



Republic of the Philippines  
Department of Environment and Natural Resources

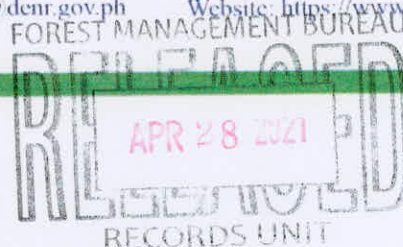
**FOREST MANAGEMENT BUREAU**

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**MEMORANDUM**

FOR : The Regional Executive Director  
DENR – MIMAROPA Region  
1515 L&S Bldg., Roxas Blvd., Ermita, Manila

FROM : The Assistant Secretary for Policy, Planning, and Foreign Assisted and  
Special Projects, and Director, in concurrent capacity

SUBJECT : **EMAIL INQUIRY FROM CENRO SABLAYAN, OCCIDENTAL  
MINDORO DATED 29 MARCH 2021 REQUESTING FOR  
GUIDELINES OR DOCUMENTS REGARDING CBFMA  
HOLDERS' EXEMPTION TO GOVERNMENT FEES AND  
TAXES**

DATE : **APR 27 2021**

This pertains to the email inquiry from CENRO Sablayan, Occidental Mindoro requesting for guidelines regarding exemptions to government fees and taxes of Community – Based Forest Management Agreement (CBFMA) holders. Herewith are the guidelines regarding the exemptions of CBFMA holder in government fees, to wit:

1. **DAO 1998-43** entitled “Exemption of Community Based Forest Management Projects from the Payment of Administrative Fees” – states that “the POs of CBFM Projects are hereby exempted from the payment of the following administrative fees: a) application fee; b) license/permit fee; c) service fee; d) rental fee; and e) others (e.g. oath fee, appeal fee and authentication fee)”;
2. **DAO 2004-16** entitled “Prescribing the Revised Schedule of Forestry Administrative Fees” – reiterated the provision of DAO 1998-43 that POs of CBFM projects are still exempted in the payment of such fees; and
3. **RA 7161** entitled “An Act Incorporating Certain Sections of the National Internal Revenue Code Of 1977, As Amended, To Presidential Decree No. 705, As Amended, Otherwise Known As “The Revised Forestry Code of the Philippines,” And Providing Amendments Thereto By Increasing the Forest Charges on Timber and Other Forest Products” – under Sec. 6 states that a new section will be added to PD 705 as Sec. 73. Effectivity and Application of Forest Charges and Determination of Market Price of Forest Products, in which under Paragraph 3 states that “*These forest charges shall be applied to naturally growing timber and forest products gathered within public forestlands, alienable and disposable lands and private lands. Forest charges collected shall be in lieu of the administrative charge on environment and other fees and charges imposed thereon: Provided, That planted trees and other forest products harvested*

*from industrial tree plantations and private lands covered by existing tiller or by approved land application are exempted from payment of forest charges.*” Hence, planted trees of the CBFMA POs that are due for harvest are exempted from paying forest charges.

FOR INFORMATION AND GUIDANCE, PLEASE.



MARCIAL C. AMARO, JR., CESO III

cc: *The Undersecretary for Field Operations and Environment  
DENR Central Office*

*CENR Office – Sablayan  
Brgy. Sto. Niño, Sablayan, Occidental Mindoro*



**DENR Administrative Order**

**No. 98 - 43**

**June 24, 1998**

**SUBJECT : Exemption of Community Based Forest Management Projects from the Payment of Administrative Fees.**

**WHEREAS**, Executive Order No. 263 dated July 19, 1995 adopted Community Based Forest Management (CBFM) as the national strategy towards the sustainable development of the country's forestland resources;

**WHEREAS**, under the CBFM Program, organized People's Organizations (POs) are given equitable access to the utilization of the forest resources while at the same time given the responsibility of managing and protecting their forest areas;

**WHEREAS**, this strategy is towards the improvement of the socio-economic conditions of the upland dwellers and the sustainable management of the forests;

**WHEREAS**, under the CBFM Program, the POs are given the privilege of utilizing the forest resources in their areas provided the sustainable utilization of the same is contained in their long term Community Resource Management Framework Plans and Annual Work Plans and provided further that they comply with all the necessary forestry rules and regulations including the payment of forest charges and administrative fees;

**WHEREAS**, the POs, being the poorest of the poor are having difficulty in the payment of forest charges and administrative fees resulting in their inability to take advantage of the opportunities provided, or resulting in unprofitable operations;

**WHEREAS**, under Section 64 of PD 705, otherwise known as the Forestry Reform Code of the Philippines, the DENR Secretary is empowered to set and prescribe the payment of administrative fees;

**WHEREAS**, the DENR is mandated under EO 263 to assist the POs in implementing the CBFM Program;

**NOW THEREFORE**, premises considered, the POs of CBFM projects are hereby exempted from the payment of following administrative fees:

- A. Application Fee
- B. License/Permit Fee
- C. Service Fee
- D. Rental Fee
- E. Others (e.g. Oath Fee, appeal fee and authentication fee)

This Order shall take effect fifteen days following its publication in a newspaper of general circulation and upon submission to the UP Law Center.

**SO ORDERED.**

**(Sgd.) VICTOR O. RAMOS**  
Secretary

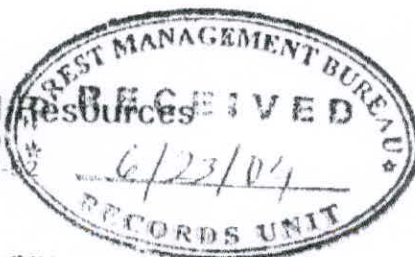
Published at:

TODAY - July 08, 1998 - page 04



Republic of the Philippines  
Department of Environment and Natural Resources

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929-66-20 • 929-66-33 to 35  
929-70-41 to 43



JUN 15 2004

DENR ADMINISTRATIVE ORDER

NO. 2004 - 16

SUBJECT: PRESCRIBING THE REVISED SCHEDULE OF FORESTRY ADMINISTRATIVE FEES

Pursuant to the provision of Section 64 of P.D. 705, and Malacañang Executive Order No. 197 dated 13 January 2000, the following revised schedule of fees pertinent to forestry leases, licenses and permits is hereby prescribed:

A. APPLICATION/REGISTRATION FEE FOR:

Per Application and Registration  
(if applicable)

1. Non-timber forest products cutting/gathering/harvesting except rattan gums and resins, beeswax, gutta-percha, almaciga resin, and bamboo P0.25/unit of product measurement but not less than P300.00/application

2. Wood/Rattan Processing/ Manufacturing Plants P600.00/application

3. Certificate of registration as poles, piles, log and lumber dealer (local dealership)

Application Fee P 600.00

Registration Fee P 480.00

Total P 1,080.00

4. Registration as agents, contractors & dealers of logs, lumber, veneer & commercial poles & piles (imported)

Application Fee P 600.00

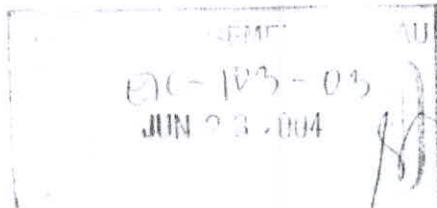
Registration Fee P 480.00

Total P 1,080.00

5. Grazing land P 10.00/ha and fraction thereof but not less than P600.00/application

6. Special Use of Forestland P500.00/application

Let's Go Green!





- |                              |   |
|------------------------------|---|
| 7. Mining Prospecting        | P1.50/ha and fraction thereof but not less than P600.00/application |
| 8. IFMA                      | P 0.60/ha and fraction thereof                                      |
| 9. Chainsaw Registration Fee | P 500.00/chainsaw registered  |

**B. ANNUAL/PERMIT FEE FOR:**

**Forest Products Processing and Utilization**

**Per Permit Issued**

- |   |          |
|---|----------|
| 1. Non-timber forest products except rattan, gums and resins, beeswax, gutta-percha, almaciga resins and bamboo | P 200.00 |
| 2. Wood Processing Plant Permit to operate regular sawmill and mini-sawmill and resawmill                       |          |

Daily Rated Capacity (DRC)

Below 24 cu m	P 900.00
=24 m <sup>3</sup> - 47 cu m	1,080.00
above 47 cu m	1,200.00

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|--|--|
| 3. Veneer/Plywood Plants and other wood-based panel plants |  |
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Daily Rated Capacity (DRC)

Below 30 cu m	P 2,200.00
= 30 - 70 cu m	3,200.00
above 70 - 110 cu m	4,300.00
above 110 - 150 cu m	6,200.00
above 150 cu m	9,000.00

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| 4. Wood Treating Plant   | P 3,600.00  |
| 5. Rattan manufacturing/processing plant   | P 60.00 for every P 10,000.00 authorized capitalization |
| 6. Mining Waste Disposal Site  | P 60.00/ha.and fraction thereof                         |
| 7. Permit Fee for the purchase, importation, manufacture, sale, re-sale, transfer and/or disposition of chainsaw | P 500.00  |

C. **PERFORMANCE BONDS** (Cash, or amount doubled if in the form of surety bond except for Timber License Agreement (TLA), Integrated Forest Management Agreement (IFMA), Grazing and Special Land Use permits and leases)

- |  |  |
|--|--|
| 1. Timber License Agreement including pulpwood   | 20% of the total forest charges based on Annual Allowable Cut (AAC) granted but not less than P12,000.00 plus reforestation. Provided, that 50% of the computed bond deposit shall be posted in <b>CASH</b> and the balance in the form of <b>surety bond</b> with a duration of five (5) years renewable every five (5) years in case of a lease or management agreement or co-terminus to a permit. Provided, further, that the face value of the surety bond shall be increased by 25%. |
| 2. Integrated Forest Management Agreement (IFMA)- for the harvesting of timber in the Natural Forest   | 20% of the total forest charges based on Annual Allowable Cut (AAC) granted but not less than P12,000.00 plus reforestation. Provided, that 50% of the computed bond deposit shall be posted in <b>CASH</b> and the balance in the form of <b>surety bond</b> with a duration of five (5) years renewable every five (5) years in case of a lease or management agreement or co-terminus to a permit. Provided, further, that the face value of the surety bond shall be increased by 25%. |
| 3. Private Land Timber Permit/License, Special Private Land Timber Permit/License, Special Permits including Private Forest Development Agreement (PFDA) - for the harvesting of naturally growing trees or timber | 20% of the total forest charges based on Allowable Cut (AC) granted but not less than P 1,200.00   |

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4. Other Forest Products License/Permits
- a. Firewood and charcoal  
(if allowed to be cut and/or process) 20% of the forest charges based on Allowable Cut (AC) granted or 2% of the market value which ever is higher. The market value will be determined by the DENR Regional Office concerned using the Regional RPMS data.
  - b. Rattan poles and splits Twice the value of the forest charges for rattan provided the amount of bond shall not be less than P12,000.00
  - c. Other non-timber forest products rattan, gums and resins, beeswax, percha, almaciga resin and bamboo 20% of the prevailing market value as determined by the DENR Regional Office concerned but not less than P1,200.00
5. Wood Processing Plants P720.00/cu m based on daily rated capacity but not less than P6,000.00
6. Rattan Manufacturing/Processing Plants P3.60 for every 1,000 linear meters but not less P6,000.00
7. Grazing land P500.00/ha and fraction thereof. Provided, that 50% of the computed bond deposit shall be posted in **CASH** and the balance in the form of **surety bond** with a duration of five (5) years renewable every five (5) years in case of a lease or management agreement or co-terminus to a permit. Provided, further, that the face value of the surety bond shall be increased by 25%.
8. Gathering and utilization of logging wastes, abandoned logs and damaged trees P120.00/cu m but not less than P10,000.00. In case the required cash bond exceeds P20,000.00, a surety bond in excess of P10,000.00 may be posted in lieu thereof.



9. Registration as Agents, Contractors and Dealers of logs, lumber, veneer and commercial poles

- Imported

P 12,000.00/application

- Local

P 1,000.00/application

10. Special Land Use Permits and Leases

Twice the annual rental or user fee, as the case maybe, but not less than P10,000.00. Provided, that 50% of the computed bond deposit shall be posted in **CASH** and the balance in the form of **surety bond** with a duration of five (5) years renewable every five (5) years in case of a lease or management agreement or co-terminus to a permit. Provided, further, that the face value of the surety bond shall be increased by 25%.

11. Mining Waste Disposal Site Permit

P200,000.00/site

**D. REVOLVING FUNDS/SERVICE DEPOSIT\***

1. Survey (delimitation of boundary) on forestlands subject of application for timber or non-timber, forest products license

P400.00/km. plus the actual available and most economical transport cost of the **survey team** from its official station to site

2. Timber Inventory except CBFM

5% Intensity

P 60.00/ha

10% Intensity

P 120.00/ha

20% Intensity

P 240.00/ha

100% Intensity

P 1,200.00/ha

Plus the actual, available and most economical transport cost of the **inventory team** from its official station to site

3. Inspection of other forest products not specifically mentioned herewith (e.g. Non-Timber Forest products)

P 0.50/unit of product but not less P 360.00

4. Identification and tallying of railroad ties P 0.25/tie but not less than P 360.00
5. Grading, identification and tallying of lumber P16.50/cu m or fraction thereof but not less than P 360.00
6. Grading, identification and scaling of logs P12.00/cu m or fraction thereof but not less than P 360.00
7. Assessment of grazing lands, (if requested by the grazing land lessee / permittee) P 360.00/ha. or fraction thereof

\* In accordance with Section 65 of PD 705, revolving fund/service deposit shall be deposited to the account of the concerned DENR Office at any authorized government banking institution and will be used only for the travelling expenses and per diems of the concerned DENR personnel who will undertake the above corresponding activity(ies).

#### E. RENTAL/GOVERNMENT SHARE/USER FEE

1. Annual rental for special Annual rental for special Forest land uses except grazing lands and energy development project

- 1 hectare or less	P 90.00
- over 1 ha – 5 ha	P 180.00
- over 5 ha	P 300.00

The above rentals are subject to change, based on the appraisal or reappraisal of the land under lease or permit and its improvements. If an appraisal or reappraisal has been made, it shall not be less than **three percentum (3%) of the appraised or reappraised value of the land and one percentum (1%) that of the improvement.** Provided, that should the term of the lease be more than ten (10) years, a reappraisal may be made every five (5) years thereafter. If the computed annual rental based on the appraisal or reappraisal is lower than the above fixed rental, the existing fixed rental shall prevail.

2. Annual Rental Fee for ITP, IFMA, Tree Farm and Rattan Plantation, except those IFMAs wherein government share is required

1 <sup>st</sup> year to 5 <sup>th</sup> year	-	Free
6 <sup>th</sup> year to 10 <sup>th</sup> year	-	P 0.60/ha and fraction thereof
Every year thereafter	-	P 1.20/ha and fraction thereof

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| 3. Annual User Fee for Grazing Lands   | P 40.00/ha and fraction thereof   |
| 4. Annual Rental fee for Special Use of Forestland for Energy Project                                    | P 3,000.00/ha and fraction thereof and to be increased cumulatively by 10% every year   |
| 5. Government Share for the Establishment of a Special Use of Forestland for Herbal/Medicinal Plantation | P 500.00/ha and fraction thereof and to be increased cumulatively by 10% every year without prejudice to adjustment in the future |

***FE* SURCHARGE**

A surcharge of 8.00 % per month shall be imposed for late payment of forest fees..

***GA* OTHERS**

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|--|-----------------------|
| 1. Special Certification Fee** (i.e. Forest product origin, Forest Product verification, transshipment Certification, etc) | P 50.00/certification |
|--|-----------------------|

**\*\* Special certifications are those issued by any DENR or Forestry Sector head of office to any of its clients for any legal purpose it may serve them. However, certification usually issued by DENR head of office to DENR personnel in relation to their official functions is exempted and not included from the above provision.**

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| 2. Oath fee  | P 36.00/application                          |
| 3. Appeal Fee  |  |
| b. Grazing   | P3,600.00/case                               |
| c. TLA's   | P6,000.00/case                               |
| d. Other land uses   | P1,800.00/case                               |
| 4. Authentication (certified true copy of documents)             | P36.00/page plus documentary stamp (at cost) |
| 5. Sale of FMB publication (e.g. Philippine Forestry Statistics) | at cost                                      |

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6. Soil Analysis and Seed Testing  
Fees/Test

a. Soil Analysis

a.1. pH	P 50.00
a.2. Texture (Particle Size Distribution)	P 50.00
a.3. Organic Matter	P 50.00
a.4. NPK	P 50.00/element

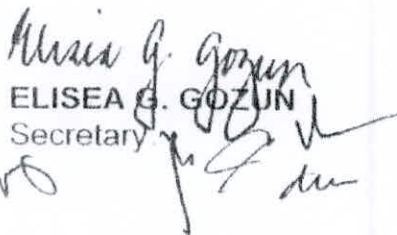
b. Seed Testing and Certification

b.1. Direct Testing	P 50.00
b.2. Biochemical Test	P 100.00

The provision of DAO 98-43 is hereby reiterated that the Community-Based Forest Management Projects are exempted from paying the following Administrative fee: (a) Application fee, (b) License/Permit fee, (c) Service fee, (d) Rental fee, and (e) Others, such as Oath fee, Appeal fee and Authentication fee.

The DENR Administrative Order No. 93-18 and all existing administrative orders, circulars and instructions inconsistent herewith are hereby repealed or amended accordingly.

This **Order** shall take effect immediately upon the acknowledgment by the National Registry Center and fifteen (15) days after its publication in two (2) newspapers of general circulation.

  
ELISEA G. GOZUN  
Secretary

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PUBLISHED: MANILA TIMES  
JUNE 18, 2004  
TODAY  
JUNE 18, 2004

**Republic Act No. 7161**

**An Act Incorporating Certain Sections of the National Internal Revenue Code of 1977, As Amended, to Presidential Decree No. 705, as Amended, Otherwise Known as "The Revised Forestry Code of the Philippines", and Providing Amendments Thereto by Increasing the Forest Charges on Timber and Other Forest Products**

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

**Section 1.** Pursuant to Executive Order No. 273, Sections 230 to 297 of the National Internal Revenue Code of 1977, as amended, are hereby incorporated into Presidential Decree No. 705, as amended, otherwise known as the "Revised Forestry Code of the Philippines" and numbered as follows:

<b>National Internal Revenue Code of 1977</b>	<b>Revised Forestry Code</b>
Section 230	Section 68
Section 231	Section 69
Section 232	Section 70
Section 233	Section 71
Section 234	Section 72
Section 235	Section 73
Section 236	Section 74
Section 237	Section 75
Section 238	Section 76
Section 297	Section 77

All references to the Bureau of Internal Revenue, Commissioner of Internal Revenue, and Ministry of Finance in Sections 230 to 238 of the National Internal Revenue Code of 1977 shall hereafter refer to the Forest Management Bureau, Director of the Forest Management Bureau, and Secretary of Environment and Natural Resources, respectively.

**Section 2.** The incorporated and renumbered Sections 68 to 76 of Presidential Decree No. 705, as amended, are hereby placed under a new subtitle of Chapter III (Utilization and Management which shall be Subtitle H.

**Section 3.** Section 70 of Presidential Decree No. 705, as amended (formerly Section 232 of the National Internal Revenue Code) is hereby amended to read as follows:

**"Section 70. Charges on Timber Cut in Forestland.** - There shall be collected charges on each cubic meter of timber cut in forestland, whether belonging to the first, second, third or fourth group, twenty-five percent (25%) of the actual FOB market price based on species and grading; **Provided, However,** That, in the case of pulpwood and matchwood cut in forestland, forest charges on each cubic meter shall be ten percent (10%) of the actual FOB market price."

**Section 4.** Section 71 of Presidential Decree No. 705, as amended, (formerly Section 233 of the National Internal Revenue Code) is hereby amended to read as follows:

**"Section 71. Charges on Firewood, Branches and Other Recoverable Wood Wastes of Timber.** - Except for all mangrove species whose cutting shall be banned, there shall be collected forest charges on each cubic meter of firewood cut in forestland, branches and other recoverable wood wastes of timber, such as timber ends, tops and stumps, when used as raw materials for the manufacture of finished products, Ten pesos (P10.00).

"Only third or fourth group wood can be taken for firewood. However, if jointly authorized by the Secretaries of both the Departments of Environment and Natural Resources, and Agriculture, first and second group woods may be removed for firewood purposes from land which is more valuable for agricultural than for forest purposes."

**Section 5.** Section 73 of Presidential Decree No. 705, as amended (formerly Section 235 of the National Internal Revenue Code), is hereby repealed.

Section 72 of Presidential Decree No. 705, as amended, (formerly Section 234 of the National Internal Revenue Code) is hereby amended to read as follows:

**"Section 72. Charges on Minor Forest Products.** - All other forest products of forestland which are not covered by the preceding sections shall be exempt from any or all forest charges, except rattan, gums and resins, beeswax, guta-percha, almaciga resin and bamboo which shall be charged at ten percent (10%) of the actual FOB market price."

**Section 6.** There shall be added a new section after Section 72 of Presidential Decree No. 705, to be known as Section 73, to read as follows:



**"Section 73. Effectivity and Application of Forest Charges and Determination of Market Price of Forest Products.** - The rates of forest charges provided for in Section 70, 71 and 72 hereof shall be effective upon approval of this Act. The new rates shall be published in the Official Gazette or in two (2) newspapers of national circulation and shall also be posted in conspicuous places in the different Department of Environment and Natural Resources field offices.

"The actual FOB market price of forest products shall be justly determined once a year by the Secretary of Environment and Natural Resources; **Provided**, That he shall cause the creation of a committee to be composed of representatives of the Department of Environment and Natural Resources, the National Economic and Development Authority, the Department of Trade and Industry, the Bureau of Internal Revenue and the wood and furniture industry and consumers sectors which shall formulate the criteria and/or guidelines in the determination of the actual FOB market price to be used as the basis for the assessment of the ad valorem tax, taking into consideration production cost (developing cost, contingencies and miscellaneous cost), species and grade of timber, government share, reforestation, tariff duties, taxes, risk involved and a reasonable margin of profit for domestic and export market prices for wood and wood products.

"These forest charges shall be applied to naturally growing timber and forest products gathered within public forestlands, alienable and disposable lands and private lands. Forest charges collected shall be in lieu of the administrative charge on environment and other fees and charges imposed thereon; **Provided**, That planted trees and other forest products harvested from industrial tree plantations and private lands covered by existing tiller or by approved land application are exempted from payment of forest charges."

**Section 7.** Section 77 of Presidential Decree No. 705, as amended, as numbered herein, is hereby repealed.

Section 68 of Presidential Decree No. 705, as amended by Executive Order No. 277 dated July 25, 1987, and Sections 68-A and 68-B of Presidential Decree No. 705, as added by Executive Order No. 277, are hereby renumbered as Sections 77, 77-A and 77-B.

Accordingly, the succeeding Section 69 to 80 of Presidential Decree No. 705, as amended, are hereby renumbered as Sections 78 to 89, respectively, and Sections 80-A, 80-B to 83 are hereby renumbered as Sections 89-A, 89-B to 92, respectively.

**Section 8.** This Act shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

**Approved,**

**JOVITO R. SALONGA**  
President of the Senate

**RAMON V. MITRA**  
Speaker of the House  
of Representatives

This Act which originated in the House of Representatives was finally passed by the House of Representatives and the Senate on August 12, 1991 and August 8, 1991, respectively.

**EDWIN P. ACOBA**  
Secretary of the Senate

**CAMILO L. SABIO**  
Secretary General  
House of Representatives

APPROVED:    October 10, 1991

**CORAZON C. AQUINO**  
President of the Philippines