

AN ACT AUTHORIZING THE DEVELOPMENT, EXPLOITATION AND UTILIZATION OF THE MINERAL DEPOSITS IN THE SURIGAO RESERVATION AND, FOR THE PURPOSE, AUTHORIZING THE PRESIDENT OF THE PHILIP...

REPUBLIC ACT NO. 1828, June 22, 1957

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/b83a918ff759/>

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

SECTION 1. Recognizing the importance to the national economy of the development, exploitation and utilization of the mineral deposits in the Surigao Mineral Reservation and the processing and disposition of the minerals may be produced therefrom, it is hereby declared to be the policy of the Government to undertake such development, exploitation, utilization, processing and disposition either by itself, or jointly with private enterprise, or by engaging and utilizing the services of persons or corporation, as independent contractor or contractors sixty per centum (60%) of the capital stock of which is owned and controlled by persons qualified under the Constitution to exploit, develop and utilize the natural resources of the Philippines. In any case, the foreign exchange derived from the sale of the minerals and/or mineral products produced from the said operations shall belong to the Government except as hereinafter provided.

SEC. 2. In order to carry out the policy declared in Section 1 hereof, the President of the Philippines is hereby authorized to determine, upon previous advice and recommendation of the National Economic Council whether the development, exploitation and utilization of the said mineral deposit and the processing and disposition of the minerals that may be produced therefrom:

- shall be undertaken by the government itself, in which case he is authorized to contract loans and/or float bonds in such amounts as he may deem necessary, and adequate to carry out effectively the undertakings contemplated in this Act, but not exceeding Two Hundred million pesos, after consultation with the Monetary Board of the Central Bank and upon recommendation of the National Economic Council; or
- shall be undertaken by the government jointly with private enterprise, in which case he is also authorized to contract loans and/or float bonds in the amount and in the manner stipulated in the preceding subparagraph (1) : Provided, however, That the government shall, at, any one time, have no less than fifty-one per centum(51 %) control of the capital stock of such enterprise; or
- shall have the operation undertaken as hereinabove provided through an independent contractor or contractors who are qualified pursuant to Section 1 hereof for the operation or any part or phase thereof.

Unless there are clear advantages in favor of the third mode, either of the first two modes shall be preferred: Provided, That in any case, the President may create designate an office or agency which shall implement the policy herein declared.

Should the President of the Philippines decide to have the operation undertaken through an independent contractor or contractors, as hereinabove provided, he is authorized to, or such office or agency so created or

designated by the President may, engage and utilize the services of persons or corporations, as independent contractor or contractors, by calling for bids to undertake or perform for the government any phase or phases of all the operations authorized in this Act covering any particular area or areas within the Surigao Mineral Reservation and the processing of the minerals produced therefrom, negotiating and entering for such purpose into a contract or contracts of service with any party or parties, domestic or foreign, fully qualified as to organizations, finances, resources, experience and technical competence, and which may offer such terms and conditions as determined by the President of the Philippines to be most advantageous to the Government.

For the purpose of this Act, a contract of service shall mean an operating contract in which the Operator is an independent contractor of service, entitled as such to compensation for services rendered: Provided, That any contractor or contractors of service, shall not, by virtue of the contract, acquire any title or interest in the area or areas affected, nor, except as hereinafter provided in Section five hereof, in any of the minerals from the Surigao Mineral Reservation produced or processed by it. The Operator shall furnish all materials, labor, equipment, plants and other installations that may be acquired for carrying on the operations herein authorized, or necessary or incident to those herein authorized, and all such operations, processes, work or acts shall be carried out Operator's own cost and expenses, without prejudice the Government and Operator agreeing on other terms regarding materials, equipment, plants and other installation.

SEC. 3. The President may grant to such office or agency, or to the contractor mentioned in the preceding section the following rights and privileges:

- Necessary rights over an area or areas for investigation within the Surigao Mineral Reservation;
- Exemption from laws and regulations relating to: (a) importation of machinery, equipment, accessories, spare parts, and/or supplies and materials necessary for or in connection with said operation or processing of minerals; (b) exportation of such machinery and equipment which were imported solely for construction and installation purposes in connection with the aforesaid operation and processing, and which are no longer needed in the operation;
- Exportation of mineral products produced by the operations: Provided, That all domestic requirements for the same shall have first been satisfied;
- Importation of highly technical and specialized personnel and executive staff, who may exercise without examination or certification their profession solely for this undertaking subject to such regulations as may be prescribed by the office or agency to be created and designated, and who may receive not more than fifty per centum (50%) of their annual compensation in foreign exchange: And, provided, That if the alien technicians lose their employment, the applicable laws and regulations on immigrants shall apply to such alien technicians and their immediate families; and
- Gratuitous use of timber and water for: mining processing purposes from the Surigao Mineral Reservation.

SEC. 4. Nothing in this Act provided shall authorize the President of the Philippines:

- To grant to the Operator a contract term exceeding twenty-years, renewable for an equal period, upon compliance by the Operator with the provisions of this Act and the terms and conditions of the contract;
- To exempt the Operator from the provision of laws of general application such as those relating to labor, health, safety and the general welfare;
- To exempt the Operator from such measures as the Government may adopt in case and during a period of war or declared national emergency.

SEC. 5. The following provisions shall guide the relationship between the Government and the private enterprise holding the minority capital stock and/or its approved contractor as provided for in Section three hereof:

- Any minority stockholder and/or contractor may be authorized to repatriate not more than eighty per centum (80%) of the duly authorized and recognized foreign capital investments, plus interest, within five (5) years from the first year of actual commercial production, and to remit to non-resident investors abroad profits or dividends, out of current and annual profits or dividends: Provided, That the total repatriation of foreign investments herein authorized plus the total remission of profits or dividends for any year shall not exceed fifty per centum (50%) of the percentage contribution to the total capital investment: And provided, further, That the repatriation of the remaining duly authorized and recognized foreign capital investment shall be subject to the existing Central Bank Regulations at the time: And provided, finally, That repatriation and remissions as herein provided may, at any time during the terms of the contract, be done under the provisions of this paragraph or under such regulations as may from time to time be promulgated by the Central Bank on the matter, at the election of the minority stockholder or operator;
- The final area or areas in compact block or shall be selected sufficient to meet his reasonable needs of the operation as to ore reserves, plant sites, timber and water resources, to assure commercial operations, but in no case to exceed a total land area of twenty-five thousand hectares;
- The rights and obligations of the government and the minority stockholders shall be governed by the shares held by each;
- Philippine citizens shall be given preference in all types of employment within the country insofar as such citizens are qualified to perform the corresponding work with reasonable efficiency and without hazard to the safety of the operations; and effective programs of training and advancement commensurate with the demonstrated abilities of such citizens to perform satisfactorily the various types of work involved in. the operation shall be maintained.

SEC. 6. Should the President of the Philippines decide to have the operations or any part thereof authorized in this Act done through the services of an independent contractor or contractors, the same shall be, among others, under the following terms and conditions:

- 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 a sum not to exceed one peso (P1.00) per year as may be agreed upon between the President of the Philippines and the operator, and the latter shall receive, by way of additional compensation, an amount equivalent to a portion of the net profit or of the gross quarterly receipts from all minerals and mineral products resulting from the operation and processing computed such that the Government shall retain not less than fifty per centum (50%) of the annual net profit, or not less than five per centum (5%) of the gross quarterly receipts, f.o.b. point of export, whichever is higher: Provided, That the Operator may be exempt from all taxes, duties, fees and charges, both national and local, until recovery of seventy-five per centum (75%) of the capital invested: Provided, however, That the Operator shall put the area or areas covered by the contract into actual production within five (5) years from the effective date of the contracts, thereafter, penalties shall be applied against the Operator for failure to effect such production, and/or reach certain levels of production within specific time periods, as may be agreed: Provided, further, That as an incentive for the Operator to extract the other contained metals from the Surigao ore, such as iron, chromium, cobalt, etc. in addition to the production of nickel and/or ferro-nickel, the Operator may be entitled to not more than twenty per centum (20%) of the annual net profit realized from the production of said iron, chromium and/or cobalt, etc. for the first three (3) years of actual commercial production thereof: And provided, finally, That exemptions from taxes shall not extend to taxes due

from the contractor's personnel in their personal capacities;

- The Operator shall file a bond to guarantee full and faithful compliance with all its obligations;
- The Operator may be authorized to repatriate within five (5) years from the first year of actual commercial production, not more than eighty per centum (80%) of the duly authorized and recognized foreign capital investments, plus interest, and to remit to non-resident investors abroad profits or dividends, out of current and annual profits or dividends: Provided, That the repatriation of the remaining duly authorized and recognized foreign capital investment, shall be subject to the existing Central Bank regulations at the time: And provided, further, That repatriations and remissions as herein provided may, at any time during the terms of the contract, be done under the provisions of this paragraph or under such regulations as may from time to time be promulgated by the Centra Bank on the matter, at the election of the Operator: And provided, finally, That the total repatriation of foreign investments herein authorized plus the total remission of profits or dividends for any year shall not exceed fifty per centum (50%) of the total gross receipts for that particular year;
- Within five years from the effective date of the contract, the Operator shall select a final area or areas in compact block or blocks to be retained by him sufficient to meet his reasonable needs as to ore reserves, plant sites, timber and water resources, to assure commercial operation, but in no case to exceed a total land area of twenty-five thousand hectares.
- The Operator shall give preference to Philippine citizens in all types of employment within the country insofar as such citizens are qualified to perform the corresponding work with reasonable efficiency and without hazard to the safety of the operations; and shall maintain effective programs of training and advancement commensurate with the demonstrated abilities of such citizens to perform satisfactorily the various types of work involved in the operation. The Operator, however, shall not be hindered from using officials of its own selection and without restriction for executive or technical work and for all other work which, in its judgment, and with the approval of the office or agency to be created or designated, requires highly specialized training and/or long experience;
- The Operator and/or its personnel shall not be exempt from the jurisdiction of the Philippine courts.

SEC. 7. Negotiations with and proposals, to the Philippine Government regarding the operation of the Surigao Mineral Reservation or any portion thereof shall be open to public scrutiny and shall be given publicity consistent with the best interests of the Government.

SEC. 8. The President of the Philippines shall have the power and authority to represent the Government in such operation and to insure compliance with the terms and conditions of the operating contract or contracts: Provided, that he may delegate to such office or agency, now existing or which he may hereafter create for the purpose, such powers and authority as he may deem proper and necessary to carry out the purposes of this Act.

SEC. 9. All laws inconsistent with the provisions of this Act are hereby amended or repealed.

SEC. 10. This Act shall take effect upon its approval.

Approved, June 22, 1957.

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.