

## What is an ideal mining fiscal regime design for the Philippines?

**Simple.** A fiscal regime needs to be simple and consistent among all mining contracts to ensure it is easy to enforce and administer.

**Accounts for externalities.** The Philippines is a megabiodiverse country. The mining fiscal regime needs to ensure exploitation of minerals is managed accounting for the social and environmental costs of mining.

**Gives government a fair share.** The state owns the minerals which gives it and its citizens the right to have a fair share.

Currently, the Philippines' effective tax rate in mining ranks low among mining countries around the world.

## We want to know more. Can we access more resources?

**Yes.** Just visit [www.bantaykitaykita.ph/fairshare](http://www.bantaykitaykita.ph/fairshare)

We have policy briefers, videos, and research papers related to the mining fiscal policy reforms.

## How can organizations take part in the campaign?

Bantay Kita organizes events and activities for civil society organizations including academic institutions. Feel free to contact us at:

Email: [secretariat@bantaykita.ph](mailto:secretariat@bantaykita.ph)  
Phone: +632 921 8016



## #FairShare Mining Tax Reform Campaign



## Frequently Asked Questions

## Why impose mining royalties to all mining companies?

A royalty is government's guaranteed share as the owner of the natural resources. This is a global practice among resource-rich countries.

Currently, only companies in mineral reservation areas pay the 5% rate. This means foregone income for the government.

Imposing mineral royalties will help government offset the income losses from lower personal income tax.

## Why put a cashflow surcharge provision?

This is to ensure that when mineral prices are high, government gets a bigger share. This kind of provision is progressive in nature. The government only collects more if there is what is called "super profits".

## Will higher mining taxes discourage investments?

Marginal or economically insignificant mining investments, yes.

The country's current fiscal regime is subpar compared to other mining countries in the region. The low effective tax rates lets even small projects with minimal economic impact to go.

Higher tax rates will help ensure that only the most technically and financially feasible projects with significant economic impact gets a green light.

## Why establish a natural resource trust fund?

For government to set aside funds for the future generation to also benefit from natural resources. This is to ensure that long after the resources are extracted, the country still benefits from the fund's earnings.

## Why do we need an export tax?

This is to push mining companies to put up processing plants in the country. Currently, majority of our minerals are exported raw and cheap.

This is also a trend among mining countries in order to maximize their benefits in the form of jobs creation and support to industrialization.

## Why maximize benefits from minerals?

Because these are nonrenewable resources. They offer a one-time opportunity for the country to gain benefits. If government misses to benefit from its finite resources, it loses that opportunity to alleviate poverty and develop its economy and industries.

