

Comparative Royalty Rates on Mining and Mineral Products Imposed in the Association of Southeast Asian Nations Member States *

I. BACKGROUND INFORMATION

This paper compares the royalty rates on mining and mineral products among the Association of Southeast Asian Nations (ASEAN) member states (AMS) to provide policymakers and researchers with baseline information. The following are the significant points relative to the royalty rates in the ASEAN. (See Annex A for details.)

- a. Among the ten AMS, Brunei Darussalam and Singapore do not impose any royalties on mining, either due to the absence of natural resources to mine or because such activity is already covered by other taxes, such as income tax, as in the case of Brunei Darussalam. The remaining eight AMS impose royalties on mining or mineral products, seven of which impose *ad valorem* rates ranging from 1% to 27%, while Cambodia imposes specific and *ad valorem* taxes depending on the mineral products.
- b. In the Philippines, a royalty tax of at least 5% for large- and small-scale mining, based on the gross output market value of the minerals or mineral products extracted or produced, is imposed on contractors operating within the mining reservations. A minimum royalty tax of 1% is paid to indigenous people if the mining site is located within their ancestral lands.
- c. Cambodia imposes a specific rate of royalty that shall be paid in United States dollars (USD), ranging from USD0.15 (PHP8.30)¹ to USD225.00 (PHP12,445.66) per unit, depending on the mineral product. There are also *ad valorem* rates ranging from 2% to 15% imposed on the gross revenue from the sales of minerals and other

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¹ The Conversion rate as of June 30, 2023 is USD1.00 to PHP 55.3585 by Oanda Currency Converter.

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related products such as (a) clay pottery; (b) bauxite; (c) metal; (d) coal; (e) semi-precious stones; (f) groundwater and mineral; and (g) crude oil.

- d. In Indonesia, a production royalty rate of 2% to 10% is imposed on the mining business license holder depending on the annual sales volume, actual price, and/or benchmark price of the minerals produced. On the other hand, a production royalty rate of 13.50%, based on the coal sales price net of marketing or selling expenses, is imposed on mining companies pursuant to the Coal and Contract of Work.
- e. Lao PDR imposes a 10% royalty on diamonds, rubies, sapphires, emeralds, and jades based on the sales value of the mineral products that could be extracted and a 2% to 7% royalty on other mineral products such as coal, sodium, iron, metal, and other related products.
- f. Meanwhile, Malaysia may set any royalty for a commutation fee by notification in the Gazette. Based on the available source, the royalty rate in Malaysia is 5% for metallic, non-metallic, and energy minerals (e.g., tin, bauxite, copper, ilmenite, gold, iron, coal, clay), based on the market value of the mineral extracted.
- g. Myanmar imposes royalty rates ranging from 2% to 5% on gold, platinum, uranium, silver, copper, tin, iron, zinc, lead, antimony, and industrial minerals or stones, based on the value of the mineral when the minerals produced are sold.
- h. The royalty rate in Thailand ranges from 2% to 20% based on the market price depending on the mineral product, which includes mineral ore with tungsten oxide, lead ore, gold ore, zinc ore, gemstone, and other mineral ores.
- i. Lastly, Vietnam imposes a 27% royalty on diamonds, rubies, and sapphires and 25% on emeralds, alexandrite, and precious black opal. The royalty tax on other mineral products ranges from 6% to 20%, calculated based on the output of the mineral actually exploited multiplied by the selling price, excluding value-added tax.

Annex A
Comparative royalty rates on mining and mineral products in the ASEAN member-states

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Philippines <i>Royalty</i>	A. Large-scale mining 1. Minerals/mineral products extracted from mineral reservations 2. Royalty payments to indigenous people, if within ancestral lands 3. Royalty to landowners/claim owners	Market value of the gross output of the minerals/mineral products extracted or produced from the mineral reservations, exclusive of all other taxes Gross output from minerals Depends on the negotiation between the landowner/claim owner and the mining contractor	Not less than 5% Minimum of 1%	
Brunei Darussalam	B. Small-scale mining 1. Minerals/mineral products extracted from mineral reservations Does not impose royalties on mining	Gross output within mineral reservations	5%	
Cambodia <i>Royalty</i>	A. Construction mineral products (based on the			

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Cambodia (cont.)	volume produced at the mine)			
	1. All kinds of split stones		USD 1.00 per m ³	PHP 55.36 per m ³
	2. Gravel		USD 0.85 per m ³	PHP 47.05 per m ³
	3. Sand (rivers, streams, lakes, creeks, seas), sand (construction sand), and sandy soil		USD 0.70 per m ³	PHP 38.75 per m ³
	4. Red soil (laterite) and mountain sand		USD 0.25 per m ³	PHP 13.84 per m ³
	5. Alluvial soil, clay mixture, clay, and silt		USD 0.15 per m ³	PHP 8.30 per m ³
	6. Construction sand and sandy soil for export purposes		USD 2.00 per m ³	PHP 110.72 per m ³
	7. Laterite		USD 7.00 per m ³	PHP 387.51 per m ³
	8. Stone (block for domestic use; sheet for domestic use and export)	Type A	USD 70.00 per m ³	PHP 3,875.10 per m ³
		Type B	USD 47.00 per m ³	PHP 2,601.85 per m ³
		Type C	USD 27.00 per m ³	PHP 1,494.68 per m ³
		Type D	USD 11.00 per m ³	PHP 608.94 per m ³
	9. Stone (block) for export purposes	Type A	USD 225.00 per m ³	PHP 12,445.66 per m ³
		Type B	USD 145.00 per m ³	PHP 8,026.98 per m ³
		Type C	USD 80.00 per m ³	PHP 4,428.68 per m ³

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Cambodia (cont.)				
	10. Pagodite – marble	Type D	USD 30.00 per m ³	PHP 1,660.76 per m ³
	B. Industrial mineral products		USD 20.00 per ton	PHP 1,107.17 per ton
	1. Coal	Market volume in case the selling price of coal products on the market (Arm's Length Price):		
		- Less than USD 100.00 per ton	7%	
		- USD 100.00 to USD 150.00 per ton	8.50%	
		- Higher than USD 150.00 per ton	10%	
	2. Clay pottery	Gross sales revenue (Arm's Length Price)	10%	
	3. Limestone and dolomite (used in agriculture industry)	Amount of mineral products in the mine in case the average price of cement products on the market:		
		- Less than or equal to USD 150.00 per ton	USD 0.60 per ton	PHP 33.22 per ton
		- Higher than USD 150.00 per ton	USD 0.80 per ton	PHP 44.29 per ton
	4. Limestone (used in metal industry)	Amount of mineral products in the mine in case the average price of cement products on the market:		

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Cambodia (cont.)		- Less than or equal to USD 150.00 per ton	USD 1.50 per ton	PHP 83.04 per ton
		- Higher than USD 150.00 per ton	USD 2.00 per ton	PHP 110.72 per ton
	5. Phosphate	Amount of mineral products in the mine in case the average price of phosphate products on the market:		
		- Less than or equal to USD 100.00 per ton	USD 1.50 per ton	PHP 83.04 per ton
		- Higher than USD 100.00 per ton	USD 2.00 per ton	PHP 110.72 per ton
	6. Silica sand		USD 5.00 per ton	PHP 276.79 per ton
	7. Silica sand for export purposes		USD 10.00 per ton	PHP 553.59 per ton
	8. Groundwater and mineral water	Gross sales revenue (Arm's Length Price)	2%	
	9. Bauxite for local industry	Gross sales revenue (Arm's Length Price)	7.5%	
	10. Bauxite for export	Gross sales revenue (Arm's Length Price)	10%	
C. Semi-precious stones, of similar value and quality				
1. Semi-precious stones of similar value and	Gross sales revenue (Arm's Length Price)	15%		

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
	quality (for industrial type)			
	2. Semi-precious stones of similar value and quality (for the family business of Cambodian People)	Business area	USD 2,000.00 per hectare	PHP 110,717.00 per hectare
	D. Metal mineral products			
	1. Mineral resources, including precious metals, base metals, rare metals, and similar types			
	- Metals	Gross sales revenue (Arm's Length Price)	3%	
	- Concentrates	Gross sales revenue (Arm's Length Price)	6%	
	- Crude oil	Gross sales revenue (Arm's Length Price)	8%	
Indonesia	A. Mining Business License			
<i>Production royalty</i>	<i>[Izin Usaha Pertambangan (IUP)] / Special Mining Business License [Izin Usaha Pertambangan Khusus (IUPK)]</i>			

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
	1. Coal:			
	- Open pit	Sales volume and the coal benchmark price	3% to 7%	
	- Underground	Sales volume and the coal benchmark price	2% to 6%	
	1. Nickel	Actual sales price or benchmark price	4% to 5%	
	2. Zinc, tin, iron	Actual sales price or benchmark price	3%	
	3. Silver	Actual sales price or benchmark price	3.25%	
	4. Gold, iron sand, bauxite	Actual sales price or benchmark price	3.75%	
	5. Copper	Actual sales price or benchmark price	4%	
	6. Additional royalty payment for holders of IUPK	Net profit	10%	
	B. Coal contract of work (CCoW)	Coal sales price minus certain marketing or selling expenses	13.5%	
Lao	PDR			
<i>Royalty</i>	A. Mineral resources:			
	1. Precious stones and jades	Sale value of the mineral products that could be extracted	10%	
	- Diamonds, rubies, sapphires, and			

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
	emeralds			
	- Jades			
2.	Semi-precious stones	Sale value of the mineral products that could be extracted	7%	
	- Pearl, arlexanghyde			
	- Aeroyd, rodohyde, byrok, berick, spinan, topas, kisoryde, opan, trumaline, agad, ganed			
	- Quads, armetis			
3.	Precious metals	Sale value of the mineral products that could be extracted	7%	
	- Silver, gold, platinum			
4.	Basic metal (not magnet)	Sale value of the mineral products that could be extracted	6%	
	- Copper, zinc, lead, aluminum			
5.	Iron and metal mixed with iron	Sale value of the mineral products that could be extracted	6%	
	- Iron, titan, mongan, grom, vanadium, nikan, kobane, molybdenum, tungsten			

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^a
Lao PDR (cont.)				
	6. Not widely available metals and related metals	Sale value of the mineral products that could be extracted	7%	
	- Antimon, arsenic, barium, cadmium, bismod, magnesium, cyanide, radium, cilium, columbium, titanium, zirconium			
	7. Everpohyde	Sale value of the mineral products that could be extracted	4%	
	- Gypsum, anridyde, potassium, meyer			
	8. Sodium	Sale value of the mineral products that could be extracted	2%	
	9. Industrial minerals	Sale value of the mineral products that could be extracted	4%	
	- Fluoride, barite, phosphorate, markka			
	- Limestone, dolomite, mayecite, laterid, clay, leng glued clay, tuff asbestos sand for producing glass, tank, allanite, small rocks, granite, dyohyde, kappa, hyohyde, panel stone			

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Lao PDR (cont.)	10. Stones for decoration - Granite, soft stone, nite stone, slade stone, pagodite	Sale value of the mineral products that could be extracted	5%	
	11. Coals - Lignite, sabituminad, bituminod, anthracite - Mud coals - Oil stones	Sale value of the mineral products that could be extracted	6% 2% 3%	
	12. Fossil fuel and natural gas	Sale value of the mineral products that could be extracted	Based on the contract negotiated	
Malaysia Royalty	Metallic, non-metallic, and energy minerals (e.g, tin, bauxite, copper, ilmenite, gold, iron, coal, clay)	Market value of mineral extracted or an amount payable on the basis of any specified volume or weight of the extracted minerals. <i>Note.</i> Rates may vary according to the type, weight, and volume of the minerals extracted and as may be assessed by the relevant States of Malaysia	5% ^{b/}	
Myanmar Royalty	1. Gold, platinum, uranium, and other precious metallic minerals	Value of the mineral when the minerals produced are sold	5%	

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Myanmar (cont.)	2. Silver, copper, lead, tungsten, nickel, heavy sands, molybdenum, iridium, osmium, palladium, ruthenium, rhodium, tantalum, columbium, niobium, thorium, cadmium, rare earth, beryllium, titanium, and other precious metallic minerals	Value of the mineral when the minerals produced are sold	4%	
	3. Iron, zinc, lead, tin, tungsten, aluminum arsenic, bismuth, chromium, cobalt, manganese, magnesium, and other metallic minerals	Value of the mineral when the minerals produced are sold	3%	
	4. Raw material of industrial minerals or stones	Value of the mineral when the minerals produced are sold	2%	
Singapore	No mining tax provision			
Thailand <i>Mineral royalty</i>	A. Tin	Price of tin metal per metric ton: - Over THB 50,000 but not more than THB 125,000 - Over THB 125,000 but not more than THB 250,000	2.5% 5%	

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Thailand (cont.)				
		- Over THB 250,000 but not more than THB 500,000	10%	
		- Over THB 500,000 but not more than THB 750,000	15%	
		- Higher than THB 750,000	20%	
	B. Minerals containing tungsten oxide	Price of tungsten oxide per metric ton:		
		- Over THB 50,000 but not more than THB 125,000	2.5%	
		- Over THB 125,000 but not more than THB 250,000	5%	
		- Over THB 250,000 but not more than THB 500,000	10%	
		- Over THB 500,000 but not more than THB 750,000	15%	
		- Higher than THB 750,000	20%	
	C. Lead ore	Price of lead ore per metric ton:		
		- Less than THB 8,000	2%	

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ³¹
Thailand (cont.)				
		- Over THB 8,000 but not more than THB 12,000	5%	
		- Over THB 12,000 but not more than THB 20,000	10%	
		- Higher than THB 20,000	15%	
	D. Gold ore	Price of gold per gram:		
		- Less than THB 400	2.5%	
		- Over THB 400 but not more than THB 600	5%	
		- Over THB 600 but not more than THB 1,000	10%	
		- Over THB 1,000 but not more than THB 1,500	15%	
		- Higher than THB 1,500	20%	
	E. Zinc ore	Price of zinc per metric ton:		
		- Less than THB 10,000	2%	
		- Over THB 10,000 but not more than THB 20,000	5%	
		- Over THB 20,000 but not more than THB 30,000	10%	
		- Higher than THB 30,000	15%	

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Thailand (cont.)	F. Precious stones	Value of minerals as determined by the Minister	10%	
	G. Minerals other than those mentioned above			
	1. Mineral			
	(a) Garnet; xenotime; zircon; potash; monazite; rutile; leucoxene; iron; and ilmenite	Mineral market price announced by the Director-General	7%	
	(b) Rock salt; graphite; quartz; calcite; dielkite; coal; industrial sand; talc; bentonite; pyrophyllite; phosphate; mica; decorative stones; and marble	Mineral market price announced by the Director-General	4%	
	(c) Strüverite; silver; tantalite and columbite combined; antimony; and molybdenite	Mineral market price announced by the Director-General	10%	
	(d) Industrial soil; dolomite; barite; fluorite; feldspar;			

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Thailand (cont.)				
	manganese; gypsum; and anhydrite			
	- for use in industry within the Kingdom	Mineral market price announced by the Director-General	4%	
	- for export outside the Kingdom	Mineral market price announced by the Director-General	7%	
	(e) Industrial stone			
	- for cement industry	Mineral market price announced by the Director-General	7%	
	- for use in other industries within the Kingdom	Mineral market price announced by the Director-General	4%	
	- for export outside the Kingdom	Mineral market price announced by the Director-General	7%	
2. Metal				
	- Cadmium; lead; copper; antimony; zinc; iron; columbium tantalum; and other metals	Mineral market price announced by the Director-General	4%	
3. Slag				
		Mineral market price announced by the Director-General	10%	

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Vietnam <i>Royalty</i>	4. Other minerals	Mineral market price announced by the Director-General	7%	
	A. Metallic minerals:			
	1. Iron	Natural resource output (quantity, weight, or volume) and royalty-liable prices (exploiter's selling price of a unit of natural resource product, exclusive of VAT)	14%	
	2. Manganese		14%	
	3. Titanium		18%	
	4. Gold		17%	
	5. Rare earth		18%	
	6. Platinum, silver, tin	Natural resource output (quantity, weight, or volume) and royalty-liable prices (exploiter's selling price of a unit of natural resource product, exclusive of VAT)	12%	
	7. Tungsten and antimony		20%	
	8. Lead, zinc		15%	
	9. Aluminum, bauxite		12%	
	10. Copper		15%	
	11. Nickel		10%	
	12. Cobalt, molybdenum, mercury, magnesium, vanadium		15%	
13. Platinum, silver, tin;		12%		
14. Other metallic minerals		15%		

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Vietnam (cont.)	B. Non-metallic minerals:			
	1. Exploited land for leveling and construction		7%	
	2. Rock; pyrite, phosphorite; limestone and cement production		10%	
	3. White marble; sand; glass sand; soil for making bricks; granite; dolomite and quartzite		15%	
	4. Refractory lighting; kaolin; mica, technical quartz	Natural resource output (quantity, weight, or volume) and royalty-liable prices (exploiter's selling price of a unit of natural resource product, exclusive of VAT)	13%	
	5. Apatite		8%	
	6. Serpentine		6%	
	7. Underground anthracite coal; other coal		10%	
	8. Opencast anthracite coal; brown coal, fat coal		12%	
	9. Diamond, ruby, sapphire		27%	
	10. Emerald, alexandrite, and precious black opal		25%	

Member-states	Particulars	Tax base/condition	Tax rates	Conversion (as of June 30, 2023) ^{a/}
Vietnam (cont.)	11. Adide, rhodolite, pyrope, berine, spinel, topaz		18%	
	12. Crystal quartz blue-purple, yellow-green, orange; cryolite; precious white and red opal; feldspar; birusa; nephrite		18%	
	13. Other non-metallic minerals		10%	

Notes.

^{a/} The conversion rate as of June 30, 2023 is USD 1.00 to PHP 55.3585 based on the Oanda currency converter.

^{b/} For Malaysia, the state authority can set any royalty for a commutation fee by notification in the Gazette.

Sources: AZMI & Associates; Cambodian Ministry of Economy and Finance, and Ministry of Mines and Energy; Inquirer; Lexology; PIDS; President of Lao PDR; PwC; Standing Committee of the National Assembly of the Socialist Republic of Vietnam; The President of the Republic of the Union of Myanmar; Thomson Reuters; and Vietnam's Ministry of Finance.

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