

# HERBERT SMITH FREEHILLS ADVISES THE KINGDOM OF SAUDI ARABIA ON ITS NEW MINERAL LAW REGIME, A GAME CHANGER FOR THE SECTOR

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Deals and cases

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Leading global law firm Herbert Smith Freehills has advised the Saudi Ministry of Industry and Mineral Resources on the entire suite of implementing regulations and guidelines supporting the recently promulgated New Mining Investment Law, 2020 (the New Law) which came into effect in January 2021.

The mineral law reform programme forms part of the Kingdom of Saudi Arabia's *Vision 2030* programme as part of a framework which would accelerate foreign investment in the mining sector. This, in turn, would support Vision 2030's objective of diversifying the Saudi economy.

At this stage, the firm has been involved in three phases of the project, including: providing advice on international best practice in the mining sector; drafting the full suite of regulations to supplement the New Law and preparing the different sets of guidelines which will complement the regulations.

The matter involved advising on a broad range of aspects critical to the successful implementation of legislation across the sector, including (i) the establishment of a national geological database and online mining cadastre, (ii) the application procedures for obtaining exploration, mining and related licences, (iii) minimum mandatory requirements to prevent or minimise environmental degradation, pollution or adverse impacts on host communities (iv) financial incentives for investors (v) the fiscal regime (vi) dispute resolution and (vii) mine closure.

Johannesburg Partner and Africa Co-Chair Peter Leon led the team supported by director Patrick Leyden, environmental consultant Justine Sweet, associates Ernst Müller, Sarah Burman, Mandy Hattingh, Jenalee Harrison, Phathu Rambau and candidate attorneys Natasha Rachwal and Matt Purves. Global head of tax Isaac Zailer and Perminder Gaimda advised on the fiscal regime.

Peter commented: "*We are delighted to have advised the Ministry on this important legislation that follows international best practice and promotes transparency, sustainability, and investment in the mining sector. It really is a game changer for mining in Saudi Arabia.*"

The firm advises the Ministry alongside Saudi law firm Dr. Al-Sgaih and Partners.

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