



## MINING INDUSTRY ASSOCIATION OF SOUTHERN AFRICA (MIASA)

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### MEMBERS

Botswana Chamber of Mines

Chamber of Mines of Namibia

Chamber of Mines of South Africa

Chamber of Mines of Tanzania

Chamber of Mines of Zambia

Chamber of Mines of Zimbabwe

Ms Elizabeth M Murphy  
Secretary  
Securities and Exchange Commission  
100 F Street NE  
WASHINGTON DC 20549 - 1090

[rule-comments@sec.gov](mailto:rule-comments@sec.gov)

Dear Ms Murphy

**File Number S7-40-10**

### **DODD-FRANK ACT SECTION 1502: PROPOSED RULES: COMMENT BY THE MINING INDUSTRY ASSOCIATIONS OF SOUTHERN AFRICA**

The members of the Mining Industry Associations of Southern Africa (MIASA) are grateful for the opportunity to submit comments on the far-reaching draft proposed Securities and Exchange Commission ("SEC") regulations to implement the conflict mineral provisions of the Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") which would, inter alia, require U.S. and foreign companies to report and make public the use of so-called "conflict minerals" from the Democratic Republic of the Congo ("DRC") or adjoining countries in their products.

MIASA and its members are supportive of the spirit and intentions of the proposed regulations to ensure that minerals are not financing or benefiting armed groups and therefore contributing to human rights abuses. It is for this reason that MIASA and its members support the work of the International Commission on the Great Lakes Region intended to curtail the illegal exploitation of natural resources in the region and to promote the certification of legitimate production.

While MIASA realizes that it was not the intention of the legislators to impair the economies of the DRC Countries but to deny armed groups access to mineral resources to finance their activities, MIASA is concerned that the implementation of the regulations would have unintended adverse consequences of devastating the economies of the DRC Countries. Companies having to commission a "conflict minerals report" because their 'conflict minerals' originate from the DRC Countries or because they cannot establish its provenance, are likely to refrain from sourcing such minerals from these countries to avoid the additional cost, effort and risk involved.

MIASA is also concerned that the proposed rules could stigmatize all mineral products produced in the DRC Countries, as well as potentially other African countries, which could result in an effective boycott on responsibly mined minerals from such countries and in turn cause potential adverse economic implications for otherwise stable countries.

Given that the DRC Countries do not have large industrialized agricultural or significant industrial scale manufacturing sectors, legal mining operations play a very large role in their economies. Against this background, most mining companies active in these countries are also involved the construction of infrastructure and the creation of skills in the local populations as part of their corporate social responsibility initiatives.

Consequently any measures that will impede investment in the mining sector in these countries will impact negatively on their total economies and on society in general.

Additionally, any contraction in the formal mining sector in the DRC Countries could increase informal and illegal mining activities where there is very little control over the disposal of the products and the application of the revenue.

Of consideration is also the fact that some of the DRC countries, such as Tanzania and Zambia, whose Chambers of Mines are members of MIASA, are in the process of being part of the Extractive Industries Transparency Initiative (EITI) and therefore complying with some of the requirements of the regulations. MIASA is of the opinion that such transparency initiatives should be encouraged and is concerned that the unintended consequences of the proposed SEC regulations would remove focus on transparency and on ensuring that communities in the region benefit from legal mineral extraction and therefore become counterproductive. It is therefore, MIASA's appeal that amendments be made to the regulations to promote legal mining activity while improving transparency and accountability on the legitimate disbursement of mining produce.

MIASA is a regional mining association in the Southern African Development Community (SADC) whose objective is to promote the mining industry in the region. The members of MIASA are the Chamber of Mines of Namibia, the Chamber of Mines of Botswana, the Chamber of Mines on Zimbabwe, the Chamber of Mines of Zambia and the Tanzania Chamber of Minerals and Energy. The Chamber of Mines of the Democratic Republic of Congo (DRC) is in the process of becoming a member of MIASA.

Yours Sincerely



Jabu Maphalala  
Secretariat  
Mining Industry Associations of Southern Africa

DAK/dodd-frank comment 2011-02-27