

REPUBLIC OF THE PHILIPPINES

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES

DEPARTMENT OF TRADE AND INDUSTRY



SEP 1 0 2003

JOINT DENR-DTI MEMORANDUM CIRCULAR No. 2003 - OL

SUBJECT: ESTABLISHMENT OF A MINING INVESTMENT ASSISTANCE CENTER

I. Rationale

The Government has recently shifted from a policy of tolerance to promotion in support to the revitalization of the Philippine minerals industry. This policy shift aims to enhance economic growth through the generation of wealth from the abundant mineral resources of the country integrating the principles of sustainable development, namely: environmental protection, economic development and social stability. The shift also aims to attract local and foreign investments in mineral exploration and development and downstream processing, to generate fiscal revenues for government, and to promote infrastructure and community development for the reduction of poverty in the countryside.

To address the special difficulties of mining investors in transacting with government, the Department of Environment and Natural Resources (DENR) and the Department of Trade and Industry (DTI) have been directed by the President to set up a Mining Investment Assistance Center (MIAC).

II. Objective

The MIAC aims to facilitate transactions of mining investors with government by providing the following assistance:

- 1. Information relative to mining rights, investment policies, rules and procedures; fiscal regimes; business norms; and environmental and social requirements;
- 2. Coordination with and referrals to other government agencies concerned; and
- 3. Advisory services on matters pertaining to approaches and strategies in doing business in the Philippines

III. Implementing and Cooperating Agencies

This Circular shall be jointly implemented by the following agencies:

- 1. The DENR and its Bureaus and attached agencies, namely: Mines and Geosciences Bureau (MGB), Environment Management Bureau (EMB), Forest Management Bureau (FMB), Protected Areas and Wildlife Bureau (PAWB), Land Management Bureau (LMB), and the National Mapping Resources Information Authority (NAMRIA); and
- 2. The DTI and the Board of Investments (BOI).

The operations of the MIAC shall be implemented in coordination with the Department of the Interior and Local Government (DILG) and the National Commission On Indigenous

IV. Functions of the MIAC

The MIAC shall provide potential investors with the following:

- 1. Technical, geological, legal and investment information on potential mining investment opportunities in the country;
- 2. Forms and other documents required in the application of various permits, clearances, mining agreements/contracts, etc.;
- 3. Facilitation services in the access to vital information and guidance on laws and procedures in doing business in the Philippines such as investment information and advisories on the registration and availment of incentives with BOI;
- 4. Technical and legal advisory and referral services on the various requirements, systems and procedures for the application, processing, evaluation and approval of mining rights;
- 5. Environmental and social acceptability counseling; and
- 6. Addressing issues on mining activities.

The MIAC shall establish the necessary linkages with the various DENR-MGB regional "One Stop Shops", and other government agencies having specific authorities and responsibilities relative to the processing and approval of mining applications including the National Commission on Indigenous Peoples (NCIP), the Department of Interior and Local Government (DILG), and other offices of the DENR and the DTI.

V. Terms of Reference

The DENR and DTI hereby agree to cooperate in the establishment and operation of the MIAC under the following terms and conditions:

A. The DENR shall:

- 1. Consolidate, maintain and make available an updated copy of all regional mining tenements, geological, mineral potential and other necessary base and thematic maps;
- 2. Make available copies of pertinent laws, rules and regulations, and other issuances related to mining rights acquisition, mineral lands administration, environmental protection, occupational safety and health, investments, trade and taxation.
- 3. Make available to mining investors copies of pertinent forms, model contracts/agreements, work and system flows, and the like, relative to the acquisition of mining rights and permits;
- 4. Provide the appropriate technical and legal expertise to address inquiries and requests for assistance
- 5 Establish linkages and provide technical assistance, training and support to the various Regional DENR-MGB "One-Stop-Shops";
- 6. Establish institutional arrangement with its various bureaus and attached agencies and other government offices to facilitate transactions and timely approvals, including issuance of area status and clearances, Environmental Compliance Certificates (ECC), and forestry, foreshore and land use permits.
- 7. Strengthen the existing system of disseminating information on mining investment prospects and opportunities, particularly the website.

B. The DTI shall:

- 1. Provide investment information, assistance and/or advisories to clients on the following:
 - a. Qualifications and requirements for BOI registration and availment of incentives.
 - b. Preparation of BOI application documents and the acceptance of reports from BOI-registered firms.
 - c. Pertinent laws, regulations and procedures relative to local and foreign investment, doing business in the Philippines, foreign exchange remittances, investors and foreign employment visas.
- 2. Develop and implement a joint venture matching for local and foreign investors on mining investment projects.
- 3. Coordinate and network with concerned government agencies for the immediate resolution of issues and concerns raised by various sectors, such as business organizations, mining associations, non-government organizations, investors, etc.
- 4. Coordinate with other government offices in the processing and approval of permits, clearances, documentary evidences and similar instruments needed in setting up a mining business and investments.
- 5. Provide facilitation services on investor transaction with investment-related institutions/regulatory agencies such as Securities and Exchange Commission, Bangko Sentral ng Pilipinas, Department of Labor and Employment, Bureau of Immigration, Bureau of Customs, Local Government Units, etc.
- 6. Provide training support to the MIAC staff on investor servicing and counseling.

VI. Management and Operation of the MIAC

- 1. The MGB shall take the lead in the operation and management of MIAC.
- 2. MGB shall provide the office space, core and support staff, communication and other facilities to run the MIAC.
- 3. The DENR shall designate focal resource persons from its bureaus and attached agencies to the MIAC to provide advisory and facilitation services to mining investors:
- 4. BOI shall designate and make available investment experts to complement the services of the MIAC.
- 5. The MIAC shall establish communication linkages or networks with other government agencies for access to important information and databases relevant in addressing the queries of potential investors; and
- 6. MGB and BOI shall coordinate with the DILG and NCIP with regard to compliances with the requirements of the Local Government Code and the Indigenous Peoples Rights Act, and addressing the needs and concerns of the Local Government Units and the indigenous peoples, respectively.

VII. Separability Clause

If any clause, sentence or provision of this Joint Circular shall be held invalid or unconstitutional, its remaining parts shall not be affected thereby.

VIII. Repealing Clause

All orders, rules and regulations inconsistent or contrary to the provisions of this Joint Circular are hereby repealed or modified accordingly.

IX. **Effectivity**

This Joint Circular shall take effect immediately.

Secretary, Department of Environment and Secretary, Department of Trade and Natural Resources

PUBLISHED

SEPTEMBER 12,2003