

## AN ACT TO PROVIDE FOR ASSISTANCE TO THE GOLD MINING INDUSTRY

*REPUBLIC ACT NO. 3089, June 17, 1961*

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/6f315dc624fd/>

---

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

SECTION 1. Short Title.—This Act shall be known as "The Gold Mining Industry Assistance Act of 1961."

SEC. 2. Definition of terms.—When used in this Act, the" following terms shall, unless the context otherwise indicates, have the following respective meanings:

- a) "Gold Producer" means any person, corporation, partnership or association which is producing gold as principal product or as by-product, by itself or through an operating agreement, on the date of the effectivity of this Act;
- b) "Government" means the Government of the Republic of the Philippines;
- c) "Board" means the entity or office created by the President of the Philippines to carry out the provisions of this Act;
- d) "Marginal gold mine" means any mine which makes a total net profit less than what shall be determined as base profit' for that particular mine;
- e) "Over-marginal gold mine" means any mine which makes a total net profit equal to, or more than what shall be determined as 'base profit' for that particular mine;
- f) "Base profit" is that profit equal to the quotient of the total remaining capital investment divided by the anticipated remaining lifetime of the ore reserve plus ten per cent; or ten per cent of the gross receipts, which ever is lower;
- g) "Net profit" means, for purposes of this Act, the gross receipts from the sale of gold bullions minus the total cost of production as defined in this Act;
- h) "Anticipated lifetime of a mine" shall be based upon the formula of calculating the total positive ore reserves plus total reasonably probable ore reserve plus total reasonably possible ore reserve as reported by the particular mine and approved by the Board divided by the annual tonnage extracted;
- i) "Total remaining capital investment" includes investment in the mines property, plant and equipment, not yet amortized and/or depleted; j) "Mines property" includes mining claims, surface rights, shafts, main tunnels, and other capital development;
- k) "Plant and equipment" include mill, hoist house, headframe, power house, and other permanent buildings and structures together with all equipment utilized in operation;
- l) "Gross receipt" means the gross output of mines or the actual market value of bullion from each mine or mineral lands operated as a separate entity without deduction for mining, milling, refining, transportation, handling, marketing, or any other expenses;
- m) "Cost of production" of bullion from a mine means the cost incurred by the producer and properly attributable to the production of bullion and includes mining, milling, smelting, refining, production tax, marketing expenses, transportation, administrative casts, depreciation and depletion under standardized procedure to be adopted by the Board to be created to carry out the provisions of this Act, amortization of rehabilitation expenses and interest on capital loans;
- n) "Direct assistance" refers to a direct assistance toi marginal gold mines, and to over-marginal gold mines, which assistance shall exist for a period of three years from the effective date of this Act;

- o) "Newly mined gold" means any gold fresh from the mill or smelter which has never been in trade or commerce, certified as such by the gold producer and confirmed by the Board;
- p) "Free market" means domestic open market;
- q) "Assistance" is the amount given by the Government to gold producers during the effectivity of this Act;
- r) "Official price" means the equivalent in Philippine peso of the official price of thirty-five United States dollars per ounce of gold or any other official price which the Philippine Government shall subsequently fix;
- s) "Ounce" means troy ounce which is one-twelfth part of a pound of five thousand seven hundred sixty grains, or four hundred eighty grains or 31.1035 grams;
- t) "Refined gold" means gold that has been purified to the fineness acceptable to the Central Bank;
- u) "Mine with gold as principal product" refers to a mine where the receipts from whatever source from the sale of gold is more than fifty per cent of the total receipts; and
- v) "Mine with gold as by-product" refers to a mine where the receipts from whatever source from the sale of gold is fifty per cent or less of its total receipts.

SEC. 3. Direct Assistance.—To assist the Philippine gold producer to continue operations in the face of the current low gold price and in view of their increased cost of production, as well as other prevailing conditions unfavorable to the gold mining industry, there is hereby created a direct assistance.

SEC. 4. Gold producers qualified to receive assistance.—To be entitled to the assistance provided in this Act, a gold producer must sell to the Central Bank, and the Central Bank is hereby directed to purchase, its entire production of newly-mined gold, whether produced as principal product or as by-product, at the official price defined in Section two (r) hereof. The Central Bank shall issue a receipt for all gold purchased by it under this Act, which receipt shall show the number of ounces of gold purchased: Provided, That mines producing gold as by-product shall only be entitled to the assistance given to over-marginal gold mines.

SEC. 5. Manner of payment under this Act.—(a) Any marginal gold producer shall be entitled to the official price as hereinbefore defined under Section two (r) plus an assistance of sixty-five pesos per ounce from the Government for its production within the effectivity of this Act. (b) In cases of over-marginal gold mine or mines producing gold as by-product, such mines shall be entitled to the official price as hereinbefore denned under Section two (r) plus an assistance of fifty pesos per ounce from the Government within the effectivity of this Act: Provided, however, That the above provisions notwithstanding, in case of any marginal gold mine the total price, which includes the official price plus the assistance shall in no case exceed one hundred seventy pesos per ounce of gold; and in case of over-marginal gold mines, the total price, which includes the official price plus the assistance, shall in no case exceed one hundred fifty-five pesos per ounce of gold: Provided, finally, That during the term of this assistance, the gold producer enjoying the same shall give a bonus equivalent to five percent of the assistance it receives to be distributed among its employees whose salaries do not exceed five hundred pesos per month.

SEC. 6. Term.—This direct assistance shall be effective fojr a period of three years from the date of approval of this Act.

SEC. 7. Board to carry out provisions1 of this Act.—To implement the provisions of this Act, there is hereby created the Gold Mining Industry Assistance Board, hereinafter referred to as the Board, which shall be composed of the Governor of the Central Bank, as chairman, and the Director of Mines and three others, one of whom shall be a representative of labor, to be appointed by the President of the Philippines with the consent of the Commission on Appointments, as members. The board shall serve for a term of three years.

The presence of three members of the Board shall constitute a quorum for the exercise of its functions and the affirmative vote of at least three members shall be a valid and a binding act of the Board. In case the chairman is absent in any meeting, the members present shall elect a temporary chairman to preside over the meeting.

Any provision of law to the contrary notwithstanding, the chairman and members of the Board shall receive a per diem of twenty-five pesos for every meeting actually attended. The Board shall hold regular meetings once a month and in no case shall it hold more than three special meetings in one month.

The per diem of the chairman and members of the Board shall be chargeable to the Gold Assistance Trust Fund provided in Section thirteen of this Act.

SEC. 8. Submittal of quarterly reports.—Gold producers shall each submit to the Board quarterly reports containing their volume and value of gold production, cost of production as denned in this Act, and such other data and information as may be required by the Board.

SEC 9. Examination, and inspection.—The Chairman of the Board and his duly authorized representatives are hereby authorized to inspect mines property and plants, and to examine books of accounts and records of any gold producer who shall give the necessary facilities for such inspection and examination.

SEC. 10. Determination of marginal and over-marginal gold mines.—The Board shall determine what mines are marginal or over-marginal gold mines every semester of each calendar year during the effectivity of this Act.

SEC. 11. Discrimination against Filipino citizens.—No, gold producer shall be granted assistance under this Act or, if already granted such assistance, shall be granted further assistance thereunder unless it proves to the satisfaction of the Board that it does not discriminate against citizens of the Philippines in employment, promotions, compensation, grant of concession, and other matters, and for that purpose all producers shall submit to the Board periodically as may be required by the Board a sworn statement of the names, Nature of work, educational qualification, experience, compensation and allowances and other emoluments, and other pertinent data of every foreigner, as well as of every citizen of the Philippines with a college degree, employed by such producer: Provided, however, That the mere filing of a complaint for discrimination shall not prevent the Board from granting to a gold producer the assistance provided for in this Act.

SEC. 12. Rules and Regulations.—The Board shall, with the approval of the Department Head, promulgate such rules and regulations as may be deemed necessary to implement the provisions of this Act which rules shall be effective thirty days after its publication in the Official Gazette.

SEC. 13. Fund to carry out the provisions of this Act.—The Secretary of Finance and the Governor of the Central Bank shall, within thirty days from the approval of this Act and from time to time thereafter, make an estimate of the internal revenue taxes, dollar margin fee, special import tax, customs duties, compensating tax and other charges, payable by gold producers directly or indirectly (except those otherwise allocated by law for other purposes) , as well as those arising from allocations of foreign exchange equivalent in value to gold sold to the Central Bank, and such estimates shall be certified by said officials. Upon such certification, the Central Bank of the Philippines is authorized to charge the current account of the National Treasury in said Bank in an amount equivalent to such certification and the amount so charged shall be set aside in a trust fund to be known as "Gold Assistance Trust Fund," which is hereby appropriated and shall be available exclusively for the purpose of carrying out the provisions of this Act: Provided, That if the amount available in the "Gold Assistance Trust Fund" is not sufficient to provide fully for the assistance to be given to the gold mines under this Act, the Central Bank is further authorized to charge the current account of the National Treasury in such amount as may be necessary to make up for the deficiency.

SEC. 14. Duties and functions of the Board.—The Board shall have the following functions and duties:

- a) To undertake the payment of the assistance as herein provided to gold producers selling newly mined gold to

the Central Bank;

- b) To determine the gold producers that are entitled to receive assistance under the provisions of this Act;
- c) To study the problems of the gold mining industry and to work out further assistance as may be needed by the industry;
- d) To inspect mine properties and plants and to examine books and records of the gold producers; and
- e) To do such other acts as may be necessary to carry out and implement the provisions of this Act.

Orders, findings, awards, decisions, or resolutions of the Board may be appealed to the President of the Philippines, by filing a notice of appeal and a motion for reconsideration within fifteen days from notice. The motion must state the grounds on which it is based and the reasons and arguments in support of such reconsideration. A party aggrieved by the decision of the President on the matter may have recourse to the ordinary courts of justice with original jurisdiction, by filing the proper action or proceeding within thirty days from notice.

SEC. 15. Penal Provision.—All statements, representations, or reports required under this Act shall be under oath, and any person who knowingly makes any false statement, representations or report under oath, shall be liable for perjury under the provisions of the Revised Penal Code.

SEC. 16. Repealing clause.—All Acts or parts thereof which are inconsistent with any provisions of this Act are hereby repealed.

SEC. 17. This Act shall take effect upon its approval.

Approved, June 17, 1961.

**ABOUT BATAS.ORG**

# Study smarter at BATAS.org

*The Philippine bar review and law-school companion built around how your brain actually remembers.*

**The complete Philippine law library - free for everyone.**

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

**Audio case-brief lectures.**

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

**Bar review built on the science of memory.**

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

**The full law-school curriculum.**

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

**Mock exams that tell you where you stand.**

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

**A study planner that keeps you on pace.**

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

**Start free at <https://batas.org>**

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.