Comparative policy relating to Iron ore in select geographies

Issues	India	South Africa	Australia	Canada	Philippines	Ghana	United States
Taxes							
Government Stake in Mineral enterprises	No legal framework mandating stake in private mining enterprises	Currently engaged in official debate about nationalizing 60% of mining in the country.	Largely private participation in mining	Largely private participation in mining	State has right to participate by entering into joint venture or production sharing agreements with Filipino majority entities	Government, by law, acquires at no cost a 10% interest in any mineral operation to which mineral rights are granted.	Largely private participation in mining
Royalties collected by Government (in addition to income tax)	Royalty is 10% of Pit Mouth Value as reported top miners in the region[1]	Royalties paid on a company's actual earnings before interest and tax	Currently royalty at 6.5% on the realised value of iron ore. Proposed Minerals Resource Rent Tax expected in 2012 will tax super-profits at 40%, to address falling share of royalty	Tax is usually 10% of Pit Mouth Profit, and the tax base is revenue less most expenses			Taxed at both the county and the state level, based on the Fair Market Value which accounts for future recoverables
Mining company obligations							
- Profit Sharing with communities	No law at present, attempts to include made in Draft Mining Bill, 2011.		Land councils and affected aboriginal people receive a share of the mining royalties earned from activity on aboriginal land.	Revenue sharing with aboriginal communities is decided on a case by case basis	40% of mining revenues passed to provincial, municipal and village governments	5% of mining revenues collected by central government to be passed to local governments, 20% to go to Mineral Development Fund	In Alaska, indigenous community corporations receive share of mineral royalties and mining profits

[1] Usually Pit Mouth Value is reported as Rs. 1800-2000/tonne on average, against actual prices of Rs. 2500-3000 domestic and Rs. 5000-6000 international. Thus royalty paid is at an average of Rs. 175-200, with miners making much higher profits due to the higher prices realised.

Issues	India	South Africa	Australia	Canada	Philippines	Ghana	United States
- Rehabilitation of mining area after lease expiry	Financial assurance for rehabilitation costs limited to Rs 25,000 per hectare. No payout required if miner reports that rehabilitation is being carried out	Miners are required to physically set aside rehabilitations costs as a trust	Performance guarantees given by miners to meet rehabilitation costs	Miners are required to physically set aside rehabilitations costs as a trust			Rehabilitation funds are provided by miners during operations through creation of a notional reserve
- Domestic processing	No law requiring treatment of iron ore in India[2]	Lower rates of royalty on refined iron ore to encourage domestic processing		All ores and minerals removed from any lands acquired under the Mining Act must be treated and refined in Canada.			
Environmental Policy	Iron ore mineral rights can be leased out over all forest lands, including reserved forests		Legislation sets out certain areas as 'no go areas' where mineral rights cannot be leased out.		Adopted international standards to mark protected forests and no-go areas for mining leases		

[2] Captive iron ore mines results in domestic steel production generating 7-10 times more value and 5 times more direct employment. See Expert Group Report on Preferential Mining Leases for Iron Ore, Manganese Ore and Chrome Ore