakim Ganda (100%)	NC	03/09/2015	02/09/2016	Reserved Minerals Licence	RML00680
34	Eunice Emma Adam (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00688
35	5 Enterprises (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00694

	Company Name	DISTRICT	Grant Date	Expiry Date	Licence Type	Lic No
36	Panji Nyirenda	NC	12/10/2015	11/10/2017	Reserved Minerals Licence	RML00715
37	Anthony Jackson Kitha (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00725
38	Loveness Annastansia Ntonya (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00731
39	Chisomo Getrude Makuti (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00735
40	Edward Gumbala Mkaniko (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00745
41	Shaoxia Zhang (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00750
42	Roshan De Silva (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00759
43	William Kazembe (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00764
44	All Power Solutions (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00768
45	Ant Traders (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00770
46	Suzgo Mulimakwenda Kamanga (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00777
47	Michael Isaac Chisala (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00791
48	Shao Long Xue (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00792
49	Kay Ltd (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00827
50	Benson Manyela (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00838
51	Joseph Mwansa (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00839
52	Laston Zimba (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00840
53	Orton Vungu Msiska (100%)	NC	03/09/2015	02/09/2016	Reserved Minerals Licence	RML0862
54	Phillip Kamoto (100%)	NC	03/09/2015	02/09/2018	Reserved Minerals Licence	RML00868
55	HUSEIN DIAB	NC	12/10/2015	11/10/2016	Reserved Minerals Licence	RML0889
56	DAVID DONALD BANDA (100%)	NC	12/10/2015	11/10/2016	Reserved Minerals Licence	RML 0900
57	Kayakangu Julius Malange (100%)	NC	12/10/2015	11/10/2016	Reserved Minerals Licence	RML00908
58	Biziwiki Kabondo (100%)	NC	12/10/2015	11/10/2016	Reserved Minerals Licence	RML00909
59	Bond Mtembezeka (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00916
60	Brenda Chalanda (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00917
61	Jonah Chimwamchere (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00918
62	Tasosa Precious Namathila (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00919
63	Edina Banda (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00920
64	Hanisha Ishmail (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00921
65	Grace Chamdula Jere (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00922
66	Tendai Bukani Jambo (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00923
67	Jonathan Katsirizika (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00924
68	Tilimbike Women Mining (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00925
69	Shoprite Investments (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00926
70	JJ Enterprise (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00927
71	Akhram Sharrif Khan (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00928
72	John Mthandi (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00929

	Company Name	DISTRICT	Grant Date	Expiry Date	Licence Type	Lic No
73	Christopher Kaiche (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00930
74	Zione Nuka (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00931
75	Jairos Nkhoma (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00932
76	Alice Banda (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00933
77	PHYLLIS TABU MAPARA (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00934
78	Thomas Chilinga Kayira (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00935
79	Maureen Nkhoma (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00936
80	Maurine Muchaneta Chizimba (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00937
81	Jawad Bassam (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00938
82	Selina Zainab Kankhulungo (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00939
83	Alice Jere (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00940
84	AnorId Juma (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00941
85	Mbumba Pakula (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00942
86	Allan Zebuloni Zgambo (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00943
87	Alex Mwenekifungwe (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00944
88	Isaac Khomezga Nkhambula (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00945
89	Oasis Furniture (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00946
90	Phillip Viyazyi (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00947
91	Abdul Hakim Ganda (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00948
92	Covenant General (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00949
93	Andrew Billiat Faria (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00950
94	Alema Group and Company (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00951
95	Rabson Namagowa (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00952
96	Brenda Tembo (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00953
97	Herbert Sande (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00954
98	Seneca Investments (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00954
99	Kondwani Anthony Mwachimba (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00955
100	Levison Munthali (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00956
101	Sharati Investments (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00957
102	Maleta Gems and Jewels (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00958
103	Stonie Chadzunda (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00959
104	Innocent Khembo (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00960
105	Mphatso Bokosi (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00961
106	Saru Ventures (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00962
107	Umali Kimu (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00963
108	Duncan Wilson Magomba (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00964
109	Florence Banda (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00965

	Company Name	DISTRICT	Grant Date	Expiry Date	Licence Type	Lic No
110	Christopher Makda (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00966
111	Enock Golden Chileka (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00967
112	Jane Jere (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00968
113	Kelly Moses Kumwenda (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00969
114	Rafik Mahomed (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00970
115	David Sibande (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00971
116	Saba General Dealers (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00972
117	BZP Ventures (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00973
118	Jackpot Suppliers (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00974
119	Edwin Thera (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00975
120	Ahmed Khamis Guhum (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00976
121	PSP Group (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00977
122	Sino Ma Tobacco Company (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00978
123	Dr Bruce Munthali (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00979
124	Flore-Annie Kamanga (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00980
125	Joseph Mumba Kawimbe (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00981
126	Osiana Munkhondya (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00982
127	Kamti Frank Mchokaisaya (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00983
128	Andrew Kamoto (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00984
129	Omar Ndeketa (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00985
130	Alaa Sleiman Jawad (100%)	NC	15/02/2016	14/02/2017	Reserved Minerals Licence	RML00986
131	Seema Ganatra (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00987
132	John Thousand Gomani (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00988
133	Gift Master (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00989
134	Mustafa Saidi Milanzi (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00990
135	Moses Khembo (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00991
136	Thom Chafunguka (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00993
137	Gem General Dealers (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00994
138	John Mattias Chimbuto (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00995
139	Hudson Nyirenda (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00996
140	Mussa Ahamed Lambat (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00997
141	Owen Lawrence Nkhungulu	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00998
142	Isaiah Jeremiah (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML00999
143	Michael Edward Chkafa (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01000
144	Gemstone Association of Malawi South (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01001
145	Felix Chinguwo (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01002
146	IBBS Trucking (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01003

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147	Stella Kanthu Liabunya (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01004
148	Frank Mwausegha (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01005
149	Readers Investments (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01006
150	Billy Kaunda (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01007
151	Kennedy E Chindenga (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01008
152	Michael Msungama (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01009
153	Lowry S Mbulo (100%)	NC	29/04/2016	28/04/2017	Reserved Minerals Licence	RML01010
154	Bonfansio Chiziwa (100%)	NC	29/04/2016	29/04/2017	Reserved Minerals Licence	RML01011
155	Christos Liakos (100%)	NC	29/04/2016	30/04/2017	Reserved Minerals Licence	RML01012
156	Collen Mathew Mtimaukanene (100%)	NC	29/04/2016	01/05/2017	Reserved Minerals Licence	RML01013
157	Mayamiko Mwanza (100%)	NC	29/04/2016	02/05/2017	Reserved Minerals Licence	RML01014
158	Goodwill Investments (100%)	NC	29/04/2016	03/05/2017	Reserved Minerals Licence	RML01015
159	Maria Madula (100%)	NC	29/04/2016	04/05/2017	Reserved Minerals Licence	RML01016
160	Arthur Liwonga (100%)	NC	29/04/2016	05/05/2017	Reserved Minerals Licence	RML01017
161	Suzie Suzgo Mtawali (100%)	NC	29/04/2016	06/05/2017	Reserved Minerals Licence	RML01018
162	Elizabeth Tsokalida (100%)	NC	29/04/2016	07/05/2017	Reserved Minerals Licence	RML01019
163	Chinga Mdoka (100%)	NC	29/04/2016	08/05/2017	Reserved Minerals Licence	RML01020
164	Obrien Phiri (100%)	NC	29/04/2016	09/05/2017	Reserved Minerals Licence	RML01021
165	Pitso Matebesi (100%)	NC	29/04/2016	10/05/2017	Reserved Minerals Licence	RML01022
166	Martin Steven Chalanda (100%)	NC	29/04/2016	11/05/2017	Reserved Minerals Licence	RML01023
167	Peter Thomas Ndesoma (100%)	NC	29/04/2016	12/05/2017	Reserved Minerals Licence	RML01024
168	Duncan Maziya Chikapa (100%)	NC	29/04/2016	13/05/2017	Reserved Minerals Licence	RML01025
169	Usman Mohmed Adam Gani (100%)	NC	29/04/2016	14/05/2017	Reserved Minerals Licence	RML01026
170	Beatrice Monawe (100%)	NC	29/04/2016	15/05/2017	Reserved Minerals Licence	RML01027
171	Fanwell Mayaya Chirambo (100%)	NC	29/04/2016	16/05/2017	Reserved Minerals Licence	RML01028
172	Fisher Katumbi (100%)	NC	29/04/2016	17/05/2017	Reserved Minerals Licence	RML01029
173	Fiona O'dala (100%)	NC	29/04/2016	18/05/2017	Reserved Minerals Licence	RML01030
174	Roman Mkandawire (100%)	NC	29/04/2016	19/05/2017	Reserved Minerals Licence	RML01031
175	Valentine Sakala (100%)	NC	29/04/2016	20/05/2017	Reserved Minerals Licence	RML01032
176	Shamlock Suppliers (100%)	NC	29/04/2016	21/05/2017	Reserved Minerals Licence	RML01033
177	T S Phiri General Distributors (100%)	NC	29/04/2016	22/05/2017	Reserved Minerals Licence	RML01034
178	McClosbell Mafeni Soko (100%)	NC	29/04/2016	23/05/2017	Reserved Minerals Licence	RML01035
179	Omar Aiweni Asedi (100%)	NC	29/04/2016	24/05/2017	Reserved Minerals Licence	RML01036
180	Peter T Mdulamizu (100%)	NC	29/04/2016	25/05/2017	Reserved Minerals Licence	RML01037
181	Gimm Holdings (100%)	NC	29/04/2016	26/05/2017	Reserved Minerals Licence	RML01038
182	Hamdan Lime works (100%)	NC	21/09/2015	31/03/2018	Mining Claim	MCL0008
183	Donald Stephen Banda (100%)	NC	21/09/2015	31/03/2018	Mining Claim	MCL0142
184	Robin Mines (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0190

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185	Patrick Gausi (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0269
186	Robin Mines (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0342
187	Robin Mines (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0343
188	Sunstone Ltd (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0353
189	Renaulds Osman Moyo (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0367
190	John Gave (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0372
191	Fabio Capannesi (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0373
192	Magret Nkhoma (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0394
193	Zimkole Mining Group Ltd Company (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0400
194	Zimkole Mining Group Ltd Company (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0401
195	McDonald Nyirenda (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0402
196	Allan Alabi (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0408
197	Fabio Capannesi (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0415
198	Charles Thomas Gondwe (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0416
199	Donald Stephen Banda (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0418
200	Mahomed Ahmed Hassam (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0428
201	Henry Msofi (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0429
202	Kalima Mining (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0431
203	Kalima Mining (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0432
204	Pamodzi Stone Mining (PSM) Investments (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0449
205	Pamodzi Stone Mining (PSM) Investments (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0450
206	Pamodzi Stone Mining (PSM) Investments (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0451
207	George Nyirenda (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0452
208	Chavi Cooperative (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0453
209	Umesh Patel (100%)	NC	29/04/2016	31/03/2019	Mining Claim	MCL0454
210	Ali Muhammad Snakie (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0468
211	Ali Muhammad Snakie (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0469
212	Ali Muhammad Snakie (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0470
213	Hannifa Alli (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0471
214	Hannifa Alli (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0472
215	Hannifa Alli (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0473
216	James Mazulu (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0474
217	Zeenat Sameer (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0475
218	Iman Manduwa (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0476
219	Iman Manduwa (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0477
220	Agness Mbewe (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0478
221	Agness Mbewe (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0479
222	Vivien Gondwe (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0480
223	Carlos Charles Mthimbwa (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0481
224	Armstrong Levison Gondwe (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0482
225	Armstrong Levison Gondwe (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0483
226	Armstrong Levison Gondwe (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0484
227	Vivien Gondwe (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL0485
228	James Mazulu (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0486
229	Hassam Ahmed Mahomed (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0487
230	Samson Manduwa Phiri (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0488
231	Stanley Mkandawire (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0489
232	Stanley Mkandawire (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0490
233	Umoza Mining Club (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0491
234	Ian Petro Mbewe (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0493
235	Mlangali Women in Mining (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0494
236	Hanisha Ishmail (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0495
237	Hanisha Ishmail (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0496

	Company Name	DISTRICT	Grant Date	Expiry Date	Licence Type	Lic No
238	Hanisha Ishmail (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0497
239	Haroon Rosmin Feroz (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0498
240	Reuben Gondwe (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0499
241	Saba General Dealers (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0500
242	Charity Mhango (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0501
243	Zimkole Mining Group Ltd Company (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0502
244	Samson Manduwa Phiri (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0503
245	Mackness Gondwe (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0504
246	Global Energy Ltd (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0505
247	Haroon Rosmin Feroz (100%)	NC	01/04/2016	31/03/2019	Mining Claim	MCL0506
248	Minerals Development Company (MINDECO) (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0507
249	Minerals Development Company (MINDECO) (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0508
250	Minerals Development Company (MINDECO) (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0509
251	Benson Manyela (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0510
252	Benson Manyela (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0511
253	Benson Manyela (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0512
254	Jenda Trading Centre (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0513
255	Zimkole Mining Group Ltd Company (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0514
256	Mlangali Women in Mining (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0515
257	Zimkole Mining Group Ltd Company (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0516
258	George and Rodger (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0517
259	David Banda (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0518
260	Zeenat Sameer (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0519
261	Monique Salako (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0520
262	Gems and Ornamental Stones Investments (GEOSIN) (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0521
263	Gems and Ornamental Stones Investments (GEOSIN) (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0522
264	Gems and Ornamental Stones Investments (GEOSIN) (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0523
265	Kissinger Kumwenda (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0524
266	Kissinger Kumwenda (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0525
267	Osiana Nkhondiwa (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0526
268	Sonizawaka Mvula (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0527
269	Happiness Khonje (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0528
270	Martin Steven Chalanda (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0529
271	Martin Steven Chalanda (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0530
272	Sonizawaka Mvula (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0531
273	Jessie Munthali (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0532
274	Lazarus Benson C Harawa (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0533
275	David Banda (100%)	NC	29/04/2016	31/03/2018	Mining Claim	MCL0534
276	Tijiwuske Club (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0535
277	Marlyn M Munthali (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0536
278	Telita Chitsulo (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0537
279	Mackness Gondwe (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0538
280	Orton Msiska (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0539
281	Tiyezge Club (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0540
282	Ian Petro Mbewe (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0541
283	Ian Petro Mbewe (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0542
284	Anthony Mpano (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0543
285	Anthony Mpano (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0544
286	Anthony Mpano (100%)	NC	29/04/2016	31/03/2017	Mining Claim	MCL0545
287	Zeenat Sameer (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0592
288	John Gave (100%)	NC	01/04/2016	31/03/2018	Mining Claim	MCL0593
289	Donald Stephen Banda (100%)	NC	21/09/2015	31/03/2018	Mining Claim	MCL0594
290	JK Investments (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL0595

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291	Familjisa Chalk and Vim Investments (100%)	NC	01/04/2016	31/03/2019	Mining Claim	MCL0607
292	Zimkole Mining Group Ltd Company (100%)	NC	01/04/2016	31/03/2017	Mining Claim	MCL04012
293	TPT Investment (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL04019
294	Hussein Diab (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL04022
295	Hussein Diab (100%)	NC	21/09/2015	31/03/2016	Mining Claim	MCL04023
296	Luzu Orphan Care (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL01443
297	Anthony Mpano (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL01613
298	Milton Kaonga (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL01723
299	Akhram Sharif Khan (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL01746
300	Allan Alabi (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL01796
301	Bromeson Araston Mbundi (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL01798
302	Kondwani Mahowe (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL01890
303	Titukulane (100%)	NC	12/10/2015	11/10/2016	Non-Exclusive Prospecting Licence	NEPL01908
304	Lawrence Frank (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL01931
305	Loveness Annastansia Ntonya (100%)	NC	15/02/2016	15/02/2017	Non-Exclusive Prospecting Licence	NEPL01951
306	Lawrence F Phuza (100%)	NC	15/02/2016	16/02/2017	Non-Exclusive Prospecting Licence	NEPL01967
307	Rose Sibande (100%)	NC	15/02/2016	17/02/2017	Non-Exclusive Prospecting Licence	NEPL01970
308	Mahomed Hassam (100%)	NC	15/02/2016	18/02/2017	Non-Exclusive Prospecting Licence	NEPL01971
309	Anthony Jackson Kitha (100%)	NC	15/02/2016	19/02/2017	Non-Exclusive Prospecting Licence	NEPL01978
310	Rodrique Nyirenda (100%)	NC	15/02/2016	20/02/2017	Non-Exclusive Prospecting Licence	NEPL01982
311	Miracle Ltd (100%)	NC	15/02/2016	21/02/2017	Non-Exclusive Prospecting Licence	NEPL01992
312	Benson Manyela (100%)	NC	25/04/2016	22/02/2017	Non-Exclusive Prospecting Licence	NEPL02002
313	Kay Ltd (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02028
314	Tadeyo Kajiso George Shaba	NC	03/09/2015	02/09/2017	Non-Exclusive Prospecting Licence	NEPL02064
315	Gabriel Anjilu Chilunga (100%)	NC	12/10/2015	11/10/2017	Non-Exclusive Prospecting Licence	NEPL02071
316	Bonnex Kasonga (100%)	NC	12/10/2015	11/10/2016	Non-Exclusive Prospecting Licence	NEPL02082
317	Bettie Banda	NC	12/11/2015	11/11/2016	Non-Exclusive Prospecting Licence	NEPL02084
318	Lucas Ziyite (100%)	NC	12/10/2015	11/10/2016	Non-Exclusive Prospecting Licence	NEPL02086
319	DAVID DONALD BANDA (100%)	NC	12/11/2015	11/11/2016	Non-Exclusive Prospecting Licence	NEPL 02097
320	Tandu Chisuse Somanje (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02118
321	Chikondi Club (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02120
322	Steward Chipala (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02121
323	Hamilton Chapomba (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02122
324	Gift Mwale (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02123
325	Jawad Bassam (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02124
326	Transiscius Nyirenda (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02125
327	George Duncan Chidzankufa (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02126
328	Pascaz Simentala Nthiwatiwa (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02127

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329	Judas Nkhonde (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02128
330	Fishani Mhango (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02129
331	Eastgate Mining (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02130
332	Phyllis Mapara (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02131
333	Alfred Musi (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02132
334	Alfred Musi (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02132
335	Sydney Pondani (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02133
336	Brenda Chalanda (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02134
337	Jairos Nkhoma (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02135
338	Wilfred Dennyos C Mziwa (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02136
339	Mlangali Women in Mining (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02137
340	Titus P Nkosi (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02138
341	Estere Nqumayo (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02139
342	Kissinger Kumwenda (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02140
343	Kantcheni Mining Group (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02141
344	Christina Gondwe (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02142
345	Liness Ngwira (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02143
346	Richard Rickson Chipeta (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02144
347	Tijiwuske Club (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02145
348	Reuben Gondwe (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02146
349	George Rodgers (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02147
350	Lyson Mbalwe (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02148
351	Hannifa Alli (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02149
352	Charity Mhango (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02150
353	Maleni Zimba (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02151
354	Kondwani Mahowe (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02152
355	Mackness Gondwe (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02153
356	Saba General Dealers (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02154
357	Alema Group and Company (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02156
358	Saidi Matiyasi (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02156
359	Feston Malanjira (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02157
360	Mike Mtimaukanena (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02159
361	Jonathan Katsirizika (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02160
362	Andrew Billiat Faria (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02160
363	Stonie Chadzunda (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02162
364	Chita One Investments (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02163
365	Christopher Makda (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02164

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366	Dambo Thewo (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02166
367	Alexander Machinjiri (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02167
368	Abdula Sattar Geloo (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02168
369	Stevenson E G Chileka (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02169
370	Alexander Chimbenja Banda (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02170
371	Mussa Ahamed Lambat (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02171
372	Jane Jere (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02172
373	Mosses Kumwenda (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02173
374	Rafik Muhammed (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02174
375	Kachiswaswa Hlupazi (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02175
376	Feroz Haroon (100%)	NC	15/02/2016	15/02/2017	Non-Exclusive Prospecting Licence	NEPL02176
377	Mahommed Sikandra (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02177
378	Manduwa Phiri (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02178
379	Isaac Khomezga Nkhambula (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02179
380	Mary Ng'ambi (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02180
381	Paul Abraham (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02181
382	Titus P Nkosi (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02182
383	Gladstone Chilombo (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02183
384	David Dane (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02184
385	Magwati Holdings (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02185
386	Dyson Kazembe Chitani (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02186
387	Christopher Bulla (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02187
388	Grace Chamdure Jere (100%)	NC	15/02/2016	14/02/2017	Non-Exclusive Prospecting Licence	NEPL02188
389	Kwikwasi Enterprises (100%)	NC	29/04/2016	27/04/2017	Non-Exclusive Prospecting Licence	NEPL02188 Duplicate
390	Ground Worth Investments (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02189
391	Veronica Gunde (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02190
392	Elizabeth Tsokalida (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02191
393	Sonizawaka Mvula (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02192
394	Inga Gemstone Enterprise (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02193
395	Osiana Mnkhandiya (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02194
396	William P Mkandawire (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02195
397	Mkhuzo Thole (100%)	NC	29/04/2016	28/04/2018	Non-Exclusive Prospecting Licence	NEPL02196
398	Moffat Kaulanda Jere (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02197
399	Maluso Nyirongo (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02198
400	Hudson Nyirenda (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02199
401	Rhodney Ngulube (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02200
402	Jonathan C Chavula (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02201

Company Name	DISTRICT	Grant Date	Expiry Date	Licence Type	Lic No
403 Lenson Mhango (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02202
404 Yohane Ng'oma (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02203
405 Kennie C Kaunda (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02204
406 Mariam Msowoya (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02205
407 Bright Chikomeni (100%)	NC	29/04/2016	28/04/2018	Non-Exclusive Prospecting Licence	NEPL02206
408 Mattius K Mkandawire (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02207
409 Gemstone Association of Malawi South (100%)	NC	29/04/2016	28/04/2018	Non-Exclusive Prospecting Licence	NEPL02208
410 Dyton D Nyirenda (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02209
411 Isaiah Jeremiah (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02210
412 Martha Chione (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02211
413 Billy Kaunda (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02212
414 Readers Investments (100%)	NC	29/04/2016	29/04/2017	Non-Exclusive Prospecting Licence	NEPL02213
415 Royal Bikita Suppliers (100%)	NC	29/04/2016	30/04/2017	Non-Exclusive Prospecting Licence	NEPL02214
416 Lowry S Mbulo (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02215
417 Emma Katengeza (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02216
418 Sam Victor Ken (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02217
419 Charles E Kachingwe (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02218
420 Micheal I Chisala (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02219
421 Felix Chinguwo (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02220
422 ELLIAS M PHIRI (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02221
423 Lucy Kaluwa (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02222
424 Immanuella T Chikapa (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02223
425 Dannies Suppliers (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02224
426 Godfrey J Gondwe (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02225
427 Jim Holdings (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02226
428 McCrosbell Mafeni Soko (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02227
429 Tiyezye Club (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02228
430 Catherine Harawa (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02229
431 Dorothy Mhango (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02230
432 Mercy Nyirenda (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02231
433 Ian Petro Mbewe (100%)	NC	29/04/2016	28/04/2017	Non-Exclusive Prospecting Licence	NEPL02232
434 George Shaba	NC	15/09/2015	14/09/2017	Non-Exclusive Prospecting Licence	NEPL02307

Annex 10: Reconciliation sheets by company

Company name: Hamra Oil Holdings Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	89,314,562	(14,000,000)	75,314,562	77,725,541	(2,410,979)	75,314,562	-	
1- Department of Mines (DoM)	24,219,000	(14,000,000)	10,219,000	10,219,000	-	10,219,000	-	
1.1 Royalties paid		-	-		-	-	-	
1.2 Annual Charges / Ground rent	10,219,000	-	10,219,000	10,219,000	-	10,219,000	-	
1.3 Other payments to Mining authority	14,000,000	(14,000,000)	-		-	-	-	
2- Malawi Revenue Authority (MRA)	65,095,562	-	65,095,562	67,506,541	(2,410,979)	65,095,562	-	
2.1 Income tax paid		-	-		-	-	-	
2.2 Non-resident tax	44,952,297	-	44,952,297	44,952,297	-	44,952,297	-	
2.3 Pay As You Earn *PAYE	5,107,911	-	5,107,911	7,518,890	(2,410,979)	5,107,911	-	
2.4 Withholding tax on payments	15,035,354	-	15,035,354	15,035,354	-	15,035,354	-	
2.5 Fringe Benefits Tax		-	-		-	-	-	
2.6 Value Add Tax (VAT)		-	-		-	-	-	
2.7 Customs duty / Excise Tax		-	-		-	-	-	
2.8 Other payments to MRA		-	-		-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)		-	-		-	-	-	
3.2 Other material payments to MoF		-	-		-	-	-	
Total payments	89,314,562	(14,000,000)	75,314,562	77,725,541	(2,410,979)	75,314,562	-	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution		-	-					
4.2 Mandatory Social Contribution		-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project		-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016		-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016		-	-					

Company name: RAKGAS MB45

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	67,082,230	(1,113,327)	65,968,903	60,716,333	5,252,570	65,968,903	-	
1- Department of Mines (DoM)	-	-	-	-	-	-	-	
1.1 Royalties paid		-	-		-	-	-	
1.2 Annual Charges / Ground rent		-	-		-	-	-	
1.3 Other payments to Mining authority		-	-		-	-	-	
2- Malawi Revenue Authority (MRA)	67,082,230	(1,113,327)	65,968,903	60,716,333	5,252,570	65,968,903	-	
2.1 Income tax paid		-	-		-	-	-	
2.2 Non-resident tax		-	-		-	-	-	
2.3 Pay As You Earn "PAYE"	58,201,177	(635,893)	57,565,284	52,312,714	5,252,570	57,565,284	-	
2.4 Withholding tax on payments	8,881,053	(477,434)	8,403,619	8,403,619	-	8,403,619	-	
2.5 Fringe Benefits Tax		-	-		-	-	-	
2.6 Value Add Tax (VAT)		-	-		-	-	-	
2.7 Customs duty / Excise Tax		-	-		-	-	-	
2.8 Other payments to MRA		-	-		-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)		-	-		-	-	-	
3.2 Other material payments to MoF		-	-		-	-	-	
Total payments	67,082,230	(1,113,327)	65,968,903	60,716,333	5,252,570	65,968,903	-	
B- Unilateral company disclosures	69,885,278	-	69,885,278					
4- Social Payments	69,885,278	-	69,885,278					
4.1 Voluntary Social Contribution	69,885,278	-	69,885,278					
4.2 Mandatory Social Contribution		-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project		-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016		-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016		-	-					

Company name: SacOil Holdings Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	719,459	(719,459)	-	37,735,059	(37,735,059)	-	-	
1- Department of Mines (DoM)	719,459	(719,459)	-	37,735,059	(37,735,059)	-	-	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 Annual Charges / Ground rent	-	-	-	37,735,059	(37,735,059)	-	-	
1.3 Other payments to Mining authority	719,459	(719,459)	-	-	-	-	-	
2- Malawi Revenue Authority (MRA)	-	-	-	-	-	-	-	
2.1 Income tax paid	-	-	-	-	-	-	-	
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"	-	-	-	-	-	-	-	
2.4 Withholding tax on payments	-	-	-	-	-	-	-	
2.5 Fringe Benefits Tax	-	-	-	-	-	-	-	
2.6 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.7 Customs duty / Excise Tax	-	-	-	-	-	-	-	
2.8 Other payments to MRA	-	-	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	719,459	(719,459)	-	37,735,059	(37,735,059)	-	-	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution	-	-	-					
4.2 Mandatory Social Contribution	-	-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project	-	-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-					

Company name: Mota Engil Minerals and Mining (MW) Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	69,774,058	(54,113,078)	15,660,980	4,927,845,164	(4,911,438,581)	16,406,583	(745,603)	
1- Department of Mines (DoM)	22,714,322	(7,067,460)	15,646,862	16,143,155	(546,500)	15,596,655	50,207	
1.1 Royalties paid	22,235,932	(6,797,960)	15,437,972	15,477,960	-	15,477,960	(39,988)	Tax not reported by the extractive company
1.2 Annual Charges / Ground rent	171,390	37,500	208,890	118,695	-	118,695	90,195	Tax not reported by the Government Entity
1.3 Other payments to Mining authority	307,000	(307,000)	-	546,500	(546,500)	-	-	
2- Malawi Revenue Authority (MRA)	47,059,736	(47,045,618)	14,118	4,911,702,009	(4,910,892,081)	809,928	(795,810)	
2.1 Income tax paid	-	-	-	628,867,908	(628,679,248)	188,660	(188,660)	Tax not reported by the extractive company
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn *PAYE	-	-	-	754,977,458	(754,750,965)	226,493	(226,493)	Tax not reported by the extractive company
2.4 Withholding tax on payments	-	-	-	271,651,371	(271,569,876)	81,495	(81,495)	Tax not reported by the extractive company
2.5 Fringe Benefits Tax	-	-	-	9,342,000	(9,339,197)	2,803	(2,803)	Tax not reported by the extractive company
2.6 Value Add Tax (VAT)	47,059,736	(47,045,618)	14,118	870,027,363	(869,766,355)	261,008	(246,890)	Not material difference
2.7 Customs duty / Excise Tax	-	-	-	2,376,835,909	(2,376,786,440)	49,469	(49,469)	Tax not reported by the extractive company
2.8 Other payments to MRA	-	-	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	69,774,058	(54,113,078.00)	15,660,980	4,927,845,164	(4,911,438,581)	16,406,583	(745,603)	
B- Unilateral company disclosures	-	-	-	-	-	-	-	
4- Social Payments	0	0	0	-	-	-	-	
4.1 Voluntary Social Contribution	-	-	-	-	-	-	-	
4.2 Mandatory Social Contribution	-	-	-	-	-	-	-	
5- Infrastructure provisions and barter arrangements	0	0	0	-	-	-	-	
5.1 Total budget of the Engagement/Project	-	-	-	-	-	-	-	
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-	-	-	-	-	
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-	-	-	-	-	

Company name: Paladin (Africa) Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	642,778,539	(1,120,000)	641,658,539	527,956,893	113,704,146	641,661,039	(2,500)	
1- Department of Mines (DoM)	6,041,000	(1,120,000)	4,921,000	4,935,000	(11,500)	4,923,500	(2,500)	
1.1 Royalties paid		-	-	4,000	(1,500)	2,500	(2,500)	Tax not reported by the extractive company
1.2 Annual Charges / Ground rent	4,921,000	-	4,921,000	4,921,000	-	4,921,000	-	
1.3 Other payments to Mining authority	1,120,000	(1,120,000)	-	10,000	(10,000)	-	-	
2- Malawi Revenue Authority (MRA)	636,737,539	-	636,737,539	523,021,893	113,715,646	636,737,539	-	
2.1 Income tax paid		-	-		-	-	-	
2.2 Non-resident tax	3,380,432	6,852,676	10,233,108	6,852,676	3,380,432	10,233,108	-	
2.3 Pay As You Earn "PAYE"	502,545,922	-	502,545,922	404,217,446	98,328,476	502,545,922	-	
2.4 Withholding tax on payments	64,619,665	3,658,540	68,278,205	58,788,201	9,490,004	68,278,205	-	
2.5 Fringe Benefits Tax	6,879,752	24,275,898	31,155,650	28,638,916	2,516,734	31,155,650	-	
2.6 Value Add Tax (VAT)		24,524,654	24,524,654	24,524,654	-	24,524,654	-	
2.7 Customs duty / Excise Tax		-	-		-	-	-	
2.8 Other payments to MRA	59,311,768	(59,311,768)	-		-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)		-	-		-	-	-	
3.2 Other material payments to MoF		-	-		-	-	-	
Total payments	642,778,539	(1,120,000)	641,658,539	527,956,893	113,704,146	641,661,039	(2,500)	
B- Unilateral company disclosures	-	46,751,708	46,751,708					
4- Social Payments	-	46,751,708	46,751,708					
4.1 Voluntary Social Contribution		46,751,708	46,751,708					
4.2 Mandatory Social Contribution		-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project		-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016		-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016		-	-					

Company name: Shayona Cement Co

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	828,059,147	(827,365,863)	693,284	1,645,968,208	(1,645,274,924)	693,284		-
1- Department of Mines (DoM)	973,284	(280,000)	693,284	948,284	(255,000)	693,284		-
1.1 Royalties paid	455,284	-	455,284	455,284	-	455,284		-
1.2 Annual Charges / Ground rent	238,000	-	238,000	238,000	-	238,000		-
1.3 Other payments to Mining authority	280,000	(280,000)	-	255,000	(255,000)	-		-
2- Malawi Revenue Authority (MRA)	827,085,863	(827,085,863)	-	1,645,019,924	(1,645,019,924)	-		-
2.1 Income tax paid	5,000,000	(5,000,000)	-	5,000,000	(5,000,000)	-		-
2.2 Non-resident tax	29,140,529	(29,140,529)	-	24,736,527	(24,736,527)	-		-
2.3 Pay As You Earn "PAYE"	79,204,111	(79,204,111)	-	75,394,341	(75,394,341)	-		-
2.4 Withholding tax on payments	108,904,494	(108,904,494)	-	101,866,528	(101,866,528)	-		-
2.5 Fringe Benefits Tax	22,043,600	(22,043,600)	-	14,182,699	(14,182,699)	-		-
2.6 Value Add Tax (VAT)	582,793,129	(582,793,129)	-	592,048,924	(592,048,924)	-		-
2.7 Customs duty / Excise Tax	-	-	-	831,790,905	(831,790,905)	-		-
2.8 Other payments to MRA	-	-	-	-	-	-		-
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-		-
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-		-
3.2 Other material payments to MoF	-	-	-	-	-	-		-
Total payments	828,059,147	(827,365,863)	693,284	1,645,968,208	(1,645,274,924)	693,284		-
B- Unilateral company disclosures	20,417,570	(20,417,570)	-					
4- Social Payments	20,417,570	(20,417,570)	-					
4.1 Voluntary Social Contribution	20,417,570	(20,417,570)	-					
4.2 Mandatory Social Contribution	-	-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project	-	-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-					

Company name: Lafarge Cement Co Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	2,674,328,048	(2,674,178,048)	150,000	2,661,825,038	(2,661,825,038)	-	150,000	
1- Department of Mines (DoM)	150,000	-	150,000	500,000	(500,000)	-	150,000	
1.1 Royalties paid		-	-		-	-	-	
1.2 Annual Charges / Ground rent		150,000	150,000		-	-	150,000	Tax not reported by the Government Entity
1.3 Other payments to Mining authority	150,000	(150,000)	-	500,000	(500,000)	-	-	
2- Malawi Revenue Authority (MRA)	2,674,178,048	(2,674,178,048)	-	2,661,325,038	(2,661,325,038)	-	-	
2.1 Income tax paid	521,523,319	(521,523,319)	-	333,586,712	(333,586,712)	-	-	
2.2 Non-resident tax	146,048,347	(146,048,347)	-	147,990,320	(147,990,320)	-	-	
2.3 Pay As You Earn *PAYE	222,151,333	(222,151,333)	-	157,809,262	(157,809,262)	-	-	
2.4 Withholding tax on payments	221,028,123	(221,028,123)	-	428,599,894	(428,599,894)	-	-	
2.5 Fringe Benefits Tax	32,996,711	(32,996,711)	-	24,636,033	(24,636,033)	-	-	
2.6 Value Add Tax (VAT)	1,381,967,236	(1,381,967,236)	-	-	-	-	-	
2.7 Customs duty / Excise Tax	16,444,174	(16,444,174)	-	1,568,702,817	(1,568,702,817)	-	-	
2.8 Other payments to MRA	132,018,805	(132,018,805)	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)		-	-		-	-	-	
3.2 Other material payments to MoF		-	-		-	-	-	
Total payments	2,674,328,048	(2,674,178,048)	150,000	2,661,825,038	(2,661,825,038)	-	150,000	
B- Unilateral company disclosures	14,203,264	(14,203,264)	-					
4- Social Payments	14,203,264	(14,203,264)	-					
4.1 Voluntary Social Contribution	14,203,264	(14,203,264)	-					
4.2 Mandatory Social Contribution		-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project		-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016		-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016		-	-					

Company name: Cement Products (MW) Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	2,094,236	(1,044,236)	1,050,000	1,119,344,191	(1,118,294,191)	1,050,000	-	
1- Department of Mines (DoM)	1,500,000	(450,000)	1,050,000	1,050,000	-	1,050,000	-	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 Annual Charges / Ground rent	-	1,050,000	1,050,000	1,050,000	-	1,050,000	-	
1.3 Other payments to Mining authority	1,500,000	(1,500,000)	-	-	-	-	-	
2- Malawi Revenue Authority (MRA)	594,236	(594,236)	-	1,118,294,191	(1,118,294,191)	-	-	
2.1 Income tax paid	-	-	-	-	-	-	-	
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"	274,128	(274,128)	-	24,927,487	(24,927,487)	-	-	
2.4 Withholding tax on payments	62,979	(62,979)	-	8,657,744	(8,657,744)	-	-	
2.5 Fringe Benefits Tax	-	-	-	-	-	-	-	
2.6 Value Add Tax (VAT)	186,889	(186,889)	-	244,614,619	(244,614,619)	-	-	
2.7 Customs duty / Excise Tax	70,240	(70,240)	-	840,094,341	(840,094,341)	-	-	
2.8 Other payments to MRA	-	-	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	2,094,236	(1,044,236)	1,050,000	1,119,344,191	(1,118,294,191)	1,050,000	-	
B- Unilateral company disclosures	-	-	-	-	-	-	-	
4- Social Payments	-	-	-	-	-	-	-	
4.1 Voluntary Social Contribution	-	-	-	-	-	-	-	
4.2 Mandatory Social Contribution	-	-	-	-	-	-	-	
5- Infrastructure provisions and barter arrangements	-	-	-	-	-	-	-	
5.1 Total budget of the Engagement/Project	-	-	-	-	-	-	-	
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-	-	-	-	-	
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-	-	-	-	-	

Company name: Cement Products (MW) Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	2,094,236	(1,044,236)	1,050,000	1,119,344,191	(1,118,294,191)	1,050,000	-	
1- Department of Mines (DoM)	1,500,000	(450,000)	1,050,000	1,050,000	-	1,050,000	-	
1.1 Royalties paid		-	-		-	-	-	
1.2 Annual Charges / Ground rent		1,050,000	1,050,000	1,050,000	-	1,050,000	-	
1.3 Other payments to Mining authority	1,500,000	(1,500,000)	-		-	-	-	
2- Malawi Revenue Authority (MRA)	594,236	(594,236)	-	1,118,294,191	(1,118,294,191)	-	-	
2.1 Income tax paid		-	-		-	-	-	
2.2 Non-resident tax		-	-		-	-	-	
2.3 Pay As You Earn "PAYE"	274,128	(274,128)	-	24,927,487	(24,927,487)	-	-	
2.4 Withholding tax on payments	62,979	(62,979)	-	8,657,744	(8,657,744)	-	-	
2.5 Fringe Benefits Tax		-	-		-	-	-	
2.6 Value Add Tax (VAT)	186,889	(186,889)	-	244,614,619	(244,614,619)	-	-	
2.7 Customs duty / Excise Tax	70,240	(70,240)	-	840,094,341	(840,094,341)	-	-	
2.8 Other payments to MRA		-	-		-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)		-	-		-	-	-	
3.2 Other material payments to MoF		-	-		-	-	-	
Total payments	2,094,236	(1,044,236)	1,050,000	1,119,344,191	(1,118,294,191)	1,050,000	-	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution		-	-					
4.2 Mandatory Social Contribution		-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project		-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016		-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016		-	-					

Company name: Cilcon Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	9,507,951	(1,997,897)	7,510,054	379,496,517	(365,888,893)	13,607,624	(6,097,570)	
1- Department of Mines (DoM)	7,404,902	-	7,404,902	5,875,147	(2,000)	5,873,147	1,531,755	
1.1 Royalties paid	7,369,902	-	7,369,902	5,873,147	-	5,873,147	1,496,755	Tax not reported by the Government Entity
1.2 Annual Charges / Ground rent	35,000	-	35,000	-	-	-	35,000	Tax not reported by the Government Entity
1.3 Other payments to Mining authority	-	-	-	2,000	(2,000)	-	-	
2- Malawi Revenue Authority (MRA)	2,103,049	(1,997,897)	105,152	373,621,370	(365,886,893)	7,734,477	(7,629,325)	
2.1 Income tax paid	-	-	-	-	-	-	-	
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"	2,103,049	(1,997,897)	105,152	55,087,572	(52,333,193)	2,754,379	(2,649,227)	Tax not reported by the extractive company
2.4 Withholding tax on payments	-	-	-	3,899,564	(3,704,586)	194,978	(194,978)	Tax not reported by the extractive company
2.5 Fringe Benefits Tax	-	-	-	2,062,885	(1,959,741)	103,144	(103,144)	Tax not reported by the extractive company
2.6 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.7 Customs duty / Excise Tax	-	-	-	312,571,349	(307,889,373)	4,681,976	(4,681,976)	Tax not reported by the extractive company
2.8 Other payments to MRA	-	-	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	9,507,951	(1,997,897)	7,510,054	379,496,517	(365,888,893)	13,607,624	(6,097,570)	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution	-	-	-					
4.2 Mandatory Social Contribution	-	-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project	-	-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-					

Company name: Cpl-mchenga Coal Mines Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	78,422,074	3,439,574	81,861,648	81,490,584	401,037	81,891,621	(29,973)	
1- Department of Mines (DoM)	2,314,602	3,439,574	5,754,176	5,353,112	401,037	5,754,149	27	
1.1 Royalties paid	2,287,102	842,074	3,129,176	2,705,612	423,537	3,129,149	27	Not material difference
1.2 Annual Charges / Ground rent		2,625,000	2,625,000	2,625,000	-	2,625,000	-	
1.3 Other payments to Mining authority	27,500	(27,500)	-	22,500	(22,500)	-	-	
2- Malawi Revenue Authority (MRA)	76,107,472	-	76,107,472	76,137,472	-	76,137,472	(30,000)	
2.1 Income tax paid		-	-		-	-	-	
2.2 Non-resident tax		-	-		-	-	-	
2.3 Pay As You Earn "PAYE"	10,169,426	-	10,169,426	10,169,426	-	10,169,426	-	
2.4 Withholding tax on payments	1,478,133	-	1,478,133	1,478,133	-	1,478,133	-	
2.5 Fringe Benefits Tax		-	-		-	-	-	
2.6 Value Add Tax (VAT)	64,459,913	-	64,459,913	64,459,913	-	64,459,913	-	
2.7 Customs duty / Excise Tax		-	-	30,000	-	30,000	(30,000)	Tax not reported by the extractive company
2.8 Other payments to MRA		-	-		-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)		-	-		-	-	-	
3.2 Other material payments to MoF		-	-		-	-	-	
Total payments	78,422,074	3,439,574	81,861,648	81,490,584	401,037	81,891,621	(29,973)	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution		-	-					
4.2 Mandatory Social Contribution		-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project		-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016		-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016		-	-					

Company name: Optichem 2000 (malawi) Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	277,136,961	(264,674,925)	12,462,036	274,704,898	(263,023,562)	11,681,336	780,700	
1- Department of Mines (DoM)	5,765,931	1,268,688	7,034,619	7,034,619	-	7,034,619	-	
1.1 Royalties paid	4,816,931	2,217,688	7,034,619	7,034,619	-	7,034,619	-	
1.2 Annual Charges / Ground rent	949,000	(949,000)	-	-	-	-	-	
1.3 Other payments to Mining authority	-	-	-	-	-	-	-	
2- Malawi Revenue Authority (MRA)	271,371,030	(265,943,613)	5,427,417	267,670,279	(263,023,562)	4,646,717	780,700	
2.1 Income tax paid	118,426,154	(116,057,631)	2,368,523	25,198,502	(24,694,532)	503,970	1,864,553	Tax not reported by the Government Entity
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"	77,285,657	(75,739,946)	1,545,711	70,523,336	(69,112,870)	1,410,466	135,245	Tax not reported by the Government Entity
2.4 Withholding tax on payments	41,828,581	(40,992,011)	836,570	36,454,286	(35,725,202)	729,084	107,486	Tax not reported by the Government Entity
2.5 Fringe Benefits Tax	4,613,003	(4,520,743)	92,260	3,399,353	(3,331,366)	67,987	24,273	Tax not reported by the Government Entity
2.6 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.7 Customs duty / Excise Tax	29,217,635	(28,633,282)	584,353	132,094,802	(130,159,592)	1,935,210	(1,350,857)	Tax not reported by the extractive company
2.8 Other payments to MRA	-	-	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	277,136,961	(264,674,925)	12,462,036	274,704,898	(263,023,562)	11,681,336	780,700	
B- Unilateral company disclosures	1,488,450	(1,458,681)	29,769					
4- Social Payments	1,488,450	(1,458,681)	29,769					
4.1 Voluntary Social Contribution	1,488,450	(1,458,681)	29,769					
4.2 Mandatory Social Contribution	-	-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project	-	-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-					

Company name: Zalewa Agriculture Lime Co

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	112,197,623	(16,653,621)	95,544,002	15,837,712	98,143,957	113,981,669	(18,437,667)	
1- Department of Mines (DoM)	1,847,615	(128,000)	1,719,615	1,920,378	(114,000)	1,806,378	(86,763)	
1.1 Royalties paid	1,727,115	(22,500)	1,704,615	1,705,728	2,000	1,707,728	(3,113)	Not material difference
1.2 Annual Charges / Ground rent	15,000	-	15,000	86,650	12,000	98,650	(83,650)	Tax not reported by the extractive company
1.3 Other payments to Mining authority	105,500	(105,500)	-	128,000	(128,000)	-	-	
2- Malawi Revenue Authority (MRA)	110,350,008	(16,525,621)	93,824,387	13,917,334	98,257,957	112,175,291	(18,350,904)	
2.1 Income tax paid	39,906,325	(10,437,338)	29,468,987	-	43,064,685	43,064,685	(13,595,698)	Tax not reported by the extractive company
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"	4,688,328	(435,622)	4,252,706	-	4,540,497	4,540,497	(287,791)	Tax not reported by the extractive company
2.4 Withholding tax on payments	4,704,200	(437,398)	4,266,802	737,477	3,833,285	4,570,762	(303,960)	Tax not reported by the extractive company
2.5 Fringe Benefits Tax	2,264,705	(686,094)	1,578,611	-	2,356,218	2,356,218	(777,607)	Tax not reported by the extractive company
2.6 Value Add Tax (VAT)	53,813,639	-	53,813,639	11,032,017	40,784,476	51,816,493	1,997,146	Tax not reported by the Government Entity
2.7 Customs duty / Excise Tax	443,642	-	443,642	2,147,840	3,678,796	5,826,636	(5,382,994)	Tax not reported by the extractive company
2.8 Other payments to MRA	4,529,169	(4,529,169)	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	112,197,623	(16,653,621)	95,544,002	15,837,712	98,143,957	113,981,669	(18,437,667)	
B- Unilateral company disclosures	2,216,045	-	2,216,045					
4- Social Payments	2,216,045	-	2,216,045					
4.1 Voluntary Social Contribution	2,216,045	-	2,216,045					
4.2 Mandatory Social Contribution	-	-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project	-	-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-					

Company name: Kaziwizi Mining Co

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	-	-	-	68,045,121	-	68,045,121	(68,045,121)	
1- Department of Mines (DoM)	-	-	-	4,433,237	-	4,433,237	(4,433,237)	
1.1 Royalties paid		-	-	4,313,237	-	4,313,237	(4,313,237)	Reporting template not submitted by the extractive company
1.2 Annual Charges / Ground rent		-	-	120,000	-	120,000	(120,000)	Reporting template not submitted by the extractive company
1.3 Other material payments to Mining authority		-	-		-	-	-	
2- Malawi Revenue Authority (MRA)	-	-	-	63,611,884	-	63,611,884	(63,611,884)	
2.1 Income tax paid		-	-		-	-	-	
2.2 Non-resident tax		-	-		-	-	-	
2.3 Pay As You Earn "PAYE"		-	-	29,354,692	-	29,354,692	(29,354,692)	Reporting template not submitted by the extractive company
2.4 Withholding tax on payments		-	-	-	-	-	-	
2.5 Fringe Benefits Tax		-	-	-	-	-	-	
2.6 Value Add Tax (VAT)		-	-	33,370,523	-	33,370,523	(33,370,523)	Reporting template not submitted by the extractive company
2.7 Customs duty / Excise Tax		-	-	886,669	-	886,669	(886,669)	Reporting template not submitted by the extractive company
2.8 Other material payments to MRA		-	-		-	-	-	
Total payments	-	-	-	68,045,121	-	68,045,121	(68,045,121)	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution		-	-					
4.2 Mandatory Social Contribution		-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project		-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016		-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016		-	-					

Company name: Sovereign Services Ltd

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	42,413,840	(58,500)	42,355,340	40,750,878	(55,000)	40,695,878	1,659,462	
1- Department of Mines (DoM)	20,528,500	(58,500)	20,470,000	20,525,000	(55,000)	20,470,000	-	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 Annual Charges / Ground rent	20,470,000	-	20,470,000	20,470,000	-	20,470,000	-	
1.3 Other payments to Mining authority	58,500	(58,500)	-	55,000	(55,000)	-	-	
2- Malawi Revenue Authority (MRA)	21,885,340	-	21,885,340	20,225,878	-	20,225,878	1,659,462	
2.1 Income tax paid	-	-	-	-	-	-	-	
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"	18,676,671	-	18,676,671	17,147,205	-	17,147,205	1,529,466	Tax not reported by the Government Entity
2.4 Withholding tax on payments	2,969,693	-	2,969,693	2,950,473	-	2,950,473	19,220	Tax not reported by the Government Entity
2.5 Fringe Benefits Tax	114,588	-	114,588	128,200	-	128,200	(13,612)	Detail of expenditure could not be used
2.6 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.7 Customs duty / Excise Tax	124,388	-	124,388	-	-	-	124,388	Tax not reported by the Government Entity
2.8 Other payments to MRA	-	-	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	42,413,840	(58,500)	42,355,340	40,750,878	(55,000)	40,695,878	1,659,462	
B- Unilateral company disclosures	-	-	-	-	-	-	-	
4- Social Payments	-	-	-	-	-	-	-	
4.1 Voluntary Social Contribution	-	-	-	-	-	-	-	
4.2 Mandatory Social Contribution	-	-	-	-	-	-	-	
5- Infrastructure provisions and barter arrangements	-	-	-	-	-	-	-	
5.1 Total budget of the Engagement/Project	-	-	-	-	-	-	-	
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-	-	-	-	-	
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-	-	-	-	-	

Company name: M.A Kharafi & Sons

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	-	-	-	97,805,779	(97,805,779)	-	-	
1- Department of Mines (DoM)	-	-	-	-	-	-	-	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 Annual Charges / Ground rent	-	-	-	-	-	-	-	
1.3 Other payments to Mining authority	-	-	-	-	-	-	-	
2- Malawi Revenue Authority (MRA)	-	-	-	97,805,779	(97,805,779)	-	-	
2.1 Income tax paid	-	-	-	94,925,900	(94,925,900)	-	-	
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"	-	-	-	1,582,215	(1,582,215)	-	-	
2.4 Withholding tax on payments	-	-	-	1,297,664	(1,297,664)	-	-	
2.5 Fringe Benefits Tax	-	-	-	-	-	-	-	
2.6 Value Add Tax (VAT)	-	-	-	-	-	-	-	
2.7 Customs duty / Excise Tax	-	-	-	-	-	-	-	
2.8 Other payments to MRA	-	-	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	-	-	-	97,805,779	(97,805,779)	-	-	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution	-	-	-					
4.2 Mandatory Social Contribution	-	-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project	-	-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-					

Company name: Malawi University Of Science And Technology

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	-	-	-	205,114,217	(205,114,217)	-	-	
1- Department of Mines (DoM)	-	-	-	-	-	-	-	
1.1 Royalties paid		-	-		-	-	-	
1.2 Annual Charges / Ground rent		-	-		-	-	-	
1.3 Other material payments to Mining authority		-	-		-	-	-	
2- Malawi Revenue Authority (MRA)	-	-	-	205,114,217	(205,114,217)	-	-	
2.1 Income tax paid		-	-	-	-	-	-	
2.2 Non-resident tax		-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"		-	-	190,137,271	(190,137,271)	-	-	
2.4 Withholding tax on payments		-	-	8,986,764	(8,986,764)	-	-	
2.5 Fringe Benefits Tax		-	-	5,990,182	(5,990,182)	-	-	
2.6 Value Add Tax (VAT)		-	-	-	-	-	-	
2.7 Customs duty / Excise Tax		-	-	-	-	-	-	
2.8 Other material payments to MRA		-	-	-	-	-	-	
Total payments	-	-	-	205,114,217	(205,114,217)	-	-	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution		-	-					
4.2 Mandatory Social Contribution		-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project		-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016		-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016		-	-					

Company name: Master Stone Breakers

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	79,866,081	(5,435,376)	74,430,705	58,633,787	24,236,220	82,870,007	(8,439,302)	
1- Department of Mines (DoM)	5,515,300	-	5,515,300	5,227,800	-	5,227,800	287,500	
1.1 Royalties paid	5,490,300	-	5,490,300	3,924,300	-	3,924,300	1,566,000	Missing extractive company detail per receipt number
1.2 Annual Charges / Ground rent	25,000	-	25,000	1,303,500	-	1,303,500	(1,278,500)	Tax not reported by the extractive company
1.3 Other payments to Mining authority	-	-	-	-	-	-	-	
2- Malawi Revenue Authority (MRA)	74,350,781	(5,435,376)	68,915,405	53,405,987	24,236,220	77,642,207	(8,726,802)	
2.1 Income tax paid	37,973,044	(205,446)	37,767,598	2,000,000	36,767,598	38,767,598	(1,000,000)	Tax not reported by the extractive company
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn 'PAYE	8,167,830	(736,500)	7,431,330	7,448,619	-	7,448,619	(17,289)	Not material difference
2.4 Withholding tax on payments	200,000	-	200,000	902,620	(702,620)	200,000	-	
2.5 Fringe Benefits Tax	-	-	-	-	-	-	-	
2.6 Value Add Tax (VAT)	25,345,838	(3,439,500)	21,906,338	21,790,860	(351,310)	21,439,550	466,788	Detail of expenditure could not be used
2.7 Customs duty / Excise Tax	1,610,139	-	1,610,139	21,263,888	(11,477,448)	9,786,440	(8,176,301)	Tax not reported by the extractive company
2.8 Other payments to MRA	1,053,930	(1,053,930)	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
Total payments	79,866,081	(5,435,376)	74,430,705	58,633,787	24,236,220	82,870,007	(8,439,302)	
B- Unilateral company disclosures	-	-	-	-	-	-	-	
4- Social Payments	-	-	-	-	-	-	-	
4.1 Voluntary Social Contribution	-	-	-	-	-	-	-	
4.2 Mandatory Social Contribution	-	-	-	-	-	-	-	
5- Infrastructure provisions and barter arrangements	-	-	-	-	-	-	-	
5.1 Total budget of the Engagement/Project	-	-	-	-	-	-	-	
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-	-	-	-	-	
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-	-	-	-	-	

Company name: Pamodzi Stone Mining (PSM) Investments

Reporting period: 2015/16 FY

N° Description of Payment	Per Company			Per Government			Final difference	Comment
	Original	Adjust	Final	Original	Adjust	Final		
A- Bilateral company disclosures	-	-	-	131,791,047	(131,791,047)	-	-	
1- Department of Mines (DoM)	-	-	-	21,000	(21,000)	-	-	
1.1 Royalties paid	-	-	-	-	-	-	-	
1.2 Annual Charges / Ground rent	-	-	-	12,000	(12,000)	-	-	
1.3 Other payments to Mining authority	-	-	-	9,000	(9,000)	-	-	
2- Malawi Revenue Authority (MRA)	-	-	-	131,770,047	(131,770,047)	-	-	
2.1 Income tax paid	-	-	-	37,457,949	(37,457,949)	-	-	
2.2 Non-resident tax	-	-	-	-	-	-	-	
2.3 Pay As You Earn "PAYE"	-	-	-	4,540,496	(4,540,496)	-	-	
2.4 Withholding tax on payments	-	-	-	3,833,287	(3,833,287)	-	-	
2.5 Fringe Benefits Tax	-	-	-	2,356,218	(2,356,218)	-	-	
2.6 Value Add Tax (VAT)	-	-	-	40,784,476	(40,784,476)	-	-	
2.7 Customs duty / Excise Tax	-	-	-	42,797,621	(42,797,621)	-	-	
2.8 Other payments to MRA	-	-	-	-	-	-	-	
3- Ministry of Finance, Economic Planning and Development (MoF)	-	-	-	-	-	-	-	
3.1 Dividend paid to Government (Government as being shareholder)	-	-	-	-	-	-	-	
3.2 Other material payments to MoF	-	-	-	-	-	-	-	
0	-	-	-	-	-	-	-	
0 0	-	-	-	-	-	-	-	
0 0	-	-	-	-	-	-	-	
Total payments	-	-	-	131,791,047	(131,791,047)	-	-	
B- Unilateral company disclosures	-	-	-					
4- Social Payments	-	-	-					
4.1 Voluntary Social Contribution	-	-	-					
4.2 Mandatory Social Contribution	-	-	-					
5- Infrastructure provisions and barter arrangements	-	-	-					
5.1 Total budget of the Engagement/Project	-	-	-					
5.2 Value of engagements/project incurred from 01/07/2015 to 30/06/2016	-	-	-					
5.3 Cumulated value of engagements/project incurred on 30/06/2016	-	-	-					

Annex 11: Unilateral disclosure by Government Entities for Forestry Sector

Name of company	MRA	DoF	Total (in MKW)
Raiplay Ltd Co	952,419,306	396,865,020	1,349,284,326
AKL Timbers	-	29,000,000	29,000,000
Total Land Care	526,501,100	130,718,191	657,219,291
Flatland Timbers Ltd	-	4,000,000	4,000,000
Vizara Plantations Ltd	185,151,378	-	185,151,378
Aggregated revenues from individuals and other entities	-	346,847,351	346,847,351
Total revenue of Forestry sector	1,664,071,784	907,430,562	2,571,502,346

Annex 12: Social contribution

Company	Name and function of beneficiary	District/Area of the beneficiary	Type	Description of the contribution	Cost incurred during the year (MWK)	Adjustment	Cost incurred during the year (MWK)	Reference of Law or contract
Paladin (Africa) Ltd	Communities in Karonga district	Karonga	Mandatory	Various social responsibility payments e.g. Construction of Kayelekera Village Clinic, maintenance of Kayerekera primary school, school teachers salaries & various other social responsibility projects		46,751,708	46,751,708	Development agreement between The Government of Republic of Malawi and Paladin (Africa) Ltd and Paladin Energy Minerals NL on the Kayelekera Uranium Project.
	Mzimba District Hospital	Mzimba	Voluntary	Being payment as corporate social responsibility towards their quest to assist Mzimba District Hospital(CSR)	150,000	(150,000)	-	
	Lilongwe City Council	Lilongwe	Voluntary	Being donation for mayor's cheer fund	50,000	(50,000)	-	
	Department of Mines	Lilongwe	Voluntary	Being Financial Contribution to Department of mines	50,000	(50,000)	-	
	St. Augustine Clinic'	Kasungu	Voluntary	Being Allowances to the clinical staff at factory	1,025,660	(1,025,660)	-	
	St. Augustine Clinic'	Kasungu	Voluntary	Being Allowances to the clinical staff at factory	1,025,660	(1,025,660)	-	
	St. Augustine Clinic'	Kasungu	Voluntary	Being Allowances to the clinical staff at factory	1,025,660	(1,025,660)	-	
Shayona Cement Co	St. Augustine Clinic'	Kasungu	Voluntary	Being Allowances to the clinical staff at factory	1,025,660	(1,025,660)	-	
	Chigumba School part 5	Kasungu	Voluntary	Chigumba school near to factory	7,081,640	(7,081,640)	-	
	Boreholes donation	Kasungu	Voluntary	Donation of borewells	4,493,250	(4,493,250)	-	
	Cement bags donation to Kasungu Market	Kasungu	Voluntary	Donation of Cement bags	704,000	(704,000)	-	
	Clinicians house at Kasiya	Kasungu	Voluntary	Clinicians house at Kasiya	350,720	(350,720)	-	
	Admarc Warehouse - Jembe	Kasungu	Voluntary	Admarc Warehouse - Jembe	487,720	(487,720)	-	
	Police Upkeep For the area	Kasungu	Voluntary	Police Upkeep For the area	1,464,000	(1,464,000)	-	
	Scholarship For Chigumba	Kasungu	Voluntary	Scholarship For Chigumba	127,250	(127,250)	-	

Company	Name and function of beneficiary	District/Area of the beneficiary	Type	Description of the contribution	Cost incurred during the year (MWK)	Adjustment	Cost incurred during the year (MWK)	Reference of Law or contract
	Renovation of teachers' houses	Kasungu	Voluntary	Renovation of teachers' houses	89,756	(89,756)	-	
	Renovation of Chigumba School	Kasungu	Voluntary	Renovation of Chigumba School	1,266,593	(1,266,593)	-	
Lafarge Cement Co Ltd	Jacaranda and Dambo community society-Orphanage	Blantyre	Voluntary	600 bags of Cement	3,230,000	(3,230,000)	-	
	Changalume	Zomba	Voluntary	Formula One Sports Kits toChangalume	2,174,249	(2,174,249)	-	
	SPCA TRUST	Blantyre	Voluntary	Donation to SPCA TRUST	1,025,500	(1,025,500)	-	
	EGR Project	Blantyre	Voluntary	Reading tools	2,172,811	(2,172,811)	-	
	SPCA TRUST	Blantyre	Voluntary	100 Bags of DuraCrete Cement	608,000	(608,000)	-	
	SPCA TRUST	Blantyre	Voluntary	100 Bags of Khoma Cement	358,369	(358,369)	-	
	City Council	Blantyre	Voluntary	250 Bags of Khoma Cement	1,201,717	(1,201,717)	-	
	SPCA	Blantyre	Voluntary	80 Bags of DuraCrete Cement for the construction of Kennels and Surgery rooms	1,527,039	(1,527,039)	-	
	SPCA	Blantyre	Voluntary	250 Bags of Khoma Cement	1,905,579	(1,905,579)	-	
Terrastone Ltd	KACHITSA PRIMARY SCHOOL	Kautsi Quarry Lilongwe Nathenje	Voluntary	Rehabilitation of Football Groundand	2,500,000	(2,021,250)	478,750	
	ZAMBEZI EVANGELICAL CHURCH	Njuli - Chiradzulu	Voluntary	Quarry Dust For Borehle	160,000	(129,360)	30,640	
	NJULI CATHOLIC PARISH	Njuli - Chiradzulu	Voluntary	Concrete Aggregate, Q/Dust and cement for the church	199,000	(160,892)	38,109	
	MALUMBUZI CCAP PVT SCHOOL	Njuli - Chiradzulu	Voluntary	Quarry Dust	320,000	(258,720)	61,280	
	ANNIE JALASI	Njuli - Chiradzulu	Voluntary	Cement	20,000	(16,170)	3,830	
	LIYAT VILLAGE	Njuli - Chiradzulu	Voluntary	Quarry Dust	80,000	(64,680)	15,320	
	NJULI CLINIC	Njuli - Chiradzulu	Voluntary	Quarru dust ND C/ Aggregate, Bricks and Cement	742,000	(599,907)	142,093	
	CHILOMON POLICE UNIT	Lunzu	Voluntary	Concrete Aggregate	126,750	(102,477)	24,273	
	MANESI KAPENI ORPHANAGE	Lunzu	Voluntary	Concrete Aggregate	30,500	(24,659)	5,841	


Company	Name and function of beneficiary	District/Area of the beneficiary	Type	Description of the contribution	Cost incurred during the year (MWK)	Adjustment	Cost incurred during the year (MWK)	Reference of Law or contract
	LIKULU WATER DEVELOPMENT PROJECT	Lunzu	Voluntary	Concrete Aggregate	79,250	(64,074)	15,176	
	MWAI ORPHANAGE	Lunzu	Voluntary	Concrete Aggregate	27,500	(22,234)	5,266	
	LUNZU CATHOLIC SCHOOL	Lunzu	Voluntary	Concrete Aggregate	52,500	(42,446)	10,054	
	NKOLESYA CLINIC	Lunzu	Voluntary	Concrete Aggregate	45,750	(36,989)	8,761	
Cpl-mchenga Coal Mines Ltd	Surrounding community	Rumphi	Voluntary	Provision of portable clean water in the communities around the Mine	NC		NC	
	Surrounding community	Rumphi	Voluntary	Provision of skilled labour to public works by the villages that would have been paid for if the company did not provide labour	NC		NC	
	Surrounding community	Rumphi	Voluntary	Availing the clinic services and drugs to the surrounding community free of charge	NC		NC	
Optichem 2000 (malawi) Ltd	Tundulu Community	Phalombe	Voluntary	NC	98,450	(96,481)	1,969	
	Tundulu Community	Phalombe	Voluntary	NC	1,390,000	(1,362,200)	27,800	
Zalewa Agriculture Lime Co	Chileka Community policing	Chileka	Voluntary	Community policing	10,000		10,000	
	Village Head Wilson	Blantyre	Voluntary	Medical Assitance	5,000		5,000	
	Group Village head Zalewa	Zalewa	Voluntary	New Eye Glasses	15,000		15,000	
	Kalulu school	Zalewa	Voluntary	Kalulu schools works	18,000		18,000	
	Catholic Church	Zalewa	Voluntary	Cooker	90,000		90,000	
	Chikonsi Filipo	Zalewa	Voluntary	Assorted school items	42,550		42,550	
	Mandiwa Village	Zalewa	Voluntary	Public Toilet	100,000		100,000	
	Zalewa Catholic Church	Zalewa	Voluntary	Door Frame Cement	41,000		41,000	
	Neno Social Welfare Office	Neno	Voluntary	Workshop	20,100		20,100	
	Village Head Mandiwa	Zalewa	Voluntary	Bicycle	32,000		32,000	
Zalewa Police	Zalewa	Voluntary	Cement	24,000		24,000		

Company	Name and function of beneficiary	District/Area of the beneficiary	Type	Description of the contribution	Cost incurred during the year (MWK)	Adjustment	Cost incurred during the year (MWK)	Reference of Law or contract
	Chileka Police	Chileka	Voluntary	Reflectors	30,000		30,000	
	Balaka Community	Balaka	Voluntary	Bus stop/ stage - Materials	52,000		52,000	
	Balaka Community	Balaka	Voluntary	Bus stop/ stage - Materials	50,000		50,000	
	Kalulu School	Zalewa	Voluntary	Kalulu school road	59,000		59,000	
	Kalulu School	Zalewa	Voluntary	Kalulu school class block	1,000,000		1,000,000	
	Kalulu School	Zalewa	Voluntary	Kalulu school - Footbal ground polls	41,000		41,000	
	Kalulu School	Zalewa	Voluntary	Kalulu school works	9,000		9,000	
	Kalulu School	Zalewa	Voluntary	Kalulu school - Windos & Door frame	46,500		46,500	
	Kalulu School	Zalewa	Voluntary	Kalulu school - Timbers for roof	227,000		227,000	
	Kalulu School	Zalewa	Voluntary	Kalulu school - Iron sheets & Ridges	225,695		225,695	
	Kalulu School	Zalewa	Voluntary	Kalulu school - roofing phase	43,200		43,200	
	Kalulu School	Zalewa	Voluntary	Kalulu school - Concrete	15,000		15,000	
	Tonse Tipindule	Zalewa	Voluntary	Refreshments	20,000		20,000	
				Total	42,708,579	7,128,336	49,836,914	

Annex 13: Revenue streams

Revenue streams	Entity	Total amounts	Unilateral by the Government	Reconciled amounts	%
Pay As You Earn "PAYE"	MRA	701,121,895	27,366,354	673,755,541	96%
Value Add Tax (VAT)	MRA	297,969,246	10,783,837	287,185,409	96%
Withholding tax on payments	MRA	154,998,868	12,003,592	142,995,276	92%
Fringe Benefits Tax	MRA	46,668,264	1,677,986	44,990,278	96%
Income tax paid	MRA	131,135,662	8,300,000	122,835,662	94%
Customs duty / Excise Tax	MRA	44,316,172	307,951	44,008,221	99%
Non-resident tax	MRA	55,848,479	555,824	55,292,655	99%
Dividend Tax	MRA	54,000	54,000		0%
Royalties paid	DOM	154,773,304	23,121,714	131,651,590	85%
Annual Charges / Ground rent	DOM	107,810,968	66,206,082	41,604,886	39%
License Fees	DOM	7,071,933	7,071,933		0%
Application fees	DOM	1,390,000	1,390,000		0%
Training fees	DOM	-	-		
Other aggregated payments	DOM	1,098,126	1,098,126		0%
Total Government receipts from mining and Oil & Gas companies		1,704,256,917	159,937,399	1,544,319,518	91%
Voluntary social contribution		119,722,192			
Total extractive revenues		1,823,979,109			

Annex 14: Terms of references

 **Terms of Reference for Malawi Second
EITI Report 2018**

Terms of Reference

Independent Administrator for the 2018 EITI Report, Malawi

MWEITI Multi-Stakeholder Group- November 2017

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Terms of Reference for Malawi Second EITI Report 2018

1 Background

Malawi was approved as a candidate country in October 2015 for the Extractive Industries Transparency Initiative (EITI), which is a global standard for improving transparency and accountability in the oil, gas and mining sectors. The Country has since produced the first EITI report based on 2014/2015 financial year which was published on 22nd April 2017. In the meantime Malawi is working towards producing the second report based on 2015/2016 financial year and it is expected to be published by April 2018.

EITI implementation has two core components:

- **Transparency:** oil, gas and mining companies disclose information about their operations, including payments to the government, and the government discloses its receipts and other relevant information on the industry. The figures are reconciled by an Independent Administrator, and published annually alongside other information about the extractive industries in accordance with the EITI Standard.
- **Accountability:** a multi-stakeholder group (MSG) with representatives from government, companies and civil society is established to oversee the process and communicate the findings of the EITI reporting, and promote the integration of EITI into broader transparency efforts in that country.

The EITI Standard encourages Multi-Stakeholder Groups (MSGs) to explore innovative approaches to extending EITI implementation to increase the comprehensiveness of EITI reporting and public understanding of revenues and encourage high standards of transparency and accountability in public life, government operations and in business. The requirements for implementing countries are set out in the EITI Standard¹. Additional information is available via www.eiti.org.

It is a requirement that the MSG approves the terms of reference for the Independent Administrator (requirement 4.9.iii), drawing on the objectives and agreed scope of the EITI as set out in the MSG's Work plan. The MSG's deliberations on these matters should be in accordance with the MSG's internal governance rules and procedures (see requirement 1.4.b). The EITI requires an inclusive decision-

¹<http://eiti.org/document/standard>



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making process throughout implementation, with each constituency being treated as a partner.

It is a requirement that the Independent Administrator be perceived by the MSG to be credible, trustworthy and technically competent (Requirement 4.9.b.ii). The MSG and Independent Administrator should address any concerns regarding conflicts of interest. The EITI Report prepared by the Independent Administrator will be submitted to the MSG for approval and made publicly available in accordance with Requirement 7.1.

These terms of reference include “agreed-upon procedures” for EITI reporting (see section 4) in accordance with EITI Requirement 4.9.b.iii. The international EITI Board has developed these procedures to promote greater consistency and reliability in EITI reporting. The EITI process should be used to complement, assess, and improve existing reporting and auditing systems. The Board recommends that the process rely as much as possible on existing procedures and institutions, so that the EITI process draws on, complements and critically evaluates existing data collection and auditing systems. In this way, the EITI process has the potential to generate important recommendations to strengthen other oversight systems.

EITI Implementation in Malawi

On 22 October 2015, Malawi became the 49th country to join the EITI as a candidate country. The discussion for Malawi to join the EITI had been going on for over eight years. In June 2014, the head of state, President Arthur Mutharika, made a public statement indicating the country’s intention to join the EITI. By January 2015, an MSG had been constituted of four representatives from each constituency (civil society, government and private sector) and a champion had been selected (the Minister responsible for Finance). The Malawi EITI (MWEITI) Secretariat was and remains to be housed in the Ministry of Finance, Economic Planning and Development’s Revenue Policy Division.

By July 2015, the MSG had designed a fully-costed work plan and submitted an application to the EITI Secretariat. In 2016 Malawi contracted an Independent Administrator to come up with the first EITI report which was published in April 2017. Following the first report Malawi is expected to produce the second report by April 2018 and thereafter undergo validation by September 2018, which will determine the country’s compliance status.



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The strategic goal of MWEITI is: National sustainable development through revenue transparency.

The MSG also decided on four objectives, which are:

- 1) EITI-compliant status achieved
- 2) The MSG forms and strengthens partnerships between government/administration, companies and public for attracting quality investments
- 3) Increased revenue base and socio-economic impacts from extractive industries
- 4) Strengthened trust among stakeholders of natural resource management.

The work plan is available online here:

<https://www.mweiti.gov.mw>

https://eiti.org/files/mweiti_workplan_27_july_2015_work_plan.pdf

Since being approved as a candidate country, Malawi's MSG has produced the first EITI report, the MSG has determined the scope of the next EITI report; and has informed the formulation of these ToRs.

Scope of the Second MWEITI Report

Following the production of the first EITI report in April 2017, the MSG was presented with recommendations to achieve EITI objectives.

The reconciliation process and the report shall be determined by the scoping study.

The report shall cover the minimum of the following areas:

- Reconciliation of minerals
- Contextual information will include minerals, oil and gas as well as forestry
- Beneficial ownership Disclosure
- Contract transparency
- Valley and PPPC railway arrangement

Terms of Reference for Malawi Second EITI Report 2018

2 Objectives of the assignment

The Multi-Stakeholder Group seeks a competent and credible firm, free from conflicts of interest, to provide Independent Administrator services in accordance with the EITI Standard. The objective of the assignment is to:

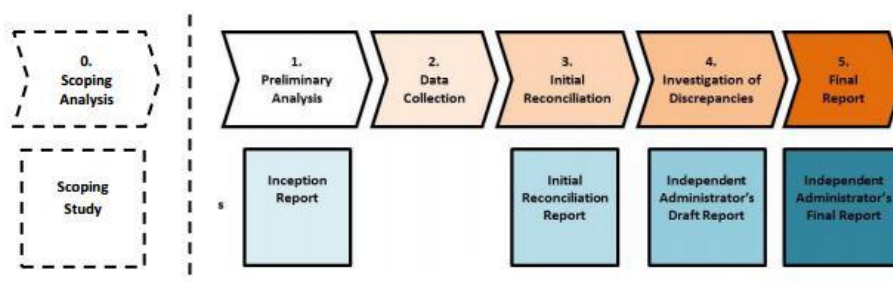
- Produce an EITI Report for 2015/2016 in accordance with the EITI Standard and section 3, below, including development of the reconciliation template for government and companies.
- Collect all mining, oil and gas and forestry contracts for the contract database.
- Provide training to companies and government officials on how to comply with reconciliation processes at the Independent Administrator's cost.
- Include beneficial ownership in the reporting of all companies involved in reconciliation for minerals and for all oil and gas exploration companies with shareholding of 5% and above

3 Scope of services, tasks and expected deliverables

The work of the Independent Administrator has five conceptual phases (see figure 1). These phases may overlap and there may also be some iteration between the phases. EITI reporting is generally preceded by scoping work which is undertaken by the Independent Administrator (phase 0 in the figure).

The Independent Administrator's responsibilities in each phase are elaborated below.

Figure 1 – Overview of the EITI Reporting process and deliverables





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[Phase 0 - scoping study]

The scoping study will involve the gathering of the contextual information related to extractive sector in Malawi; it will be a basis for deciding the materiality level by the MSG

In brief, the MWEITI MSG has agreed that the contextual information in the report will cover minerals, oil and gas and forestry and while the reconciliation will include minerals and oil and gas only, with more details provided below.

Phase 1 – Preliminary analysis and inception report

Objective: The purpose of the inception phase is to confirm that the scope of the EITI reporting process has been clearly defined, including the reporting templates, data collection procedures, and the schedule for publishing the EITI Report.

The Independent Administrator will produce the reporting templates and data collection procedures. The inception report will ensure that there is a mutual understanding between the MSG and the Independent Administrator of the scope of the EITI Report and the work to be carried out.

The MSG's proposal for the scope of the EITI Report, to be revised and confirmed with the Independent Administrator during the inception period, is set out in annex 1.

The Independent Administrator is expected to undertake the following tasks during the inception phase:

- 1.1 Review the relevant background information, including the governance arrangements and tax policies in the extractive industries, the findings from any preliminary scoping work, and the conclusions and recommendations from previous EITI Reports and Validations. (A preliminary list of relevant documentation is provided as Annex 2).**
- 1.2 The Independent Administrator should review the scope proposed by the MSG in annex 1 with attention to the MWEITI Scoping Study with a particular focus on the following:**
 - 1.2.1 Reviewing the comprehensiveness of the payments and revenues to be covered in the EITI Report as proposed by the MSG in Annex 1 and in accordance with EITI Requirement 4.



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- 1.2.2 Reviewing the comprehensiveness of the companies and government entities that are required to report as defined by the MSG in Annex 1 and in accordance with EITI Requirement 4.1
- 1.2.3 Supporting the MSG with examining the audit and assurance procedures in companies and government entities participating in the EITI reporting process. This includes examining the relevant laws and regulations, any reforms that are planned or underway, and whether these procedures are in line with international standards. It is recommended that the EITI Report includes a summary of the findings, otherwise the MSG should make the results of the review of audit and assurance practices publicly available elsewhere.
- 1.2.4 Developing the reporting templates based on the agreed benefit streams to be reported and the reporting entities for approval by the MSG and any other stakeholders determined by the MSG and Secretariat.

1.3 On the basis of 1.1 and 1.2 as applicable, produce an inception report that:

- 1.3.1 **Includes a statement of materiality (annex 1) confirming the MSG's decisions on the payments and revenues to be covered in the EITI Report, including:**
 - The definition of materiality and thresholds, and the resulting revenue streams to be included in accordance with Requirement 4.1(b).
 - The sale of the state's share of production or other revenues collected in-kind in accordance with Requirement 4.2.
 - The coverage of infrastructure provisions and barter arrangements in accordance with Requirement 4.3.
 - The coverage of social expenditure in accordance with Requirement 6.1.
 - The coverage of transportation revenues in accordance with Requirement 4.4.
 - Disclosure and reconciliation of payments to and from state owned enterprises in accordance with Requirement 4.6.

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- The materiality and inclusion of direct sub-national payments in accordance with Requirement 4.5.
- The materiality and inclusion of sub-national transfers in accordance with Requirement 5.2.
- The level and type of disaggregation of the EITI Report in accordance with Requirement 4.7.
- Beneficial ownership for mining, exploration and oil and gas companies mandatory for the report (5% and over)

1.3.2 Includes a statement of materiality (annex 1) confirming the MSG's decisions on the companies and government entities that are required to report, including:

- The companies, including State Owned Entities (SOEs) that make material payments to the state and will be required to report in accordance with Requirement 4.1(c).
- The government entities, including any SOEs and sub-national government entities, that receive material payments and will be required to report in accordance with Requirement 4.1(c-d), 4.5 and 4.6.
- Any barriers to full government disclosure of total revenues received from each of the benefit streams agreed in the scope of the EITI report, including revenues that fall below agreed materiality thresholds (Requirement 4.1(d)).

1.3.3 Based on the examination of the audit and assurance procedures in companies and government entities participating in the EITI reporting process (1.2.3 above), confirms what information participating companies and government entities are required to provide to the Independent Administrator in order to assure the credibility of the data in accordance with Requirement 4.9.

The Independent Administrator should exercise judgement and apply



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appropriate international professional standards² in developing a procedure that provide a sufficient basis for a comprehensive and reliable EITI Report. The Independent Administrator should employ his /her professional judgement to determine the extent to which reliance can be placed on the existing controls and audit frameworks of the companies and governments. Where deemed necessary by the Independent Administrator and the multi-stakeholder group, assurances may include:

- Requesting sign-off from a senior company or government official from each reporting entity attesting that the completed reporting form is a complete and accurate record.
- Requesting a confirmation letter from the companies' external auditor that confirms that the information they have submitted is comprehensive and consistent with their audited financial statements. The MSG may decide to phase in any such procedure so that the confirmation letter may be integrated into the usual work programme of the company's auditor. Where some companies are not required by law to have an external auditor and therefore cannot provide such assurance, this should be clearly identified, and any reforms that are planned or underway should be noted.
- Where relevant and practicable, requesting that government reporting entities obtain a certification of the accuracy of the government's disclosures from their external auditor or equivalent.

The inception report should document the options considered and the rationale for the assurances to be provided.

1.3.4 Confirms the analysis of non-revenue information in the EITI Report.

The inception report should incorporate the how the key information for non-revenue sections in the EITI should be sourced and attributed and define which actors from the MSG can support in the process. It is foreseen that a sub-committee will be established to support the

² For example, ISA 505 relative to external confirmations; ISA 530 relative to audit sampling; ISA 500 relative to audit evidence; ISRS 4400 relative to the engagement to perform agreed-upon procedures regarding financial information and ISRS 4410 relative to compilation engagements.



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Independent Administrator and this can be involved in supporting the Independent Administrator in sourcing the relevant information.

- 1.2.6 **Confirms the reporting templates, as well as any procedures or provisions relating to safeguarding confidential information.** The Independent Administrator should also develop guidance to the reporting entities on how to complete the reporting templates and provide training to the reporting entities with the support of the MSG sub-committee and MWEITI Secretariat. This is envisaged to provide some capacity building the reporting entities along with the MSG sub-committee and MWEITI Secretariat.

Phase 2 – Data collection

Objective: The purpose of the second phase of work is to collect the data for the EITI Report in accordance with the scope confirmed in the Inception Report. The MSG and MWEITI Secretariat will provide contact details for the reporting entities and assist the Independent Administrator in ensuring that all reporting entities participate fully.

The Independent Administrator is expected to undertake the following tasks during the data collection phase:

- 2.1 Distribute the reporting templates and collect the completed forms and associated supporting documentation directly from the participating reporting entities, as well as any contextual or other information that the MSG has tasked the Independent Administrator to collect in accordance with 1.3.4 above.
- 2.2 Provide technical backstopping and assistance to the MSG Sub-Committee and MWEITI Secretariat in running trainings and sensitisation meetings with reporting entities to ensure understanding and compliance with required reporting templates.
- 2.3 Contact the reporting entities directly to clarify any information gaps or discrepancies.

Phase 3 – initial reconciliation

Objective: The purpose of this phase is to complete an initial compilation and reconciliation of the contextual information and revenue data with a view to identify any gaps or discrepancies to be further investigated.

- 3.1 The Independent Administrator should compile a database with the payment and revenue data provided by the reporting entities.

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- 3.2 The Independent Administrator should comprehensively reconcile the information disclosed by the reporting entities, identifying any discrepancies (including offsetting discrepancies) in accordance with the agreed scope and any other gaps in the information provided (e.g. assurances).
- 3.3 The Independent Administrator should identify any discrepancies above the agreed margin of error established in agreement with the MSG. This is expected to be MWK 1 million, but can be adjusted during this phase.

Phase 4 – investigation of discrepancies and draft EITI Report

Objective: The purpose of this phase is to investigate any discrepancies identified in the initial reconciliation, and to produce a draft EITI Report that compiles the contextual information, reconciles financial data and explains any discrepancies above the margin of error determined by the MSG, where applicable.

- 4.1 The Independent Administrator should contact the reporting entities to clarify the causes of any significant discrepancies or other gaps in the reported data, and to collect additional data from the reporting entities concerned.
- 4.2 The Independent Administrator should submit a draft EITI Report to the MSG for comment that comprehensively reconciles the information disclosed by the reporting entities, identifying any discrepancies, and reports on contextual and other information requested by the MSG. The financial data should be disaggregated to the level of detail agreed by the MSG and in accordance with requirement 4.7. The draft EITI Report should:
 - a) Describe the methodology adopted for the reconciliation of company payments and government revenues, and demonstrate the application of international professional standards.
 - b) Include a description of all revenue streams, related materiality definitions and thresholds (Requirement 4.1).
 - c) Include an assessment from the Independent Administrator on the comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
 - d) Indicate the coverage of the reconciliation exercise, based on the government's disclosure of total revenues as per Requirement 4.1(d).
 - e) Include an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the Independent



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- 5.2 The Independent Administrator should produce electronic data files³ that can be published together with the final Report.
- 5.3 Following approval by the MSG, the Independent Administrator is mandated to submit summary data from the EITI Report electronically to the International Secretariat according to the standardised reporting format available from the International Secretariat (Requirement 5.3(b))⁴.
- 5.4 The Independent Administrator shall take appropriate measures to ensure that the report is comprehensible. This includes ensuring that the report has high levels of readability, legibility and usability.
- 5.5 The Independent Administrator shall submit to the MWEITI national secretariat all data gathered during reconciliation, including the contact information of all institutions contacted during the reporting process.

4 Qualification requirements for Independent Administrators

The reconciliation of company payments and government revenues must be undertaken by an Independent Administrator applying international professional standards (requirement 5.1). It is a requirement that the Independent Administrator is perceived by the MSG to be credible, trustworthy and technically competent (ibid). Bidders must follow (and show how they will apply) the appropriate professional standards for the reconciliation / agreed-upon-procedures work in preparing their report.

The Independent Administrator will need to demonstrate:

- Expertise and experience in the oil, gas and mining sectors in Southern Africa.
- Expertise in accounting, auditing and financial analysis.
- A track record in similar work. Previous experience in EITI reporting in a sub-Saharan African country is desirable.
- In order to ensure the quality and independence of the exercise, Independent Administrators are required, in their proposal, to disclose any actual or potential conflicts of interest, together with commentary on how any such

³ The files can be in CSV or Excel format and should contain the tables and figures from the print report.

⁴ The latest version of the summary data template can be found at: <https://eiti.org/document/eiti-summary-data-template>



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conflict can be avoided.

- To include at least two Malawian nationals in the team.

Key Experts' qualifications and competence for the assignment;

a) Position 1: Team Leader – (Mining, Accounting & Auditing)

Possess relevant academic (minimum CPA, ACCA or equivalent and Master degree as an added advantage) and professional qualifications, adequate knowledge of mining industry, taxation, public and corporate accounting, not less than 10 years of relevant working experience must have been a team leader on at least 2 other assignments and experience in similar EITI reconciliation assignments.

b) Position 2: Mining Taxation Expert

Master's degree qualification, possess relevant professional and academic qualifications (minimum CPA, ACCA or equivalent), adequate knowledge of mining industry, taxation, public and corporate accounting, not less than 5 years of relevant working experience and experience in similar EITI reconciliation assignments.

c) Position 3: Mining Expert

Master's degree qualification in mineral economics or mineral processing and possess relevant professional and academic qualifications, at least 5 years of experience in the area of mining process accounting; and experience in similar EITI reconciliation training assignments.

d) Position 4: Editor/Proof Reader/Infographics Expert

Possess Degree in Mass Communication or equivalent. Other relevant professional and academic qualifications will be an added advantage.



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5 Reporting requirements and time schedule for deliverables

The assignment is expected to commence February/March 2018, culminating in the finalisation of the EITI Report by 30 June 2018. The proposed schedule is set out below:

Phase 1: Preliminary analysis	2 weeks
=> Inception report	After 2 weeks
Phase 2: Data collection (including training)	Plus 2 months
Phase 3: Initial reconciliation	Plus 1 months
Phase 4: Investigation of discrepancies	Plus 0,5 months
=>Draft report	May / June 2018
Phase 5: Final report	30 June 2018
=>Final report including summary report	30 June 2018

The schedule of payments shall be agreed on Deliverables.

At each phase, the Independent Administrator will be expect to meet with the MSG sub-committee to discuss progress and the inception report, draft report and final report will all be presented by the Independent Administrator to the full MSG. Other meetings with these and other stakeholders will be planned as the need arises.

6 Client's input and counterpart personnel

The Independent Administrator will be supported by the MWEITI Secretariat, GIZ Technical Advisor and Sub-Committee from the Multi-Stakeholder Group.

Logistical and administrative arrangements will be supported by the MWEITI Secretariat and GIZ. The MSG Sub-Committee will provide support in providing relevant contacts or other information as necessary.

Reporting should be done to the MSG Sub-Committee and the MWEITI Secretariat.



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7 Specification of input

Assignment of personnel:

The assignment encompasses an estimated 180 expert-days.

A team - with at least two Malawian nationals in the team - consisting of the experts:

- *Team Leader – (Mining, Accounting & Auditing)*
- *Mining Taxation Expert*
- *Mining Expert*
- *Editor/Proof Reader/Infographics Expert*

Plus travel related expenses for up to 3 Mission:

(per diem in accordance to German travel guidelines 2018)

- Daily allowance (GTC 5.6) – Malawi 47 € lump sum per day
- Accommodation (GTC 5.7) – Malawi 123 € lump sum per night
(above against provision of evidence)
- intern. Flight (GTC 5.8)
- further travel/transport expenses (5.9)

Workshops (GTC 5.15)

For the workshop(s) a budget up to 10,000 EUR against provision of evidence is foreseen to cover the respective costs, e.g. venue, transport / accommodation for participants, conference-room. The amount shall be included in the financial offer as budget position.

Annex 1 – Statement of materiality

The purpose of this statement of materiality is for the Independent Administrator to understand the scoping work and associated decisions that have already been carried out by the multi-stakeholder group or by other consultants. The Independent Administrator confirms the joint understanding of the scope of the services in the inception report and there may still be need of further discussion with the multi-stakeholder group during the inception phase. Annex 2 lists relevant attachments, including any scoping studies undertaken in the past.

1. Taxes and revenues to be covered in the EITI Report (Requirement 4.1)⁵

With regards to the revenue streams set out in Requirements 4.1-4.2, the MSG will require coverage of taxes and revenue streams as listed in the approved MWEITI Scoping Study report.

2. Additional benefit streams:

With regards to the benefit streams set out in Requirements 4, the MSG may adopt additional benefit streams listed in the MWEITI Scoping Study.

3. Reporting companies (Requirement 4.1)

The revenue streams from companies will be in accordance with the ones identified in the approved MWEITI scoping study report. The list in the Scoping Study will be exhaustive for oil and gas companies, the one identified for Forestry Company will not be included, and the list for mining and exploration companies is to be expanded in consultation with the Department of Mines.

Government - government transactions (Requirement 4)

⁵ Guidance Note 13: on defining materiality, reporting thresholds and reporting entities, https://eiti.org/files/Guidance%20note%20on%20defining%20materiality_0.pdf



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There are no applicable transactions under this for Malawi. That is, there are no state-owned enterprises (Requirement 4.6)⁶ and there are no mandatory sub-national transfers (Requirement 5.2⁷).

⁶ Guidance Note 18: SOE participation in EITI Reporting, https://eiti.org/files/GN/Guidance_note_18_SOEs_EN.pdf

⁷ Guidance Note 10: Sub-national reporting, <https://eiti.org/files/Guidance-note-10-Subnationalreporting.pdf>



Annex 2 – Supporting documentation

Documentation on governance arrangements and tax policies in the extractive industries, including relevant legislation & regulations

- [Mines and Minerals Act 1981](#)
- [Petroleum \(Exploration and Production\) Act 1983](#)
- [Taxation Act](#)

EITI workplans & other documents

- [MWEITI Work Plan](#)

Findings from preliminary scoping work

- [MWEITI Scoping Study](#)

Previous EITI Reports

- MWEITI 2014-2015 report

Commentary on previous EITI Reports

- N/A

Validation Reports

- N/A

Other relevant documentation (e.g. annual activity reports)

- 2015/2016 Annual Activity Report expected by June 2016

Some of these documents can also be accessed on www.mweiti.gov.mw

Annex 15: Beneficial ownership

Companies	Identity of the beneficial ownership	Nationality	Country of Residence	Number of share	% of shares	Number of votes	% of voting rights	Date when beneficial Interest was aquired
Hamra Oil Holdings Ltd	Sheikh of Ras Al Khaimah	Emirati	UAE	NC	100%	100%	0%	18/07/2014
RAKGAS MB45	RAK Gas LLC / Government of Ras Al Khaimah	NC	NC	NC	NC	NC	NC	18/07/2014
SacOil Holdings Ltd	Government Employees Pension Fund	South Africa	South Africa	1,377,909,606.00	42.14%	1,377,909,606.00	42.14%	NC
	Westglamry Limited	British Virgin Island	British Virgin Island	640,856,525.00	19.60%	640,856,525.00	19.60%	NC
	Newdel Holdings Limited	South Africa	South Africa	242,592,619.00	7.42%	242,592,619.00	7.42%	NC
	Vidacos Nominees Limited	United Kingdom	United Kingdom	183,811,947.00	5.62%	183,811,947.00	5.62%	NC
Mota Engil Minerals and Mining (MW) Ltd	NC	NC	NC	NC	NC	NC	NC	NC
Shayona Cement Co	Jitendra Kumar Patel	British	Malawi	NC	NC	NC	NC	NC
	Rajesh Narshibhai Patel	British	Malawi	NC	NC	NC	NC	NC
	Parque Investments	British	British	NC	NC	NC	NC	NC
Lafarge Cement Co Ltd	Schweizerische Cement - industrie (Thomas Schmidheiny)	NC	NC	69,072.53	11.40%	NC	NC	NC
	Groupe Bruxelles Lambert (Jackeline Desmarais, Andre Desmarais, Paul Desmarais Jr, Albert Frere)	NC	NC	57,238.55	9.40%	NC	NC	NC
	NNS Jersey Trust (Nassef Sawaris)	NC	NC	35,180.20	5.80%	NC	NC	NC
	Harris Associates Investment Trust	NC	NC	18,332.27	3.00%	NC	NC	NC
	Black Rock, Inc	NC	NC	18,725.93	3.10%	NC	NC	NC
Cement Products (MW) Ltd	Aslam Abdul Gaffar	Malawian	Malawi	NC	NC	NC	NC	NC
Terrastone Ltd	Armenio M. Dacosta	Portugese	Malawi	3,300,000.00	60%	NC	NC	NC
	Jose Armenio A. Dacosta	Portugese	Malawi	550,000.00	10%	NC	NC	NC
	Maria Isabel Costa Oliveira	Portugese	Malawi	550,000.00	10%	NC	NC	NC
	Maria Terezina Costa Alves	Portugese	Portugal	550,000.00	10%	NC	NC	NC
Cilcon Ltd	Maria Manuela Costa Leite	Portugese	Portugal	500,000.00	10%	NC	NC	NC
	NC	NC	NC	NC	NC	NC	NC	NC
	Mr. Lincoln Bailey	Jamaican	Malawi	NC	NC	NC	NC	NC

Companies	Identity of the beneficial ownership	Nationality	Country of Residence	Number of share	% of shares	Number of votes	% of voting rights	Date when beneficial Interest was aquired
Cpl-mchenga Coal Mines Ltd	Rafik Gaffar	Malawian	Malawi	NC	NC	NC	NC	NC
Optichem 2000 (malawi) Ltd	Paul Attwood (British)	British	South Africa	600,000.00	100%	NC	NC	NC
Zalewa Agriculture Lime Co	Martin C. Saunders	Malawian	Malawi	NC	NC	NC	NC	NC

Source: EITI Reporting Templates by companies

N/A: Not Applicable

NC: Not communicated

Annex 16: Persons contacted or involved

Independent Administrator

Tim Woodward	Partner - Moore Stephens
Ben Toorabally	Mission Director - Moore Stephens
Rached Maalej	Manager - Moore Stephens
Fidelys Rafenomanana	Senior - Moore Stephens
Michaël Rakotomalala	Senior - Moore Stephens
Zied Fraoua	Senior - Moore Stephens
Charles Kaphwiyo	Technical Expert – Moore Stephens

MWEITI Secretariat

George Harawa	Head of MWEITI Secretariat
Keith Matanda	Public relations and communication
Leonard Mushani	Coordinator MWEITI Secretariat
Abdul Rahman Chiwalo	Coordinator MWEITI Secretariat

MWEITI Multi-Stakeholder Group

Kenneth Matupa	Head of the MWEITI Multi-Stakeholder Group
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Ministry of Natural Resources, Energy and Mining

Jalf William Salima	Director
Teddie Kamoto	Deputy Director of Forestry
Dickson Moyo	Accountant
Cassius Chiwambo	Head of Oil and Gas Section
Raxon Mchizi	Senior Account Assistant
Tikondane Phiri	Senior Mining Engineer

Ministry of Transport and Public Works

Geoffrey F.Magwede	Director
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National Audit Office

George Chikwana	Chief Auditor
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Chamber of Energy and Mining

Dean Lungu	President
Dina Longwe	Member

Ministry of Finance, Economic Planning & Development

Kenneth C. Matupa	Director of Revenue
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Malawi Revenue Authority

Davie Khonje	Tax Officer
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Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

Dr Rolf Drescher	Team Leader
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Vitima Mkandawire	GIZ Team
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Protecting Ecosystems and Restoring Forests in Malawi (PREFORM)

Ramzy Kanaan	Chief of Party
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