

[PRESIDENTIAL DECREE NO. 1714, August 21, 1980]

AMENDING PARAGRAPH (1) OF SECTION 6 OF REPUBLIC ACT NO. 1828 AS AMENDED BY REPUBLIC ACTS NOS: 2077 AND 4167 AND PRESIDENTIAL DECREE NO. 1001.

WHEREAS, the continued development of the Surigao Mineral Reservation has become more important to the national economy;

WHEREAS, the tax exemption granted to the operator under paragraph (1) of Section 6 of Republic Act No. 1828 as amended, has expired on December 31, 1979; and

WHEREAS, in view of increased costs of operation, particularly of fuel, the development of the Surigao Mineral Reservation cannot be pursued unless the tax exemptions originally granted to the operator are extended.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines by virtue of the powers vested in me by the Constitution, do hereby decree and order the amendment of Paragraph (1) of Section 6 of Republic Act No. 1828 as amended, as follows:

SECTION 1. Paragraph (1) of Section 6 of Republic act No.1828 as amended, is hereby further amended to read as follows:

(1) The operator shall be paid for services rendered and expenditures incurred beginning with the end of the first year after the effective date of the contract the sum of one peso (P1.00) per year, and the operator shall receive by way of additional compensation, an amount equivalent to a portion of the gross annual receipts, from all minerals, mineral and metal products, and by-products resulting from the operation, processing, and disposition thereof computed such that the Government shall retain not less than three and one-half per centum of the gross annual receipts, f.o.b. point of exports: *Provided*, That the operator shall, from January 1, 1980 to December 31,1981, be exempt from all taxes, duties, fees and charges, both national and local, directly payable by it for any work or activity, equipment, machinery, materials, instruments, supplies, accessories, structures, buildings, lands, improvements and/or other properties directly connected with or needed and to be used or being used exclusively in the operation, other than those *provided* in this Act and except those fees and charges that are imposed for work or services actually rendered to the operator: *Provided, however*, That the operator shall put the area or areas covered by the contract into actual production within five years from the effective date of the contract. Thereafter, penalties may be applied against the operator for failure to effect such production, and/or reach certain levels of production within specific time period, as may be agreed upon: And *Provided, further*, That exemptions from taxes shall not extend to taxes due from contractor's personnel in their personal capacities.

SECTION 2. All provisions of Republic Act No. 1828, as amended; the Memorandum of Agreement and the Operating Contract dated July 3, 1966 executed between the Republic of the Philippines and Marinduque Mining & Industrial Corporation and all other laws, decrees, executive orders., or parts thereof, inconsistent with this