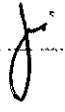


SIXTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
Second Regular Session)

'14 AUG 26 P4:03

SENATE
S.B. No. 2374

RECEIVED BY: 

Introduced by: Senator Paolo Benigno "Bam" A. Aquino IV

AN ACT
PROVIDING FOR THE MANDATORY DOMESTIC PROCESSING OF ALL MINERAL ORES,
AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 7942 OTHERWISE KNOWN AS
THE PHILIPPINE MINING ACT OF 1995 AND FOR OTHER PURPOSES

EXPLANATORY NOTE

According to the Mines and Geosciences Bureau (MGB), the Philippines is among the top five countries with the highest overall mineral reserves in the world. Given the country's vast amounts of mineral resources, the Philippine mining industry has great potential to be a major growth sector for our economy. With a proper framework for the responsible utilization and management of the country's mineral resources, mining can generate much-needed exports, foreign investments, government revenues and employment.¹

At present, the potential of the mining industry remains unrealized. The contribution of mining to the economy is low, accounting for less than 1% of GDP from 2003 to 2012. One of the reasons for this is the limited capability for mineral processing within the country. Consequently, most of the industry's products are exported in primary form, with little added value.

The proposed bill requires that all extracted minerals be processed within the country before export, thereby triggering the development of our country's mineral processing industry and enhancing the value of our mineral products. Ultimately, this measure seeks to generate more domestic income, attract more investments, and lead to more jobs and livelihood for the Filipino people.

In light of the ASEAN Economic Integration, the proposed measure therefore seeks to raise the value of our Philippine exports and expand the industry's contribution to our economic pie.


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


Senator Paolo Benigno "Bam" A. Aquino IV

¹ Senate Economic Planning Office (2013). Realizing the Philippines' Mining Potential.
[http://www.senate.gov.ph/publications/PB_2013-12 - Mining Policy Brief final revised_010614.pdf](http://www.senate.gov.ph/publications/PB_2013-12_-_Mining_Policy_Brief_final_revised_010614.pdf)

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

1 **SECTION 1.** Section 3(y) of Republic Act No. 7942 otherwise known as "The Philippine
2 Mining Act of 1995" is hereby amended to read as follows:

3 (y) Mineral processing means [the milling, beneficiation or upgrading of
4 ores or minerals and rocks or by similar means to convert the same into
5 marketable products.] **THE PROCESS OF SEPARATING COMMERCIALY**
6 **VALUABLE MINERALS FROM THEIR MINERAL ORES.**

7 **SECTION 2.** Section 53 of Republic Act No. 7942 otherwise known as "The Philippine
8 Mining Act of 1995" is hereby amended to read as follows:

9 **Section 53: Ore Transport Permit.** A permit specifying the origin **AND**
10 **DESTINATION WITHIN THE PHILIPPINES** and quantity of non-processed mineral
11 ores or minerals shall be required for their transport. Transport permits shall be
12 issued by the mines regional director who has jurisdiction over the area where
13 the ores were extracted. In the case of mineral ores or minerals being
14 transported from the small-scale mining areas to the custom mills or processing
15 plants, the Provincial Mining Regulatory Board (PMRB) concerned shall formulate
16 their own policies to govern such transport of ores produced by small-scale
17 miners. The absence of a permit shall be considered as prima facie evidence of
18 illegal mining and shall be sufficient cause for the Government to confiscate the
19 ores or minerals being transported, the tools and equipment utilized, and the
20 vehicle containing the same. Ore samples not exceeding two metric tons (2 m.t.)
21 to be used exclusively for assay or pilot test purposes shall be exempted from
22 such requirement.

23 **SECTION 3.** Section 55 of Republic Act No. 7942 otherwise known as "The Philippine
24 Mining Act of 1995" is hereby amended to read as follows:

25 **Section 55: Minerals Processing and Minerals Processing Permit.** **ANY MINERAL**
26 **ORES EXTRACTED UNDER THE PROVISIONS OF THIS ACT SHALL BE PROCESSED**
27 **WITHIN THE COUNTRY. NO PERSON GRANTED WITH PERMIT FOR PURPOSES**
28 **OF MINING OPERATION SHALL BE ALLOWED TO EXPORT, THE UNPROCESSED**
29 **MINERAL ORES TO OTHER COUNTRY FOR PUPOSES OF TRADING OF MINERAL**
30 **PRODUCTS.**

1 ANY PERSON EXPORTING THE UNPROCESSED MINERAL ORES SHALL, UPON
2 CONVICTION, BE IMPRISONED FROM SIX (6) YEARS AND ONE (1) DAY TO
3 TWELVE (12) YEARS AND PAY THE FINE AMOUNTING TO TWICE THE VALUE OF
4 THE SEIZED MINERAL ORES. IN ADDITION, THE CARGO CONTAINING THE
5 UNPROCESSED MINERAL ORES SHALL BE CONFISCATED IN FAVOR OF THE
6 STATE. IN THE CASE OF ASSOCIATIONS, PARTNERSHIPS, OR CORPORATIONS,
7 THE PRESIDENT AND EACH OF THE DIRECTORS IN CASE OF PARTNERSHIPS,
8 SHALL BE RESPONSIBLE FOR THE ACTS COMMITTED BY SUCH ASSOCIATION,
9 PARTNERSHIP, OR CORPORATION.

10 No person shall engage in the processing of minerals without first
11 securing a minerals processing permit from the Secretary. Minerals processing
12 permit shall be a period of five (5) years renewable for like periods but not to
13 exceed a total term of twenty-five (25) years. In the case of mineral ores or
14 minerals produced by the small-scale miners, the processing thereof as well as
15 the licensing of their custom mills, or processing plants shall continue to be
16 governed by the provisions of Republic Act No. 7076.

17 **SECTION 4. *Implementing Rules and Regulations.*** – For purposes of the implementation
18 of this Act, the Secretary of the Department of Environment and Natural Resources shall issue
19 such rules and regulations necessary for the effective implementation of this Act.

20 **SECTION 5. *Repealing Clause.*** – All other laws, decrees, orders, issuances and rules and
21 regulations or parts thereof inconsistent with this Act, are hereby repealed or modified
22 accordingly.

23 **SECTION 6. *Separability Clause.*** – All other provisions of Republic Act No. 7942
24 otherwise known as “The Philippine Mining Act of 1995” not otherwise affected by the
25 provisions of this Act shall remain in full force and effect.

26 **SECTION 7. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days after its
27 publication in at least two (2) national newspapers of general circulation.

28 Approved,