



Income Tax Assessment (1997 Act) Amendment (Critical Minerals) Regulations 2025

I, the Honourable Sam Mostyn AC, Governor-General of the Commonwealth of Australia,
acting with the advice of the Federal Executive Council, make the following regulations.

Dated 4 December 2025

Sam Mostyn AC
Governor-General

By Her Excellency's Command

Dr Jim Chalmers
Treasurer

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1 Name

This instrument is the *Income Tax Assessment (1997 Act) Amendment (Critical Minerals) Regulations 2025*.

2 Commencement

- (1) Each provision of this instrument specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

Commencement information		
Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. The whole of this instrument	The day after this instrument is registered.	6 December 2025

Note: This table relates only to the provisions of this instrument as originally made. It will not be amended to deal with any later amendments of this instrument.

- (2) Any information in column 3 of the table is not part of this instrument. Information may be inserted in this column, or information in it may be edited, in any published version of this instrument.

3 Authority

This instrument is made under the *Income Tax Assessment Act 1997*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Income Tax Assessment (1997 Act) Regulations 2021

1 At the end of Part 3-45

Add:

Division 419—Critical minerals

Subdivision 419-A—Tax offset for expenditure for producing critical minerals in Australia

419-20.01 CMPTI processing activity—high purity alumina

Kind of processing activity

- (1) For the purposes of subparagraph 419-20(1)(b)(ii) of the Act, a processing activity is prescribed if it is of a kind that:
 - (a) substantially transforms a feedstock containing aluminium through extractive metallurgical processing; or
 - (b) is not beneficiation (including grinding, crushing, floating and other mechanical processing); and
 - (c) is not manufacturing.

Outcome of processing activity

- (2) For the purposes of subparagraph 419-20(1)(b)(iii) of the Act, a kind of outcome for this kind of processing activity is where high purity alumina with a purity of at least 99.99% is produced.

Note: For the processing activity to be a CMPTI processing activity, a substantial purpose for carrying on the processing activity must be to achieve the outcome mentioned in this subsection (see paragraph 419-20(1)(b) of the Act).

419-20.02 CMPTI processing activity—graphite

Kind of processing activity

- (1) For the purposes of subparagraph 419-20(1)(b)(ii) of the Act, a processing activity is prescribed if it is of a kind that:
 - (a) substantially transforms a feedstock containing graphite by using chemical or thermal purification; or
 - (b) involves:
 - (i) the high-velocity collision of particles that are agitated using compressed air or gas; and
 - (ii) a feedstock containing particles of graphite; or
 - (c) shapes the particles of graphite in a feedstock;and it is neither beneficiation (including grinding, crushing, floating and other mechanical processing) nor manufacturing.

Outcome of processing activity

- (2) For the purposes of subparagraph 419-20(1)(b)(iii) of the Act, the following kinds of outcome are prescribed:
- (a) for the kind of processing activity mentioned in paragraph (1)(a) of this section—the total graphitic carbon content of the feedstock is increased;
 - (b) for the kind of processing activity mentioned in paragraph (1)(b) of this section—the particles of graphite have a substantially reduced size;
 - (c) for the kind of processing activity mentioned in paragraph (1)(c) of this section—the particles of graphite have a substantially more spherical shape.

Note: For the processing activity to be a CMPTI processing activity, a substantial purpose for carrying on the processing activity must be to achieve the relevant outcome mentioned in this subsection (see paragraph 419-20(1)(b) of the Act).

419-20.03 CMPTI processing activity—precursor cathode active material*Kind of processing activity*

- (1) For the purposes of subparagraph 419-20(1)(b)(ii) of the Act, a processing activity is prescribed if it is of a kind that:
- (a) substantially transforms a feedstock containing one or more critical minerals into an output that is chemically distinct from the feedstock; and
 - (b) is not beneficiation (including grinding, crushing, floating and other mechanical processing); and
 - (c) is not manufacturing.

Outcome of processing activity

- (2) For the purposes of subparagraph 419-20(1)(b)(iii) of the Act, a kind of outcome for this kind of processing activity is where:
- (a) precursor cathode active material is produced; and
 - (b) the material contains one or more critical minerals; and
 - (c) the material is suitable for use in the manufacturing of cathode active material for lithium-ion batteries.

Note: For the processing activity to be a CMPTI processing activity, a substantial purpose for carrying on the processing activity must be to achieve the outcome mentioned in this subsection (see paragraph 419-20(1)(b) of the Act).