

¹ Philippines' black market is China's golden connection. August 22, 2012. Business World. <http://www.bworldonline.com/2012/08/22/philippines-black-market-is-chinas-golden-connection/>

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
Third Regular Session

HOUSE BILL NO. 6572

Introduced by **Hon. ANGELO B. PALMONES**

AN ACT AMENDING REPUBLIC ACT NO. 7942 OTHERWISE KNOWN AS “AN ACT INSTITUTING A NEW SYSTEM OF MINERAL RESOURCES EXPLORATION, DEVELOPMENT, UTILIZATION, AND CONSERVATION” AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress Assembled:

Section 1. *Use of fines and penalties* – Section 5 of Republic Act No. 7942 shall be amended as follows:

Section 5. *Mineral Reservations.* When the national interest so requires, such as when there is a need to preserve strategic raw materials for industries critical to national development, or certain minerals for scientific, cultural or ecological value, the President may establish mineral reservations upon the recommendation of the Director through the Secretary. Mining operations in existing mineral reservations and such other reservations as may thereafter be established, shall be undertaken by the Department or through a contractor: Provided, That a small scale mining agreement for a maximum aggregate area of twenty-five percent (25%) of such mineral reservation, subject to valid existing mining quarrying rights as provided under Section 112 Chapter XX hereof. All submerged lands within the contiguous zone and in the exclusive economic zone of the Philippines are hereby declared to be mineral reservations.

A ten per centum (10%) share of all royalties and revenues to be derived by the government from the development and utilization of the mineral resources within mineral reservations as provided under this Act shall accrue to the Mines and Geosciences Bureau to be allotted for special projects and other administrative expenses related to the exploration and development of other mineral reservations mentioned in Section 6 hereof.

A TEN PER CENTUM (10%) SHARE OF ALL FINES AND PENALTIES IMPOSED FOR ANY VIOLATION ON ERRING MINING OPERATORS SHALL ACCRUE TO THE GENERAL FUND OF THE INTEGRATED PROTECTED AREAS FUND (IPAF) FOR THE IMPLEMENTATION OF PROTECTED AREAS MANAGEMENT PLANS.

Section 2. *Local processing of minerals* – Henceforth, export of unprocessed mineral ores is hereby prohibited and all mineral ores shall undergo local primary processing before they are allowed to be exported. Consequently, a mandatory requirement in the application for a mining permit for companies planning to export processed ores is a processing plant.

Section 3. *Fines and penalties* – Any person who is found to be guilty of exporting unprocessed mineral ore is liable to a fine of One Hundred Thousand Pesos (P100,000) or an imprisonment of not longer than 2 years or both as the Court may deem fit for the offense. In case the guilty party is a juridical person the officers and members of the board of the company are liable to a fine of not less than Five Hundred Thousand Pesos (P500,000) each or imprisonment of not less than 4 years or both as the Court deem fit.

Section 4. *Implementing rules and regulations*- The Department of Agriculture shall prepare and issue the implementing rules and regulations of this Act within 90 days from the approval of this Act.

Section 5. *Separability Clause*. If any of the provision of this Act is held or declared to be unconstitutional or invalid by a competent court, the other provisions hereof shall continue to be in force.

Section 6. *Repealing Clause*. All laws, decrees, orders, rules and regulations or portions thereof, inconsistent with this Act are hereby repealed or modified accordingly.

Section 7. This Act shall take effect 15 days after its complete publication in two newspapers of general circulation.

Approved