



SI 68 of 2025 in plain language

What Zambia's mining local content rules require —
and the one thing that decides whether they work

Gazetted 14 October 2025. In force 1 January 2026.

20% of the annual procurement budget reserved for local companies at six months, rising to not less than 40% within five years.

Reserved categories. Quarterly returns. Personal liability for directors.

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Lusaka, Zambia

What the regulations are

The **Geological and Minerals Development (Local Content) (Preference for Goods and Services in the Mining Sector) Regulations, Statutory Instrument No. 68 of 2025** were made under sections 10(4) and 19 of the Geological and Minerals Development Act, 2025 (Act No. 2 of 2025), gazetted on **14 October 2025** and brought into operation on **1 January 2026**. They apply to the procurement of core and non-core mining goods and services by a mining company or a mining related company.

This guide summarises the gazetted text. It is written for procurement, compliance and supply-chain teams, and for the suppliers who now sit inside the scope of the rules. The full Statutory Instrument is reproduced at kutula.safeintegratedsolutions.com.

The procurement thresholds

Regulation 4 requires a minimum share of the annual procurement budget for core mining goods and services to be reserved for local companies, rising on a fixed clock from commencement:

By	Minimum reserved for local companies
Within 6 months	20%
Within 1 year	25%
Within 2 years	35%
Within 5 years	not less than 40%

The First Schedule lists the core mining goods — over a hundred line items, from safety equipment, mining machinery spare parts and HDPE pipes to fuels and lubricants, cement, explosives, mill liners, crusher wear plates and reagents — and thirteen core mining services, including metal fabrication, drilling and blasting, mine development, shaft sinking, dewatering, engineering, and geological and geotechnical services.

If no single local company can carry the contract

Regulation 4(3) does not let the threshold lapse. Where one local company cannot meet the reserved minimum, the mine must **subdivide the contract into lots** so that other local companies can participate and the reserved value is still met. This does not apply to goods or services bought directly from an original equipment manufacturer.

Only where the subdivided lots still cannot be filled may the balance go to a company that is not local — and then the mine must file quarterly returns with the Director on Forms I to V of the Third Schedule: company and site information, procurement disclosure, employee status, supplier beneficial ownership, and the supplier development programme report.

Categories reserved entirely for local companies

Regulation 6 reserves exclusively for local companies the procurement of any non-core mining good or service critical to the operation of the mining industry. The Second Schedule lists them, and the list is wide:

- **Goods** — labour, furniture, iron and steel products, uniforms, food and food supplies, medicines, stationery, cleaning materials and toiletries, safety wear, office and catering equipment, gardening
- **Services** — security and patrol, catering, personnel transport, accommodation and camp management, haulage of ores, concentrates and refined metals, haulage of fuel and consumables, waste management, minor maintenance, freight forwarding, logistics, warehousing and storage, cleaning and laundry, medical services, painting and fumigation, plumbing, gym and swimming services, health education, excavation, supply base services, safety and firefighting systems, information systems, IT and communications, legal and financial services, labour hire, capacity building and training, non-core consultancies, and CSR services

For suppliers outside the traditional mining trades, this is the most immediately accessible part of the regulations — foreign competitors are shut out of it by law.

Who counts as a local company

Regulation 2 defines a **local company** as a citizen owned company or a citizen empowered company, each as defined in the **Citizens Economic Empowerment Act** (Cap. 419). Under that Act, a citizen empowered company is one in which citizens hold at least **25%** of the equity, and a citizen owned company one in which citizens hold at least **50.1%**. The 25% level is therefore the entry point to SI 68 preference; majority citizen ownership is the stronger position.

Regulation 5 gives a qualifying local supplier a **15% margin of preference** at bid evaluation on core mining goods and services. The margin is applied to the evaluated price for comparison purposes — not to the price actually invoiced.

What mining companies must also do

- At the beginning of each calendar year, update the record of local companies, include planned local procurement in the annual procurement plan, submit that plan to the Director, and **publish the plan and the company's tenders** in a national daily newspaper or on the company's website (regulation 7(1))
- Develop a **Supplier Development Programme** and submit it to the Ministry responsible for mines within six months of commencement (regulation 7(2))
- Comply with the Fourth Schedule in running that programme, including a **minimum annual investment commitment of 0.05% of annual procurement expenditure**
- Keep records of local company participation, and submit quarterly returns on Forms I–V where procurement goes to a company that is not local
- Admit an authorised officer onto the premises for compliance inspections (regulation 8)

Penalties

Where no specific penalty is stated, regulation 9 provides for a fine of **not less than one million penalty units**, and a further **one hundred and fifty thousand penalty units for each day** the offence continues. Where the

offence is committed by a body corporate with the knowledge, consent or connivance of a **director, manager, shareholder or partner**, that person also commits the offence and is personally liable to the same penalty.

The constraint nobody legislated for

The thresholds assume that qualifying local suppliers can take the work. Many cannot — not for want of capability, but because performing a mining contract means paying for fuel, stock, staff, equipment and site compliance before the first invoice is settled, and commercial credit in Zambia is priced and secured in a way that small suppliers cannot reach. Regulation 4(3) sharpens this: breaking a contract into lots multiplies the number of small suppliers who each have to fund delivery.

The practical effect is that a supplier's cash flow problem becomes the buyer's compliance problem. A mine that cannot find local suppliers able to fund the contracts it wants to award does not simply lose efficiency — it misses a statutory threshold, on a clock, with directors named.

And the regulations say so

This is not an inference. The Fourth Schedule, which every Supplier Development Programme must comply with, lists as one of its five core components:

4. Financial Support and Access to Finance — (a) facilitation of access to commercial financing; (b) guarantee schemes for local supplier contracts; (c) equipment leasing or hire-purchase arrangements; and (d) working capital support for contract execution.

Form V of the Third Schedule then requires the mine to report, every quarter, whether access to finance was among the activities implemented, how much of the programme budget was spent, and how many local suppliers were engaged. Access to finance is not a nice-to-have alongside SI 68 compliance. It is a reportable component of it, funded from the 0.05%.

What this means in practice

If you are a mining company

- Know your current local procurement percentage, by category and by province, before the next reporting quarter — not after it
- Map which Second Schedule categories you are still awarding to foreign suppliers; those are reserved outright
- Test whether your local suppliers are declining work, under-bidding capacity, or failing mid-contract, and whether working capital is the reason
- Point the 0.05% supplier development budget at the Fourth Schedule component that actually binds — access to finance and working capital support — rather than at generic training

If you are a **Zambian-owned supplier**

- Confirm your citizen-ownership status against the Citizens Economic Empowerment Act and keep the documentation current — it is the gate to everything else
- Look hard at the Second Schedule categories, which are closed to foreign competitors
- Watch the annual procurement plans and tenders that mines are now required to publish
- Price the 15% margin of preference into your bidding strategy
- Work out, before you bid, how you would fund delivery across the payment period

Where to read the primary material

- SI 68 of 2025, full gazetted text — kutula.safeintegratedsolutions.com/assets/docs/si-68-of-2025.pdf. Priced copies from the Government Printer, P.O. Box 30136, Lusaka
- Ministry of Mines and Minerals Development — mmmd.gov.zm
- Citizens Economic Empowerment Commission, for citizen-ownership certification — ceec.org.zm
- PACRA — company registration, ownership records and the Collateral Registry — pacra.org.zm
- Zambia Revenue Authority — Smart Invoice — zra.org.zm

Please read this. This document is a plain-language summary of SI 68 of 2025 prepared by SAFEintegrated IT Solutions Limited for general information. It is not legal advice, it is not a substitute for the Statutory Instrument itself, and it should not be relied on for compliance decisions. Obligations are summarised from the gazetted text of 14 October 2025; the definitions of citizen owned and citizen empowered company are drawn from the Citizens Economic Empowerment Act. Before acting, read SI 68 of 2025 in full and take advice from a Zambian legal practitioner.

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