Durable extractive contracts are underpinned by a balanced fiscal system that provides for a revenue stream to the host government for each year of commercial resource production combined with responsive fiscal terms that allow for the automatic adjustment of revenue or production allocation to prevailing market conditions (variable with commodity price, production volume, resource quality, or project profitability).
Extractive Industry Fiscal Regimes

Fiscal Regimes

Concessionary Regimes (Royalty, Income Tax, Special Resources Rent Tax...)
Extractive Industry Fiscal Regimes

- **Fiscal Regimes**
  - **Concessionary Regimes** (Royalty, Income Tax, Special Resources Rent Tax...)
  - **Contractual Regimes** (Companies = contractors)

- **Mining & Oil/Gas**
- **Oil/Gas**
Fiscal Regimes

Concessionary Regimes
(Royalty, Income Tax, Special Resources Rent Tax...)

Contractual Regimes
(Companies = contractors)

Production Sharing Agreements
(Payment a share of production)

Risk Service Contracts
(Payment fee/barrel)
Durable extractive contracts are underpinned by a balanced fiscal system that provides for a revenue stream to the host government for each year of commercial resource production combined with responsive fiscal terms that allow for the automatic adjustment of revenue or production allocation to prevailing market conditions (variable with commodity price, production volume, resource quality, or project profitability).
Yearly WTI Crude Oil Nominal Price Change

Cost-Price overlooked relationship