



IGF

INTERGOVERNMENTAL FORUM
on Mining, Minerals, Metals and
Sustainable Development



Domestic
Resource
Mobilization
Trust Fund

2023 HYBRID TRAINING WORKSHOP

International Taxation and the Extractive Sector

May 22-26, 2023 | Manila, Philippines and virtual





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International Institute for Sustainable Development



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Do you want to build your knowledge in international taxation?

Are you a tax professional in government with an interest in the extractive industries or an extractive industry professional with an interest in tax?

Do you want to learn from your peers and debate with global experts on mining taxation?

The Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF), the Organisation for Economic Cooperation and Development (OECD), and the Asian Development Bank (ADB) offer a high-quality course in international taxation and the mining sector designed for you. The course will provide you with an opportunity to catch up on recent international tax developments applicable to the mining industry, give you practical ideas to improve mining revenue collection in your country, and foster open discussions with government officials from other resource-rich countries.



WHO SHOULD APPLY FOR THIS COURSE?

This training course is for mid-level government officials from tax authorities, ministries of finance, and agencies in charge of mineral revenues.

ABSTRACT

This hybrid in-person and virtual course covers the theory and practice of international taxation with an extractive industry lens, focusing on developing and emerging economies. Designed for mid-level government officials from tax authorities, ministries of finance, and agencies in charge of mineral revenues, it covers international taxation matters in designing and enforcing mining taxes, royalties, and other fiscal instruments. Investors, licence holders, service providers, and suppliers involved in large-scale extraction in developing countries often operate across borders. Mines sell their production abroad either directly to affiliated smelters or refineries or to associated marketing or

trading companies. Mines also buy goods and services, including technical services and financing, from affiliated companies. While the taxation of the extractive industry is a matter of domestic policy, cross-border transactions are governed by complex international tax rules. The objective of this course is to equip participants to identify, evaluate, and address international tax risks occurring along the extractive industry value chain as a consequence of these cross-border transactions. The course covers developments in the G20–OECD Inclusive Project on Base Erosion and Profit Shifting (BEPS) and additional proposals, initiatives, or experiences relevant to the extractive sector.

COURSE DESCRIPTION

This hybrid in-person and virtual course is presented by the IGF, the OECD, and the ADB, and financially supported by ADB's Domestic Resource Mobilization Trust Fund. It is designed to increase participants' knowledge of the main challenges governments face in designing, administering, and monitoring an international tax system for their extractive sector. The course outlines the types of activities related to each stage of the extractive industry value chain and discusses in detail the international tax risks throughout. Through the modules, the course provides an overview of the most important transfer pricing risks in the extractive sector; reviews critical issues in bilateral tax treaties and the extractives industries; explores important tax policy questions related to the extractive industry, such as tax incentives, simplification

measures, and fiscal stabilization; and analyzes how mining fiscal policy and administrative design can exacerbate or limit potential international tax risks.

The course relies on the practical experience of participants and facilitators, as well as case studies relevant to the region where the course is given. The course will provide many opportunities to exchange experiences and learn from participants from many countries in Asia-Pacific. Participants will be invited to share their country experiences throughout the sessions. A certificate of completion will be granted to participants that attend and complete this course. The course will be conducted in English. Simultaneous translation between Russian and English will be provided during the workshop and event materials will be translated to Russian.

LOCATION

The course will be conducted in-person **at ADB Headquarters**, Manila, Philippines on 22-26 May 2023. For a limited number of participants, ADB will make arrangements and cover expenses for airfare (roundtrip economy class, most direct and cost-effective route to Manila), miscellaneous travel expenses, daily subsistence allowance, and hotel accommodation in accordance with ADB practices and rates. **This course will also be accessible for virtual participants.**



LEARNING OBJECTIVES

Upon completion of this course, participants should be able to:

- ✓ Explain the types of commercial activities related to each stage of the mining value chain, what tax avoidance risks exist, and what information is available to make an assessment.
- ✓ Evaluate the main transfer pricing risks in the mining sector, including the sale of minerals and metals to related parties and intra-group financing.
- ✓ Understand the main bilateral tax treaty considerations for the mining sector, including permanent establishment issues and offshore indirect transfers.
- ✓ Assess the effectiveness and efficiency of tax incentives in the mining sector and distinguish between constraining and progressive forms of fiscal stabilization.
- ✓ Identify how mining fiscal policy and administrative design can exacerbate or limit potential international tax risks.

WHAT PARTICIPANTS SAY ABOUT THE COURSE

This is the third year that the IGF, the OECD, and partners have run this course on International Taxation and the Extractives Sector.



COURSE TRAINERS

The training is delivered by world class experts on international and extractive industry taxation from the IGF, the OECD, and the ADB. Biographies can be found in this brochure.



A lot of learning took place which can be applied in the day-to-day activity in the tax administration... For the revenue authority it's key to know how to revisit the gaps exploited by mining multinationals, to artificially transfer profit where there is little or no economic activity. It is fundamental to the revenue authority on curbing transfer pricing.



LOIDE HAMUTUMWA

*Control Taxation Officer at the
Inland Revenue Department of Namibia*

AGENDA

Sunday, May 21	
Participants arrive in Manila	Crowne Plaza Manila Galleria
Monday, May 22	
Session 1: Introductions and Overview 9:00 a.m. – 10:30 a.m.	Sapphire AB at the Crowne Plaza Manila Galleria
OBJECTIVES: <ul style="list-style-type: none"> • Meet and greet session • Welcome everyone to the event • Opening remarks • Overview of the agenda 	ACTIVITIES: <ul style="list-style-type: none"> • Meeting with participants from the various governments and introductions • Opening remarks from the three organizations • Overview of the extractives sector in the Asia-Pacific region • Overview of the agenda
Session 2: Ministry of Finance in Philippines 10:30 a.m. – 11:30 a.m.	Sapphire AB at the Crowne Plaza Manila Galleria
OBJECTIVES: <ul style="list-style-type: none"> • Understand the key international tax issues and risks that the Philippines is currently experiencing. Specific focus on extractives 	ACTIVITIES: <ul style="list-style-type: none"> • Keynote speaker: Rowena Sta Clara, Director of the Fiscal Policy and Monitoring Group, Department of Finance, Republic of the Philippines
Morning Tea Break 11:30 a.m. – 11:45 a.m.	
Session 3: Transfer pricing fundamentals 11:45 a.m. – 1:00 p.m.	Sapphire AB at the Crowne Plaza Manila Galleria
OBJECTIVES: <ul style="list-style-type: none"> • Training on transfer pricing basics 	

Lunch 1:00 p.m. – 2:00 p.m.	Sapphire AB at the Crowne Plaza Manila Galleria
Session 4: Identifying International Tax Risks Along the Mining Value Chain 2:00 p.m. – 3:30 p.m.	Sapphire AB at the Crowne Plaza Manila Galleria
OBJECTIVES: <ul style="list-style-type: none"> • Overview of the international tax risks that are present in the mining value chain 	
Session 5: Bilateral discussions (Optional) 3:30 p.m. – 5:00 p.m.	Sapphire AB at the Crowne Plaza Manila Galleria
OBJECTIVES: <ul style="list-style-type: none"> • Opportunity to discuss the needs and requirements of the individual countries and to identify opportunities for additional support 	ACTIVITIES: <ul style="list-style-type: none"> • Opportunity for countries to book a time for a bilateral discussion with IGF/OECD/ADB experts
Tuesday, May 23	
Session 6: Critical Minerals in the Asia-Pacific Region and The Future of Resource Taxation 9:00 a.m. – 11:00 a.m.	Sapphire AB at the Crowne Plaza Manila Galleria
OBJECTIVES: <ul style="list-style-type: none"> • Presentation of IGF/ ASEAN report on the role of critical minerals in the Asia-Pacific region and The Future of Resource Taxation 	
Morning Tea Break 11:00 a.m. – 11:15 a.m.	

Session 7: Pricing and Selling a Mineral Part 1 11:15 a.m. – 1:00 p.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Training on mineral pricing and marketing hubs • OECD and IGF will present their latest publication on mineral pricing 	
Lunch 1:00 p.m. – 2:00 p.m.	Private Dining Rooms 2, 3, & 3A
Session 8: Pricing and Selling a Mineral Part 2 2:00 p.m. – 3:00 p.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Training on mineral pricing and marketing hubs • OECD and IGF will present their latest publication on mineral pricing • Training on financial transactions in the extractive sector 	
Session 9: Intercompany Loans and Other Mine Financing Arrangements – Part 1 3:00 p.m. – 4:00 p.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Training on financial transactions in the extractive sector 	
Session 10: Country Discussants	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Countries will learn about the challenges that other jurisdictions are facing 	ACTIVITIES: <ul style="list-style-type: none"> • Provide an opportunity for countries to present a case or issue
Session 11: Official Group Photo 5:00. p.m. – 5:15 p.m.	ADB Headquarters The Courtyard

Welcome Cocktail Hosted by IGF 5:30 p.m. onwards	ADB Headquarters The Courtyard
ACTIVITIES: <ul style="list-style-type: none"> • Keynote speaker to be confirmed from the Mines and Geosciences Bureau, Department of Environment and Natural Resources, Republic of the Philippines 	
Wednesday, May 24	
Session 12: Intercompany Loans and Other Mine Financing Arrangements – Part 2 9:00 a.m. – 10:00 a.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Training on financial transactions in the extractive sector 	
Session 13: The OECD/G20’s Pillar 2 solution and the Extractives Exclusion 10:00 a.m. – 11:00 a.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Training on OECD/G20 2 Pillar Solution 	
Break 11:00 a.m. – 11:15 a.m.	
Session 14: Fiscal Incentives – Key Considerations 11:15 a.m. – 1:00 p.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Training on fiscal incentives and the key considerations 	
Lunch 1:00 p.m. – 2:00 p.m.	Private Dining Rooms 2, 3, & 3A

Session 15: Offshore Indirect Transfers: Sale of Extractive Assets 2:00 p.m. – 3:00 p.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Training on offshore indirect transfers 	
Session 16: Country Discussants 3:00 p.m. – 4:30 p.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Countries will be able to hear about and understand some of the challenges that other jurisdictions are facing 	ACTIVITIES: <ul style="list-style-type: none"> • Provide an opportunity for countries to present a case or issue
Session 17: Bilateral Discussions (Optional) 4:30 p.m. – 5:00 p.m.	ADB Headquarters Auditorium Halls 1 & 2
OBJECTIVES: <ul style="list-style-type: none"> • Opportunity to discuss the needs and requirements of the individual countries and to identify opportunities for additional support 	ACTIVITIES: <ul style="list-style-type: none"> • Opportunity for countries to book a time for a bilateral discussion with IGF/OECD/ ADB experts
Thursday, May 25	
Session 18: Tax Treaties – Introduction and Permanent Establishment Issues 9:00 a.m. – 10:30 a.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Training on tax treaties and permanent establishment 	
Morning Tea Break 10:30 a.m. – 10:45 a.m.	
Session 19: Open Mic 10:45 a.m. – 12:00 p.m.	ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Opportunity to discuss outstanding issues 	

Session 20: Transfer Pricing Case Study – Part 1 12:00 p.m. – 1:00 p.m.		ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Practical case study that will consolidate the learning from the training 	ACTIVITIES: <ul style="list-style-type: none"> • Smaller groups working on a transfer pricing case study, reporting back to the larger group. 	
Lunch 1:00 p.m. – 2:00 p.m.		Private Dining Rooms 2, 3, & 3A
Session 21: Transfer Pricing Case Study – Part 2 2:00 p.m. – 4:00 p.m.		ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Practical case study that will consolidate the learning from the training 	ACTIVITIES: <ul style="list-style-type: none"> • Smaller groups working on a transfer pricing case study, reporting back to the larger group 	
Session 22: Tour of ADB Headquarters - Art Gallery or Bilateral Discussions (Optional) 4:00 p.m. – 5:00 p.m.		ADB Headquarters ADB Gallery
Friday, May 26		
Session 23: Transfer Pricing Case Study – Part 3 9:00 a.m. – 11:00 a.m.		ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Practical case study that will consolidate the learning from the training 	ACTIVITIES: <ul style="list-style-type: none"> • Smaller groups working on a transfer pricing case study, reporting back to the larger group 	
Morning Tea Break 11:00 a.m. – 11:15 a.m.		

Session 24: Recap of the Training and Next Steps 11:15 a.m. – 12:00 p.m.		ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Discuss the workshop and next steps 	ACTIVITIES: <ul style="list-style-type: none"> • Closing speech from ADB 	
Session 25: Closing and Event Survey 12:00 p.m. – 1:00 p.m.		ADB Headquarters Auditorium Halls 3 & 4
OBJECTIVES: <ul style="list-style-type: none"> • Opportunity to discuss the needs and requirements of the individual countries and to identify opportunities for additional support 	ACTIVITIES: <ul style="list-style-type: none"> • Opportunity for countries to book a time for a bilateral discussion with IGF/ OECD/ ADB experts 	



TRAINERS' BIOGRAPHIES



ALEXANDRA READHEAD

Alexandra is Lead, Tax and Extractives with the IGF Secretariat.

Alexandra has directly advised over 15 countries in Latin America and the Caribbean, Africa, and Asia-Pacific on the design and implementation of their international tax systems and mining fiscal regimes. She also teaches mining tax policy and administration at the Blavatnik School of Government, Oxford University, as part of their Oil, Gas and Mining Governance course.



ANDREW VIOLA

Andrew Viola is a Senior Advisor, Taxation of Extractive Industries in the Centre for

Tax Policy and Administration, Tax Treaty, Transfer Pricing and Financial Transactions Division at the OECD.

Prior to joining the OECD, he worked for the Australian Taxation Office for over 10 years specializing in international taxation. His primary role focused on assessing transfer pricing risks related to the energy and resources sector, related party financing, and marketing hubs.



BRUNO DA SILVA

Bruno is an international tax consultant (BEPS Specialist) at the Office

of Anticorruption and Integrity at the Asian Development Bank (ADB). In his role he provides technical assistance to the ADB's member countries. He earned LLM and PhD degrees in international tax law and he is a visiting professor of international tax law at different universities in the U.S., Europe, and Brazil.



MURTIANI HENDRIWARDANI

Murtiani is a policy advisor with the IGF. Her work focuses on

strategic and critical minerals within the context of energy transition. She is also the IGF's Association of Southeast Asian Nations and Asia-Pacific Coordinator.

Prior to joining the IGF, Murtiani was a consultant for Energy Program at IISD, the IGF's host institute. Murtiani has extensive experience working across multiple sectors and functions, including financial services, management consulting, international development, and corporate foundation.

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