

Mining Taxation in Africa: A Comparative Analysis of Fiscal Regimes The cases of the Democratic Republic of the Congo, South Africa, Ivory Coast and Burkina Faso

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Abstract:

Mining taxation plays a central role in enabling resource-rich countries to capture an appropriate share of the economic value generated by mineral exploitation while maintaining an attractive environment for mining investment. This study aims to examine the main characteristics and instruments of mining fiscal regimes and to comparatively analyses their application in selected African countries. The study adopts a descriptive-analytical approach to examine the theoretical and conceptual foundations of mining taxation, followed by a comparative analysis of the Democratic Republic of the Congo, South Africa, Ivory Coast, and Burkina Faso. The analysis focuses on the main fiscal instruments used to mobilize public revenues, particularly corporate income tax, mining royalties, withholding taxes, and State equity participation. The findings indicate that corporate income tax represents the main source of public revenues in the four cases, while mining royalties provide a relatively stable revenue stream linked to mineral production. The comparison also highlights differences in the role of State equity participation, which is more prominent in the Democratic Republic of the Congo and Burkina Faso, whereas South Africa and Ivory Coast rely predominantly on conventional fiscal instruments. The study concludes that the effectiveness of a mining fiscal regime should not be assessed solely by the level of revenue collected, but by its ability to ensure a fair and sustainable share of mineral wealth while preserving investment attractiveness, fiscal stability, and revenue predictability throughout the mining project life cycle.

Keywords: Mining Taxation; Mining Fiscal Regimes; Mining Royalties; Public Revenue; Investment Attractiveness.

Introduction

The mining sector represents a major pillar of resource-rich economies, owing to its potential to generate public revenues, create economic value, and support development. However, the exhaustible nature of mineral resources, the high capital intensity and risks associated with mining projects, and the volatility of international commodity prices make the fiscal relationship between governments and mining investors particularly complex. In this context, mining taxation constitutes a key

instrument through which governments seek to secure an appropriate share of resource rents while maintaining an attractive environment for investment.

Mining fiscal regimes generally combine several instruments, including corporate income tax, royalties, sector-specific taxes, and other mechanisms for capturing revenues from mineral exploitation. The main challenge lies in designing a regime that reconciles potentially competing objectives: maximizing public revenues, ensuring an equitable distribution of mining rents, maintaining investment attractiveness, and supporting sustainable development. The issue is particularly relevant in Africa, where mineral resources constitute an important source of public revenues and foreign investment, while mining fiscal regimes differ considerably across countries in terms of tax rates, royalties, incentives, and rent-sharing mechanisms.

The diversity of African experiences provides an appropriate basis for comparative analysis. Such an approach makes it possible to identify differences and similarities among fiscal regimes and to assess their capacity to reconcile government revenue objectives with the need to attract and retain mining investment. It also provides useful insights into the fiscal policy choices that may contribute to a more balanced and efficient management of mineral resources.

Accordingly, this study addresses the following research question: **To what extent do the mining fiscal regimes adopted by selected African countries succeed in balancing the maximization of public revenues with the attractiveness of mining investment?**

To answer this question, the study adopts a **descriptive-analytical approach** to examine the conceptual foundations and main instruments of mining taxation, combined with a **comparative approach** to analyze selected African experiences. The comparison is based on relevant fiscal indicators and characteristics of mining regimes, with particular attention to taxation, royalties, rent-sharing mechanisms, and investment incentives.

Importance of the study

This study is significant because it contributes to a better understanding of the diversity of mining taxation models in Africa and highlights the importance of designing fiscal regimes that are equitable, efficient, and sufficiently flexible to respond to fluctuations in mineral markets. Such regimes should enable governments to capture an appropriate share of the economic benefits generated by their mineral resources while preserving investment attractiveness and supporting sustainable development.

1. Literature Review

- Ferzizi and Louail (2026), in “**Taxation and Revenue Management in MENA’s Mining Sector and Its Role in Economic Diversification**”, examine the fiscal regimes applied to mining in seven economies of the Middle East and North Africa, covering royalties, corporate income tax, value-added tax, withholding taxes, fiscal incentives and environmental levies. Combining comparative policy analysis with descriptive statistics drawn from IMF and World Bank sources, EITI reports and national mining legislation, they find that the regimes concerned are largely royalty-based and oriented towards investment incentives, and that they make little use of progressive profit-based instruments capable of capturing rents when commodity prices rise. Revenue mobilization consequently remains modest relative to the potential of the sector. Morocco and Jordan are found to possess the more institutionalized frameworks, and the Saudi Mining Investment Law of 2020 is identified as a significant reform, while none of the seven countries applies environmental or carbon

levies. The authors also report that governance quality is positively associated with non-oil revenue mobilization, and that dependence on mining revenue is negatively associated with export diversification. They recommend the introduction of progressive rent-capture instruments, improved administration of value-added tax, transparent allocation mechanisms and the channeling of mining revenues towards infrastructure and human capital.

- Maroun, Ram and Kok (2019), in “**A review of mining taxes in Africa: Tax burden, the strength of democratic systems and levels of corruption**”, review the tax systems of nineteen African countries with material mining operations. Using statutory income tax rates, the number of taxes levied and the administrative difficulties reported by taxpayers, they construct a composite measure of tax burden and compare it with indicators of democratic strength and perceived corruption. Their results suggest that democracies extract value from taxpayers no less effectively than authoritarian regimes, in which legal or electoral challenges to an unfair tax policy are less likely. Authoritarian governments do not, however, invariably impose the highest rates: relieved of the need to fund democratic institutions and social provision, they tend to levy tax at lower rates but to impose greater administrative difficulties on taxpayers. The study therefore identifies a trade-off between value extracted directly through taxation and the compliance and regulatory costs borne by companies. Its contribution lies in offering a multi-jurisdictional account of tax practice in a context that has attracted little scholarly attention, and in informing the tax planning, risk management and reporting practices of companies with material mining investments in Africa.

- Andrews-Speed and Rogers (1999), in “**Mining taxation issues for the future**”, argue that mining policy had until then been concerned chiefly with attracting investment while balancing the interests of governments and companies, and that a new set of challenges was emerging. The requirement that fiscal regimes accommodate price cycles was, in their view, giving way to the need to accommodate a long-term decline in metal prices. The growing weight of environmental and community concerns would oblige governments to design coherent and comprehensive tax rules to complement the wide range of initiatives taken in these fields. Finally, the long-standing problem of tax collection would continue to present difficulties in transition and developing economies.

2. The Theoretical and Conceptual Framework of Mining Taxation

Many countries in Africa, Asia and Latin America possess a rich natural endowment, yet continue to struggle to translate it into tangible benefits for their citizens. Resource-rich states must therefore use fiscal policy to pursue their economic, social and environmental objectives in a balanced manner.

Mining taxation may be understood as the body of tax rules governing operations in the mining sector, setting out the conditions and procedures under which mining legislation is applied. It is generally divided into upstream and downstream taxation. Upstream mining taxation covers activities undertaken before mineral products are extracted; those liable are the holders of mining titles, in particular exploration permits and mining-operation authorizations, and the taxable activities are prospecting and the exploration of mineral substances and quarry products. Downstream mining taxation, by contrast, applies to the extraction and production of mineral products, including quarry products and mineral substances. It comprises the production tax on quarry products, the extraction tax on mineral products, the ad valorem tax levied on quantities extracted, pollution-control charges and a range of further levies, among them the production royalty (Nyembo, 2025).

2.1 The uniqueness of the mining sector and its implications for the fiscal regime

The mining sector comprises the extraction of valuable minerals from the earth. Because the minerals extracted are of considerable value, extraction generally benefits the parties involved, the government among them; fiscal regimes therefore commonly contain tax provisions that apply to the mining industry alone (Ngowi, 2021).

According to Ostensson, Parsons and Dodd (2014), mining is characterized by the following features:

High risk: relative to most other industries, mining is characterized by high risk, and that risk is present at every stage of the project life cycle, from exploration through development to production.

A tax regime can acknowledge the risk borne by the typical mining enterprise by:

permitting the enterprise to earn a reward commensurate with that risk; and

providing certainty as to the tax rules. Governments without a dependable record of fiscal stability sometimes conclude fiscal stability agreements with mining enterprises, or legislate for stability within their tax or mining laws.

Capital intensive: mining is a capital-intensive activity. Substantial sums must be spent each year on exploration simply to discover enough ore to replace the ore currently being consumed.

A mining tax regime can accommodate this characteristic by allowing the enterprise to generate sufficient after-tax cash flow in the early years of production to service project debt, since payback is among the criteria that weigh most heavily with those who finance mining investment: a lender or investor will seek to limit its exposure to project risk by being repaid as quickly as possible.

Long lead time to start of production: the first decision to invest in a mining project is taken when exploration begins, long before production starts, and the investor commits on the basis of the fiscal regime in force at that moment. Changes introduced part-way through the life of a project can alter its economics: a tax increase may mean that low-grade ore is never mined, or may otherwise shorten the life of the mine. As with risk, governments can respond by offering investors stable conditions that reflect the very long lead times characteristic of mining.

Price-taker faced with cyclical prices and demand: the prices of mineral products are set by the interaction of supply and demand on world markets. The mining enterprise does not set the price of its product but takes it, and cannot therefore pass the cost of taxation on to its customers. It must bear that cost itself, at times even when it is not currently profitable. A mining tax regime can accommodate both the cyclicity of the industry and the enterprise's inability to influence prices by allowing adequate loss carry-over periods within the profits tax, and possibly within the mineral royalty as well. Most countries allow losses to be carried forward for between five and ten years.

Operating in underdeveloped areas: the mining enterprise is in some cases obliged to bear substantial infrastructure costs. It is often expected to pay for access roads, power generation, port facilities and social infrastructure such as clinics, schools and recreational facilities. Payroll costs may also be comparatively high at remote sites, because incentives are needed to attract workers to them.

Finite life: unlike a manufacturing plant or a service business, a mining project has a finite life because its reserves are finite. The enterprise therefore has only a limited number of years in which to realize a competitive rate of return on its investment.

Environmental and social impacts: regulation increasingly imposes strict obligations on the mining enterprise with respect to site restoration, reclamation and mine closure. Mining projects can also disrupt local communities, and companies should accept that communities affected by a project must

benefit from it. Modern mining tax regimes acknowledge these obligations by granting relief when funds are set aside for reclamation, restoration and closure. The corporate social responsibility costs borne by a mining company may be considerable and should be deductible.

Sources of financing: so-called “junior” exploration companies are a major source of funding for exploration and account for the largest share of global exploration spending. They raise risk capital by issuing shares on exchanges such as the TSX in Toronto or AIM in London. Producing mining companies also fund exploration on the properties they own. A country seeking to attract the maximum volume of mining investment must therefore reflect the interests and needs of junior explorers in its mining legislation, since it will otherwise forgo access to a substantial pool of exploration finance.

2.2 Instruments of mining taxation

The fiscal instruments applied to mining are diverse. In some cases conventional instruments are used with modifications; in others, new taxes or payments are introduced. The principal instruments, together with their characteristics and applications, are set out below (Neyra & Gallagher, 2011).

ROYALTIES: these are payments made by the holder of a mining concession, or of a concession over another non-renewable resource, for the right to exploit metallic or non-metallic deposits. Conceptually, the royalty is justified by the non-renewable character of what is extracted: exploitation today deprives future generations of resources from whose exploitation they will draw no profit. A current payment that at least partly compensates for the depletion of the deposit is therefore reasonable.

INCOME TAX: this is a tax borne by every company and normally expressed as a percentage of earnings at the year end. Mining companies generally begin to pay it once a project is well advanced in the operating phase and has started to generate earnings.

DIVIDEND TAX: this tax applies when a company distributes dividends to its shareholders or partners. Employee profit-sharing, although not a tax in the strict sense, constitutes from the shareholders’ point of view a further charge on earnings.

“OVER-EARNINGS” OR WINDFALL TAX: the large sums involved in mining and the volatility of international prices occasionally produce unusually high earnings and returns. Governments may then be tempted to collect more from mining companies or projects, a response that has become common internationally at a time when mineral prices are comparatively high.

TAXES OR VOLUNTARY PAYMENTS: in order to avoid substantial changes to the existing mining tax structure, some countries have chosen instead to negotiate a voluntary payment from mining companies. Under such an arrangement the tax structure itself is left intact and payment is made only when financial conditions permit.

ENVIRONMENTAL TAXES OR FEES: the negative externalities generated by mining can be reduced, or appropriately penalized, where taxes or fees are levied on operations that damage the environment. Despite technological progress, some mining operations continue to impair air and water quality, so that penalties remain justifiable.

2.3 The fiscal regime for mining

The fiscal regime for mining comprises not only taxes but also the other legal, regulatory and contractual instruments through which the State shares in the revenues generated. Its overall objective is to maximize the economic return to the State from the use of its resources, which requires a

balancing of interests. Put simply, a regime that taxes too heavily deters investment or halts projects altogether, whereas one that taxes too lightly may leave a country worse off once mining has ceased, in the sense that the revenues received do not compensate for the mineral wealth extracted. Fiscal regimes should therefore secure a fair share of revenue for the State while remaining as progressive as possible, taxing more profitable projects relatively more heavily. Like all tax systems, they should aim at simplicity and ease of administration, and should be as neutral as possible so as not to distort investment decisions. (Tarras-Wahlberg, 2023).

2.4 The policy and legislative framework

A government's capacity to administer a mining tax regime effectively depends very largely on the policy and legislative framework within which it operates. An effective framework displays the following features (Bocoum, Guj, Limerick, Maybee & Meaton, 2013):

1. **Legislation reflecting government policy:** the legislation should be current, consistent with prevailing government policy and reflective of the government's objectives.
2. **Legislation conferring unambiguous taxing powers:** legislation that is clear and beyond legal dispute must establish the authority of central government, and of the various decentralized levels of government, to levy taxes.
3. **Minimal need for ministerial or agency discretion:** legislation, including subordinate regulation, must lay down procedures for the assessment and payment of taxes that are sufficiently well defined for occasions requiring discretion to be rare or, where discretion is unavoidable, for the limits within which it may be exercised to be clearly stated.
4. **Equitable dispute resolution:** legislation must provide procedures that are fair to both parties, including mediation and arbitration.
5. **Foreseeable policy change:** changes in government policy should be signaled in advance and adopted only after consultation with industry and other stakeholders, so that there are no surprises and no perception of sovereign risk. The process should also leave time for administrative systems in companies and agencies to be adapted and, where necessary, for staff to be trained.

3. A Comparative Analysis of Mining Taxation in Selected African Countries

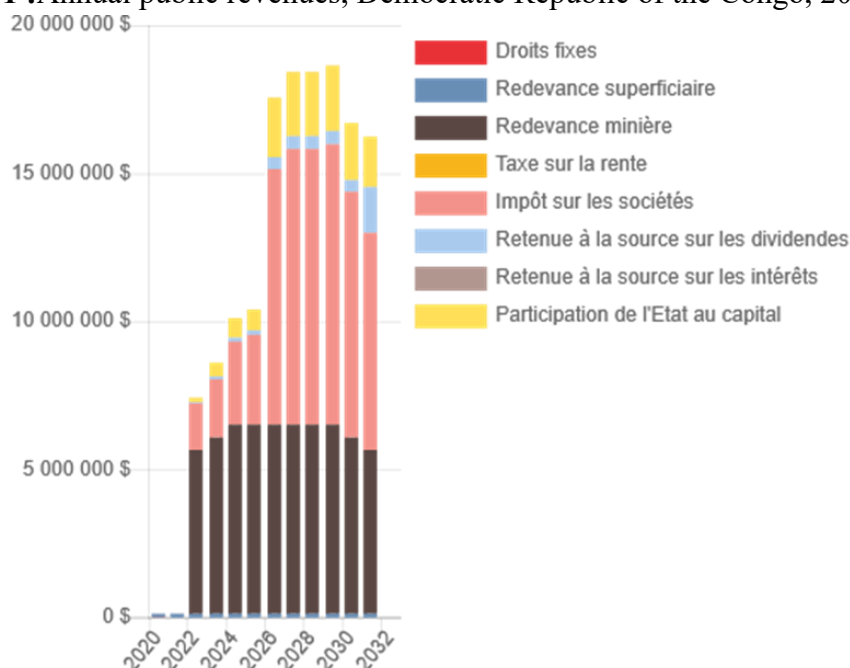
This section provides an empirical comparative analysis of mining taxation in four selected African countries: the Democratic Republic of the Congo, South Africa, Ivory Coast, and Burkina Faso. The selection of these countries reflects the diversity of fiscal approaches adopted by African mineral-producing economies, particularly with regard to the balance between production-based instruments, profit-based taxation, and direct State participation in mining projects.

The analysis focuses primarily on the structure and evolution of public revenues generated by mining projects, with particular attention to **mining royalties, corporate income tax, withholding taxes, and State equity participation**. Using data from the **FERDI Mining Taxation Database**, the analysis examines the evolution of public revenues over the project life cycle, from the pre-production phase through commercial production and the mature operational stage.

The comparative approach makes it possible to identify similarities and differences in the composition, timing and relative importance of fiscal revenues across the four countries.

3.1 Democratic Republic of the Congo

Figure 1 :Annual public revenues, Democratic Republic of the Congo, 2020–2032



Prepared by the authors based on [FERDI Mining Taxation Database](#).

The figure illustrates the evolution of annual public revenues generated by the mining project in the Democratic Republic of the Congo over the 2020–2032 period, disaggregated by fiscal instrument and public participation mechanism. These revenues include, in particular, mining royalties, corporate income tax, withholding taxes on dividends and interest, surface fees, and the State’s equity participation in the project. This breakdown makes it possible to assess not only the overall magnitude of public revenues, but also their underlying structure.

The data indicate that public revenues were absent or limited during the pre-production phase, followed by a rapid increase from 2023 onwards, coinciding with the commencement of commercial production. Total public revenues rise from approximately USD 70 million at the beginning of production to more than USD 100 million in subsequent years, before gradually stabilizing at around USD 115–120 million per year towards the end of the period. This pattern reflects the growth in the project’s cash flows and profitability, followed by its transition to a mature production stage characterized by a relatively stable contribution to public finances.

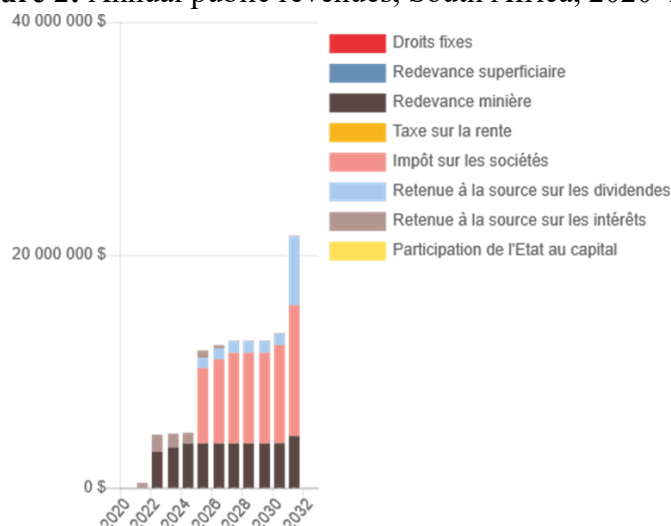
Corporate income tax is the principal component of public revenues throughout the period, indicating that the State relies substantially on revenues linked to the project’s actual financial performance and profitability. Mining royalties also constitute a stable source of revenue, collected from the start of production regardless of the level of net profit. They therefore provide the State with a minimum revenue stream and help mitigate the risk of erosion of the tax base. In addition, the State’s equity participation makes a significant contribution to total public revenues, reflecting a dual approach in which the State acts both as a fiscal and regulatory authority and as an economic partner in the project. Other taxes and charges, notably withholding taxes on dividends and interest and surface fees, account for a smaller share of the overall structure. Nevertheless, they play an important role in diversifying revenue sources and broadening the collection base, thereby reducing excessive reliance

on corporate income tax alone. The relatively limited contribution of the rent tax, as shown in the figure, may suggest that the conditions for its effective application were not strongly met during the period under review, or that the project's financial structure results in a smaller contribution from this instrument compared with other fiscal mechanisms.

Overall, the figure shows that the mining tax regime in the Democratic Republic of the Congo generates increasing and subsequently stable public revenues as the project matures, with corporate income tax, mining royalties, and State equity participation clearly dominating the revenue structure. This composition reflects a degree of balance between revenues directly linked to production, revenues conditional on profitability, and returns arising from public participation. For a comparative study of mining taxation in Africa the point matters, because the effectiveness of a fiscal regime should be judged not only by the overall burden it imposes but also by the diversity of its instruments, the timing of collection and its capacity to secure sustainable public revenues without undermining the attractiveness of mining investment.

3.2 South Africa

Figure 2: Annual public revenues, South Africa, 2020–2032



Prepared by the authors based on [FERDI Mining Taxation Database](#).

The figure illustrates the evolution of annual public revenues associated with the mining project in South Africa over the 2020–2032 period. It presents the composition of these revenues by major component, notably mining royalties, corporate income tax, withholding taxes on dividends and interest, as well as other fiscal instruments and fees. The figure indicates that public revenues begin to accrue meaningfully once the project enters the production phase, subsequently stabilise at a relatively high level, and then record an exceptional increase towards the end of the period.

In 2023, total public revenues amount to approximately USD 60 million and then increase rapidly to nearly USD 100 million in 2024. This rise is primarily attributable to the expansion of production activity and the improvement in the project's financial performance after the initial investment phase. Between 2025 and 2031, public revenues remain broadly stable within a range of approximately USD 105–110 million per year, reflecting the project's transition to an operationally mature stage characterised by stable output and taxable profits.

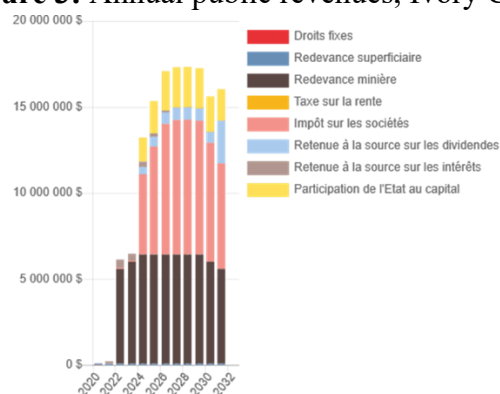
Mining royalties make a regular and broadly stable contribution throughout the production period, at approximately USD 20 million annually. Their importance lies in their role as a direct source of revenue for the State, assessed on gross sales rather than on net profit. It should be noted, however, that the South African royalty is not a pure output-based levy: under the Mineral and Petroleum Resources Royalty Act of 2008 the rate itself slides with the ratio of earnings before interest and tax to gross sales, between a floor of 0.5 per cent and a ceiling of 5 per cent for refined and 7 per cent for unrefined mineral resources. The instrument therefore guarantees a minimum payment in every year of assessment while retaining some sensitivity to profitability, and lends a degree of stability to public revenues even where profit margins are compressed by movements in commodity prices or operating costs.

Corporate income tax, by contrast, constitutes the most significant component of the public revenue structure, accounting for the largest share of total receipts after mining royalties. This indicates that the South African fiscal regime relies substantially on taxes linked to the project's actual financial performance. From a resource-rent-sharing perspective, this feature strengthens the fairness of the regime, since the State's revenue increases as investor profitability improves. However, it may also make public revenues more sensitive to fluctuations in mineral prices and operating costs.

The sharp increase recorded in 2032, when total public revenues exceed USD 140 million, is mainly driven by the substantial rise in withholding tax on dividend payments. This suggests that, after recovering a significant portion of its costs and accumulating sufficient liquidity, the project enters a phase of higher distributions to shareholders. The State therefore benefits from an additional revenue stream linked not only to production or accounting profits, but also to the decision to distribute profits. Withholding taxes on interest make a relatively limited contribution, suggesting that the effects of debt financing and related financial payments carry less weight in the overall public revenue structure. Overall, the South African case reflects a regime based primarily on a combination of mining royalties, corporate income tax, and withholding tax on dividend distributions, with no significant contribution from a rent tax or direct State equity participation apparent in the figure. The principal conclusion is that the State secures stable revenues from conventional fiscal instruments during the production phase and captures a larger share of value during the mature stage of the project through the taxation of distributed profits. Compared with the Congolese case, the structure of public revenues in South Africa rests more heavily on profit- and dividend-related taxation and less on direct State participation in the equity of the project.

3.3 Ivory Coast

Figure 3: Annual public revenues, Ivory Coast, 2022–2032



Prepared by the authors based on [FERDI Mining Taxation Database](#).

The figure illustrates the evolution of annual public revenues associated with the mining project in Ivory Coast over the 2022–2032 period. It disaggregates these revenues by source, including mining royalties, corporate income tax, withholding taxes on dividends and interest, and other fiscal instruments. The figure reveals a pattern of rapid revenue growth upon the commencement of production, followed by relative stability during the project’s mature phase and a marked increase towards the end of the period.

Public revenues are very limited in 2022, which is consistent with a pre-production phase or the early stages of project development. In 2023, revenues rise to approximately USD 60 million and then increase sharply to more than USD 100 million from 2024 onwards. This development reflects the project’s entry into commercial production and the generation of taxable revenues and profits. Between 2024 and approximately 2030, total public revenues remain broadly stable within a range of USD 105–110 million per year, indicating stable operational activity and a stable tax base.

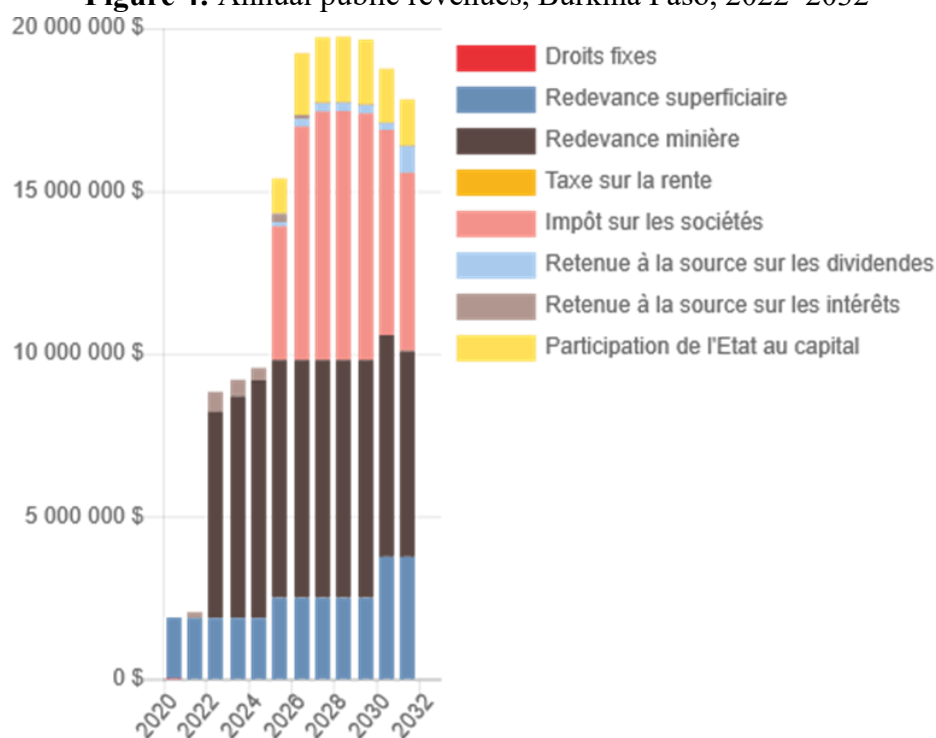
Corporate income tax represents the largest component of public revenues, accounting for the principal share of total receipts throughout the production period. This demonstrates the State’s reliance on an instrument directly linked to the project’s actual profitability: as profits increase, so does the contribution of the mining sector to public revenues. However, this reliance also exposes a substantial portion of public revenue to fluctuations in mineral prices and production costs, as the tax base is directly affected by the project’s financial performance.

Mining royalties play an important complementary role, maintaining a stable contribution of approximately USD 20 million per year. These royalties are particularly significant because they provide the State with an early and predictable source of revenue that is linked more closely to production or sales value than to net profitability. They therefore enhance the stability of the fiscal regime and ensure that the State captures a share of the value extracted even when the project’s profitability declines.

Withholding taxes on dividend distributions remain limited during most of the operational period, before increasing substantially in 2032 and raising total public revenues to approximately USD 140 million. This is likely explained by the project entering a phase of higher shareholder distributions after recovering a significant share of its initial investment and accumulating sufficient liquidity. Taxation of dividend payments thus enables the State to capture an additional portion of the economic return at the advanced stage of the project’s life cycle. By contrast, withholding taxes on interest and other fees make only a limited contribution, and the figure indicates no material role for a rent tax or for direct State equity participation. This reflects the modeled revenue flows rather than the legal regime: the Mining Code of 2014 entitles the State to a 10 per cent free carried interest in every exploitation company, together with an option to acquire up to a further 15 per cent at market value. Overall, the Ivorian case suggests a fiscal regime based primarily on the dual pillars of mining royalties and corporate income tax, with revenue collection reinforced at the maturity stage through withholding tax on dividend distributions. This structure balances a relatively stable production-based revenue stream, a variable profit-based revenue stream, and an additional revenue source generated when returns are distributed to investors. In comparative terms, Ivory Coast therefore relies more heavily on conventional fiscal instruments than on the capture of resource rents through direct State participation or a dedicated rent tax.

3.4 Burkina Faso

Figure 4: Annual public revenues, Burkina Faso, 2022–2032



Prepared by the authors based on [FERDI Mining Taxation Database](#).

The figure illustrates the evolution of annual public revenues generated by the mining project in Burkina Faso over the 2022–2032 period. These revenues are disaggregated among mining royalties, corporate income tax, withholding taxes, the State’s equity participation in the project, and other fiscal instruments. The figure shows a rapid increase in the State’s share of the value generated once production begins, followed by relative stabilization and a further improvement towards the end of the period.

Public revenues are negligible in 2022, which is consistent with a pre-production phase or the early stage of project development. They then rise to approximately USD 70 million in 2023 and exceed USD 100 million in 2024. This development indicates the project’s entry into commercial production, at which point the State begins to collect revenues linked to both production levels and the profitability of mining operations. Between 2025 and 2031, public revenues stabilize at approximately USD 110–115 million per year, before increasing to around USD 125 million in 2032. This suggests that the project continues to generate significant financial flows throughout its mature phase.

Corporate income tax is the principal component of public revenues, accounting for the largest share of total receipts throughout the operational period. This reflects Burkina Faso’s reliance on capturing a portion of the profits actually generated by mining operations. While this mechanism increases the State’s contribution as project profitability improves, it also makes part of public revenue dependent on fluctuations in mineral prices, operating costs, and the pace at which investment costs are recovered.

Mining royalties occupy an important position as a regular and stable source of revenue, remaining broadly close to USD 15 million per year. These royalties provide the State with a revenue stream that is less exposed to fluctuations in net profitability, as they are directly linked to production or sales value. Consequently, the combination of royalties and corporate income tax gives the fiscal regime a degree of balance between a relatively predictable revenue source and a revenue stream that increases as the project's financial performance improves.

The State's equity participation in the project also represents a material component of the public revenue structure, particularly after the commencement of production. This participation is significant because it enables the State to benefit from a share of project returns as an economic partner, rather than solely as a tax authority. However, returns from equity participation generally depend on the company's financial policy and decisions regarding profit distributions; they may therefore be more variable or delayed than royalty and corporate income tax revenues.

Withholding taxes on dividend payments, and to a lesser extent on interest, contribute to the diversification of public revenue sources, with their contribution increasing towards the end of the period. This may reflect higher dividend distributions after a portion of the initial investment has been recovered. By contrast, the rent tax and other charges play no material role in the figure, which suggests that the State's capture of mining rents rests primarily on corporate income tax, mining royalties and equity participation.

Overall, the Burkinabè case reveals a fiscal regime that combines direct and relatively stable collection instruments, such as mining royalties, with profit-based instruments, including corporate income tax and withholding taxes on distributions, alongside direct State equity participation. The key conclusion is that this mix enables the State to secure substantial and growing revenues while maintaining a link between part of its receipts and the project's actual economic performance. Within the African comparison, Burkina Faso stands out as a case in which State equity participation plays a more prominent role than is apparent in South Africa and Côte d'Ivoire.

4. Comparative Findings and Policy Implications

The comparison among the Democratic Republic of the Congo, South Africa, Côte d'Ivoire, and Burkina Faso shows that all four countries rely on broadly similar approaches to capturing a share of the value generated by mining activities. However, they differ in the composition of their fiscal instruments and in the importance assigned to direct State participation. In each case, public revenues increase substantially once the project enters commercial production and subsequently stabilise at relatively high levels during the mature phase. This confirms that the State's ability to benefit from mineral wealth depends not only on the existence of formal taxes, but also on the timing of production, project profitability, financing arrangements, and dividend-distribution policies.

Corporate income tax is the principal source of public revenue in all four countries. This reflects a common policy orientation towards linking the government's share to the project's actual financial performance: public revenues increase as profitability improves. However, such reliance also makes fiscal receipts sensitive to changes in commodity prices, operating costs, and the recovery of prior investment expenditures. Accordingly, this type of taxation performs strongly in highly profitable projects but may produce less stable revenues in contexts characterized by significant mineral-price volatility.

Mining royalties, by contrast, provide a more regular source of revenue across all four cases, since they are collected on the basis of production volumes or sales value rather than being wholly dependent on net profitability. This makes royalties a critical instrument for securing a minimum level of public revenue from the commencement of production. Nevertheless, their contribution remains lower than that of corporate income tax in the figures presented, suggesting that the regimes under review generally favor the sharing of returns after profitability has been achieved rather than imposing an excessive burden during the early stages of operations.

The Democratic Republic of the Congo and Burkina Faso are distinguished by the presence of State equity participation as a significant component of public revenue. This mechanism gives the State a dual position: it acts both as a fiscal authority and as an economic partner benefiting from dividend distributions. Such participation enables the State to benefit more directly from increased project profitability during the mature phase, although it also makes part of public revenue dependent on dividend-distribution decisions and the company's financial management. By contrast, the figures for South Africa and Ivory Coast do not show a material role for direct State equity participation, indicating greater reliance on conventional fiscal instruments.

South Africa and Ivory Coast display a relatively similar pattern, based on mining royalties, corporate income tax, and withholding tax on dividend distributions. In both cases, public revenues increase markedly towards the end of the period, driven primarily by higher withholding taxes on dividends. This indicates that the State benefits not only during the production phase and from taxable profits, but also when the project reaches a stage at which larger returns are distributed to shareholders. This structure strengthens the State's ability to capture an additional share of mining rents during the later stages of the project life cycle.

In terms of the overall level of public revenues, the four countries display considerable convergence once production has stabilized, with annual receipts in most cases ranging between approximately USD 105 million and USD 120 million, alongside higher peaks in some of the final years. Total public revenues in South Africa and Ivory Coast reach levels close to USD 140 million towards the end of the period, driven by withholding tax on dividend distributions. Burkina Faso records approximately USD 125 million, while the Democratic Republic of the Congo stabilizes at around USD 115–120 million. However, this quantitative comparison should be interpreted with caution, as it may reflect differences not only in the stringency of fiscal regimes, but also in project scale, mineral type, assumed prices, cost structures, and production volumes.

Accordingly, the four systems may be grouped into two principal models: a model relying more heavily on conventional taxation linked to production, profits, and dividend distributions, as in South Africa and Ivory Coast; and a model combining such taxation with direct State equity participation, as in the Democratic Republic of the Congo and Burkina Faso. The central conclusion is that the most balanced fiscal regime is not necessarily the one that generates the highest annual revenue in a particular year, but rather the one that secures stable and equitable revenues for the State throughout the project life cycle while preserving a post-tax level of profitability sufficient to attract and sustain investment.

5. Conclusion and Policy Recommendations

The theoretical analysis developed in this study demonstrates that mining taxation cannot be treated as an ordinary tax system, given the specific economic, financial and operational characteristics of the mining sector.

From a theoretical perspective, the effectiveness of a mining fiscal regime therefore depends on achieving a balance between revenue mobilization, investment attractiveness, fiscal stability and administrative efficiency. The analysis shows that mining taxation combines conventional taxes with sector-specific instruments, particularly corporate income tax and mineral royalties, complemented where appropriate by withholding taxes, fees, rent-based taxation and State participation. Together these instruments allow governments to capture mining rents through several channels and reduce excessive dependence on any single source of public revenue. Against this background, the comparative analysis of the **Democratic Republic of the Congo, South Africa, Ivory Coast and Burkina Faso** confirms the importance of the choice and combination of fiscal instruments. The four countries rely principally on corporate income tax and mining royalties, but differ in the relative importance of withholding taxation and State equity participation. Corporate income tax constitutes the dominant source of public revenue in the cases examined, while royalties provide a more stable revenue stream linked to production.

The comparison further reveals two broad approaches to mining revenue mobilization. **South Africa and Ivory Coast rely predominantly on conventional fiscal instruments**, particularly royalties, corporate income tax and withholding taxes on dividends, whereas **the Democratic Republic of the Congo and Burkina Faso complement these instruments with State equity participation**. This difference demonstrates that the design of mining fiscal regimes reflects different approaches to public value capture, ranging from taxation-based models to more diversified models combining taxation with direct State participation.

Ultimately, the study demonstrates that **the effectiveness of mining taxation should not be measured solely by the amount of revenue collected**, but by the ability of the fiscal regime to secure a fair and sustainable share of mineral wealth throughout the project life cycle. The most appropriate regime is therefore one that combines stable royalty revenues, progressive taxation of profitable activities, effective mechanisms for capturing economic rents, transparent administration and fiscal predictability, while preserving sufficient post-tax profitability to encourage continued investment in the mining sector.

Based on the theoretical and comparative findings, the study proposes the following recommendations:

1. Strengthen the complementarity between mining royalties and corporate income tax, ensuring that royalties provide a stable minimum revenue while income taxation allows the State to benefit from higher levels of project profitability.
2. Adopt more progressive mechanisms for capturing exceptional mining rents, particularly during periods of exceptionally high mineral prices or profitability, while avoiding excessive taxation during the exploration and early production phases.
3. Diversify mining-related public revenues through an appropriate combination of royalties, corporate taxation, withholding taxes and other fiscal instruments, thereby reducing excessive dependence on a single tax source.

4. Improve mining tax administration and collection capacity through clear legislation, transparent assessment procedures, clearly defined taxing powers and effective mechanisms for resolving tax disputes.
5. Guarantee greater fiscal stability and predictability, particularly given the long-term and capital-intensive nature of mining investment, while preserving the State's capacity to adapt its fiscal policy to changing economic conditions.
6. Ensure that State equity participation is governed by strong transparency and accountability mechanisms where such participation is adopted, so that it genuinely complements efficient taxation rather than substituting for it.
7. Finally, design mining fiscal regimes around a long-term balance between public revenue mobilisation and investment attractiveness. The objective should not be to maximise taxation in the short term, but to ensure that the State captures an equitable and sustainable share of mineral wealth while maintaining the conditions necessary for continued investment, production and economic development.

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