Tax policies for enhancing domestic value addition for critical minerals: Peer learning for ATI partner countries

17 NOVEMBER 2026 | 14:00-15:30 (CET) | MS TEAMS | EN | FR | ES

Background

Global demand for critical minerals is increasing amid the energy and digital transitions. This is creating renewed interest among resource-rich countries in capturing greater economic value from their mineral resources. Beyond generating government revenues from mining, many countries are seeking to move further down the value chain through domestic processing, refining and manufacturing to support broader industrial development and increase domestic value capture.

However, experience from resource-rich countries shows that efforts to promote domestic mineral value addition have had mixed results. Tax incentives alone have rarely been sufficient to attract substantial investment in large-scale processing and refining. Successful value addition depends first on primary enabling conditions, including clear and stable legal, regulatory and institutional frameworks, reliable infrastructure, and access to markets and finance. Once these conditions are in place, tax incentives can play a supporting role.

Governments have used a range of fiscal measures to encourage domestic value addition, including differentiated royalty rates, investment allowances, tax credits, accelerated depreciation and profit-based incentives. These measures can help improve the economics of downstream activities but need to be carefully designed to reflect national priorities, the characteristics of individual minerals and the commercial viability of processing activities. Poorly designed incentives can reduce government revenues without delivering the intended investment or industrial development outcomes.

Against this background, the Addis Tax Initiative (ATI), in collaboration with the Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF), is organising a webinar to explore the role of tax policy in supporting domestic value addition for critical minerals. Building on the IGF's work on Tax Considerations for Critical Minerals Value Addition, the session will bring together ATI partner countries to discuss practical experiences, challenges and lessons learned.

Through country spotlights and an open peer discussion, the webinar will explore how countries are approaching the balance between revenue mobilisation and industrial development, the role and limitations of tax incentives, and the importance of sequencing fiscal measures alongside broader enabling conditions. The webinar will also provide an opportunity to identify common challenges and priority areas where ATI and IGF can support further peer learning, knowledge exchange and technical assistance.

Objectives

- To improve participants' understanding of the role of tax policy in promoting domestic value addition for critical minerals
- To provide a platform for ATI partner countries to share experiences, lessons learned, and practical approaches to promoting mineral value addition
- To identify common gaps and areas where the ATI in collaboration with IGF can support further dialogue, peer learning, and technical assistance.

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Agenda

14:00 – 14:05	**Introduction and welcoming remarks** Opening remarks by the ATI and the IGF, and brief overview of the webinar objectives and agenda.
14:05 – 14:35	**Tax policy and domestic value addition for critical minerals (IGF)** • Overview of the opportunities and challenges associated with domestic value addition in critical minerals • The role and limitations of tax incentives in supporting value addition
14:35 – 14:50	**Country experience: Brazil** Brazil enacted Law No. 15,506/2026 on 16 September 2026, establishing its National Policy on Critical and Strategic Minerals. The law introduces tax credits of up to 20% of eligible processing and transformation expenditures, subject to an annual ceiling of BRL 1 billion from 2030 to 2034. Could you explain how this new framework seeks to encourage investment in mineral processing and downstream activities, particularly through fiscal and tax measures? What are the main opportunities and challenges in ensuring that these measures support industrial development while safeguarding government revenues?" ***Gustavo Salton Rotunno Abreu Lima da Rosa***, Auditor-Fiscal da Receita Federal do Brasil
14:50 – 15:05	**Country experience: Indonesia (tbc)** Indonesia's experience on profit-based incentives for mineral processing.
15:05 – 15:25	**Discussion**
15:25 – 15:30	**Conclusions, next steps and closing remarks**

Follow up

A short summary of the main discussions of the session will be published on the ATI website. Further, the outcomes of the session will feed into related activities developed by the ATI.

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