

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

NINETEENTH CONGRESS
3rd Regular Session

House Bill No. **11427**



Introduced by Representative ERIC GO YAP

EXPLANATORY NOTE

Gifted with abundant commercial and marketable metallic and non-metallic minerals, the Philippines has the beaming opportunity to source its widespread economic growth through the mining sector alone. The mining industry, comprising of large-scale and small-scale sectors, contributed around 0.8 percent to the Philippines' gross domestic product in 2018, according to the Mines and Geoscience Bureau (MGB).

The Philippine Institute for Development Studies (PIDS), in its *Policy Note No. 2020-07 (August 2020)*, stated that small-scale mining is responsible for around 70 percent of the total mining outputs in the country albeit remaining informal and due to lack of government monitoring and regulation and persistence of black markets. Despite the enactment of Republic Act No. 7076 or the *Small-scale Mining Act* which mandates the designation of small-scale mining areas or *Minahang Bayan* which are areas where small-scale miners can operate legally, enabling the government to better monitor and regulate their extractive activities while helping promote the safety of these workers, protect the environment, and generate revenues for government, the informalities in the practice of small-scale mining remain prevalent.

Such prevalence, according to the Philippine Institute for Development Studies (PIDS) Policy Note No. 2020-06 (April 2020) widely stems from the inherent difficulty to comply with the conditions set forth by RA 7076 intertwined with the confusion and social concerns that penetrate small-scale mining communities. Concerns on the decreasing number of *Minahang Bayan* despite numerous applications for its declaration also becomes pertinent to the increasing illegalities and informalities in the sector.

In this regard, after the multiple actions of the DENR to revise the Small-Scale Mining Act's Implementing Rules and Regulations to recognize the rights small-scale miners and ensure environmental protection through its Department Orders, this Bill seeks to streamline the process and impose the proposed application time period of the stakeholders in the registration of small-scale miners as well as the DENR's declaration of *Minahang Bayan*, subject to the preexisting conditions that are faced by

the small-scale miners. The Bill aims to mitigate the confusion among stakeholders and at the same time ease the requirements and processes set forth in the small-scale miners' registration and *Minahang Bayan* declaration, in order to increase the *Minahang Bayan* areas so that majority of mining areas are now equipped with the operations of small-scale mining monitoring of the government in pursuit of its thrust to better protect the environment and ramp up the mining sector.

In view of the foregoing, approval of this bill is earnestly sought.



HON. ERIC GO YAP

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AN ACT
STREAMLINING THE REGISTRATION AND LICENSING OF MINAHANG
BAYAN AND ENSURING ENVIRONMENTAL PROTECTION AND
RESPONSIBLE MINING IN THE UTILIZATION OF MINERAL RESOURCES,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7076, OTHERWISE
KNOWN AS "AN ACT CREATING A PEOPLE'S SMALL-SCALE MINING
PROGRAM, AND FOR OTHER PURPOSES"

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

SECTION 1. A new Section 4 is hereby provided, to read as follows:

"SECTION 4. SCOPE OF MINAHANG BAYAN. NO SMALL-SCALE MINING SHALL BE UNDERTAKEN OUTSIDE A MINAHANG BAYAN AND THAT NO ENTITY SHALL ENGAGE IN SMALL-SCALE MINING WITHOUT A SMALL-SCALE MINING CONTRACT. LIKEWISE, NO PERSON SHALL WORK OR BE HIRED TO WORK IN SMALL-SCALE MINING AND OTHER SIMILAR OPERATIONS UNLESS REGISTERED WITH THE BOARD."

SECTION 2. Section 8 is hereby amended and renumbered, to read as follows:

"SEC. 9. REGISTRATION AND LICENSING OF LOCAL FILIPINO MINERS. - ALL PERSONS UNDERTAKING OR INTENDING TO UNDERTAKE ARTISANAL, SMALL-SCALE, AND LARGE-SCALE MINING OPERATIONS WITHIN A DECLARED MINING AREA SHALL APPLY FOR AND LICENSE WITH THE BOARD ACCORDING TO THE MINING SECTOR OF THEIR MEMBERSHIP, AS THE CASE MAY BE, SUBJECT TO PAYMENT OF THE CORRESPONDING LICENSE APPLICATION FEE AND THE FOLLOWING REQUIREMENTS:

- A. FILIPINO CITIZEN;**
- B. LEGAL AGE;**

- C. WITH ANY GOVERNMENT ISSUED ID;
 - D. BARANGAY CLEARANCE AS PROOF OF RESIDENCY;
- AND
- E. CERTIFICATE OF ATTENDED SKILLS AND SAFETY TRAININGS CONDUCTED BY MGB RO CONCERNED.

A LICENSE SHALL BE ISSUED TO THE APPLICANT FREE OF CHARGE UPON COMPLETION OF THE MANDATORY 8-HOUR OCCUPATIONAL SAFETY AND HEALTH ORIENTATION AND BASIC TRAINING ON ENVIRONMENTALLY SUSTAINABLE MINING PRACTICES. SUCH LICENSE SHALL BE VALID FOR AT LEAST THREE (3) YEARS, UNLESS SOONER REVOKED FOR VIOLATION OF MINING RULES AND REGULATIONS, AND RENEWABLE FOR THE SAME PERIOD AFTER COMPLETION OF THE ORIENTATION OF TRAINING REQUIREMENTS.”

SEC. 5. A new Section 10 is hereby provided to read as follows:

SEC. 10. PROCEDURE IN THE DECLARATION OF MINAHANG BAYAN. THE FOLLOWING PROCEDURE SHALL BE OBSERVED IN THE DECLARATION OF A MINAHANG BAYAN:

- A. THE PETITIONER SHALL FILE WITH THE BOARD A PETITION FOR DECLARATION OF AN AREA AS *MINAHANG BAYAN*, SPECIFYING THEREIN THE COVERAGE OF THE PROPOSED AREA DESCRIBED IN GEOGRAPHIC COORDINATES OF AT LEAST FOUR (4) CORNERS OF THE PROPOSED AREA(S) FOLLOWING THE MERIDIONAL BLOCK SYSTEM UNDER SECTION 11 HEREOF.

WITHIN FIVE (5) DAYS UPON RECEIPT OF THE PETITION, THE BOARD SHALL FORWARD THE SAME TO THE FOLLOWING:

1. REGIONAL OFFICE CONCERNED – SHALL CHECK IN ITS CONTROL MAP THE STATUS OF THE PROPOSED AREA VIS-À-VIS THE PRIOR AND EXISTING MINING RIGHTS AND APPLICATIONS, AS WELL AS AREAS CLOSED TO MINING APPLICATIONS PURSUANT TO THE EXISTING LAWS, RULES, AND REGULATIONS;
2. NATIONAL COMMISSION ON INDIGENOUS PEOPLES (NCIP) – THE BOARD TO OBTAIN THE LIST OF ICCS/IPS LEGITIMATE LEADERS TO BE NOTIFIED ABOUT THE PETITION AND SHALL CONDUCT A CONSULTATION WITH THE ICCS/IPS CONCERNED;
3. OTHER DENR SECTORS CONCERNED – FOR AREA STATUS/CLEARANCE;

4. PROVINCE/CITY GOVERNMENT CONCERNED – AREA STATUS/CLEARANCE (LOCAL ISSUANCES RE: CLOSED TO MINING, ZONING, AGRICULTURE/TOURISM, AMONG OTHERS); AND
 5. ALL SANGGUNIAN CONCERNED FOR THE PURPOSE OF THE PERTINENT PROVISIONS OF SECTIONS 26 AND 27 OF RA NO. 7160. AT LEAST THE MAJORITY OF THE SANGGUNIAN CONCERNED SHALL ENDORSE THE DECLARATION OF THE PROPOSED MINAHANG BAYAN. IN CASE OF AN OPPOSITION OF A SANGGUNIAN CONCERNED, SAID OPPOSITION SHALL BE FILED WITHIN FIFTEEN (15) DAYS FROM RECEIPT OF THE NOTICE, WITH THE BOARD FOR RESOLUTION;
 6. RESULT OF THE AREA STATUS/CLEARANCE FROM THE DENR SECTORS AND PROVINCE/CITY GOVERNMENT CONCERNED SHALL BE SUBMITTED TO THE BOARD WITHIN FIFTEEN (15) DAYS FROM RECEIPT OF THE PERTINENT PETITION. A COPY OF THE SUBMITTED AREA STATUS/CLEARANCE SHALL BE FURNISHED TO THE REGIONAL OFFICE CONCERNED BY THE BOARD.
- B. IN CASE THE AREA IS FOUND TO BE OPEN FOR DECLARATION AS MINAHANG BAYAN, THE REGIONAL OFFICE CONCERNED SHALL EVALUATE WITHIN TWENTY (20) DAYS WHETHER THE SAID AREA IS TECHNICALLY AND ECONOMICALLY VIABLE FOR SMALL-SCALE MINING, TAKING INTO CONSIDERATION, AMONG OTHERS, THE NECESSARY ALLOCATION FOR A MINERAL PROCESSING ZONE, IF MINERAL PROCESSING SHALL BE CONDUCTED, AND LIMITATIONS UNDER SECTION 8 HEREOF. REPRESENTATIVE OF AFFECTED ICCS/IPS SHALL BE INVOLVED IN THE DETERMINATION OF THE AREA STATUS AND EVALUATION ASSESSMENT CONDUCTED BY THE REGIONAL OFFICE.
- WITHIN FIFTEEN (15) WORKING DAYS FROM THE CONDUCT OF THE AREA STATUS AND EVALUATION ASSESSMENT, THE REGIONAL OFFICE CONCERNED SHALL SUBMIT THE RESULT OF ITS EVALUATION TO THE BOARD, FOR CONSIDERATION. A COPY OF THE EVALUATION RESULT SHALL BE PROVIDED TO THE SECRETARY THRU THE DIRECTOR.
- C. IN CASE THE PROPOSED AREA IS SITUATED INSIDE AREAS CLOSED TO MINING APPLICATIONS, THE BOARD SHALL RETURN THE PETITION.

- D. IN CASE THE PROPOSED AREA IS IN CONFLICT WITH EXISTING MINING PERMIT(S)/CONTRACT(S) OR MINING APPLICATION(S) FALLING WITHIN THE CATEGORIES ENUMERATED IN PARAGRAPHS (B) AND (C) OF SECTION 7 HEREOF, THE BOARD SHALL FORMALLY NOTIFY THE HOLDER(S) OF MINING PERMIT(S)/CONTRACT(S) OR MINING APPLICANT(S) CONCERNED OF THE PROPOSED MINAHANG BAYAN, COPY FURNISHED THE PETITIONER.
- E. IN CASE THE PROPOSED AREA COVERS PRIVATE LAND(S) AS CITED IN PARAGRAPH (D) OF SECTION 7 HEREOF, THE BOARD SHALL FORMALLY NOTIFY THE LANDOWNER(S) OR LAWFUL POSSESSOR(S) CONCERNED OF THE PROPOSED MINAHANG BAYAN, COPY FURNISHED THE PETITIONER.
- F. UPON RECEIPT OF THE EVALUATION DONE BY THE MGB RO, THE BOARD SHALL PREPARE AND CAUSE THE POSTING OF THE NOTICE OF THE PROPOSED *MINAHANG BAYAN* ON THE BULLETIN BOARDS OF THE REGIONAL OFFICE CONCERNED AND OFFICES OF THE PROVINCIAL GOVERNOR AND MUNICIPAL/CITY MAYOR CONCERNED, FOR SEVEN (7) DAYS, COPY FURNISHED THE BARANGAY(S) CONCERNED. WHERE NECESSARY, THE NOTICE SHALL BE IN A LANGUAGE GENERALLY UNDERSTOOD IN THE LOCALITY CONCERNED WHERE IT IS POSTED. THE BOARD SHALL ALSO CAUSE THE PUBLICATION OF THE SAME NOTICE ONCE IN A NEWSPAPER OF LOCAL OR NATIONAL CIRCULATION. THE PETITIONER SHALL SHOULD THE COST OF PUBLICATION.
- G. WITHIN FIVE (5) DAYS FROM THE LAST DATE OF POSTING AND PUBLICATION, THE AUTHORIZED OFFICER(S) OF THE OFFICE(S) CONCERNED AND THE PUBLISHER OF THE NEWSPAPER CONCERNED SHALL ISSUE A CERTIFICATION(S) THAT THE POSTING AND PUBLICATION REQUIREMENTS HAVE BEEN COMPLIED WITH. ANY ADVERSE CLAIM, PROTEST OR OPPOSITION SHALL BE FILED DIRECTLY, WITHIN TEN (10) DAYS FROM THE DATE OF PUBLICATION OR FROM THE LAST DATE OF POSTING, WITH THE BOARD FOR RESOLUTION.
- H. THE BOARD SHALL ACT ON ALL ADVERSE CLAIM, PROTEST OR OPPOSITION WITHIN FIFTEEN (15) DAYS AFTER IT IS SUBMITTED FOR RESOLUTION. THE DECISION OF THE BOARD MAY BE APPEALED TO THE SECRETARY WITHIN FIFTEEN (15) DAYS FROM RECEIPT OF THE DECISION OF THE BOARD.
- I. WHERE NO ADVERSE CLAIM, PROTEST OR OPPOSITION IS FILED WITHIN THE TEN (10)-DAY PRESCRIBED PERIOD, OR UPON FINAL RESOLUTION OF THE ADVERSE CLAIM, PROTEST

OR OPPOSITION IN FAVOR OF THE PETITIONER, THE BOARD SHALL FORWARD, WITHIN THREE (3) WORKING DAYS UPON RECEIPT OF ALL THE CERTIFICATES OF COMPLIANCE WITH THE PUBLICATION AND POSTING REQUIREMENTS, ALL THE PERTINENT DOCUMENTS FOR THE DECLARATION OF THE PROPOSED MINAHANG BAYAN TO THE SECRETARY THRU THE DIRECTOR, FOR REVIEW. THE DIRECTOR SHALL REVIEW THE SUBMITTED PERTINENT DOCUMENTS WITHIN FIFTEEN (15) WORKING DAYS UPON RECEIPT.

- J. IF THE ABOVE REQUIREMENTS ARE FULLY COMPLIED WITH, THE SECRETARY SHALL CLEAR THE DECLARATION OF THE PROPOSED MINAHANG BAYAN.
- K. THE BOARD SHALL DECLARE THE AREA AS *MINAHANG BAYAN* THRU A RESOLUTION WITHIN FIFTEEN (15) WORKING DAYS FROM RECEIPT OF THE CLEARANCE FROM THE SECRETARY
- L. THE BOARD SHALL CAUSE THE POSTING OF THE NOTICE OF DECLARATION OF THE MINAHANG BAYAN ON THE BULLETIN BOARDS OF THE REGIONAL OFFICE CONCERNED AND OFFICES OF THE PROVINCIAL GOVERNOR, MUNICIPAL/CITY MAYOR CONCERNED, AND THE BARANGAY(S) CONCERNED. WHERE NECESSARY, THE NOTICE OF DECLARATION SHALL BE IN A LANGUAGE GENERALLY UNDERSTOOD IN THE LOCALITY CONCERNED WHERE IT IS POSTED.
- M. THE BOARD MAY ACCEPT APPLICATIONS FOR SMALL-SCALE MINING CONTRACTS AFTER THE POSTING OF THE DECLARATION: PROVIDED, THAT FOR MINAHANG BAYAN WITHIN AREAS SUBJECT OF SECTION 7(E) HEREOF, ONLY APPLICATIONS BY SMALL-SCALE MINERS WHOSE MEMBERS ARE PART OF THE ICC THEREIN SHALL BE ACCEPTED WITHIN THE FIRST THIRTY (30) DAYS: PROVIDED, FURTHER, THAT FOR MINAHANG BAYAN OUTSIDE AREAS SUBJECT OF SECTION 7(E) HEREOF, ONLY APPLICATIONS BY SMALL-SCALE MINERS RESIDING IN THE PROVINCE OR CITY WHERE THE MINAHANG BAYAN IS LOCATED SHALL BE ACCEPTED WITHIN THE FIRST THIRTY (30) DAYS.

SEC. 5. A new Section 10 is hereby provided to read as follows:

SECTION 10. *APPLICATION TO ENTER INTO A SMALL-SCALE MINING CONTRACT.* LICENSED SMALL-SCALE MINERS WITH THE CAPACITY TO CONTRACT, SUBJECT TO THE CONDITIONS UNDER SECTION 9

HEREOF, SHALL FILE WITH THE BOARD A SMALL-SCALE MINING CONTRACT APPLICATION WITHIN AN AREA SITUATED IN A MINAHANG BAYAN TOGETHER WITH THE FOLLOWING MANDATORY REQUIREMENTS IN FIVE (5) COPIES:

- A. DULY ACCOMPLISHED APPLICATION FORM (FORM NO. SSM-01);**
- B. APPLICATION FEE OF PHP10,000.00 PAYABLE TO THE PROVINCIAL/CITY GOVERNMENT CONCERNED, WITHOUT PREJUDICE TO OTHER FEES AND CHARGES THAT MAY BE IMPOSED BY THE LOCAL GOVERNMENT CONCERNED BY WAY OF AN ORDINANCE;**
- C. FOR INDIVIDUAL – CERTIFIED PHOTOCOPY OF DTI REGISTRATION;**
- D. FOR ASSOCIATION OR COOPERATIVE – PHOTOCOPY OF ARTICLES OF ASSOCIATION/ COOPERATION, BY-LAWS, AND CERTIFICATE OF REGISTRATION, DULY CERTIFIED BY THE SECURITIES AND EXCHANGE COMMISSION (SEC) OR AUTHORIZED GOVERNMENT AGENCY(IES) CONCERNED, OR CERTIFICATION FROM THE BUREAU/REGIONAL OFFICE CONCERNED THAT SAID DOCUMENTS ARE DULY REGISTERED IN THAT OFFICE;**
- E. SKETCH PLAN AT A CONVENIENT SCALE WITH LOCATION MAP OF THE PROPOSED SMALL-SCALE MINING CONTRACT AREA SHOWING ITS GEOGRAPHIC COORDINATES/MERIDIONAL BLOCK(S) AND BOUNDARIES IN RELATION TO THE MINAHANG BAYAN, MAJOR ENVIRONMENTAL FEATURES AND OTHER PROJECTS USING A NATIONAL MAPPING AND RESOURCES INFORMATION AUTHORITY (NAMRIA) TOPOGRAPHIC MAP IN A SCALE OF 1:10,000 DULY PREPARED, SIGNED AND SEALED BY A DEPUTIZED GEODETIC ENGINEER; AND**
- F. PROPOSED TWO (2)-YEAR WORK PROGRAM (FORM NO. SSM-02).**

THE AUTHORIZED CAPITALIZATION FOR AN APPLICATION FOR SSMC SHALL BE TEN MILLION PESOS (PHP 10,000,000.00) WITH MINIMUM PAID UP CAPITAL OF SIX HUNDRED TWENTY-FIVE THOUSAND PESOS (PHP625,000.00).

WITHIN THREE (3) WORKING DAYS UPON RECEIPT OF THE APPLICATION, THE BOARD SHALL CHECK THROUGH THE

MINAHANG BAYAN CONTROL MAP IF THE AREA IS FREE FROM CONFLICT AND INFORM THE APPLICANT ABOUT THE STATUS OF THE AREA. IN CASE THE APPLIED AREA IS IN CONFLICT TOTALLY, THE BOARD SHALL RETURN THE APPLICATION. IN CASE THE APPLIED AREA IS PARTIALLY IN CONFLICT, THE BOARD SHALL RETURN THE APPLICATION FOR REVISION AND RESUBMISSION WITHIN FIFTEEN (15) WORKING DAYS: *PROVIDED*, THAT ONLY ONE (1) PEOPLE'S SMALL-SCALE MINING CONTRACT MAY BE AWARDED AT ANY ONE TIME TO A SMALL-SCALE MINING CONTRACTOR IN THE ENTIRE COUNTRY.

THE CERTIFICATE OF NON-OVERLAP FOR AREAS WITHOUT ICCS/IPS SHALL BE SECURED BY THE SMALL-SCALE MINING CONTRACT APPLICATION ACCORDANCE WITH THE EXISTING NCIP RULES AND REGULATIONS AND SHALL BE SUBMITTED TO THE BOARD SEVEN (7) DAYS FROM RECEIPT OF THE CERTIFICATE.

THE CERTIFICATION PRECONDITION SHALL BE SECURED BY THE SMALL-SCALE MINING CONTRACT APPLICANT IN ACCORDANCE WITH THE EXISTING NCIP RULES AND REGULATIONS AND SHALL BE SUBMITTED TO THE BOARD SEVEN (7) DAYS FROM RECEIPT OF THE CERTIFICATE.

IN CASE THE CERTIFICATION PRECONDITION IS NOT ISSUED WITHIN THE NCIP'S PRESCRIBED PERIODS, THE SMALL-SCALE MINING CONTRACT APPLICANT SHALL SUBMIT THE NCIP'S FIELD-BASED INVESTIGATION REPORT/VALIDATION REPORT FOR THE APPLIED AREA AND THE MEMORANDUM OF AGREEMENT WITH THE ICCS/IPS CONCERNED.

THE SMALL-SCALE MINING CONTRACT APPLICANT SHALL SECURE AN ENVIRONMENTAL COMPLIANCE CERTIFICATE (ECC), WHICH SHALL BE SUBMITTED TO THE BOARD PRIOR TO THE ISSUANCE OF THE SMALL-SCALE MINING CONTRACT.

THE POTENTIAL ENVIRONMENTAL IMPACT MANAGEMENT PLAN (PEIMP) (FORM NO. SSM-03), COMMUNITY DEVELOPMENT MANAGEMENT PLAN (CDMP) (FORM NO. SSM-04) AND ANNUAL SAFETY AND HEALTH PROGRAM (ASHP) (FORM NO. SSM-05) SHALL BE SUBMITTED TO THE BOARD, FOR APPROVAL WITHIN FIFTEEN (15) WORKING DAYS FROM RECEIPT.

SEC. 7. Section 9 of R.A. 7076 is hereby, renumbered, amended, and integrated, to read as follows:

[Section 9. Award of People's Small-scale Mining Contracts. - A people's small-scale mining contract may be awarded by the Board to small-scale miners

who have voluntarily organized and have duly registered with the appropriate government agency as an individual miner or cooperative; Provided, that only one (1) people's small-scale mining contract may be awarded at any one time to a small-scale mining operations within one (1) year from the date of award: provided, further, that priority shall be given or city where the small-scale mining area is located.

Applications for a contract shall be subject to a reasonable fee to be paid to the Department of Environment and Natural Resources regional office having jurisdiction over the area.]

SECTION 11. AWARD OF PEOPLE'S SMALL-SCALE MINING CONTRACT. WITHIN FIFTEEN (15) WORKING DAYS UPON RECEIPT OF ALL THE PERTINENT REQUIREMENTS, THE BOARD SHALL AWARD THE SMALL-SCALE MINING CONTRACT. A COPY OF THE SMALL-SCALE MINING CONTRACT, TOGETHER WITH ITS SUPPORTING DOCUMENTS, SHALL BE FORWARDED TO THE DIRECTOR FOR INFORMATION AND RECORD WITHIN THREE (3) WORKING DAYS AFTER THE REGISTRATION OF THE CONTRACT WITH THE BOARD: PROVIDED, THAT THE SMALL-SCALE MINING CONTRACTOR SHALL START MINING OPERATIONS WITHIN ONE (1) YEAR FROM THE DATE OF AWARD.

SEC. 8. Section 13 of R.A. 7076 is hereby, renumbered, amended, and integrated, to read as follows:

[Section 13. *Terms and Conditions of the Contract.* - A contract shall have a term of two (2) years, renewable subject to verification by the Board for like periods as long as the contractor complies with the provisions set forth in this Act, and confers upon the contractor the right to mine within the contract area: provided, that the holder of a small-scale mining contract shall have the following duties and obligations:

- (a) Undertake mining activities only in accordance with a mining plan duly approved by the Board;
- (b) Abide by the Mines and Geosciences Bureau and the small-scale Mining Safety Rules and Regulations;
- (c) Comply with his obligations to the holder of an existing mining right;
- (d) Pay all taxes, royalties or government production share as are now or may hereafter be provided by law;
- (e) Comply with pertinent rules and regulations on environmental protection and conservation, particularly those on tree-cutting mineral-processing and pollution control;

(f) File under oath at the end of each month a detailed production and financial report to the Board; and

(g) Assume responsibility for the safety of persons working in the mines.]

SECTION 14. *TERMS AND CONDITIONS OF SMALL-SCALE MINING CONTRACT.* THE FOLLOWING TERMS AND CONDITIONS SHALL BE INCORPORATED IN THE SMALL-SCALE MINING CONTRACT:

A. THE SMALL-SCALE MINING CONTRACT SHALL HAVE A TERM OF TWO (2) YEARS, RENEWABLE FOR LIKE PERIODS: PROVIDED, (I) THAT THE SMALL-SCALE MINING CONTRACTOR HAS COMPLIED WITH THE TERMS AND CONDITIONS OF THE SMALL-SCALE MINING CONTRACT AND THE PROVISIONS OF RA NO. 7076 AS VERIFIED BY THE BOARD; (II) THAT THE APPLICATION FOR RENEWAL SHALL BE FILED NOT LATER THAN SIXTY (60) DAYS PRIOR TO THE EXPIRY OF THE SMALL-SCALE MINING CONTRACT; (III) THAT THE APPLICATION FOR RENEWAL SHALL BE ACCOMPANIED BY THE FOLLOWING:

- 1. DULY ACCOMPLISHED APPLICATION FORM (REFER TO FORM NO. SSM-01);**
- 2. PROOF OF PAYMENT OF APPLICATION FEE OF PHP10,000.00, PAYABLE TO THE PROVINCIAL/CITY GOVERNMENT CONCERNED;**
- 3. CERTIFICATION FROM THE BOARD AS TO THE COMPLIANCE WITH THE TERMS AND CONDITIONS OF THE SMALL-SCALE MINING CONTRACT, WHICH SHALL BE ISSUED NOT EARLIER THAN SIXTY (60) DAYS PRIOR TO THE EXPIRATION OF THE SMALL-SCALE MINING CONTRACT;**
- 4. PROPOSED TWO (2)-YEAR WORK PROGRAM COVERING THE RENEWAL PERIOD; AND**
- 5. THE POTENTIAL ENVIRONMENTAL IMPACT MANAGEMENT PLAN (PEIMP), COMMUNITY DEVELOPMENT MANAGEMENT PLAN (CDMP) AND ANNUAL SAFETY AND HEALTH PROGRAM (ASHP) SHALL BE APPROVED BY THE BOARD WITHIN FIFTEEN (15) DAYS FROM RECEIPT;**

- B. THE SMALL-SCALE MINING CONTRACT CONFERS UPON THE SMALL-SCALE MINING CONTRACTOR THE RIGHT TO EXTRACT AND DISPOSE OF THE AUTHORIZED MINERALS WITHIN THE SMALL-SCALE MINING CONTRACT AREA: PROVIDED, THAT THE EXTRACTED ORE SHALL NOT EXCEED FIFTY THOUSAND (50,000) METRIC TONS ANNUALLY;**
- C. UPDATED GENERAL INFORMATION SHEET OR GIS;**
- D. THE SMALL-SCALE MINING CONTRACTOR SHALL:**
- 1. BEFORE THE CONDUCT OF MINING OPERATIONS:**
 - I. ESTABLISH SURVEY MONUMENT OF THE AREA;**
 - II. HAVE AN APPROVED PEIMP, CDMP AND ASHP;**
 - 2. CONDUCT SMALL-SCALE MINING IN ACCORDANCE WITH THE TWO (2)-YEAR WORK PROGRAM, PEIMP, ASHP AND CDMP, DULY APPROVED BY THE BOARD, AND THE ECC;**
 - 3. ANY APPLICANT FOR SSMC WHO IS NOT THE PETITIONER SHALL REIMBURSE THE LATTER THE COST OF THE EXPENSES FOR THE DECLARATION OF THE MINAHANG BAYAN PROPORTIONATE TO THE APPLIED CONTRACT AREA;**
 - 4. NOT UNDERTAKE HYDRAULICKING OR COMPRESSOR MINING AT ANY STAGE OF SMALL-SCALE MINING WITHIN THE SMALL-SCALE MINING CONTRACT AREA;**
 - 5. NOT USE MERCURY IN ANY PHASE OF SMALL-SCALE MINING;**
 - 6. CONFINE SMALL-SCALE MINING TO ITS SMALL-SCALE MINING CONTRACT AREA;**
 - 7. ABIDE BY THE APPROPRIATE AND UP-TO-DATE SMALL-SCALE MINE SAFETY RULES AND REGULATIONS;**
 - 8. COMPLY WITH ITS OBLIGATIONS TO THE HOLDER OF A MINING PERMIT/CONTRACT, IF APPLICABLE;**
 - 9. SELL ITS PRODUCTION OUTPUTS TO THE BANGKO SENTRAL NG PILIPINAS (BSP) OR THRU ITS ACCREDITED TRADERS FOR EVENTUAL SALE TO THE BSP, IN THE CASE OF GOLD PRODUCTION;**

10. PAY ALL TAXES, ROYALTIES AND/OR GOVERNMENT PRODUCTION SHARE AS PROVIDED BY LAW AT THE TIME THE SMALL-SCALE MINING CONTRACT IS AWARDED UNLESS EXEMPTED;
11. COMPLY WITH PERTINENT RULES AND REGULATIONS ON ENVIRONMENTAL PROTECTION AND CONSERVATION, PARTICULARLY THOSE ON TREE-CUTTING, MINERAL PROCESSING AND POLLUTION CONTROL;
12. SUBMIT UNDER OATH AT THE END OF EACH QUARTER A DETAILED PRODUCTION REPORT AND ANNUAL FINANCIAL REPORT TO THE BOARD; AND
13. ASSUME RESPONSIBILITY FOR THE SAFETY OF PERSONS WORKING IN THE MINES AND COMPLIANCE WITH RA NO. 9231, AN ACT PROVIDING FOR THE ELIMINATION OF THE WORST FORMS OF CHILD LABOR AND AFFORDING STRONGER PROTECTION FOR THE WORKING CHILD, AMENDING FOR THIS PURPOSE REPUBLIC ACT NO. 7610, AS AMENDED, OTHERWISE KNOWN AS THE "SPECIAL PROTECTION OF CHILDREN AGAINST CHILD ABUSE, EXPLOITATION AND DISCRIMINATION ACT".

SEC. 22. A new Section 23 is hereby provided, to read as follows:

SEC. 23. CANCELLATION OF SMALL-SCALE MINING CONTRACTS/MPL. A SMALL-SCALE MINING CONTRACT/MINERAL PROCESSOR'S LICENSE MAY BE CANCELLED, AFTER DUE PROCESS, ON THE FOLLOWING GROUNDS:

- A. GROSS VIOLATION OF THE TERMS AND CONDITIONS OF THE SMALL-SCALE MINING CONTRACT/MINERAL PROCESSOR'S LICENSE;
- B. FAILURE TO OPERATE WITHIN ONE (1) YEAR AFTER THE APPROVAL OF THE SSMC/MPL;
- C. NON-PAYMENT OF FEES, TAXES, ROYALTIES, AND/OR GOVERNMENT PRODUCTION SHARE IN ACCORDANCE WITH THIS ADMINISTRATIVE ORDER AND OTHER APPLICABLE LAWS, RULES, AND REGULATIONS FOR TWO (2) CONSECUTIVE YEARS;

- D. ABANDONMENT OF THE SMALL-SCALE MINING CONTRACT AREA OR MINERAL PROCESSING PLANT FOR ONE (1) YEAR BY THE SMALL-SCALE MINER OR MINERAL PROCESSOR, RESPECTIVELY;
- E. ANY MATERIAL MISREPRESENTATION IN ANY STATEMENT MADE IN THE APPLICATION OR THOSE MADE LATER IN SUPPORT THEREOF;
- F. WHEN NATIONAL INTEREST AND PUBLIC WELFARE SO REQUIRE OR FOR ENVIRONMENTAL PROTECTION OR ECOLOGICAL REASONS;
- G. WHEN THE MINAHANG BAYAN HAS BEEN REVERTED PURSUANT TO SECTION 37 HEREOF;
- H. VIOLATION OF ANY PROVISION OF RA NO. 7076 AND THIS ADMINISTRATIVE ORDER, AND OTHER APPLICABLE LAWS, RULES, AND REGULATION; AND
- I. VIOLATION OF THE PERTINENT PROVISIONS OF DAO 99-32 ALSO KNOWN AS "POLICY GUIDELINES AND STANDARDS FOR MINE WASTES AND MILL TAILINGS MANAGEMENT" AND SECTION 29 HEREOF.

THE FOREGOING PROVISIONS NOTWITHSTANDING, THE CANCELLATION OF A SMALL-SCALE MINING CONTRACT/MINERAL PROCESSOR'S LICENSE SHALL NOT RELEASE THE SMALL-SCALE MINER/MINERAL PROCESSOR FROM ANY AND ALL OBLIGATIONS HE/SHE/IT MAY HAVE.

WHEN SMALL-SCALE MINING CONTRACTS ARE CANCELLED FOR ANY OF THE ABOVE-MENTIONED GROUNDS, EXCEPT FOR ITEMS F AND G, THE SECRETARY, THRU THE BOARD, MAY IMPOSE FINES OF AN AMOUNT NOT LESS THAN TWENTY THOUSAND PESOS (PHP20,000.00) BUT NOT MORE THAN ONE HUNDRED THOUSAND PESOS (PHP100,000.00). NON-PAYMENT OF THE FINE IMPOSED SHALL RENDER THE SMALL-SCALE MINING CONTRACTOR INELIGIBLE FOR OTHER SMALL-SCALE MINING CONTRACTS.

SEC. 23. A new Section 24 is hereby provided, to read as follows:

SECTION 24. REVERSION OF MINAHANG BAYAN. THE SECRETARY, UPON RECOMMENDATION OF THE DIRECTOR, SHALL WITHDRAW THE STATUS OF THE PEOPLE'S SMALL-SCALE MINING AREA WHEN IT CAN NO LONGER BE FEASIBLY OPERATED ON A SMALL-SCALE MINING BASIS OR WHEN THE

SAFETY, HEALTH AND ENVIRONMENTAL CONDITIONS WARRANT THAT THE SAME SHALL REVERT TO THE STATE FOR PROPER DISPOSITION.

WHEN THE GOVERNMENT, THRU THE BOARD, DETERMINES THAT A *MINAHANG BAYAN* CAN NO LONGER BE LEGALLY OR FEASIBLY OPERATED ON A SMALL-SCALE BASIS, THE SECRETARY, THRU THE DIRECTOR, SHALL PROVIDE WRITTEN NOTICE TO ALL SMALL-SCALE MINING CONTRACTORS WITHIN THE AREA.

SEC. 24. A new Section 25 is hereby provided, to read as follows:

SEC 25. *ASSISTANCE TO SMALL-SCALE MINERS.* THE DEPARTMENT, IN COORDINATION WITH THE BOARD AND OTHER GOVERNMENT AGENCIES CONCERNED, MAY EXTEND ANY OF THE FOLLOWING ASSISTANCE TO SMALL-SCALE MINERS:

- A. ORGANIZATION OF SMALL-SCALE MINERS INTO COOPERATIVES OR ASSOCIATIONS;
- B. TECHNICAL AND FINANCIAL ASSISTANCE AND SOCIAL SERVICES;
- C. PROCESSING AND MARKETING ASSISTANCE; AND
- D. GENERATION OF ANCILLARY LIVELIHOOD ACTIVITIES

SEC. 25. A new Section 26 is hereby provided, to read as follows:

SEC 26. *PENAL SANCTIONS.* VIOLATION ON THE PART OF THE MINING OPERATOR AND ITS OFFICERS OF ANY OF THE PROVISIONS OF THIS ACT, AFTER CONVICTION, SHALL BE PENALIZED WITH IMPRISONMENT OF NOT LESS THAN SIX (6) YEARS, AND SHALL INCLUDE THE CONFISCATION AND SEIZURE BY THE BOARD OF THE EQUIPMENT, TOOLS AND CONVEYANCE USED IN THE COMMISSION OF THE OFFENSE.

FAILURE ON THE PART OF THE BOARD OR ITS OFFICERS OR PERSONNEL TO COMPLY WITH THE MANDATED REGLEMENTARY PERIOD FOR PROCESSING OF ANY APPLICATION SUBMITTED HEREIN PROVIDED SHALL HOLD THE OFFICER OR PERSONNEL ADMINISTRATIVELY LIABLE WITH A PENALTY OF SUSPENSION OR FINE, OR BOTH, WHICH SHALL BE SUBJECT TO THE COURT'S DISCRETION, WITHOUT PREJUDICE TO ANY OTHER LEGAL RECOURSE OF THE AGGRIEVED PARTY UNDER OTHER RELEVANT APPLICABLE LAWS, RULES, REGULATIONS.

SEC. 26. A new Section 27 is hereby provided, to read as follows:

SECTION 27. ACTUAL OCCUPATION BY SMALL-SCALE MINERS. ALL DECLARED MINAHANG BAYAN SHALL BE RECOGNIZED UNLESS REVERTED. ALL VALID AND EXISTING SSMC/MPL SHALL BE RECOGNIZED UNTIL THEIR EXPIRATION. RENEWAL OF SSMC AND MPL SHALL BE GOVERNED BY THE PROVISIONS OF RA NO. 7076 AND THIS ADMINISTRATIVE ORDER.

EXISTING SMALL-SCALE PROCESSING MILLS/PLANTS NOT SITUATED IN THE DESIGNATED MPZ SHALL BE RELOCATED WITHIN ONE YEAR UPON THE EFFECTIVITY OF THIS ORDER, UNLESS SUCH LOCATION OF EXISTING SMALL-SCALE PROCESSING MILLS/PLANTS IS DESIGNATED AS MPZ. OTHERWISE, THE BOARD MAY CANCEL, REVOKE OR SUSPEND THE MPL.

SEC. 27. *Implementing Rules and Regulations.* - The DENR Secretary shall, in consultation with the DILG, DOLE, DTI and small-scale mining stakeholders, promulgate the rules and regulations to effectively implement the provisions within ninety (90) days from the effectivity of this Act. Priority shall be given to such rules and regulations of the small-scale miners.

SEC. 28. *Repealing Clause.* - All laws, decrees, issuances, rules, and regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 29. *Separability Clause.* - If any of the sections or provisions of this Act is held invalid, all other provisions not affected thereby shall remain valid.

SEC. 30. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a national newspaper of general circulation.

Approved,