Addressing Tax Base Erosion and Profit Shifting in the Mining Industry in Developing Countries

Mitigating financial risks, growing economies
For many developing countries, revenues from the extractive industries present a significant opportunity to grow the economy and fund vital public services. Ensuring governments have the knowledge, skills and tools to build and administer mining tax systems is, therefore, critically important.

Our Work

The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF) and the Organisation for Economic Co-operation and Development (OECD) are working together to address tax base erosion and profit shifting (BEPS) in the mining sector.

Our program provides sector-specific guidance on BEPS challenges and capacity building support to developing country governments. Training, legal and policy advisory services, as well as hands-on tax audit assistance, can all be accessed on request.

Our goal is to help countries capture a fair share of the fiscal benefits from their natural resources.

Practical Guidance

We conduct research and analytical work on mining taxation to identify practical approaches that inform policy and administrative guidance and tools for governments. Significant work has been done, including:

The release of three practice notes, in English and French:

- Limiting the Impact of Excessive Interest Deductions on Mining Revenues (English / French)
- Tax Incentives in Mining: Minimising Risks to Revenue (English / French)
- Monitoring the Value of Mineral Exports: Policy Options for Governments (English / French)

Publication of an open source beta stage financial model for estimating the cost of tax incentives in mining, including behavioural responses. Users can adapt the model (.xlsx) to local circumstances by following Supplementary Guidance: How to Use Financial Modelling to Estimate the Cost of Tax Incentives.
AUDIT SUPPORT

Tax Inspectors Without Borders (TIWB), launched jointly by the OECD and the United Nations Development Programme (UNDP) in 2015, is a practical, hands-on approach to help developing countries build their experience and collect their fair share of taxes from their mining sectors.

CAPACITY BUILDING

Local and international experts deliver training tailored to the country’s needs and implementation capacity. The training could be on a specific topic, such as transfer pricing, or cover a range of BEPS risks.

ADVISORY SERVICES

Highly qualified lawyers and fiscal specialists provide advice on drafting and implementing tax law relating to mining, including concession agreements.

Experts

Over 30 years of experience advising governments on resource tax issues in over 30 countries in Latin America and the Caribbean, Africa and Asia Pacific.

“The training on transfer pricing risk assessment in the mining sector was very useful and practical, reflecting actual issues encountered by auditors.”

Ignatius Mvula, Head of the Mining Audit Unit, Zambia Revenue Authority

Technical Assistance

Together with our partners, the African Tax Administration Forum (ATAF) and the Inter-American Center of Tax Administrations (CIAT), we assist countries to strengthen mining fiscal regimes and revenue administration against the risk of BEPS. Our technical assistance is free of charge. We deliver support through multiple channels to maximise impact:

- Geologists
- Mine engineers
- Former mining company executives
- Tax auditors
- Lawyers
- Accountants
- Economists
- Transfer pricing specialists

- Coal
- Iron ore
- Gold
- Copper
- Platinum
- Diamonds
- Lithium
- Mine valuation
- Mineral sampling & testing

- English
- French
- Spanish
- Swahili
How to Apply

Governments should submit a request for assistance to secretariat@igf.org or CTP.BEPS@oecd.org

The request should include:
• Name of country
• Name of the government ministry or agency
• A description of the enquiry
• Contact details

Who We Are

The IGF supports over 70 nations committed to leveraging mining for sustainable development.

The OECD aims to promote policies that improve economic and social well-being. Its Inclusive Framework on BEPS brings together more than 125 jurisdictions on an equal footing to implement measures which help to level the playing field and align tax with value creation.

Working together, IGF and the OECD help resource-rich developing countries address specific challenges in raising revenue from their mining sectors.

We value our partners:

IGFmining.org  @IGFMining
OECD.org  @OECDtax

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