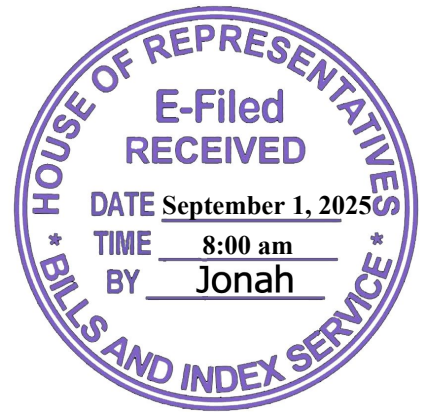




Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

TWENTIETH CONGRESS
First Regular Session



House Bill No. 4200

Introduced by CIBAC Party-List Representative
EDUARDO “BRO. EDDIE” C. VILLANUEVA

EXPLANATORY NOTE

The Philippines is richly endowed with mineral resources,¹ ranking among the world’s leading holders of nickel, copper, and cobalt reserves—minerals that are vital to the global shift toward clean energy. Yet most of these resources continue to be exported in raw form, limiting their benefits to local industries, workers, and communities. This measure seeks to change that trajectory.

The bill promotes greater long-term value from the country’s finite mineral wealth by discouraging raw ore exports and encouraging domestic processing. It introduces a phased approach: beginning in 2026, an export tax on unprocessed ore will be imposed and increased every two years, culminating in a full export ban by 2033. This transition period provides the mining industry time to recalibrate business strategies, invest in processing facilities, and align with the nation’s broader industrial development agenda.

To ensure that revenues are reinvested into national growth, the measure establishes the Mining Downstream Industry Development Fund. This fund will finance domestic processing initiatives, strengthen the capacity of host local government units, and support priorities under the Philippine Development Plan. A Downstream Mining Coordinating Council—composed of government agencies and stakeholders—will oversee the strategy, anchored on a fifteen-year roadmap for developing downstream mining industries.

The bill also directs higher education and technical-vocational programs to align with the manpower needs of mineral processing and related fields, in coordination with TESDA and CHED. This guarantees that Filipino workers are trained and ready to take on higher-value roles in metallurgy, industrial operations, and mineral-based manufacturing.

¹ Mines and Geosciences Bureau. Minerals Industry at A Glance. Published on 30 June 2024. Available at https://mgb.gov.ph/images/Mineral_Statistics/MINERALS-INDUSTRY-AT-A-GLANCE-Updated-30-June2024.pdf (Accessed on 20 June 2025).

Comparable reforms abroad show the promise of this path. Indonesia's 2014 ban on unprocessed nickel exports spurred investment in local smelting and refining², created jobs, and positioned the country as a major player in the global battery and electric vehicle supply chain. The Philippines must pursue a similar strategy—not only to stay competitive, but to ensure its mineral resources serve national development.

This measure represents a decisive step toward a mining policy centered on value creation, industrialization, and shared prosperity, rather than mere resource extraction.

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


EDUARDO "BRO. EDDIE" C. VILLANUEVA

² ASEAN Briefing. Indonesia's Ban on Raw Mineral Exports Takes Effect Published on 15 January 2014. Available at <https://www.aseanbriefing.com/news/indonesias-ban-raw-mineral-exports-takes-effect/> (Accessed on 22 June 2025).



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HOUSE BILL NO. 4200

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AN ACT
PROVIDING FOR THE STRATEGIC EXPLORATION, DEVELOPMENT,
UTILIZATION, AND CONSERVATION OF MINERAL RESOURCES FOR THE
BENEFIT OF LOCAL INDUSTRIES AND COMMUNITIES, AND FOR OTHER
PURPOSES

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

1 **SECTION 1. Short Title.** – This Act shall be known as the “*Responsible at*
2 *Maka-Pilipinong Pagmimina Act.*”
3

4 **SEC. 2. Declaration of Principles.** - All natural resources are owned by Filipinos
5 represented by the State. It shall be the responsibility of the State to ensure that the
6 present and future generations benefit from these finite resources. The State must
7 then establish mechanisms to promote the rational and responsible exploration,
8 development, utilization, and conservation of the country's mineral resources. The
9 State must likewise ensure that mining activities in the country shall serve as a driver
10 for economic growth, creating jobs, and supporting local industries, and that the
11 revenues derived from mining activities are used for the benefit of the people.
12

13 **SEC. 3. Definition of Terms.** - For the purposes of this Act, the following
14 definitions shall apply:
15

- 16 a) Financial or Technical Assistance Agreement (FTAA) refers to a contract
17 involving financial or technical assistance for large-scale exploration,
18 development and utilization of mineral resources;
19 b) Gross Output refers to the actual market value of minerals or mineral products
20 from each mine or mineral land operated as a separate entity, without any
21 deduction for mining, processing, refining, transporting, handling, marketing
22 or any other expenses;
23 c) Mineral Production Sharing Agreement (MPSA) refers to an agreement
24 where the government grants to the contractor the exclusive right to conduct

- 1 mining operations within a contract area and shares in the gross output. The
2 contractor provides the financing, technology, management and personnel
3 necessary for the implementation of the agreement;
- 4 d) Minerals refer to all naturally occurring inorganic substances in solid, liquid,
5 gas or any intermediate state excluding energy materials such as coal,
6 petroleum, natural gas, radioactive materials and geothermal energy;
- 7 e) eMineral Products refer to materials derived from ores, minerals and/or rocks
8 and prepared into marketable state by mineral processing;
- 9 f) Mining Operations refer to mining activities involving exploration, feasibility
10 study, development, and utilization; and
- 11 g) Utilization refers to the extraction, mineral processing and/or disposition of
12 minerals.

13
14 **SEC. 4. Interpretation.** - Nothing in this Act shall be construed as a diminution
15 of the rights and privileges of local government units presently enjoyed under existing
16 laws such as Republic Act No. 7160. Further, nothing in this Act shall be construed as
17 a diminution of the rights enjoyed by indigenous people under Republic Act No. 8371
18 of 1997.

19
20 **SEC. 5. Scope and Application.** - This Act shall apply to new Mineral Production
21 Sharing Agreements (MPSAs) and Financial or Technical Assistance Agreements
22 (FTAAs) covering large-scale mineral mining operations that shall be entered into after
23 the effectivity of this Act.

24
25 This Act shall also cover existing MPSAs and FTAAs where such agreements
26 provide that any terms and conditions resulting from repeal or amendment of any
27 existing laws or regulation or from the enactment of a law, regulation

28
29 **SEC. 6. Export Tax on Raw Ore.** - Effective January 1, 2026, a ten percent
30 (10%) export tax on the gross value of raw ore shall be imposed: Provided, That
31 effective January 1, 2028, a twenty percent (20%) export tax on the gross value of raw
32 ore shall be imposed: Provided, further, That effective January 1, 2030, a forty percent
33 (40%) export tax on the gross value of raw ore shall be imposed: Provided, furthermore,
34 That effective January 1, 2032, a sixty percent (60%) export tax on the gross value of
35 raw shall be imposed.

36
37 **SEC. 7. Utilization of Export Tax Proceeds.** - The proceeds from the export
38 tax on raw ore shall be allocated as follows: a) 50% shall be allocated to the
39 Downstream Mining Industry Development Fund to support capital investments,
40 research and development, and technology transfer for local mineral processing and
41 value-adding; b) 25% shall be allocated to Local Government Units (LGUs) hosting
42 mining operations to support livelihood diversification, community development
43 programs, and local environmental protection programs; c) 25% shall accrue to the
44 National Treasury for sustainable development initiatives aligned with the Philippine
45 Development Plan.

46
47 **SEC. 8. Ban on Export of Raw Ore.** - The exportation of raw ore shall be
48 prohibited effective January 1, 2033.

1 **SEC. 9. Downstream Mining Industry Development Fund.** - The national
2 government shall create a Downstream Mining Industry Development Fund sourced
3 from a portion of the export tax proceeds collected, as provided under Section 7 of this
4 Act. It shall be used exclusively to finance programs and projects for the development
5 of the downstream mining industry, in strict compliance with the objectives of this Act.
6

7 The Fund shall be governed by a multi-stakeholder oversight body created under
8 Section 10 of this Act. It shall adhere to the accounting and auditing rules of the
9 Commission on Audit (COA), and shall undergo regular audit by the COA.
10

11 **SEC. 10. Strategic Downstream Mining Development Roadmap.** - Within a
12 period of six (6) months from the effectivity of this Act, a fifteen-year (15) Strategic
13 Downstream Mining Development Roadmap shall be formulated for the development
14 of downstream mining industries and the creation of jobs for strategic metallic and
15 nonmetallic minerals. It shall be aligned with the Philippine Development Plan and the
16 National Industrialization Plan. It shall be subject to review and updating every five (5)
17 years.
18

19 **SEC. 11. Downstream Mining Coordinating Council (DMCC).** - There is
20 hereby created a Downstream Mining Coordinating Council, which shall be in charge
21 of the Downstream Mining Industry Development Fund and shall prepare the Strategic
22 Downstream Mining Development Roadmap. It shall be composed of the following:
23

- 24 a) The Secretary of the Department of Environment and Natural Resources
25 (DENR), as Chairperson;
- 26 b) The Secretary of the Department of Trade and Industry (DTI) as Co-
27 Chairperson;
- 28 c) The Secretary of the Department of Science and Technology (DOST) as
29 Member;
- 30 d) The Secretary of the Department of Economy, Planning, and Development
31 (DEPDev) as Member;
- 32 e) The Secretary of the Department of Finance (DOF) as Member
- 33 f) The Secretary of the Department of the Interior and Local Government (DILG)
34 as Member;
- 35 g) Two (2) representatives from the mining industry as Members; and
- 36 h) Two (2) representatives from civil society organizations as Members.
37

38 The DMCC shall meet at least twice a year or as often as may be necessary.
39 The chairpersons and members may designate their representatives, who shall have
40 at least the rank of Assistant Secretary or its equivalent, and who must be fully
41 authorized to decide for and on behalf of the agency represented.
42

43 The Secretariat of the DMCC shall be composed of dedicated personnel from
44 DENR and DTI, which shall provide administrative, operational, and technical support
45 to the DMCC. The Council may request additional technical or administrative support
46 from its member agencies or other government offices, as may be necessary.
47 Budgetary support for the operations of the Council shall be sourced from the
48 appropriations of its member agencies, subject to existing laws and regulations.
49

1 The DMCC shall likewise engage other government agencies and
2 instrumentalities, LGUs, as well as representatives from the labor and employers'
3 organizations, local mining companies, and other civil society organizations, as may
4 be necessary, for the effective implementation of this Act.

5
6 **SEC. 12. Powers and Functions of the DMCC.** - The DMCC shall have the
7 following powers and functions:

- 8 a) Submit a work plan, within sixty (60) days from the effectivity of this Act, for
9 the formulation of the Strategic Downstream Mining Development Roadmap;
- 10 b) Identify and recommend programs and projects to support the growth of the
11 downstream mining industry;
- 12 c) Conduct and facilitate the necessary capacity and institutional building
13 programs for all concerned government agencies and instrumentalities and
14 stakeholders;
- 15 d) Request the assistance of any government agency or instrumentality,
16 including government-owned and controlled corporations and LGUs, in the
17 implementation of the downstream mining development program and road-
18 map;
- 19 e) Conduct quarterly meetings among members of the council;
- 20 f) Submit quarterly progress reports to the President on the status of the
21 implementation of the downstream mining development program and road-
22 map;
- 23 g) Adhere to the reporting requirements of the Philippine Extractive Industries
24 and Transparency Initiative; and
- 25 h) Perform such other functions and acts as may be necessary, proper or
26 incidental to the attainment of its mandates and objectives, or as may be
27 directed by the Chairpersons.

28
29 **SEC. 13. Skills and Workforce Development.** - The DMCC, in coordination
30 with the Technical Education and Skills Development Authority (TESDA) and the
31 Commission on Higher Education (CHED), shall facilitate the development of
32 technical-vocational and higher education programs to support workforce needs of the
33 downstream mining industry.

34
35 **SEC. 14. Penalties.** - Any company proven to have violated Sections 6 and 8 of
36 this Act shall be subject to a fine ranging from Five Million Pesos (P 5,000,000.00) to
37 Ten Million Pesos (P10,000,000.00) and an additional amount equivalent to five (5)
38 times the gross value of raw ore illegally exported. Furthermore, the responsible
39 officers of the erring company shall be punished by imprisonment of not less than one
40 (1) year but not more than three (3) years.

41
42 **SEC. 15. Incentives.** - Notwithstanding anything to the contrary, all tax
43 incentives granted to mineral mining and quarry contractors shall be repealed
44 immediately upon the effectivity of this Act.

45
46 **SEC. 16. Separability Clause.** – If any portion or provision of this Act is declared
47 unconstitutional, the remainder hereof or any provisions not affected thereby shall
48 remain in force and effect.

1 **SEC. 17. *Repealing Clause.*** – Any law, presidential decree or issuance,
2 executive order, letter of instruction, rule, or regulation inconsistent with the provisions
3 of this Act is hereby repealed or modified accordingly.

4 **SEC. 18. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
5 complete publication in the Official Gazette or in a newspaper of general circulation.
6

7 *Approved,*