Bringing in Revenues for Nation-Building

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

BAGONG PILIPINAS

MAY 28 2026

REVENUE MEMORANDUM CIRCULAR NO. 058 - 2026

SUBJECT : Procedures for the Filing and Payment of Quarterly Royalty under Republic Act No. 12253, Otherwise Known as the "Enhanced Fiscal Regime for Large-Scale Metallic Mining Act"

TO : All Internal Revenue Officers and Others Concerned

This Circular is hereby issued to prescribe the procedures for the filing of quarterly royalty return and payment of royalty under Section 151-A of the National Internal Revenue Code of 1997, as amended (Tax Code), as introduced under Republic Act (RA) No. 12253, otherwise known as the "Enhanced Fiscal Regime for Large-Scale Metallic Mining Act," and its Implementing Rules and Regulations pending the availability of the dedicated return for payment of royalty, in order to ensure compliance by affected taxpayers.

SECTION 1. COVERAGE. – The procedures herein shall apply to all large-scale metallic mining contractors and operators who are required to file quarterly royalty returns and pay the corresponding royalty under Section 151-A of the Tax Code, pursuant to the provisions of RA No. 12253, which provide that they shall become subject to the fiscal regime provided therein after one hundred and fifty (150) days from the effectivity of the Act, or on February 17, 2026.

SECTION 2. FILING AND PAYMENT OF QUARTERLY ROYALTY. –

a) **Filing Deadline.** Large-scale metallic mining contractors and operators subject to the payment of royalty under Section 151-A of the Tax Code shall file the corresponding return and pay the royalty within sixty (60) days after the close of each calendar or fiscal quarter, as applicable.

b) **Filing and Payment Facility.** Pending the issuance of a dedicated quarterly royalty return and the availability of the corresponding electronic filing and payment facilities, the quarterly royalty shall be filed and paid using BIR Form No. 0605, either electronically through the Electronic Filing and Payment System (eFPS) for eFPS filers or manually for non-eFPS filers, with the following specifications:

   i. Tax type: "MC"

   ii. Alphanumeric Tax Code (ATC):
   MC 344 – Operations Within Mineral Reservations
   MC 345 – Operations Outside Mineral Reservations

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iii. Manner of Payment: "Voluntary Payment"

iv. Description field: "Others (Specify)" and indicate: "type of agreement and agreement number"

Example: "MPSA No. 123-2026-XIII"

The filing and payment made through BIR Form No. 0605 shall be considered as advance or initial compliance with the quarterly royalty liability for the corresponding period, without prejudice to the subsequent filing of the prescribed quarterly royalty return, once available, and shall be subject to validation, monitoring, reconciliation, and necessary adjustment upon the issuance of the prescribed revenue issuance and/or forms governing the filing thereof.

c) **Separate Filing per Agreement under Ring-Fencing Requirement**. Where a large-scale metallic mining contractor or operator holds two (2) or more mineral agreements, financial or technical assistance agreements (FTAAs), and/or operating agreements, the quarterly royalty return for each agreement shall be filed and paid separately. Each agreement shall be treated as a distinct ring-fenced project for purposes of determining, reporting, and accounting for the corresponding quarterly royalty liability, consistent with Section 151-C of the Tax Code.

d) **Computation of Quarterly Royalty.** The quarterly royalty due for each ring-fenced project shall be computed in accordance with Section 151-A of the Tax Code, taking into account:

i. the gross output base, and allowable deductions and applicable royalty rate which shall differ depending on whether the mining operations are conducted within or outside mineral reservations; and

ii. such other rules and requirements as may be prescribed in the implementing Revenue Regulations to be issued pursuant to RA No. 12253.

Pending the issuance of such implementing Revenue Regulations by the Bureau of Internal Revenue (BIR), covered taxpayers shall apply the computation methodology directly prescribed under Section 151-A of the Tax Code and the Implementing Rules and Regulations dated December 18, 2025 issued by the Department of Finance.

Mining contractors and operators shall likewise maintain and preserve, and submit upon request, such schedules, computations, and supporting documents as may be necessary to substantiate the royalty paid, including but not limited to records supporting the determination of gross output base, allowable deductions, and the applicable royalty rate.

ILLUSTRATIVE EXAMPLE. – ABC Nickel Corp. has two (2) existing Mineral Production Sharing Agreements (MPSA), namely:

- MPSA No. 123-2026-XIII (Operations Within Mineral Reservations); and
- MPSA No. 456-2026-XIII (Operations Outside Mineral Reservations)

Pursuant to Section 151-C of the Tax Code, separate BIR Form No. 0605 shall be filed for each MPSA.

A. Filing and Payment for MPSA No. 123-2026-XIII (Operations Within Mineral Reservations)

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Payment Form

BIR Form No.
0605
September 2003(ENCS)

1 For the	Calendar Fiscal	3 Quarter Clear Quarter	4 Due Date (MM/DD/YYYY)	5 No. of Sheets Attached	6 ATC
2 Year Ended (MM/YYYY)	12 - December 2026	(●) 1st ( ) 2nd ( ) 3rd ( ) 4th	05 30 2026	0	MC344

7 Return Period (MM/DD/YYYY) 03 31 2026 8 Tax Type Code MC

17 Manner of Payment		18 Type of Payment
Voluntary Payment	**Per Audit/Delinquent Account**	
( ) Self-Assessment ( ) Penalties ( ) Tax Deposit/Advance Payment ( ) Income Tax Second Installment(Individual) (●) Others(Specify) MPSA 123-2026-XIII	( ) Preliminary/Final Assess/Deficiency Tax ( ) Accounts Receivable/Delinquent Account	( ) Installment No. of Installment ( ) Partial Payment (●) Full Payment

Part II Computation of Tax

19 Basic Tax/Deposit/Advance Payment	19	500,000.00
20 Add Penalties: Surcharge 20A 0.00; Interest 20B 0.00; Compromise 20C 0.00	20D	0.00
21 Total Amount Payable(Sum of Items 19 & 20D)	21	500,000.00

For Voluntary Payment	Payment of Deficiency Taxes From Audit/Investigation Delinquent Accounts
I declare, Under the penalties of perjury, that this document has been made in good faith, verified by me, and to the best of my knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof.	Pre-approved by Investigating Office Not approved by Investigating Office

B. Filing and Payment for MPSA No. 456-2026-XIII (Operations Outside Mineral Reservations)

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Kawanihan ng Rentas Internas

Payment Form

BIR Form No.
0605
September 2003(ENCS)

1 For the	Calendar / Fiscal
2 Year Ended (MM/YYYY)	12 - December 2026
3 Quarter Clear Quarter	◉1st ○2nd ○3rd ○4th
4 Due Date (MM/DD/YYYY)	05 30 2026
5 No. of Sheets Attached	0
6 ATC	MC345
7 Return Period (MM/DD/YYYY)	03 31 2026
8 Tax Type Code	MC

17 Manner of Payment / **18 Type of Payment**

Voluntary Payment	Per Audit/Delinquent Account	
○ Self-Assessment ○ Penalties ○ Tax Deposit/Advance Payment ○ Income Tax Second Installment(Individual) ◉ Others(Specify) MPSA 456-2026-XIII	○ Preliminary/Final Assess/Deficiency Tax ○ Accounts Receivable/Delinquent Account	○ Installment No. of Installment ○ Partial Payment ◉ Full Payment

Part II Computation of Tax

19 Basic Tax/Deposit/Advance Payment	19	500,000.00
20 Add Penalties: Surcharge 20A 0.00; Interest 20B 0.00; Compromise 20C 0.00	20D	0.00
21 Total Amount Payable(Sum of Items 19 & 20D)	21	500,000.00

For Voluntary Payment	Payment of Deficiency Taxes From Audit/Investigation Delinquent Accounts
I declare, Under the penalties of perjury, that this document has been made in good faith, verified by me, and to the best of my knowledge and belief, is true and correct, pursuant to the provisions of the National Internal Revenue Code, as amended, and the regulations issued under authority thereof.	Pre-approved by Investigating Office Not approved by Investigating Office

SECTION 3. BOND REQUIREMENT. – The requirement for the submission of a bond to secure the payment of the royalty, if any, shall be subject to further guidelines to be issued by the BIR in a separate revenue issuance.

SECTION 4. EFFECTIVITY. – This Circular shall take effect immediately.

All internal revenue officers and employees are hereby enjoined to give this Revenue Memorandum Circular as wide publicity as possible.

CHARLITO MARTIN R. MENDOZA
Commissioner of Internal Revenue

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