

JOINT STUDY GROUPS' REPORT



International Copper
Study Group



International Lead & Zinc
Study Group



International Nickel
Study Group

Taxation, Royalties and Fiscal Measures Applied to the Non-Ferrous Metals Industry

- A joint report of the three Study Groups providing an in depth analysis on taxation and fiscal incentives applied to non-ferrous metals in the major mining and metals producing countries. The study discusses taxation and subsidies applied to ores, concentrate and refined materials. The work was carried out by Raw Materials Group (RMG) of Sweden on behalf of the Study Groups and is intended to be a reference document for governments and companies.
- The 50-page study provides a summary of fiscal measures including taxation, royalties and subsidies applied to mining and metals across various jurisdictions with a particular focus on copper, lead, zinc and nickel. Incorporating a review of the taxation expenses of around 400 companies in the RMG database operating in the base metals, the report takes a wide view the industry including smelting, refining and fabrication. The study compares current taxation regimes and looks at recent changes to determine if trends are evident.
- Information is accurate up to the end of 2013. Data on recent changes to taxation and incentives is provided for many countries, as well as proposed changes to taxation regimes where available.
- The report includes easy reference tables listing, by 37 national and state jurisdictions, applicable taxes, fees and fiscal incentives with a focus on the four principal Study Group metals, copper, lead, zinc and nickel.

Contents

Executive Summary	5
Section 1: Introduction	7
<i>Objectives, Scope of Study and Limitations</i>	7
Section 2: The Fiscal Tools for Resource Rents Extraction	8
Taxation of the Mining Sector	8
Taxation of the Smelting and Refining Sector	9
Trade Instruments	10
General Business Taxation	11
Other Instruments.....	11
The Use of Fiscal Instruments along the Value Chain	12
Section 3: Taxation Trends in the Metals Sector	13
Taxation Regime – Country Perspective.....	13
Taxation Trends in the Mining Sector.....	17
Taxation Trends in the Smelting and Refining Sector.....	19
Taxation Regime – Company Perspective	20
Company Perception of Tax Burden.....	22
Section 4: Production and Taxation Relationship in the Base Metals Sector	23
Copper.....	24
Nickel.....	25
Lead.....	26
Zinc.....	26
Tax to pre-tax profit ratio	27
Implications for Base Metal Markets	28
Section 5: Other Fiscal Regime Developments	29
Mining’s Environmental Footprint	29
Environmentally related taxes – why has it not been widely implemented.....	29
Environmental fees for rehabilitation and reclamation.....	30
Emerging trends	31
International Efforts to Combat Tax Avoidance	32
Transfer Pricing.....	33
Section 5: Conclusions	35
References.....	36
Appendix A	37
Appendix B	41
Appendix C	43
Appendix D.....	47

Order Form

ILZSG, Rua Almirante Barroso 38, Lisboa 1000-013, Portugal

fax to + 351 21 352 4039

or email to sales@ilzsg.org

Study of Taxation and Fiscal Incentives

€500 for companies in member countries* €750 for companies in non-member countries
(note: the publications will be supplied by email as a pdf file)

No. Of Copies: _____

Name _____

Company _____

Address _____

Tel No. _____

Fax No. _____

E:mail _____

PAYMENT

By credit card (VISA or Mastercard) By cheque - made payable to 'ILZSG'

Card No

Cardholder Name (as on card)

Expiry Date

Security Code (last 3 digits on back of card)

Signature

BANK TRANSFER:

Bank name and address: Millennium BCP, Av. República 59 A, Lisbon, Portugal

IBAN No.: PT50-0033-0000-45303827206-05

ACCOUNT No.: 45303827206

BIC/SWIFT: BCOMPTPL

*ILZSG Member Countries: Australia, Belgium, Brazil, Bulgaria, Canada, China, Finland, France, Germany, India, Iran, Ireland, Italy, Japan, Korea, Morocco, Namibia, Netherlands, Norway, Peru, Poland, Portugal, Russian Federation, Serbia, South Africa, Spain, Sweden, Thailand, United States.

INSG Member Countries: Australia, Brazil, Cuba, Finland, France, Germany, Greece, Italy, Japan, Norway, Portugal, Russian Federation, Sweden, United Kingdom.

ICSG Member Countries: Australia, Belgium, Luxembourg, Chile, China, Finland, France, Germany, Greece, India, Iran, Italy, Japan, Mexico, Peru, Poland, Portugal, Russian Federation, Serbia, Spain, Sweden, United States, Zambia