



# Mines and Geosciences Bureau - 7

'FROM THE GROUND UP: OPPORTUNITIES  
AND CHALLENGES IN PROMOTING OPEN  
AND ACCOUNTABLE MANAGEMENT OF  
MINERAL RESOURCES'

# THE PHILIPPINE POLICY FRAMEWORK FOR SUSTAINABLE DEVELOPMENT IN MINING IS ANCHORED ON THESE LAWS:

## **Republic Act No. 7942**

(The Philippine Mining Act of 1995)

AN ACT INSTITUTING A NEW SYSTEM OF MINERAL RESOURCES EXPLORATION, DEVELOPMENT, UTILIZATION AND CONSERVATION

## **DAO 2010-21**

(Consolidated DAO for the IRR of R.A. 7942)

## **DAO 2015-02**

(Harmonization of the PEIS System and R.A. 7942)

## **Presidential Declaration 1586**

(The Philippine Environmental Impact Statement)

# OTHER PHILIPPINE MINING LAW:

- ▶ People's Small-Scale Mining Act of 1991 (Republic Act 7076)

***Declaration of Policy.*** *It is hereby declared the policy of the State to promote, develop, protect and rationalize viable small-scale mining activities in order to generate more employment opportunities and provide an equitable sharing of the nation's wealth and natural resources, giving due regard to existing rights as provided in the law.*

# SALIENT FEATURES OF

R.A. 7942, otherwise known as the Philippine Mining Act of 1995, and implemented by DAO 96-40.

- ▶ **Authority of the Bureau.** – The Bureau shall have direct charge in the administration and disposition of mineral lands and mineral resources and shall undertake geological, mining, metallurgical, chemical and other researches as well as geological and mineral exploration surveys.
- ▶ **Ownership of Mineral Resources.** – Mineral resources are owned by the State and the exploration, development, utilization, and processing thereof shall be under its full control and supervision. The State may directly undertake such activities or it may enter into mineral agreements with contractors.
- ▶ **Areas Closed to Mining Applications.** – Mineral Agreement or financial or technical assistance agreement applications shall not be allowed:

# SALIENT FEATURES OF

R.A. 7942, otherwise known as the Philippine Mining Act of 1995, and implemented by DAO 96-40.

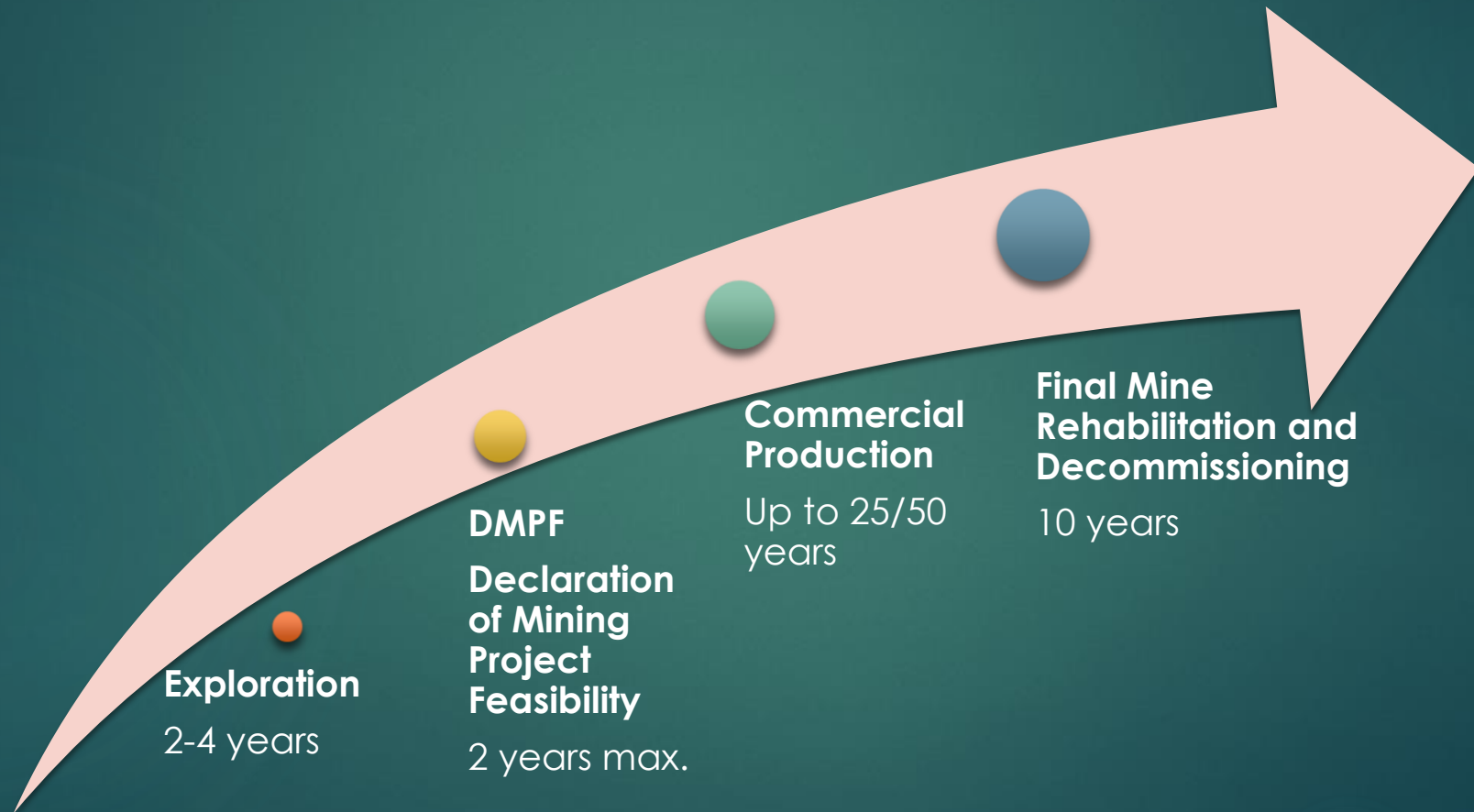
- ▶ **Large Scale Mining Rights.** - The following are the large-scale mining rights provided under this Act:
  - ▶ **Exploration Permit**
  - ▶ **FTAA**
  - ▶ **Quarry Permit** - For the extraction, removal and disposition of quarry resources covering an area of not more than 5 hectares (public or private lands) for a term of 5 years, renewable for like periods but not to exceed a total of 25 years.
  - ▶ **Commercial Sand and Gravel Permit** – For the extraction, removal and disposition of sand and gravel and other loose or unconsolidated materials (in public or private lands) which are used in their natural state without undergoing processing, covering an area of not more than 5 hectares for a term of 1 year, renewable for like period and in such quantities as may be specified in the Permit.
  - ▶ **Industrial Sand and Gravel Permit** - For the extraction, removal and disposition of sand and gravel and other loose or unconsolidated materials that necessitate the use of mechanical processing covering an area of not more than 5 hectares (in public or private lands) for a term of 5 years, renewable for like periods but not to exceed for twenty-five years.
  - ▶ Exclusive Sand and Gravel Permit, Government and Private Gratuitous Permit, Gratuitous Guano Permit, Commercial Guano Permit, Gemstone Gathering Permit

# SALIENT FEATURES OF

R.A. 7942, otherwise known as the Philippine Mining Act of 1995, and implemented by DAO 96-40.

- ▶ **ENVIRONMENTAL PROTECTION** - Every contractor shall undertake an environmental protection and enhancement program covering the period of the mineral agreement or permit.
- ▶ **REHABILITATION** - Contractors and permittees shall technically and biologically rehabilitate the excavated, mined-out, tailings covered and disturbed areas to the condition of environmental safety, as may be provided in the implementing rules and regulations of this act.

# STAGES OF MINING OPERATIONS



Stage	Requirements
<b>Exploration and Feasibility Period</b>	<ul style="list-style-type: none"> <li>▪ Certificate of Satisfactory Environmental Management and Community Relations Record (CEMCRR)</li> <li>▪ Environmental Work Program (EnWP)</li> <li>▪ Exploration Work Program</li> <li>▪ Community Development Program (CDP)</li> <li>▪ Certificate of Non-Compliance (CNC)</li> </ul>
<b>Development and Construction</b>	<ul style="list-style-type: none"> <li>▪ Prepare Social Development and Management Program (SDMP)</li> <li>▪ Prepare Safety and Health Program (SHP)</li> <li>▪ Environmental Protection and Enhancement Program (EPEP) with Final Mine Rehabilitation and Decommissioning Plan (FMR/DP)</li> </ul>



Stage	Requirements
<b>Operating Period</b>	<ul style="list-style-type: none"><li>▪ Implement annual SDMP</li><li>▪ Implement Annual SHP</li><li>▪ Implement Annual EPEP</li><li>▪ Establish the Contingent Liability and Rehabilitation Fund (CLRF) consist of RCF, MTF &amp; MWTF (See CLRF components)</li><li>▪ SHES Monitoring and Audit</li></ul>
<b>Mine Closure</b>	<ul style="list-style-type: none"><li>▪ Implement Final Mine Rehabilitation &amp; Decommissioning Plan (FMR/DP)</li><li>▪ Decommissioning</li><li>▪ Rehabilitation</li><li>▪ Social</li><li>▪ Maintenance and Monitoring</li><li>▪ Post closure</li></ul>

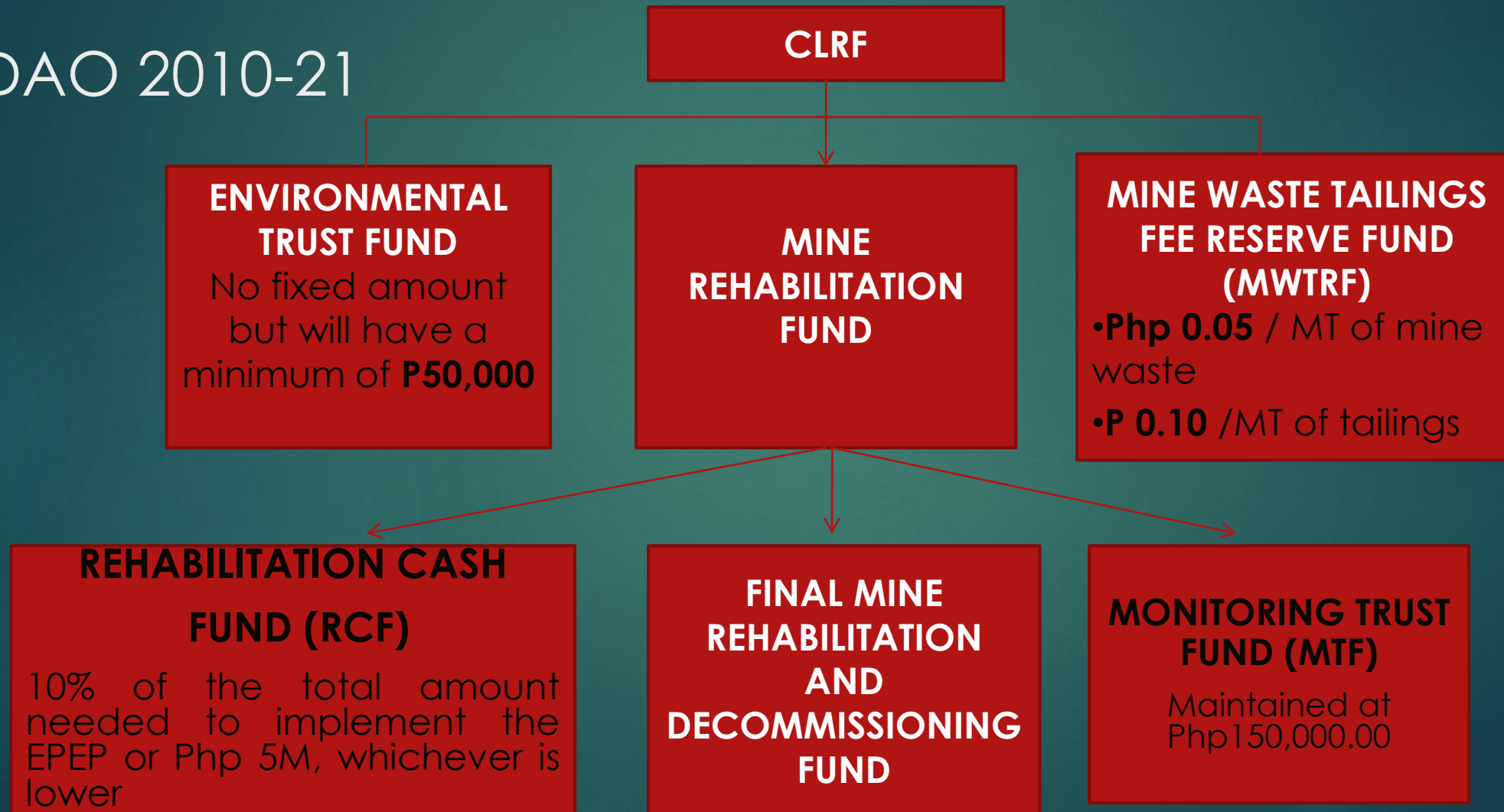
# Post Mine Closure

The quick and cost-effective transformation of mine affected lands to a physically and chemically stable and self-sustaining ecosystem that approximates the original land use or to a **pre-agreed land-use** suitable and **accepted** by the community.

Funding for closure involves setting aside funds progressively over the life of the mine so that sufficient funds are available to cover closure costs.

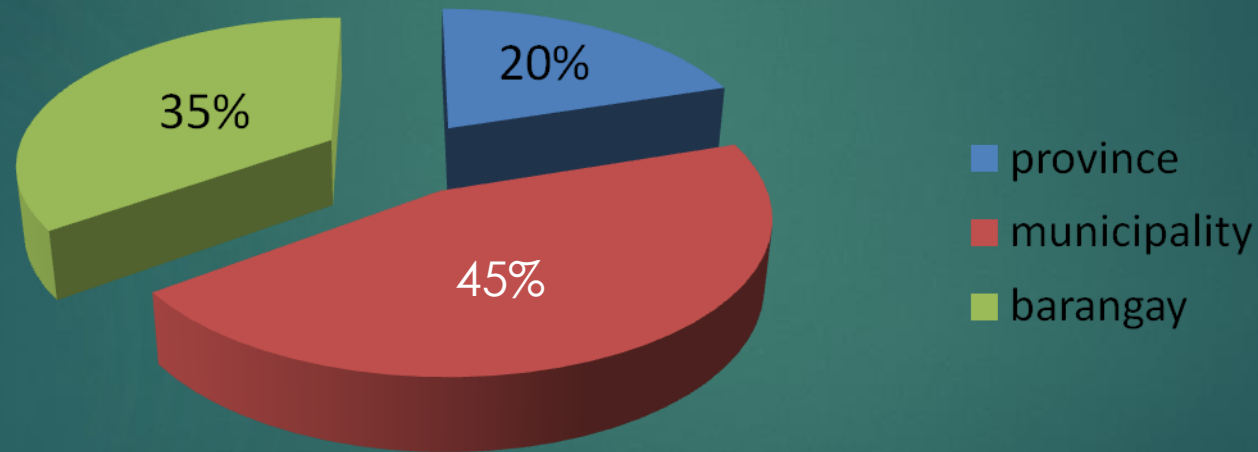
# COMMERCIAL OPERATIONS

DAO 2010-21



# Excise Tax

Distribution of LGUs' share from the 40% of all excise tax paid to the government



Mining Operators	Mine Rehabilitation Fund for Life EPEP	
	RCF	MTF
Apo Land & Quarry/ Apo Cement Corp	4,433,454	337,653
Carmen Copper Corp	5,066,252	152,835
JLR Construction & Aggregates	259,694	150,756
Philippine Mining Service Corp – Alcoy Mine	7,519,189.40	178,197.03
Dolomite Mining Corp	4,020,000	150,000
Philippine Mining Service Corp – Bohol Plant	5,353,020.36	163,155.47
Bohol Limestone Corp	5,353,020.36	163,155.47
Quarry Ventures Phil Inc	503,947	312,090
Taiheiyo Cement Phil Inc	1,808,000.29	116,645.65
Solid Earth Devt. Corp	2,338,711.78	150,020

# Post Mine Closure

DAO 2010-21

## Chapter XVIII, Sec. 187-B – FMR/D FUND

A Final Mine Rehabilitation and Decommissioning Fund (FMRDF) shall be established by each operating Contractor/Permit Holder to ensure that the full cost of the approved FMR/DP is accrued before the end of the operating life of the mine. The **FMRDF shall be deposited as a trust fund** in a Government depository bank and shall be used solely for the implementation of the approved FMR/DP.

# REGIONAL PROFILE

PROVINCE	LAND AREA (Ha.)	AREA COVERED BY MINING PERMITS (Ha.)
BOHOL	411,726	755.22 (18 %)
CEBU	508, 839	28,582 (5.62 %)
SIQUIJOR	31, 350	392.80 (1.25%)
NEGROS OR. (NIR)	540,270	5,219 (0.97)
TOTAL	1,492,185	34,949.02 <b>(2.3 %)</b>

# Mineral Resources

Province	Metallic	Non-Metallic
<b>Bohol</b>	Gold, Silver, Manganese, Chromite, Nickel, Copper	Guano, Phosphate rock, Limestone, Clay, Silica Sand, Sand and Gravel
<b>Cebu</b>	Gold, Silver, Iron, Ferrous Alloy, Copper	Limestone, Gypsum, Clay, Bentonite/ Bentonitic Clay, Silica, Feldspar, Sand and Gravel
<b>Siquijor</b>	Manganese	Guano, Phosphate rock, Limestone



# OPERATING MINES

PROVINCE	NON-METALLIC	METALLIC
BOHOL	2	
CEBU	9	1
SIQUIJOR	1*	
NEGROS OR. (NIR)	1	

## BOHOL

Philippine Mining Service Corp. – Bohol Plant  
Bohol Limestone Corp.

## CEBU

Carmen Copper Corp.  
Apo Land & Quarry Corp.  
Apo Cement Corp.  
JLR Construction & Aggregates, Inc.  
Philippine Mining Service Corp. – Alcoy Mine  
Dolomite Mining Corp.  
Quarry Ventures Philippines  
Taiheiyo Cement Philippines  
Solid Earth Development Corp.

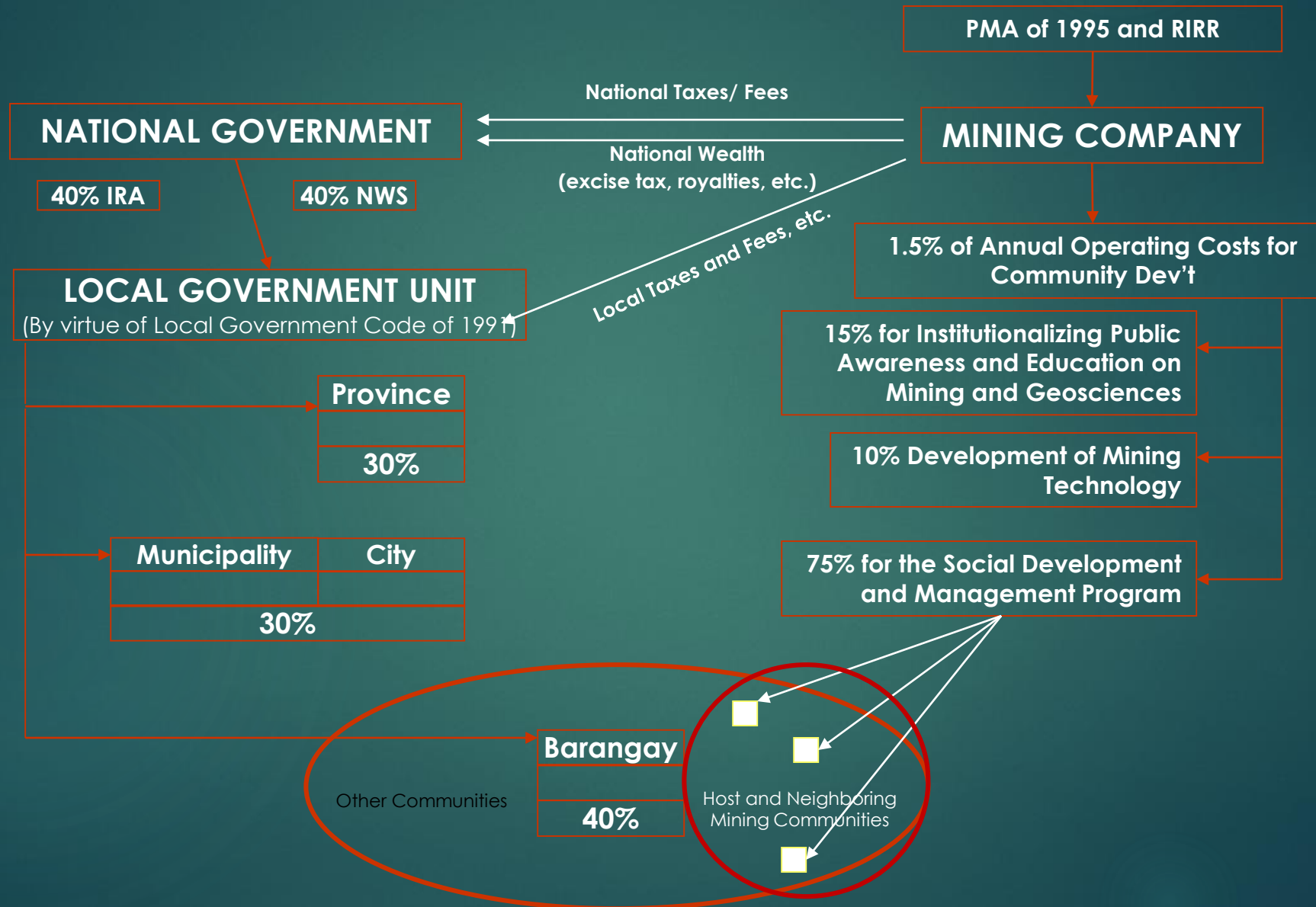
## NEGROS OR.

Heirs of Arturo Zayco

## SIQUIJOR

Lazi Bay Resources Dev't, Inc.\*

# Community Benefits of Mining



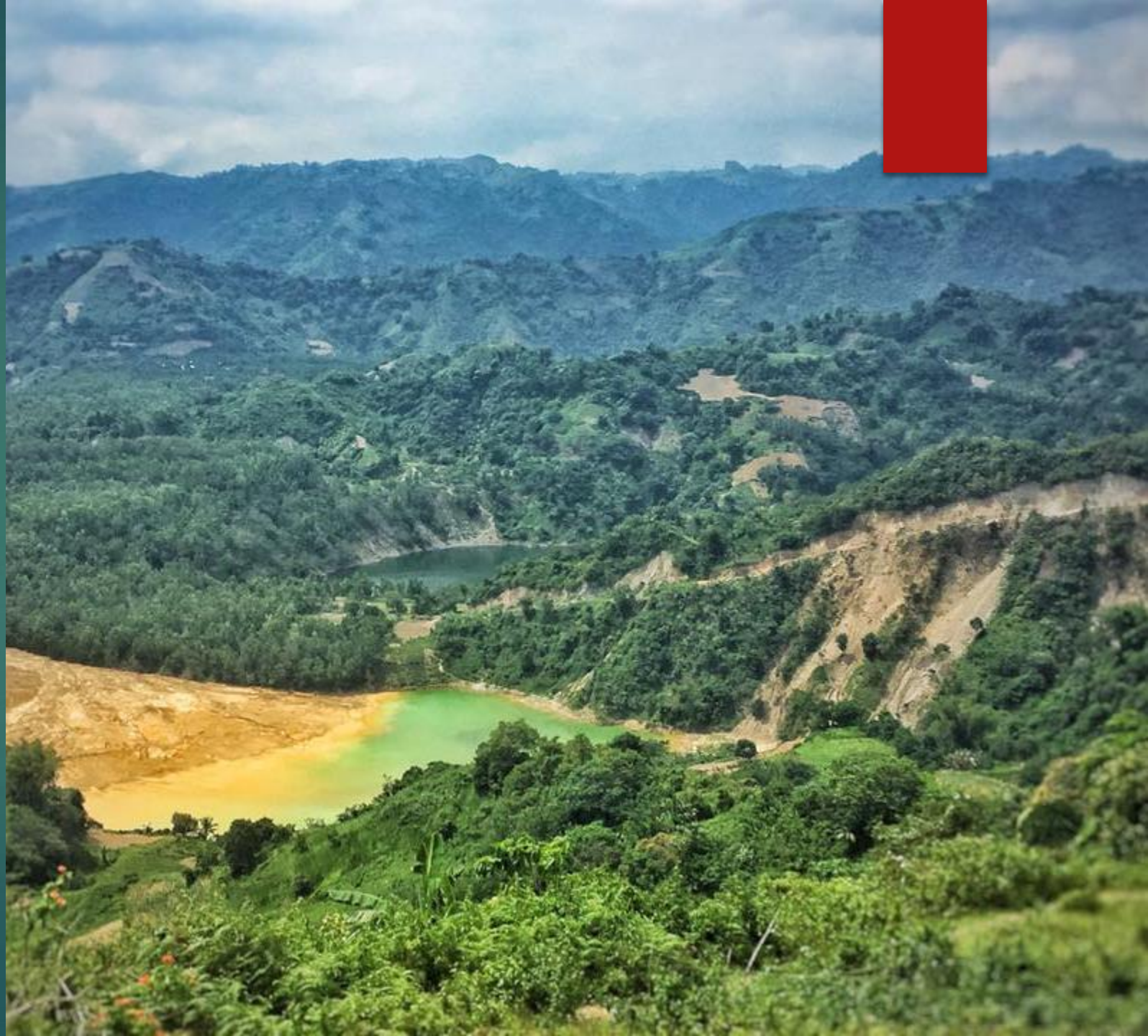


2017 Annual Social  
Development  
Management  
Project (SDMP)  
FUND

**Php**  
**235,225,939.33**

# 2017 Annual Environmental Protection and Enhancement Program

**Php  
704,016,858.86**



# Annual Report on Taxes, Fees, and Royalties Paid and Withheld by Mining Contractors/ Operators

- ▶ Taxes and Fees Paid
  - ▶ Income tax
  - ▶ Excise Tax on Minerals
  - ▶ Customs Duties/ Fees
  - ▶ Value Added Tax
  - ▶ Capital Gains Tax
  - ▶ Documentary Stamp Tax
  - ▶ Other National Taxes and Fees

# Annual Report on Taxes, Fees, and Royalties Paid and Withheld by Mining Contractors/ Operators

- ▶ Local Taxes and Fees
  - ▶ Local Business Tax
  - ▶ Real Property Tax
  - ▶ Occupation Fees
  - ▶ Community Tax
  - ▶ Registration Fees
  - ▶ Permit Fees
  - ▶ Wharfage Fees
  - ▶ Sand and Gravel Tax
  - ▶ Extraction Fees
  - ▶ Other local taxes and fees

# Annual Report on Taxes, Fees, and Royalties Paid and Withheld by Mining Contractors/ Operators

- ▶ Withheld Taxes
  - ▶ Withheld Tax on Payroll
  - ▶ Withheld tax on Dividends
  - ▶ Withheld tax on Profit Remittance to Mother Company
  - ▶ Withheld tax on Interest Income
  - ▶ Withheld tax on Interest Payments
  - ▶ Withheld tax on Royalty for Transfer of Technology
  - ▶ Other withheld taxes

# INTEGRATED ANNUAL REPORT OF METALLIC MINERALS, NON-METALLIC MINERALS AND QUARRY RESOURCES

- ▶ Operating Expenses and Other Charges
- ▶ Taxes Paid
- ▶ Fixed Assets and Capital Expenditures
- ▶ Summary of Outstanding loans
- ▶ Summary of Incentives Availed of
- ▶ Mine Information
- ▶ Total Production
- ▶ Total Export/ Local Sale
- ▶ Production Cost: Cost of used materials and supplies
- ▶ Production Cost: Cost of fuels and utilities
- ▶ Cost of utilities
- ▶ Production cost: cost of labor
- ▶ Operating Expenses and other charges
- ▶ Fixed assets and capital expenditures
- ▶ Summary of Contracted and sub-contracted entities
- ▶ Report on Problems Encountered
- ▶ Exploration Projects
- ▶ Expansion Plans/ New Projects within or outside the mine site



# Mining Regulation Services

- ▶ Operationalized six P/CMRBs
- ▶ Operationalized 18 MMTs





# Thank you very much.

MARIAN CHRISTIE Z. CODILLA

MGB-7

INFORMATION OFFICER

Website : [r7.mgb.gov.ph](http://r7.mgb.gov.ph)  
Facebook : [@mgb7cebu](https://www.facebook.com/mgb7cebu)  
Twitter : [@MinesGeo7](https://twitter.com/MinesGeo7)  
Tel No. : 344-3047, 343-8557