



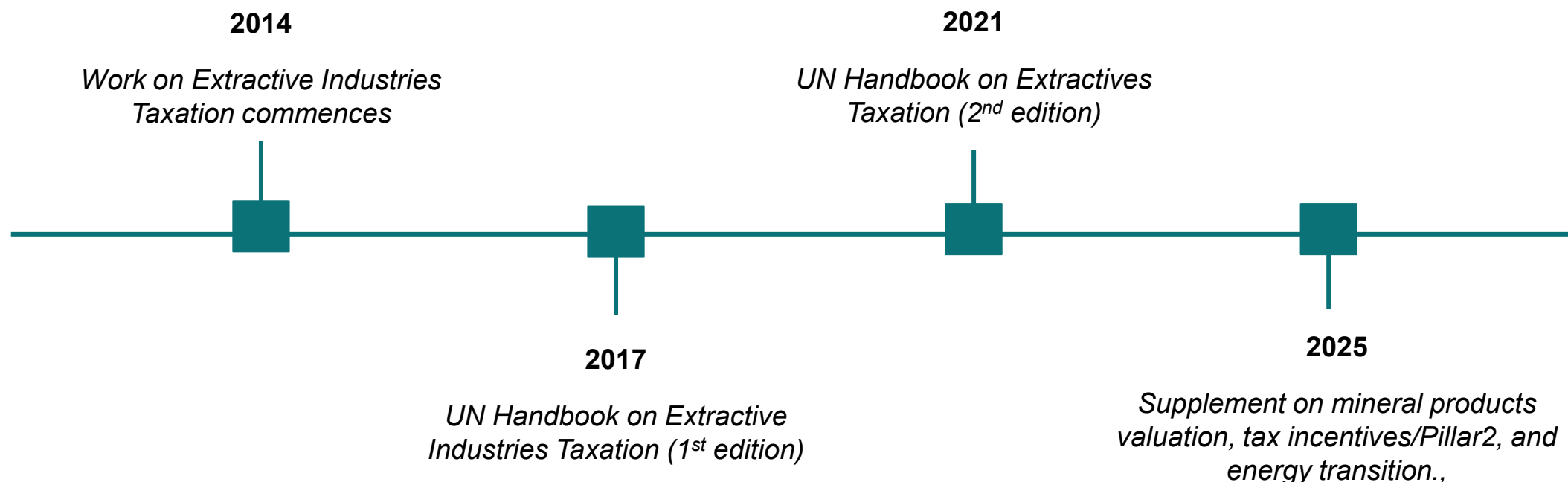
United Nations Committee of Experts on International Cooperation in Tax Matters

Secretariat Note on Extractive Industries Taxation

Agenda

- Prior Work in the Area of Extractive Industries Taxation
- Identified Gaps and Proposed UNTC Outputs
- Relationship with Other Workstreams & SDGs
- Committee Decision Factors for Prioritization
- Summary of Options for Committee's Consideration

Prior Work in the Area of Extractive Industries



Prior Work in the Area of Extractive Industries (cont'd)

2017 UN Handbook on Extractive Industries Taxation (1st edition)

Tax Treaty Issues	PE Issues	Indirect Transfer of Assets
Transfer Pricing Issues	Tax Treatment of Decommissioning	The Government's Fiscal Take
Negotiation and Renegotiation of Contracts	Value Added Tax	

Prior Work in the Area of Extractive Industries (cont'd)

2021 UN Handbook on Extractive Industries Taxation (2nd edition)

Production Sharing Contracts	Tax Incentives	Subcontractors
Financial Transactions	Auditing	

Prior Work in the Area of Extractive Industries (cont'd)

2025 Supplement to the UN Handbook on Extractive Industries Taxation

- Mineral products valuation
- Tax incentives and the global minimum tax
- Guidance on energy transition taxation.

Identified Gaps and Proposed UNTC Output

- Previous work on mineral valuation focused on “traditional” minerals.
- Critical minerals present distinctive characteristics driven by demand for energy transition: lack of proven international market-pricing, need for local processing to increase value and tax base, appropriate/efficient audit system.

Output: Supplementary Guidance on Valuation of Critical Minerals

Identified Gaps and Proposed UNTC Output (cont'd)

- Track developments in energy transition taxation in the extractives sector across various fora.
- Feedback from country experiences in implementation of existing guidance.
 - Committee to identify whether emerging issues or country experiences reveal new gaps where practical Committee guidance for developing countries would be warranted.

Standing Activity: Monitoring Developments in Energy Transition Taxation

Relationship with Other Workstreams & SDGs

- Support SDG 17: Global Partnerships for the Goals/ target 17.1 on strengthening developing countries' capacity for revenue mobilization.
- Advance progress toward:
 - SDG 7: Affordable & Clean Energy,
 - SDG 13: Climate Action, and
 - SDG 9: Industry, Innovation & Infrastructure.

The work supports both climate goals and the financing of sustainable development.

Relationship with Other Workstreams & SDGs (cont'd)

- This workstream connects with the Committee's ongoing work on transfer pricing, as mineral valuation involve oftentimes dealings between related parties and situated in different jurisdictions.
- The work also connects with the Committee's body of existing guidance on environmental taxation.

Committee decision factors

- This workstream aligns with the Committee's mandate to provide practical guidance with particular attention to developing country needs.
- Critical minerals present an emerging gap given the dynamics of energy transitions and distinctive valuation challenges.
- The previous Committee membership recommended this work at the Thirtieth Session.

Summary of Options for Committee Consideration

- Option A: Monitoring of energy transition taxation only as well as feedback from capacity development activities.
- Option B: Guidance on valuation of critical minerals and monitoring of energy transition taxation
- Option C: No action. The Committee would not establish a workstream in extractives industries taxation.

If the Committee adopts Option A or B, it will need to establish a Subcommittee to undertake the work.