

28 April 2025

Mali's Mining Shake-Up: Tax audits reveal massive revenue loss and lead to stringent policy changes

By Anne Wanyagathi Maina and Kolawole Omole

Mali's recent regulatory changes and tax dispute settlements highlight the government's determination to secure a greater share of economic benefits from its natural resources. Mali's approach presents a lesson for resource-rich developing countries. The article explores the country's mining tax reforms, ensuing tax disputes and settlements, and implications on revenue mobilization.

Les récentes modifications réglementaires et les règlements de différends fiscaux du Mali mettent en évidence la détermination du gouvernement à s'assurer une plus grande part des bénéfices économiques tirés de ses ressources naturelles. L'approche du Mali est une leçon pour les pays en développement riches en ressources naturelles. Cet article explore les réformes de la fiscalité minière du pays, les litiges et règlements fiscaux qui en ont découlé, et les implications sur la mobilisation des recettes.

Los recientes cambios normativos y la resolución de litigios fiscales en Malí ponen de relieve la determinación del gobierno de garantizar una mayor participación en los beneficios económicos de sus recursos naturales. El planteamiento de Malí constituye una lección para los países en desarrollo ricos en recursos. Este artículo examina las reformas de la fiscalidad minera del país, los consiguientes litigios y acuerdos fiscales, y las implicaciones para la movilización de ingresos.



Mali is Africa's third largest gold producer. The extractive sector plays a significant role in the economy, accounting for 9.2% of its gross domestic product (GDP), 79% of its total exports, and 23% of government revenues in 2021[1]. Mali is a low-income country and had a GDP of USD 20.2 billion and GDP per capita of USD 869 in 2023, according to the World Bank. Mali's transition government is keen on strengthening state control and boosting local economic benefits. The government introduced new mining laws to that effect, after an audit revealed a loss of government revenue of between [300 billion to 600 billion CFA francs](#) (USD 497 million to USD 995 million) from the mining sector.

New tax code

In August 2023, Mali introduced new mining regulations in the form of *Law No. 2023- 040 relating to the mining code in the Republic of Mali* (the "New Mining Code")[2] and *Law No. 2023-041 relating to the local content in the mining sector* (the "Local Content Law")[3]. An Implementation Decree No. 2024-0396/PT-RM of the new mining legislation ("the Implementation Decree") was released on 9 July 2024[4]. The new laws were enacted under the Malian transition government led by interim President Assimi Goïta, who assumed power in May 2021. The new mining legislation seeks to increase state control over the mining resources and promote local participation in the mining sector.

The New Mining Code, which replaced the 2019 Mining Code, includes increased state participation[5]. The legislation grants the state a non-participatory free carried interest of 10% in mining projects, with the option to acquire an additional 20% equity stake within the initial two years of commercial production. It also introduced an obligation for mining companies to sell an additional 5% stake to local companies, potentially increasing state and local ownership to a maximum of 35%, up from 20% previously[6]. This is not unheard of; Tanzania's 2017 natural resource laws introduced a 16% free carried interest in mining companies, which can be increased up to 50% in certain cases[7].

According to Economy Minister and Minister in charge of Mines, the newly approved Mining Code is expected to generate an additional 500 billion CFA francs (USD 803 million) annually for the state, and to boost the mining sector's contribution to the economy, increasing its share of GDP from the current 9% to as much as 20%[8].

The Mining Code has removed certain tax exemptions previously granted to mining companies. Additionally, the state now has priority in awarding mineral permits for strategic minerals such as lithium, uranium, and cobalt. To prevent monopolization, companies are now restricted to a maximum of three exploration permits per district. Any transfer or change in control of mining permits must receive government approval[9].

The Local Content Law aims at strengthening local participation in the mining sector by prioritizing workforce development, skills transfer and progressively decreasing reliance on foreign labour, and enhance the use of local resources[10].

Tax disputes and contract renegotiations with the government

Mali has been involved in negotiations with the biggest mining companies in the country to align with the new laws, and resolve outstanding matters stemming from the mining audit that led to the introduction of new laws in August 2023. The government has already reached a settlement with some of the mining companies like the case of [B2Gold](#) and [Allied Gold](#) which was settled in September 2024 for undisclosed amounts.

In [November 2024](#), Australia's Resolute Mining Ltd announced a USD 160 million settlement with the Malian government following the detention of its Chief Executive Officer (CEO) and two employees in Bamako over a tax dispute. The [company](#) made an initial payment of approximately USD 80 million with the rest payable in instalments.

Hummingbird, a United Kingdom multinational, [announced](#) in January 2025 that it had reached an agreement with the government to resolve outstanding issues from audit findings and agreed to pay 10 billion CFA francs (approximately USD 15.7 million) in two equal instalments by June 2025. Additionally, the company agreed to forgo historical VAT credit claims totaling to a similar amount of 10 billion CFA francs, effectively settling all tax and customs matters up to December 31, 2023.

Barrick Gold, a Canadian multinational, has been locked in a tax dispute with Malian government spanning from November 2023. On December 18, 2024, Barrick announced that it had [requested international arbitration](#) to resolve its dispute with Mali's government, after its senior employees were arrested in November 2024 due to the tax dispute. [They are still being held](#) as of this writing. Mali's government seized the company's gold stocks and transferred the metal to a custodial bank. [Reuters](#) reported on January 13, 2024 that an unidentified source estimated the value of the gold seized at USD 245 million. The news agency said it reviewed a court order indicating that Barrick's two subsidiaries in Mali [owe the government USD 5.5 billion](#).

Tax settlement

The Economy Minister [confirmed](#) that Mali had secured **500 billion CFA francs** (USD 794 million) from negotiations with mining companies by December 2024 and that the full amount would be collected by March 2025. Some of these tax settlements include:

Date	Company	Settlement Amount
Nov 2024	Resolute Mining Ltd - Australia	\$160 million
Jan 2025	Hummingbird Resources - UK	CFA 10 billion (\$15.7 million)
Jan 2025	Hummingbird Resources - UK (VAT Credit Claims)	CFA 10 billion (\$15.7 million)
	Others	\$603 million
Total		\$794 million

Concluding remarks

Mali's mining sector has undergone significant transformation following an audit that revealed substantial revenue losses. The audit served as a crucial first step in identifying gaps in tax compliance, ultimately leading to the introduction of a new mining code. The introduction of new mining laws paved the way for contract renegotiations and increased revenue collection, leading to settlements with companies such as B2Gold, Allied Gold, Hummingbird, and Resolute. However, ongoing disputes with companies such as Barrick Gold's tax arbitration heighten the risks of regulatory uncertainty for investors. Further, the government's stringent enforcement measures, including the arrest of company directors and the seizure of gold stocks, have drawn international attention, resulting in negative media coverage and raising concerns among investors.

The success of the new changes depends on balancing revenue generation while maintaining investors' confidence, and ensuring the revenue generated is well managed. The case of Tanzania's reforms is a success story where the 2017 mining reforms initially led to investor resistance but eventually resulted in higher government revenues[11].

High-quality tax audits can help countries identify the scale of revenue losses and strengthening this capacity is essential. Quality tax audits require highly skilled personnel, particularly in complex areas like transfer pricing of financial transactions, intragroup services, and royalties. Technical assistance can be vital in helping developing countries determine the extent of revenue losses, which can inform subsequent policy decisions and enforcement actions, and upgrade national revenue mobilization capacity. However, it must also be noted that while strengthening governance and maximizing resource benefits is crucial, policy shifts and enforcement actions must be carefully managed to maintain investor confidence. Clear, predictable legal frameworks and transparent dispute resolution mechanisms are essential to ensuring that mining reforms attract investment while securing fair economic returns for the host country.

Endnotes:

- [1] Extractive Industries Transparency Initiative (EITI), "Overview and Role of the EITI - Mali," 2024. Available from <https://eiti.org/countries/mali>.
- [2] *Republique du Mali*, "Law N°2023-040 of August 29, 2023 Relating to the Mining Code in the Republic of Mali". Available from <https://natlex.ilo.org/dyn/natlex2/natlex2/files/download/115721/MLI-115721.pdf>.
- [3] Alhassane Soukouna, "Mali New Mining Code", 2023. Available from <https://mineralsinstitute.org/wp-content/uploads/2023/09/Mali-New-Mining-Code-Alhassane-SOUKOUNA-2.pdf>.
- [4] *Republique du Mali*, "Decree N°2024-0396/PT-RM of July 09, 2024 Setting out the Conditions and Modalities of Application of Law N°2023-040 of August 29, 2023 Relating to the Mining Code in the Republic of Mali", *Journal Officiel de La Republique Du Mali*, Jul. 12, 2024, at 584; UN Trade and Development (UNCTAD), "Mali - Adopts New Mining Code and Implementing Decree", *Investment Policy Monitor*, 8 August 2023. Available from <https://investmentpolicy.unctad.org/investment-policy-monitor/asures/4352/adopts-new-mining-code-and-implementing-decree>.
- [5] Guillaume P. Blanc, "Mining Legislation Reform in Mali: Strengthening State Intervention and Participation", *ENS Africa*, 27 August 2023. Available from <https://www.ensafrika.com/news/detail/9042/mining-legislation-reform-in-mali-strengtheni#>.
- [6] "Mali Adopts New Mining Code That Boosts State Interests", *ENS Africa*, *Africa Business in Brief*, 13 August 2023. Available from <https://www.ensafrika.com/news/detail/7426/africa-business-in-brief#>.
- [7] United Republic of Tanzania, "The Written Laws (Miscellaneous Amendments) Act", 2017.
- [8] Reuters, "Mali Adopts New Mining Code That Boosts State Interests", *Reuters*, 8 August 2023. Available from <https://www.reuters.com/world/africa/mali-adopts-new-mining-code-boost-sectors-contribution-gdp-mines-ministry-2023-08-08/>.
- [9] UNCTAD *Investment Policy Monitor*, *supra* note 4.
- [10] Soukouna, *supra* note 3.
- [11] Abel Kinyondo and Christopher Huggins, "Resource Nationalism in Tanzania: Implications for Artisanal and Small-Scale Mining", *The Extractive Industries and Society*, Vol. 6, Issue 1 (2019), pp. 181-189.

Authors: Anne Wanyagathi Maina (wanyagathi@southcentre.int) and Kolawole Omole (omole@southcentre.int) are Research Consultants – Tax with the South Centre Tax Initiative.

Acknowledgements are due to Tochukwu Sandra Onyemata, Communications and Liaison Manager with the West African Tax Administration Forum (WATAF) for her assistance in editing this Article.

This article was also published in the WATAF blog: <https://wataf-tax.org/2025/03/11/malis-mining-shake-up-tax-audits-reveal-massive-revenue-loss-and-lead-to-stringent-policy-changes/>

Copyright © 2025 South Centre, All rights reserved.

SOUTHVIEWS is a service of the South Centre providing opinions and analysis of topical issues from a South perspective.

The views contained in this article are attributable to the author(s) and do not represent the institutional views of the South Centre or its Member States.

For more information, please contact Anna Bernardo of the South Centre: Email abernardo@southcentre.int, or telephone +41 22 791 8050.