

Mining Royalties



Who benefits from mining?

Compensatory fee for a non-renewable resource



The communities must see the results

Contributors: Jaime Consiglieri F., Joan Kuyek and Rodrigo Pizarro

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Distributing Mining Wealth through Royalties

by Patricia González

Who benefits from mining? This question is increasingly being raised particularly in Latin America where the exploitation of mineral resources constitutes a significant element in many national economies.

The nature of the challenge is clear. It is to create a situation in which the countries, regions and localities where mining activity takes place have a direct share in the wealth produced by exploitation of their mineral riches in a way that translates into an improvement in their inhabitants' quality of life and level of well-being. This is an appropriate reciprocity for the reduction in natural capital resulting from exploitation of non-renewable resources, an exploitation that can generate significant negative impacts.

In the questioning of how this wealth should be shared heated debates have been generated in the main mining countries of the region, focussing on the benefits and limitations of tax and royalty systems applicable to mining.

Intense debate is now taking place in Chile and Peru. Neither of these countries had contemplated the imposition of mining royalties until the middle of 2004. The debate in Peru led to the approval in June 2004 of new legislation providing for a royalty charge based on gross concentrate sales. In Chile the debate is still going on although the initiative suffered a legislative setback in August when a proposal presented by the government did not obtain the necessary majority in favour of establishing a royalty.

A great variety of positions have arisen for and against these royalty systems, supported to a greater or lesser degree by theories originating in the North that have been modified to fit the realities of our countries. However, what emerges as indisputable is the principle that it is just and necessary for the State, as owner of the minerals, to impose a charge or compensatory fee for the exploitation of these non-renewable and scarce resources.

In countries where a compensatory fee of this type is still not charged there is an urgent need to address this deficiency that is generating distortions and inequalities. In most countries the method employed to implement that compensatory charge is the imposition of royalties.

With regard to the challenge currently faced by the mining industry to

contribute to local development in a context of progressive decentralisation, the implementation of mining royalty systems that provide for an equitable distribution of resultant revenue between the national level and mining regions and localities can be an effective tool in overcoming the paradox of wealth producing mineral exploitation living side by side with extreme poverty and social inequity, a state of affairs evident today in many different zones where the economy depends on extractive industries such as mining and hydrocarbons.

In this instalment we have endeavoured to gather together authoritative sources representing different perspectives involved in the debate. We also include brief descriptions of systems already operating in countries such as Colombia and Canada, from which lessons may be learnt. ■

MPRI Objectives

The Mining Policy Research Initiative - MPRI was created in 1998 by the International Development Research Centre - IDRC/CRDI of Canada. It was conceived from the start as a multi-stakeholder initiative which would associate stakeholders and respond to demands for research identified by the mining stakeholder community. Its general objectives are three-fold:

1. "to support applied and participatory research on issues related to mining and sustainable development in mining regions and communities of Latin America and the Caribbean;
2. "to foster collaboration among different stakeholders in the sector, both within the region and with ones in other regions;
3. "and to improve the generation, accessibility and use of relevant information on the subject in the region."

More information available on www.iipm-mpri.org



Mining Royalty as Compensation Not Tax

by Jaime Consiglieri F.*

In view of the approval of Peru's Royalties Law on mining activity and the debate that it has generated, the author invites readers to consider the essential nature of royalty and the arguments for and against its application in Peru.¹



The State has the right to charge for the use of a non-renewable and finite natural resource.

Royalty applied to mining activity is the charge incurred by companies for exploiting a resource that is the property of the State. This charge is supported not only by article 66 of our Political Constitution but also by many laws currently in force, as well as by various resolutions and reports of organisations such as the UN and the World Bank, according to which the Peruvian State, under the principle of sovereignty, can charge for the use of a non-renewable and finite natural resource.

Also, as the State is the owner of resources in the ground, the concessionaire (in this case the mining company) uses them in lieu of the State. So the State, as owner, has the right to a payment called royalty, usufruct or rent, which must be paid by the concessionaire.²

Taking into account current technological advances in the mining industry, it is probable that in less than 15 years mineral ore reserves currently being exploited will be almost exhausted and what remains will have a lower mineral content, which in view of high production costs will make extraction uncompetitive or unprofitable. When a mine closes, in addition to the environmental impacts, another direct consequence for the population of the area is a substantial loss of income and indirect services due principally to the fact that mining does not generate other enduring local activities or initiatives.

The proposed legislation for the application of mining royalties stipulates that revenues generated will be allocated to "the financing or co-fi-

ancing of investment in production projects that articulate mining with the economic development of each region in order to ensure the sustainable development of urban and rural areas".³

Realising the basis, nature and implications of the proposal and the destination of revenues generated by it, it is possible to understand the alignment of different stakeholders regarding this issue: members of parliament, regional and local governments, communities and mining companies.

The law, apart from specifying that royalty is a compensatory payment to the State for the extraction of non-renewable natural resources, also sets out the rates at which royalty is to be charged to mining companies as; 1% on concentrate sales value up to 60 million US dollars, 2% on sales between 60 and 120 million US dollars and 3% on sales above 120 million US dollars. It also stipulates that all revenues raised will be distributed among regions and municipalities exclusively for the purpose of financing investment in projects.

Currently, the Council of Ministers is considering two possible alternatives for the application of royalties to mining activity with a view to minimising its impact in terms of the companies' competitiveness: a) to take

into account the level of international metal prices as well as the level of sales; or b) to only take into account price levels (which was the Government's initial proposal). According to the Minister of Energy and Mines, Jaime Quijandría, an attempt is being made to establish "a historical average price below which no royalty would be charged" i.e. when the price of a mineral falls below that price. At the same time, an additional clause is being proposed stipulating that the higher value royalty will be payable in cases where there is an already agreed royalty.

The impact of mining royalty implementation will not immediately be significant, bearing in mind for example the 28 contracts of tax stability currently in force, but we should not forget that these contracts are not eternal and that the scenario will gradually change.⁴

We should also remember that not everything is finalised. The Executive

➡ follows in p. 6

* *Economist, member of the Mining and Communities Program team of the Peruvian NGO "Cooperación: Acción Solidaria para el Desarrollo" (Co-operation: Solidarity Action for Development).*



Myth and Reality: Understanding Mining Taxation in Canada

by Joan Kuyek*

Mining enjoys power in this country –and others– well in excess of its actual economic contribution.

The Canadian tax system has evolved over time in response to the demands of industry lobbies, so that –despite millions in perverse subsidies– mining companies pay almost nothing in taxes. They manage to achieve this through tax planning techniques and deductions that result in accounting losses even in years when commodity prices are high, and through ensuring that most taxes are based on “net profits” rather than sales.

According to their 2003 annual financial statements, four of the largest mining companies in Canada paid –or were owed by governments– the following totals in taxation. The figures include their subsidiaries and taxes paid to governments elsewhere in the world.

Even in Canada, the return on investment from the mining industry to federal and provincial governments is shrinking in terms of cash revenues, contribution to GDP and employment,

while the environmental and social costs are rising. At the same time, ore reserves are being depleted.

The industry promotes data stating that there are 386,000 people directly employed in mining. In fact, there are currently less than 25,000 people employed in mining and milling in Canada: the others work in smelting, refining, and manufacturing –all work that could still be there if we recycled metals instead of mining them.

Investment in mining would be better spent on innovative community economic development strategies for mining dependent communities and support to recycling and conservation.

Missing data

In December 2002, the Pembina Institute and MiningWatch Canada released a study assessing the value of government support for the metal mining industry in Canada entitled *Looking Beneath the Surface*. The investigation was hampered by the lack of data available from government. Governments generally were unable to provide estimates of the

value of a number of important tax measures introduced to support the industry. Other information was considered confidential for commercial or privacy reasons.

It is extremely difficult to sort out the tax and royalty benefits of the mining and concentrating industry for a number of reasons. Many figures are confidential. Mining data is frequently aggregated with data from downstream industries like smelting, refining and metals manufacturing –industries which do not necessarily depend on mining new materials. Mining data is also often aggregated with tar sands, oil and gas and quarrying.

Looking Beneath the Surface did find that the total value of the subsidies to the metal mining industry alone was staggering: over \$580.2 million in the 2000/2001 fiscal year. This figure did not include the costs for reclaiming abandoned mines (estimated by the Mining Association of Canada as over \$6 billion), unfunded liability for mine closures, nor costs the figures we were unable to track (such as provincial “processing allowances”).

According to the federal Department of Finance, the last year for which detailed tax data on mining was available was 1997. We have been able to determine that in 1997, mining only contributed \$251 million in direct federal taxes, and \$147 million in provincial income taxes (from all provinces) for a total of \$398 million.

* National coordinator of MiningWatch Canada. See more information in www.miningwatch.ca

	Sales	Taxes - 2003 (US\$ million)	Taxes - 2002
Barrick Gold	2.035	5	(16)
Placer Dome	1.763	44	(34)
Inco	2.474	(49)	(639)
Noranda	4.657	24	(168)

Note: Numbers in brackets indicate tax refunds.



Layers of mining taxation in Canada

The federal government imposes:

- Corporate income taxes under the Income Tax Act - currently 28%, to be reduced to 21% by 2007, based on net income;
- Capital tax (a tax on assets and inventory) - applies only to companies with assets over \$50 million, to be phased out totally by 2008;
- GST (7% of purchases; export sales are zero rated - GST does not apply and producers are entitled to a refund for tax paid on inputs);
- Payroll levies;
- Excise taxes and customs duties.

Provincial governments and territorial governments impose:

- Income taxes varying from 9.4% to 15% based on value of production;
- Mining Tax varying from 5 to 14 % on defined mining profits;
- Capital tax of less than 1%. Six provinces have a capital tax; Ontario is phasing it out.

Allowable deductions

Income tax

A number of expenses and deductions are allowed in the computation of income for tax purposes. The Resource Allowance ensures that only 75% of resource profits are subject to tax. Loss carry-overs, accelerated capital cost allowances, and investment tax credits further reduce income. Canadian Exploration and Development Expenses and Foreign Resource Expenses can be held in tax pools and carried forward and backward almost indefinitely. The tax polls can be transferred to subsidiaries or sold as an asset.

Capital tax

Is based on company assets. Since 2003, the federal capital tax applies only to companies with more than \$50 million in assets, and will be phased out altogether by 2008. Most provinces charge capital tax ranging from .225 to .6 % on assets. Ontario is phasing it out.

Provincial taxes

There are two to three levels of taxation on mines provincially: corporate income tax, Mining Tax and

capital tax. Some provinces calculate mine revenues after the deduction of a Resource Allowance (25%). The provincial income tax calculation is similar to the federal calculation. There is also a capital tax on assets in some provinces for large mines.

Mining Tax

Is Canada's equivalent of a royalty. Most provinces tax mineral wealth at "mine mouth"; i.e. they tax the unrefined product and deduct estimated costs for processing it. The rate varies from a low of 8% (no processing - Quebec, New Brunswick, Newfoundland) to the maximum (65% - smelter/refinery in the province)

For the purposes of the Mining Tax, companies can also deduct Mining and Processing Asset Depreciation, Pre-production Development Expense, Exploration Expenses and Mine Reclamation Fund contributions. Ontario exempts the first \$500,000 of mining income annually.

Mining Tax holidays for new mines are available in many provinces. Ontario provides a \$10 million tax exemption for new mines as well as a three year tax holiday, and 10 years for mines in remote locations. ■

↳ comes from p. 4

itself has already sent an alternative project to Congress and the companies have classified the law as populist, anti-constitutional, confiscatory and discriminatory. For their part involved members of parliament have announced the creation of a technical committee to formulate a regulatory proposal for preventing abuse of the law.

It is in the interest of mining regions that a proposal which clearly links mining activity with the country's development is not discarded. Up to now the evolution of stakeholders' positions in the debate on royalties has produced little progress in determining how the mining sector could make a real and significant con-

tribution to the development of the country, what the State should do and what is expected from communities, local authorities and, of course, mining companies. In all these aspects there is still much to be done. ■

1. This article has been extracted from "Actualidad Minera del Perú" (Mining in Peru, Current Affairs) Bulletin Nº 62, June 2004, a periodical published by Cooperación. The complete bulletin can be found on: <http://www.iipm-mpri.org/biblioteca/index.cfm?action=ficha&lang=esp&cod=218>
2. "My understanding is that the crux of the discussion, and of the misunderstandings, lies in the peculiar interpretation that has

been made of the concept of 'royalty', which almost all participants see as a tax. An intriguing conclusion to which I do not understand how one could arrive so lightly. Judging the question by economic theory it is instead a quota or right, or more technically, a 'rent' in the classic economic sense of the word..." Mining Royalties and Ricardian Rents, an article by Jurgen Schuldt.

3. Article 9 of the bill "Mining Royalty Law" passed in session on the 3rd June 2004.
4. Of the 182 companies that have signed tax stability contracts, 22 are mining companies; of these in five cases the contract has already expired, in November BHP Billiton Tintaya's contract will expire, next year another five contracts will expire and during the following five years all the rest (see above mentioned article by Jurgen Schuldt).



The Establishment of Royalty in Chile

by Rodrigo Pizarro*

In Chile a pivotal public debate has developed over the last year concerning the mining sector's tax contribution and especially the application of royalty to copper exploitation. Chile is the world's principal copper producer and its exports constitute almost 40% of global copper supply. For many, however, the sector's contribution to the development of the country is too low.

During the period 1990-2001 the state owned company Codelco paid around 10,659 million US dollars to the Treasury, while private mining companies only contributed 1,638 million US dollars, in spite of their production being 25% greater. In addition, taxes paid by Codelco per metric ton of copper produced represented 28.7% of the final price while taxes paid by private mining amounted to only 5.3%. It is therefore estimated that the total of lost tax revenue during that period amounts to more than 10,000 million US dollars.

The state of private mining company tax contribution was pathetically demonstrated in 2002 by the sale of Disputada de Las Condes, a mining company belonging to the multinational Exxon. For 22 years the company paid no taxes at all to the Chilean state, declaring losses every year.

Apart from the ridiculously low taxes imposed on mineral exploitation in Chile, the explanation for the meagre tax contribution is that multinational companies use any legal subterfuge to evade paying taxes.

Although initially the debate was centred on taxation, later the notion of introducing a royalty on mining entered the discussion as a means of



Taxes paid by Codelco represented 28.7% of the final price while taxes paid by private mining amounted to only 5.3%.

ensuring a just contribution in return for exploitation rights.

Mining uses a non-renewable resource which means that there is an "economic rent" that belongs to all Chileans and which at present is appropriated by the industry. It is this fact that justifies the royalty. In economics there are many theoretical debates but also in some cases a strong consensus, one of which is to charge the

"economic rent" corresponding to resources.

In the beginning the proposal of a royalty was isolated: business associations and the Government, who were allies in the debate, tried by all means to close the subject, claiming that royalties would be a brake on investment. But the evident injustice of the mining sector's level of contribution, and above all common sense, inspired

Efficient Mineral Resource Pricing and Rent Collection in Chile, International Environment program. Harvard Institute for International Development, 1999

This work by Professor Theodore Panayotou, Director of Harvard University Environment and Sustainable Development Program, concludes that in the case of mining in Chile the State, by constitutional provision, has a dual role as tax collector and owner of resources. As owner of the resource, the Chilean State must charge a price or fee when authorizing a third party to make use of it. In short, for Panayotou natural resources are part of the capital of society and the State has a responsibility to collect a competitive return on that natural capital, in a different way than with other tax collections.

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* Executive Director of the Terram Foundation, Santiago, 20th May 2004.



Chile needs the income from its copper for development and to protect its citizens.

many citizens to organize around this demand. Others, just by expressing their opinion, contributed to breaking the wall that had been built to block discussion of this subject.

Finally, in the face of civic opinion and parliamentary pressure, the Chilean government decided to put forward legislation providing for a royalty on mining. By this decision the existence of company obligation and the legitimate right of Chile to demand payment were acknowledged.

With this government announcement there are two reasons to celebrate. Firstly, that it is the beginning of the end of a regulatory and tax framework for mining that clearly benefits large scale mining to the detriment of the country, and secondly, that citizens were able to impose their views on a political class

increasingly distant from the concept of great politics in which the public task involves strategic vision.

Chile's development has been intrinsically connected with mining. The institutional and regulatory model that arose after the military coup resulted in the arrival of significant foreign capital and an expansion of production. However, this has happened at the cost of ceding to multinationals practically all of the income from this resource that belongs to the country. Now is the moment to revise these policies. Chile needs the income from its copper for development and to protect its citizens. The country cannot wait any longer. ■

Useful data

What is mining royalty? It is an economic compensation paid to the State, as owner of the minerals, for the exploitation of a non-renewable resource.

GENERAL APPLICATION OF ROYALTY SYSTEMS TO MINING IN DIFFERENT COUNTRIES

Countries	Rate	Basis
Argentina	3%	mine mouth value
Australia	varies by state	variable rate
Bolivia	1 a 7%	gross sales
Brazil	0.2 a 3%	net sales
Canada	varies by province	varies by province
Chile	n/a	n/a
China P. R.	2%	gross sales
Colombia	1 a 12%	mine mouth value
United States (all states)	n/a	n/a
Indonesia	(45 o 55)	US\$ per ton production
Kazakhstan	2%	gross sales
Mexico	n/a	n/a
Papua New Guinea	2%	gross sales
Peru	1 a 3%	gross sales
Poland	3%	gross sales
South Africa	n/a	n/a
Zambia	2%	nsr

n/a: non-applicable

nsr: net smelter return

Sources: Global Mining Taxation Comparative Study C.S.M., March 2000, James Otto; Cochilco Database; and A Primer on Mineral Taxation-Thomas Baunsgaard. Adapted from Minería Chilena magazine N° 264, June 2003. <http://www.editec.cl/mchilena/junio2003/Articulo/debemos.htm> Updated and complemented for this publication with data from the MMSD Brazil project, Law 28258 Peru.



Mining Royalties in Colombia

Extract from the article by Mario Jaramillo Arbeláez, Director of Mines in the Colombian Ministry of Mines and Energy, published on the MPRI website: <http://www.iipm-mpri.org/biblioteca/index.cfm?action=listar&by=tipo&cod=2&lang=esp>

Royalties must become visible benefits for communities in the neighborhood of mining operations.

The recent history of royalties in Colombia begins with the Political Constitution of 1991, in which Article 360 provides for an “economic compensation by way of royalty” for the exploitation of a non-renewable natural resource. It also establishes the right to a share in these royalties for the departments and municipalities where the exploitation takes place, as well as for the ports through which the resource, or products derived from it, are transported.

For royalty revenues that are not allocated to departments and municipalities directly involved, article 361 provides for the creation of a national fund with the function of distributing them to other territorial entities for use in the promotion of mining, environmental protection and the financing of investment in regional development projects. In application of the above, the Royalties Law N° 141 of 1994, created the National Royalties Fund (NRF) and regulated the right of the State to receive royalties and the administration and distribution of them.

Until the enactment of law N° 141 exploitation of most minerals was exempt from royalties. For those that were not exempt the royalties had a “specific tax” characteristic (the origin of which went back to Spanish and Roman legislation) and this law superseded them. From a private company perspective, royalties now rep-



Royalty Administration

In Colombia the debate has moved on from the concept of a payment to be made by mining companies and its level to the issue of how those revenues are administered by the municipal and departmental governments that receive them.

The Community Development Activities by Mining and other Natural Resource Exploiting Companies in Latin America and the Caribbean Research Project¹ found that in Colombian communities there are two different views on the use of royalties. For some the revenues “arrive but are not invested simply because they vanish”. Others, still not seeing any visible result from the investments, think that the problem lies in the fact that administrations ignore the communities and do not provide them with information about royalty management on their behalf. In this context, some communities demand that mining companies should be the ones in charge of administering the investment of royalty revenues, under State supervision.

The project recommends that follow up, control and complaint mechanisms for the investment and administration of mining royalty revenues should be strengthened at all levels and suggests that the proposals to involve companies in the investment and administration of royalty revenues should be studied.

One of these proposals is to widen incentives that allow for a reduction in the royalties that companies must pay in return for significant investment in local development processes.

1. See complete documentation of the project on: <http://www.iipm-mpri.org/proyectos/index.cfm?action=proyecto&cod=9&lang=esp>



resent an unavoidable fiscal levy arising from the inherent nature of their industrial activity.

Local and regional governments must use the revenue from royalties for investment programs and regular ongoing programs, in accordance with the priorities and development plans of each territorial entity. Central distribution of royalties must follow criteria of social justice on a national scale, with particular focus on electrification and road network projects.

The law does not establish criteria for fixing royalties but it does determine specific rates, that range from 3 to 12 %, for different minerals or groups of minerals. Revenues raised are distributed in different proportions among producer departments and municipalities, port municipalities and the NRF.

The allocation of revenue to both the territorial entities directly benefiting, and to the NRF is specifically provided for by the law. If resource exploitation takes place within 5km of an indigenous settlement, 5% of the royalties allocated to the department and 20% of those corresponding to the municipality must go to investment projects in that settlement.

In order to have access to NRF funds, governors and mayors should present investment projects the feasibility of which must be previously endorsed by the Ministry of Mines and Energy, with the National Planning Department determining their priority.

The choice of projects must take into account: regional balance, compatibility with the National Development Plan, percentages stipulated by the law, the project's environmental, social and economic impacts, etc. ■

Books

■ Royalty, Regalía o Renta Minera (lo que sólo Chile no cobra)

(Royalty or Mining Rent - that only Chile does not charge)
Jorge Lavandero Illanes, December 2003
<http://www.fenpruss.cl/nacional/datos/ftpresumencobre.pdf>

■ Actualización de la compilación de leyes mineras de catorce países de América Latina y el Caribe. Vol I

(Update of the mining laws compilation for fourteen countries in Latin America and the Caribbean. Vol I)
Eduardo Chaparro A., CEPAL
<http://www.cepal.cl/cgi-bin/getProd.asp?xml=/publicaciones/xml/6/10756/P10756.xml&xsl=/drni/tpl/p9f.xsl&base=/tpl/top-bottom.xslt>

Articles and Documents

■ MMSD Project: Managing Mineral Wealth Workshop, London, United Kingdom, 15th to 17th August 2001:

The Revenue Dimension: New Issues and Practices

Presentation by Kathryn McPhail, World Bank.
http://www.iied.org/mmsd/mmsd_pdfs/mmw_mcphail_15_aug.pdf

Management and Distribution of Mineral Revenue: Capacity Building

Presentation by Olle Östensson, UNCTAD.
http://www.iied.org/mmsd/mmsd_pdfs/mmw_ostensson_15_aug.pdf

■ 3rd World Mining Ministries Forum Toronto, Canada, 2004: Panel: Mining: Who benefits?

<http://www.wmmf.org/2004/2004.shtml>

■ Declaración Conjunta Chileno-Peruana de Apoyo al Royalty Minero - 4th August 2004.

(Joint Chilean-Peruvian Declaration in Support of Mining Royalty)
<http://200.37.159.14/Sicr/Prensa/heraldo.nsf/0/d5023159b0ebe07305256ee600801427/?OpenDocument>

■ Regalías mineras: Análisis de un discutido impuesto

(Mining Royalties: Analysis of a controversial tax)
SNMPE, Peru, March 2004.
<http://www.snmpe.org.pe/pdfs/RegaliasMineras.pdf>

■ El royalty es necesario: dos propuestas para la discusión pública

(Royalty is necessary: two proposals for public debate)
by Rodrigo Pizarro, Fundación Terram (Terram Foundation).
http://www.terram.cl/index.php?option=content&task=news_cat&idcat=4#



■ Understanding Mining Taxation in Canada

By Joan Kuyek, August 2004.
[http://www.miningwatch.ca/documents
Mining_taxation.pdf](http://www.miningwatch.ca/documents/Mining_taxation.pdf)

■ Comparative Mining tax regimes: A summary of objectives, types and best practices

PricewaterhouseCoppers, 1998.
[http://www.pwc.com/extweb/ncsurvres.nsf/docid/
4619567C60336FE9852567430018157D](http://www.pwc.com/extweb/ncsurvres.nsf/docid/4619567C60336FE9852567430018157D)

■ Fiscal federalism and taxation of non-renewable resources: Some simple economic (an political) insights

By Kenneth McKenzie, Calgary University.
[http://www.worldbank.org/wbi/publicfinance/documents/
fiscalfederalism_Russia/McKenzie_en.pdf](http://www.worldbank.org/wbi/publicfinance/documents/fiscalfederalism_Russia/McKenzie_en.pdf)

■ Mining taxation in developing countries

By James Otto, UNCTAD, 2000.
[http://r0.unctad.org/infocomm/diversification/cape/pdf/
otto.pdf](http://r0.unctad.org/infocomm/diversification/cape/pdf/otto.pdf)

■ Annual Survey of Mining Companies

The Fraser Institute, Canada, January 2004.
[http://www.fraserinstitute.ca/shared/
readmore.asp?sNav=nr&id=580](http://www.fraserinstitute.ca/shared/readmore.asp?sNav=nr&id=580)

■ El proyecto de royalty a la minería: Varios documentos

(The Royalty on Mining Proposal: Various Documents)
National Congress Library, Chile.
[http://www.bcn.cl/pags/home_page/
ver_articulo_en_profundidad.php?id_destaca=97](http://www.bcn.cl/pags/home_page/ver_articulo_en_profundidad.php?id_destaca=97)

Websites

■ Comisión Nacional de Regalías de Colombia

(Colombian National Commission on Royalties)
<http://www.cnr.gov.co/contenido.htm>

■ Ministerio de Energía y Minas de Perú. Dirección General de Minería

(Peruvian Ministry of Energy and Mines. Mining General Department)
Including several documents and presentations establishing the Ministry's position in the debate on legislation for mining royalties in Peru.
<http://www.minem.gob.pe/mineria/>

■ Fundación Terram

(Terram Foundation)
A civil organisation created in 1997 to formulate a proposal for sustainable development in Chile. Its Natural Resource Program has produced several documents on mining royalty, addressed to the public and to members of parliament, that contribute relevant information to the legislative debate on the subject.
<http://www.terram.cl>

■ Libertad y Desarrollo

(Freedom and Development)
A private study and research centre dedicated to the analysis of public issues. One of the sections contains several documents in support of the case against the imposition of mining royalty in Chile.
[http://www.lyd.org/programas/
economico/mineria/mineria.html](http://www.lyd.org/programas/economico/mineria/mineria.html)

■ Comité de Defensa y Recuperación del Cobre, Chile

(Committee for the Defence and Recovery of Copper, Chile)
www.defensadelcobre.cl

■ Mining taxation and regulations in Canada. NRCan

Includes a section of analysis and discussion on issues relevant to mining investment in Canada regarding mining taxation.
[http://www.nrcan.gc.ca/miningtax/
inv_2.htm](http://www.nrcan.gc.ca/miningtax/inv_2.htm)

■ Mineral Resources Forum (MRF)

The section on Corporate Social Responsibility (CSR) contains a database on CSR evolution, with special emphasis on the mining sector. There is section on mining taxation and royalty.
[http://www.natural-resources.org/
minerals/csr/legislation.htm](http://www.natural-resources.org/minerals/csr/legislation.htm)

“The nature of the challenge is clear. It is to create a situation in which the countries, regions and localities where mining activity takes place have a direct share in the wealth produced by exploitation of their mineral riches in a way that translates into an improvement in their inhabitants’ quality of life and level of well-being. This is an appropriate reciprocity for the reduction in natural capital resulting from exploitation of non-renewable resources, an exploitation that can generate significant negative impacts.”

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