

[**PRESIDENTIAL DECREE NO. 1887, October 15, 1983**]

FURTHER AMENDING PARAGRAPH (1) OF SECTION 6 OF REPUBLIC ACT NO. 1828, AS AMENDED BY REPUBLIC ACTS NOS. 2077 AND 4167 AND PRESIDENTIAL DECREES NOS. 1001, 1714 AND 1824.

WHEREAS, the sustained development of the Surigao Mineral Reservation is of utmost importance 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, will expire on 31 December 1983; and

WHEREAS, In view of the continued depressed world prices of nickel and cobalt, the development of the Surigao Mineral Reservation is seriously endangered unless the tax incentives granted to the operator are further 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 further amendment of Paragraph (1) of section 6 of Republic Act No. 1828 as amended as follow:

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 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 until December 31, 1988, be exempt from all taxes, duties, fees and charges, both national and local, directly payable 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 exempt 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 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 capabilities.