



Republic of the Philippines  
Department of Environment and Natural Resources  
**FOREST MANAGEMENT BUREAU**

Visayas, Avenue, Diliman, 1100 Quezon City  
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E-mail Address: fmb@denr.gov.ph

Website: <https://www.forestry.denr.gov.ph>

**MEMORANDUM**

**FOR** : All Regional Executive Directors

**FROM** : The Director

**SUBJECT** : **REQUEST FOR COMMENTS/INPUTS ON THE PROPOSED POLICIES REGARDING THE SCHEDULE OF SUBMISSION OF REQUIRED REGULATORY DOCUMENTS AND IMPOSITION OF FINES, AND THE COMPUTATION AND COLLECTION OF GOVERNMENT SHARE**

**ATTACHMENTS** : 1. Draft DENR Administrative Order (DAO) entitled "Guidelines on the Revised Schedule of Submission and Imposition of Fines for the Delayed Submission of Required Regulatory Documents on Forestry Tenurial Instruments"

2. Draft DAO entitled "Revised Rules and Regulations on the Computation and Collection of Government Share"

3. Comment Template Form

**DATE** : NOV 04 2022



This pertains to the proposed policies of the Bureau through draft DENR Administrative Orders (DAO) entitled "Guidelines on the Revised Schedule of Submission and Imposition of Fines for the Delayed Submission of Required Regulatory Documents on Forestry Tenurial Instruments" and "Revised Rules and Regulations on the Computation and Collection of Government Share".

**1. Draft DAO entitled "Guidelines on the Revised Schedule of Submission and Imposition of Fines for the Delayed Submission of Required Regulatory Documents on Forestry Tenurial Instruments"**

The objective of this proposed policy is to ensure the timely submission and compliance of forestry tenure holders by providing a unified schedule of submission of the required regulatory documents and to impose reportorial fines for non-compliance of the same based on existing laws, rules, and regulations.

**2. Draft DAO entitled "Revised Rules and Regulations on the Computation and Collection of Government Share"**

This proposed policy aims to facilitate an accurate and timely collection of government share by providing the following: (1) revised government share for forest tenurial instruments and corresponding sample computations; (2) unified schedule for the payment

of government share; (3) and issuance of Notice of Collection and Demand Letters to tenure holders. Please be informed that the revised government share stipulated in this proposed policy was aligned with another proposed DAO entitled "Rules and Regulations Governing Sustainable Forest Land Management Agreement (SFLMA)".

In this regard, we would like to request for your comments and inputs on the draft policies and submit to this office through email on or before 11 November 2022. Attached herewith are the draft DAO for your reference and the comment template form.

Further, we would like to invite you to a **consultation meeting regarding the draft policies on 22 November 2022 via Zoom**. We look forward to have representatives from the Licenses, Patents, and Deeds Division (LPDD) and the Enforcement Division (ED) from your respective Regions in the consultation meeting. Kindly send us the names, position/designation, and contact details of your representatives for our coordination.

Should you have any concerns or queries, you may coordinate with Ms. Frances Nicole Lavapie of the Forest Investment Development Division, FMB through this email address: [fidd.frds@fmb.denr.gov.ph](mailto:fidd.frds@fmb.denr.gov.ph) and telephone number: (632) 8927-6229.

FOR APPROPRIATE ACTION, PLEASE



**TIRSO P. PARIAN, JR., CESO IV**

cc: The Undersecretary for Field Operations- Luzon, Visayas and Environment  
The Undersecretary for Field Operations Mindanao



**1. Comments/Inputs on the draft DAO “Guidelines on the Revised Schedule of Submission and Imposition of Fines for the Delayed Submission of Required Regulatory Documents on Forestry Tenurial Instruments”**

Section	Line No.	Type of comment*	Comment/Input	Proposed change

**2. Comments/Inputs on the draft DAO “Revised Rules and Regulations on the Computation and Collection of Government Share”**

Section	Line No.	Type of comment*	Comment/Input	Proposed change

**3. Name of Representatives for the consultation meeting:**

Office	Position	Name	Email	Contact No. (Mobile No.)
LPDD				
ED				

\* Type of comment: ge = general te = technical ed = editorial

Please submit comments by email: [fidd.frds@fmb.denr.gov.ph](mailto:fidd.frds@fmb.denr.gov.ph) on or before 11 November 2022

**DENR Administrative Order**  
**No. 2022-\_\_\_\_\_**

**SUBJECT: REVISED RULES AND REGULATIONS ON THE COMPUTATION  
AND COLLECTION OF GOVERNMENT SHARE**

Pursuant to Presidential Decree No. 705, as amended (Revised Forestry Code of the Philippines), Executive Order No. 192 (Reorganization Act of the Department of Environment and Natural Resources), DENR Administrative Order (DAO) No. 2019-01 (Functions of Regional Offices Under the Rationalized Organizational Structure of DENR), and DAO No. 2004-16 (Prescribing the Revised Schedule of Forestry Administrative Fees), the following guidelines for the computation and collection of government share and surcharges is hereby issued for the guidance of all concerned.

**SECTION 1. Basic Policy.** It is the policy of the State to protect and advance the right of the people to a balanced and healthful ecology in accord with the rhythm and harmony of nature.

**SECTION 2. Objectives.** This Order aims to provide the revised government share for forest tenurial instruments and provide a unified schedule for the payment of government share and issuance of a Notice of Collection and Demand Letter to tenure holders in order to facilitate an accurate and timely collection of the same.

**SECTION 3. Scope and Coverage.** This Order shall cover government share and surcharges, specifically for Integrated Forest Management Agreement (IFMA), Socialized Integrated Forest Management Agreement (SIFMA), Forest Land Grazing Management Agreement (FLGMA), Special Land Use Permit (SLUP)/Forest Land Use Agreement (FLAg), and Forest Land Use Agreement for Tourism purposes (FLAgT), as well as the issuance of Notice of Collection and Demand Letters for tenure holders based on the prescribed template provided.

**SECTION 4. Definition of Terms.** For this Order, the following terms shall be defined as follows:

- a) **Demand Letter** – a letter issued to tenure holders who failed to pay on the deadline.
- b) **Government share** – the amount to be paid by a forest land user as the share of the government in the use of the forest land in form of user's fee or annual rental (DAO No. 2004-28).
- c) **Notice of Collection** – a letter issued to tenure holders, which will serve as the billing statement, before the deadline of payment indicating the amount of government share and surcharges, if applicable.
- d) **Surcharge** – additional payment as penalty for the late payment of government share.
- e) **Tenurial Instrument** – are leases, permits, agreements, joint venture, or production sharing agreement, and licenses concerning the development, exploration, and utilization of the country's natural resources (DAO No. 2020-09).



**SECTION 4. Revised Government share.** Provided in the table below are the revised government share for the following tenurial instruments.

Table 1. Revised Government Share per Tenurial Instrument

Tenurial Instrument	Government Share
Integrated Forest Management Agreement (IFMA)	Five (5) percent of the total gross revenue earned from management strategies in the tenured area based on Annual Audited Financial Statement or Income Tax Return, as the case may be, submitted and duly stamped received by the Bureau of Internal Revenue (BIR).
Socialized Integrated Forest Management Agreement (SIFMA)	
Forest Land Grazing Management Agreement (FLGMA)	
Special Uses of Forest Lands – Special Land Use Permit (SLUP)/Forest Land Use Agreement (FLAg) for the following: <ul style="list-style-type: none"> <li>a. Dry Dock Site</li> <li>b. Shipyard</li> <li>c. Landing Site (Airstrip)</li> <li>d. Industrial Processing Site</li> <li>e. Lumberyard</li> <li>f. Log Pond or Log Depot</li> <li>g. Communication Station Site</li> <li>h. Energy-related facilities and infrastructure</li> <li>i. Transmission line Right-of-Way</li> <li>j. Water Reservoir/ Water Impounding Dam</li> <li>k. Sawmills and Ancillary facilities</li> <li>l. Port</li> <li>m. Government facilities and infrastructure such as schools, health center, offices, road right of way, and penal site, pending issuance of corresponding Presidential Proclamation that are not covered with Gratuitous Special Use Permit (GSUP)</li> </ul>	Php65,000.00 per hectare or fraction thereof every year
FLAg for Tourism purposes (FLAgT) which includes the following: <ul style="list-style-type: none"> <li>a. Bathing establishment</li> <li>b. Camp site</li> <li>c. Ecotourism</li> <li>d. Hotel site (inclusive of related resort facilities)</li> <li>e. Other tourism purposes</li> </ul>	
SLUP/FLAg for Energy Purposes	<p>Php7,000.00 per hectare or fraction thereof and to have a 10% compounded increase annually</p> <p>Note: The annual 10% increase is based on previous year's government share</p>

The DENR shall review and adjust the rate of government share every five (5) years, or as deemed necessary.

**SECTION 5. Computation of Government share.** The accuracy in the computation of government share is crucial in the efficiency of collection. This is to ensure that fees due to the government are duly and accurately paid as compensation for the occupation/utilization of forest

lands and its resources. Presented below are sample computations for government share of tenurial instruments.

**A. Integrated Forest Management Agreement (IFMA), Socialized Integrated Forest Management Agreement (SIFMA), Forest Land Grazing Management Agreement (FLGMA)**

Sample Computation:

Gross Revenue\* = Php100,000

Government Share = Gross Revenue  $\times$  0.05  
= Php 100,000.00  $\times$  0.05  
= Php 5,000.00

\*based on the latest available Annual Audited Financial Statement or Income Tax Return

**B. Special Uses of Forest Lands – Special Land Use Permit (SLUP)/Forest Land Use Agreement (FLAg)**

**1. Special Land Use Permit (SLUP)/Forest Land Use Agreement (FLAg) for the following:**

- a. Dry Dock Site
- b. Shipyard
- c. Landing Site (Airstrip)
- d. Industrial Processing Site
- e. Lumberyard
- f. Log Pond or Log Depot
- g. Communication Station Site
- h. Energy-related facilities and infrastructure
- i. Transmission line Right-of-Way
- j. Water Reservoir/ Water Impounding Dam
- k. Sawmills and Ancillary facilities
- l. Port
- m. Government facilities and infrastructure such as schools, health center, offices, road right of way, and penal site, pending issuance of corresponding Presidential Proclamation that are not covered by Gratuitous Special Use Permit (GSUP)

Sample Computation:

Agreement Area = 5.30 ha  $\approx$  6.00 ha

Government Share = Php 65,000.00/ha  $\times$  6.00 ha  
= Php 390,000.00

**2. SLUP/FLAg for Energy Purposes**

Sample Computation:

Agreement Area = 7.07 ha  $\approx$  8.00 ha

Government Share (Year 1) = Php 7,000/ha  $\times$  Agreement Area (ha)  
= Php 7,000  $\times$  8.00 ha  
= Php 56,600.00



Government Share (Year 2) = Year 1 Government Share × 1.10  
 = Php 56,000.00 × 1.10  
 = Php 61,600.00

Government Share (Year 3) = Year 2 Government Share × 1.10  
 = Php 61,600.00 × 1.10  
 = Php 67,760.00

3. **FLAg for Tourism purposes** which includes the following:
- Bathing establishment
  - Camp site
  - Ecotourism
  - Hotel site (inclusive of related resort facilities)
  - Other tourism purposes

Sample Computation:

Agreement Area = 8.25 ha ≈ 9.00 ha

Government Share = Php 65,000.00/ha or fraction thereof  
 = Php 65,000.00/ha × 9.00 ha  
 = Php 585,000.00

**SECTION 6. Computation of Surcharges.** The failure to pay government share on time shall be penalized through surcharges. A surcharge of 0.27% of the government share shall be imposed per day of late payment.

Sample scenario 1:

A FLAg holder of an 8.25 ha forest land settled their government share on 07 July 2023, which is 68 days late from the 30 April 2023 deadline of the payment of government share. Presented in Table 2 is the table showing the sample government share and surcharges for CY 2021-2022

Table 2. Sample government share and surcharges for late payment

Year covered	Due date	Date Paid/As of Computation	Government Share (Php)	No. of Days late	Surcharge Rate (%)	Total Surcharge (Php)	Total amount to be paid (Php)
2022	30 April 2023	07 July 2023	585,000	68	18.36	107,406.00	692,406.00
<b>Total</b>							<b>692,406.00</b>

Computation:

Agreement area = 8.25 ha  $\approx$  9.00 ha  
Surcharge rate (68 days) = 18.36% or 0.1836

Government Share = Php 65,000.00/ha or fraction thereof  
=  $\text{Php}65,000.00 \times 9.00 \text{ ha}$   
= **Php585,000.00**

Surcharge = Government Share  $\times$  (0.0027  $\times$  No. of days late)  
=  $\text{Php}585,000.00 \times (0.0027 \times 68)$   
=  $\text{Php}585,000.00 \times 0.1836$   
= **Php107,406.00**

Total amount to be paid = Government Share + Surcharge  
=  $\text{Php}585,000 + \text{Php}107,406.00$   
= **Php692,406.00**

Sample scenario 2:

An IFMA holder on their 7<sup>th</sup> year had a gross revenue of Ph100,000.00 in 2021 based on their Annual Financial Statement. They were not able to settle their government share on 30 April 2022. As of 17 January 2023, 262 days past the deadline for the payment of 2021 government share, they have incurred a total surcharge of Php3,589.00. This means that the total amount they have to pay is Php8,589.00. In addition, the deadline for the payment of government share for 2022 is coming up on 30 April 2023. That will be included in the unpaid balance due to the tenure holder. Presented in Table 3 is the amount of government share and surcharges due to them as of 17 January 2023.

Table 3. Sample government share and surcharges for late payment

Year covered	Date Due	Date Paid/As of Computation	Government Share (Php)	No. of Days late	Surcharge Rate (%)	Total Surcharge (Php)	Total amount to be paid (Php)
2021	30 April 2022	17 January 2023	5,000	262	70.74	3,537.00	8,537
2022	30 April 2023	-	5,000*	0	0	0	5,000
<b>Total</b>							<b>13,589.00</b>

\*Considering that the latest available AFS of the tenure holder is for the Year 2021, the same gross revenue was used in the computation of government share

Computation (2021):

Gross Revenue = Php100,000.00  
Surcharge rate (262 days late as of 17 January 2022) = 70.74% or 0.7074

Government Share = Gross Revenue  $\times$  0.05  
=  $\text{Php}100,000.00 \times 0.05$   
= **Php5,000.00**



$$\begin{aligned}
 \text{Surcharge} &= \text{Government Share} \times (0.0027 \times \text{No. of days late}) \\
 &= \text{Php}5,000.00 \times (0.0027 \times 262) \\
 &= \text{Php}5,000.00 \times (0.7074) \\
 &= \text{Php}3,537.00
 \end{aligned}$$

$$\begin{aligned}
 \text{Total amount to be paid} &= \text{Government Share} + \text{Surcharge} \\
 &= \text{Php}5,000.00 + \text{Php}3,537.00 \\
 &= \text{Php}8,537.00
 \end{aligned}$$

**SECTION 7. Schedule of Payment.** The payment of government share for tenurial instruments stated in this Order such as IFMA, SIFMA, FLGMA, SLUP/FLAg, and FLAgT shall have a uniform schedule and be settled by tenure holders **on or before every 30th of April of the succeeding year.** Otherwise, surcharges for every month of late payment shall be applied. Meanwhile, the first government share of newly approved tenurial instruments shall be paid within 30 days upon issuance of the tenurial instrument and annually thereafter on or before the 30<sup>th</sup> of April of the succeeding years.

For newly approved IFMA/SIFMA/FLGMA, payment of their government share shall start on the sixth year after its approval. Tenure holders shall submit their latest available AFS or ITR on or before 15 December of the year to be used as basis for the computation of the government share and will be subject to adjustment upon submission of the authenticated AFS or ITR.

**SECTION 8. Issuance of Notice of Collection.** Regional Offices shall issue a Notice of Collection indicating government share due to tenure holders within their jurisdiction and corresponding surcharges, if applicable, to facilitate collection of government share. They shall also provide PENROs and CENROs within their jurisdiction, including their respective Cashier's Offices, of all the tenure holders due of government share and surcharges.

The Licenses, Patents, and Deeds Division (LPDD) of DENR Regional Offices shall monitor and compute the incurred fees of tenure holders within their jurisdiction and prepare the Notice of Collection indicating such computed fees. Notices of Collection shall be issued **every 1<sup>st</sup> Friday of January.** Attached as Annex "A" is the template for the Notice of Collection.

**SECTION 9. Issuance of Demand Letters.** The Regional Executive Director shall issue demand letters to tenure holders who failed to settle their dues on the prescribed deadline of payment. The demand letters shall be issued every two (2) months of non-payment following the prescribed schedule as follows.

- 1<sup>st</sup> demand letter – First week of May of the current year
- 2<sup>nd</sup> demand letter – First week of July of the current year
- 3<sup>rd</sup> demand letter – First week of September of the current year
- 4<sup>th</sup> demand letter – First week of November of the current year
- 5<sup>th</sup> demand letter – First Week of January of the following year

The first demand letter for newly issued tenurial instruments shall be issued a month after failure to pay on the prescribed due date in Section 7 of this Order. The prescribed templates for the demand letters are attached as Annex B-1, B-2, B-3, B-4, and B-5 of this Order.

**SECTION 10. Non-payment of Government Share and Surcharges.** Failure of the tenure holder to settle their unpaid fees after the issuance of five (5) demand letters within the two-



year period shall be a sufficient ground for automatic cancellation of the management agreement granted to the tenure holder.

**SECTION 11. Process of Payment.** Enumerated below is the process for the payment of government share.

1. The tenure holder shall proceed to the Regulation and Permitting Section (RPS) for CENROs/Implementing PENROs and present the Notice of Collection.
2. The RPS shall prepare and issue the Order of Payment for the tenure holder.
3. The tenure holder shall now proceed to the Cashier's Office and settle the payment with the amount indicated in the Order of Payment.
4. The Cashier's Office shall issue an official receipt as part of payment.

All payments made by tenure holders shall be incorporated in the Enhanced Forestry Information System (eFIS) and be reported monthly through the Monthly Collection Report on Forest Fees and Charges.

**SECTION 12. Transitory Clause.** Upon effectivity of this Order, the new rates shall be used for the computation of government share for all existing tenurial instruments. Within thirty (30) calendar days upon effectivity of this Order, the Regional Executive Director shall issue a final demand letter to all tenure holders with unsettled payments of government share for more than two (2) consecutive years. Tenure holders shall settle their unpaid balances within thirty (30) calendar days upon receipt of the final demand letter. The old rate shall prevail in the computation of unsettled government share and surcharges prior to the effectivity of this Order. Failure to pay in the prescribed schedule shall be ground for the automatic cancellation of the tenurial instrument. The prescribed template for the final demand letter for the subject tenure holders is attached as Annex C of this Order.

**SECTION 13. Separability Clause.** If any provision of this Order shall be held invalid or unconstitutional, the other portions or provisions hereof which are not affected shall continue in full force or effect.

**SECTION 14. Repealing Clause.** This Order hereby repeals Section 14.9 of DAO 2004-30, Section 21 of DAO 1999-53, Section 18 of DAO 2004-59, Section 16 of DAO 2004-28, Item E.1, E.2, E.3, and E.4 of DAO 2004-16. All Orders, Circulars, Memorandum, and other issuance inconsistent with any part or section of this Order shall be amended or repealed accordingly.

**SECTION 15. Effectivity.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation and upon acknowledgement of the Office of the National Administrative Register (ONAR) of the UP Law Center.

**MARIA ANTONIA YULO LOYZAGA**  
Secretary



ANNEX A

[Insert header of the DENR Regional Office with address and contact details]

NOTICE OF COLLECTION

[(day) January (year)]

[NAME OF TENURE HOLDER]  
[Position in the Cooperative/Organization]  
[Name of Cooperative/Organization]  
[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

This pertains to the (Type of tenurial instrument) issued to (Name of Cooperative/Organization/Individual) effective from \_\_\_\_\_ until \_\_\_\_\_ covering an area of \_\_\_\_\_ hectares of forest land located in \_\_\_\_\_.

This is to remind you to settle your tenure fee amounting to Php [amount] on or before 30<sup>th</sup> of April [year]. Presented in the table below, pursuant to [governing policy of the tenurial instrument], is the computation of your [government share/user's fee/rental] for this year, including outstanding balances and surcharges, if any:

Year	Government share/User's Fee/Rental (Php)	Monthly surcharge	No. of Months Delayed	Total Surcharge	Amount to be Paid
Grand Total					

In view hereof, please go to the CENRO/Implementing PENRO covering your area of concern to settle your payment. Kindly disregard this notice if already paid.

Thank you.

Very truly yours,

Regional Executive Director

**ANNEX B-1: First Demand Letter**

*[Insert header of the DENR Regional Office with address and contact details]*

**DEMAND LETTER**

*[(day) May (year)]*

**[NAME OF TENURE HOLDER]**

[Position in the Cooperative/Organization]

[Name of Cooperative/Organization]

[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

This pertains to your unpaid balance of Php \_\_\_\_\_ due last 30 April *[(year)]*. Since you failed to pay the required government share (and corresponding surcharges) on time, it has now amounted to **Php** *(balance as of issuance of the letter)*.

Please be reminded that for every month of late payment, you will be charged with a surcharge 8.33% of your government share. Moreover, the failure to pay for two consecutive years will be a ground for the automatic cancellation of your tenurial instrument.

Kindly settle your government share and surcharges within 15 days upon receipt of this letter at the CENRO/Implementing PENRO covering your area of concern to avoid additional incurred surcharges.

Thank you.

Very truly yours,

\_\_\_\_\_  
Regional Executive Director



**ANNEX B-2: Second Demand Letter**

*[Insert header of the DENR Regional Office with address and contact details]*

**DEMAND LETTER**

*[(day) July (year)]*

**[NAME OF TENURE HOLDER]**

[Position in the Cooperative/Organization]

[Name of Cooperative/Organization]

[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

This pertains to your unpaid balance of Php \_\_\_\_\_ due last *[date of issuance of the 1<sup>st</sup> demand letter]*. Since you failed to pay the required government share (and corresponding surcharges) on time and even with the demand letter issued to you last *[date]*, it has now amounted to **Php** *(balance as of issuance of the letter)*.

Please be reminded that for every month of late payment, you will be charged with a surcharge 8.33% of your government share. This shall serve as warning that failure to pay for two consecutive years and after the issuance of five demand letters within the two-year period, will be grounds for the automatic cancellation of your tenurial instrument.

Kindly settle your government share and surcharges within 15 days upon receipt of this letter at the CENRO/Implementing PENRO covering your area of concern to avoid additional incurred surcharges and cancellation of your tenurial instrument.

Thank you.

Very truly yours,

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Regional Executive Director

**ANNEX B-3: Third Demand Letter**

*[Insert header of the DENR Regional Office with address and contact details]*

**DEMAND LETTER**

*[(day) September (year)]*

**[NAME OF TENURE HOLDER]**  
[Position in the Cooperative/Organization]  
[Name of Cooperative/Organization]  
[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

This pertains to your unpaid balance of Php \_\_\_\_\_ due last *[date of issuance of the 2<sup>nd</sup> demand letter]*. Since you failed to pay the required government share (and corresponding surcharges) on time and even with the demand letter issued to you last *[date]*, it has now amounted to **Php** *(balance as of issuance of the letter)*.

Please be reminded that for every month of late payment, you will be charged with a surcharge 8.33% of your government share. This shall serve as warning that failure to pay for two consecutive years and after the issuance of five demand letters within the two-year period, will be grounds for the automatic cancellation of your tenorial instrument.

Kindly settle your government share and surcharges within 15 days upon receipt of this letter at the CENRO/Implementing PENRO covering your area of concern to avoid additional incurred surcharges and cancellation of your tenorial instrument.

Thank you.

Very truly yours,

\_\_\_\_\_  
Regional Executive Director



**ANNEX B-4: Fourth Demand Letter**

*[Insert header of the DENR Regional Office with address and contact details]*

**DEMAND LETTER**

*[(day) November (year)]*

**[NAME OF TENURE HOLDER]**  
[Position in the Cooperative/Organization]  
[Name of Cooperative/Organization]  
[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

This pertains to your unpaid balance of Php \_\_\_\_\_ due last *[date of issuance of the 3<sup>rd</sup> demand letter]*. Since you failed to pay the required government share (and corresponding surcharges) on time and even with the demand letter issued to you last *[date]*, it has now amounted to **Php** *(balance as of issuance of the letter)*.

Please be reminded that for every month of late payment, you will be charged with a surcharge 8.33% of your government share. This shall serve as warning that failure to pay for two consecutive years and after the issuance of five demand letters within the two-year period, will be grounds for the automatic cancellation of your tenurial instrument.

Kindly settle your government share and surcharges within 15 days upon receipt of this letter at the CENRO/Implementing PENRO covering your area of concern to avoid additional incurred surcharges and cancellation of your tenurial instrument.

Thank you.

Very truly yours,

\_\_\_\_\_  
Regional Executive Director

**ANNEX B-5: Demand Letter**

*[Insert header of the DENR Regional Office with address and contact details]*

**DEMAND LETTER**

*[(day) January (year)]*

**[NAME OF TENURE HOLDER]**  
[Position in the Cooperative/Organization]  
[Name of Cooperative/Organization]  
[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

It has come to our attention that even with the issuance of Notices of Collection and Demand Letters, you still have not settled your government share and surcharges since the 30th of April *[(year)]*, which have now amounted to **Php** *[(balance as of issuance of the letter)]*.

Consider this as our last and final demand for you to settle your unpaid balances in the CENRO/Implementing PENRO covering your area of concern within 15 days upon receipt of this letter. Otherwise, we shall be constrained to commence the cancellation of your tenurial instrument based on existing laws, rules, and regulations.

Thank you.

Very truly yours,

\_\_\_\_\_  
Regional Executive Director



**ANNEX C: Final Demand Letter**

*[Insert header of the DENR Regional Office with address and contact details]*

**DEMAND LETTER**

[(date)]

**[NAME OF TENURE HOLDER]**

[Position in the Cooperative/Organization]

[Name of Cooperative/Organization]

[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

It has come to our attention that you still have not settled your government share and surcharges since (date), which have now amounted to **Php** (balance as of issuance of the letter).

Consider this as our last and final demand for you to settle your unpaid balances in the CENRO/Implementing PENRO covering your area of concern within thirty (30) days upon receipt of this letter. Otherwise, we shall be constrained to commence the cancellation of your tenorial instrument based on existing laws, rules, and regulations.

Thank you.

Very truly yours,

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Regional Executive Director

**DENR Administrative Order**

No. 2022-\_\_\_\_\_

**SUBJECT: GUIDELINES ON THE REVISED SCHEDULE OF SUBMISSION  
AND IMPOSITION OF FINES FOR THE DELAYED  
SUBMISSION OF REQUIRED REGULATORY DOCUMENTS ON  
FORESTRY TENURIAL INSTRUMENTS**

Pursuant to Section 65 of Presidential Decree No. 705, as amended (Revised Forestry Code of the Philippines), Malacañang Administrative Order No. 31 (Directing and Authorizing all heads of Departments, Bureaus, Commissions, Agencies, Offices and Instrumentalities of the National Government, including Government-Owned and/or Controlled Corporations (GOCCs), to rationalize the rates of their fees and charges, increase their existing rates and impose new fees and charges), and DOF-DBM-NEDA Joint Circular No. 1-2013 (Implementing Rules and Regulations of Administrative Order No. 31, Series of 2012, on the Rationalization of rates of fees and charges, increase in existing rates, and imposition of new fees and charges), the following schedule of submission and fines related to the delayed submission of required regulatory documents in the forestry sector are hereby promulgated.

**Section 1. Basic Policy.** It is the policy of the State to protect and advance a balanced and healthful ecology in accord with the rhythm and harmony of nature.

**Section 2. Objectives.** This Order aims to ensure the timely submission and compliance of forestry tenure holders by providing a unified schedule of submission of the required regulatory documents and to impose reportorial fines for non-compliance of the same based on the existing laws, rules and regulations.

**Section 3. Scope and Coverage.** This Order prescribes the rules and regulations that cover the responsibilities and liabilities of tenure holders on the required regulatory documents indicated in the approved agreement, the procedure for the compliance and to ensure compliance, as well as corrective measures and imposition of Reportorial Fines in the event of non-compliance and violations. The imposition of Reportorial Fines shall cover the following tenurial instruments:

- 3.1. Integrated Forest Management Agreement (IFMA)
- 3.2. Socialized Industrial Forest Management Agreement (SIFMA)
- 3.3. Forest Land Grazing Management Agreement (FLGMA)
- 3.4. Forest Land Use Agreement (FLAg)
- 3.5. FLAg for Energy
- 3.6. Special Land Use Plan (SLUP)
- 3.7. Forest Land Use Agreement for Tourism (FLAgT)
- 3.8. Gratuitous Special Use Permit (GSUP)
- 3.9. Rattan Cutting Contract (RCC)
- 3.10. Wood Processing Plant Permit (WPPP)

**Section 4. Definition of Terms.** The following terms shall be used in this Administrative Order:



48 **4.1. Annual Report** – A report prepared and submitted by the Tenure holders in relation  
49 to its approved Tenure Management Plan or approved permit.

50 **4.2. Notice of Delay** – document to be issued to tenure holder informing them of the non-  
51 compliance with the submission of Required Regulatory Documents within the  
52 prescribed period and the equivalent amount of fine imposed for such delay.

53 **4.3. Reportorial Fines** – shall refer to the fines to be imposed for the delayed submission  
54 of required regulatory documents within the prescribed deadline of submission.

55 **4.4. Required regulatory documents** – refer to the Tenure Management Plans and Annual  
56 Reports which are required to be submitted as part of the compliance indicated in the  
57 signed agreement.

58 **4.5. Tenorial instrument**– are leases, permits, agreements, joint venture or production  
59 sharing agreement and licenses concerning the development, exploration and  
60 utilization of the country's natural resources.

61 **4.6. Tenure Management Plans** –general term for the management plans to be submitted  
62 by the approved tenure holders in the forestry sector. This includes, among others,  
63 Comprehensive Development and Management Plan for the Integrated Forest  
64 Management Agreement (IFMA) and Forest Land Use Agreement for Tourism, and  
65 Forest Land Grazing Management Plan (FLGMP) for Forest Land Grazing  
66 Management Agreement (FLGMA).

67  
68 **Section 5. Required Regulatory Documents and Schedule of Submission.** The  
69 prescribed schedule for the submission of the required regulatory documents shall be as follows:

- 70 • Tenure Management Plans – within 6 months from the approval of the tenorial  
71 instrument  
72  
73 • Annual Reports - every 30<sup>th</sup> of April of the following year.  
74

75 Incurred delay and imposition of fines shall commence on the day following the last day  
76 of prescribed submission of required regulatory documents.

77 **Section 6. Rates and Payment of Fines.** Fines shall cover the required regulatory  
78 documents which are not submitted within the prescribed period set in this Administrative  
79 Order by all types and categories of all tenure holders. Reportorial fines shall be paid in the  
80 nearest Community Environment and Natural Resources Office (CENRO)/ Implementing  
81 Provincial Environment and Natural Resources Office (PENRO). This shall be reported as  
82 Administrative Fees and labelled as Reportorial Fines in the monthly collection report on forest  
83 fees and charges.

84 The rates of Reportorial Fines for delayed submission of the Tenure Management Plans  
85 and Annual Reports shall be ***Php1,400.00/month.***

86 The detailed schedule for the submission of required regulatory documents and its  
87 corresponding Reportorial Fines are attached as Annex A.

88 The DENR shall review and adjust the rate of Reportorial Fines every five (5) years, or  
89 as it may deem necessary.



90       **Section 7. Submission of the required regulatory documents for the imposition of**  
91 **Reportorial Fines.** Submission of required regulatory documents by the forestry tenure holders  
92 shall be made at the concerned CENRO/Implementing PENRO in their area of jurisdiction. The  
93 imposition of fines shall be applied for the delay of submission of required regulatory documents  
94 within the prescribed deadline stated in Section 5 of this Order. For late submission, the date of  
95 receipt of the required regulatory document shall be the reckoning period for the imposition of  
96 Reportorial Fines.

97  
98       All the submitted required regulatory documents shall be forwarded through proper  
99 channels to the DENR Regional Office for review and evaluation of the format and content by the  
100 Technical Working Group (TWG).

101  
102       For required regulatory documents that have been returned to the tenure holder after  
103 evaluation of the TWG on the content and format and to be resubmitted, shall be excluded from  
104 the imposition of fines.

105  
106       Failure to submit the required Tenure Management Plan within one (1) year from the date  
107 of effectivity of the Agreement and non-submission of the Annual Report for two (2) consecutive  
108 years shall be sufficient grounds for automatic cancellation of the approved tenurial instrument.

109  
110       **Section 8. Monitoring of compliance on the submission of required regulatory**  
111 **documents within the prescribed period of submission.** The CENRO/Implementing PENRO  
112 through the Monitoring and Enforcement Section (MES) shall be responsible for the monitoring  
113 of compliance of tenure holders in the submission of required regulatory documents and imposition  
114 of fines therein.

115  
116       Likewise, if deemed necessary, assistance may be sought from the Regulation and  
117 Permitting Section for the review of the imposition of Reportorial Fines for tenure holders. The  
118 specific duties and responsibilities of the MES are as follows:

119  
120       **Duties and responsibilities:**

- 121
- 122       • Monitor the compliance of all tenure holders on the submission of the required
  - 123       regulatory documents in the forestry sector;
  - 124       • Check and verify in the database if the date of submission of the received regulatory
  - 125       documents by tenure holders is within the prescribed period;
  - 126       • Prepare report with recommendations, including communication letters, if deemed
  - 127       necessary (e.g. Notice of Delay/Reconsideration to be disseminated to tenure holder)
  - 128       and endorse the same to the CENR Officer/Implementing PENR Officer for approval;
  - 129       and
  - 130       • Update and maintain the database related to the submission of required regulatory
  - 131       documents.
- 132

133       Likewise, the CENR/Implementing PENR Officer concerned may also provide  
134 recommendations to the Forest Management Bureau through the Regional Executive Director on  
135 updating the rates of Reportorial Fines and the required regulatory documents that can be subject  
136 to the imposition of fines, if deemed necessary.

137



**Section 9. Creation, Updating and Maintenance of Database.** Within fifteen (15) days upon effectivity of this Administrative Order, the MES shall create a database pertaining to the submission of the required regulatory documents by the tenure holder. All the DENR Field Offices (Regional Office, PENR Office/Implementing PENR Office, and CENR Office) shall maintain a shared database on the submission of required regulatory documents.

The MES shall encode all the data on existing tenure holders in their area of jurisdiction to the said database, including the uploading of scanned copies of all the required regulatory documents for ease of reference. The database must follow the prescribed format in Annex D and must be updated with every submission made by the tenure holders. The FMB shall also develop and maintain an online database for the forestry required regulatory documents.

**Section 10. Issuance of Notice of Delay and Reconsideration.** The concerned CENR/Implementing PENR Officer shall notify the holders of their non-compliance within fifteen (15) days from the lapse of the period to submit the required documents, stating that:

- The tenure holder has incurred delay and a corresponding Reportorial Fine will be imposed as result of failure to submit within the prescribed period of the required regulatory documents; and
- Demand to pay the Reportorial Fines.

**Section 11. Request for reconsideration.** Tenure holders who may not be able to submit the required regulatory documents within the prescribed period due to force majeure may submit a request for reconsideration. The period for such delay may be excused provided that the request for reconsideration will be submitted to CENRO/Implementing PENRO on or before the deadline set in Section 5 of this Administrative Order.

The MES, after reviewing and evaluating the request for reconsideration, shall endorse the same, together with its recommendation, to the CENR/Implementing PENR Officer whose decision thereon shall be final.

The request for reconsideration provided herein shall be availed of by tenure holders only once during the agreement period.

If found in order, the CENR/Implementing PENR Officer shall notify the tenure holders to submit the required regulatory document within 30 days upon receipt of the said request. The lapse in the submission within the non-extendable period of 30 days will be considered a delay which will be subject to the issuance of a Notice of Delay and imposition of Reportorial Fines.

**Section 12. Transitory Provision.** Within thirty (30) days upon the effectivity of this Order, the Regional Executive Director shall notify through a letter, the existing tenure holders with pending submission of Annual Report for more than two (2) consecutive years and Tenure Management Plan to submit the same to the CENRO/ Implementing PENRO within 6 months upon receipt of the notification.

Failure to submit the required regulatory documents within the prescribed schedule shall be grounds for the automatic cancellation of the agreement.

**Section 13. Separability Clause.** If any provision of this Order shall be held invalid or unconstitutional, the other portions or provisions hereof which are not affected shall continue in full force and effect.

**Section 14. Repealing Clause.** All other Orders, Circulars, Memoranda, and Issuances inconsistent with this Order shall be amended or repealed accordingly.

**Section 15. Effectivity.** This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation and upon acknowledgement of receipt of a copy thereof by the Office of the National Administrative Register (ONAR) of the U.P. Law Center.

**MARIA ANTONIA YULO LOYZAGA**  
Secretary



<b>Forestry Services</b>	<b>Required Regulatory Documents</b>	<b>Degree of Offense</b>	<b>Reportorial Fines (Php)</b>
IFMA	Comprehensive Development and Management Plan	Non-submission within 6 months	1,400.00/month
		Non-submission within 1 year from the effectivity of agreement	<b>Cancellation of IFMA</b>
	Annual Report	Non-submission on or before every 30 <sup>th</sup> of April	1,400.00/month
		Non-submission for two (2) consecutive years	<b>Cancellation of IFMA</b>
SIFMA	Annual Report	Non-submission within every 30 <sup>th</sup> of April	1,400.00/month
		Non-submission for two (2) consecutive years	<b>Cancellation of SIFMA</b>
FLGMA	Forest Land Grazing Management Plan	Non-submission within 6 months	1,400.00/month
		Non-submission within 1 year from the effectivity of agreement	<b>Cancellation of FLGMA</b>
	Annual Report	Non-submission on or before every 30 <sup>th</sup> of April	1,400.00/month
		Non-submission for two (2) consecutive years	<b>Cancellation of FLGMA</b>
FLAg	Comprehensive Development and Management Plan	Non-submission within 6 months	1,400.00/month
		Non-submission within 1 year from the effectivity of agreement	<b>Cancellation of FLAg</b>
	Annual Report	Non-submission on or before every 30 <sup>th</sup> of April	1,400.00/month
		Non-submission for two (2) consecutive years	<b>Cancellation of FLAg</b>
SLUP	Annual Report	Non-submission on or before every 30 <sup>th</sup> of April	1,400.00/month

<b>Forestry Services</b>	<b>Required Regulatory Documents</b>	<b>Degree of Offense</b>	<b>Reportorial Fines (PhP)</b>
		Non-submission for two (2) consecutive years	<b>Cancellation of SLUP</b>
FLAgT	Annual Report	Non-submission on or before every 30 <sup>th</sup> of April	1,400.00/month
		Non-submission for two (2) consecutive years	<b>Cancellation of FLAgT</b>
GSUP	Annual Report	Non-submission on or before every 30 <sup>th</sup> of April	1,400.00/month
		Non-submission for two (2) consecutive years	<b>Cancellation of GSUP</b>
Rattan Cutting Contract (RCC)	Annual Report	Non-submission on or before every 30 <sup>th</sup> of April	1,400.00/month
		Non-submission for two (2) consecutive years	<b>Cancellation of RCC</b>
Wood Processing Plant Permit (WPPP)	Annual Report	Non-submission on or before every 30 <sup>th</sup> of April	1,400.00/month
		Non-submission for two (2) consecutive years	<b>Cancellation of WPPP</b>



## ANNEX B- FOR SUBMISSION OF TENURE MANAGEMENT PLAN

*[Insert header of the DENR Regional Office with address and contact details]*

### NOTICE OF DELAY

[(day) (Month) (year)]

**[NAME OF TENURE HOLDER]**

[Position in the Cooperative/Organization]

[Name of Cooperative/Organization]

[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

This pertains to the (Type of tenurial instrument) issued to (Name of Cooperative/Organization/Individual) effective from \_\_\_\_\_ until \_\_\_\_\_ covering an area of \_\_\_\_\_ hectares of forest land located in \_\_\_\_\_.

Pursuant to the approved Agreement, you are required to submit the (Type of Tenure Management Plan) within six (6) months after the approval of your agreement which is on (Date in MM/DD/YY). However, based on our records, you were not able to submit the said (Type of Tenure Management Plan) and comply within the prescribed period.

In view of the non-compliance to the submission of (Type of Tenure Management Plan) on (Date in MM/DD/YY), kindly be informed that you have incurred a fine amounting to (Amount in Peso). Please settle your payment in the nearest Community Environment and Natural Resources Office (CENRO)/ Implementing Provincial Environment and Natural Resources (Insert name of CENRO/Implementing PENRO) within fifteen (15) days upon receipt of this notice. Failure to do so may cause an additional fine for every month of delay. Further, non-submission of (Type of Tenure Management Plan) on or before the Agreement's one year of effectivity (Insert date in MM/DD/YY) will be grounds for the automatic cancellation of the Agreement and the use of forestland.

Please be guided accordingly.

Thank you.

Very truly yours,

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Regional Executive Director

## ANNEX B-1 FOR SUBMISSION OF ANNUAL REPORT

*[Insert header of the DENR Regional Office with address and contact details]*

### NOTICE OF DELAY

*[(day) (Month) (year)]*

**[NAME OF TENURE HOLDER]**

[Position in the Cooperative/Organization]

[Name of Cooperative/Organization]

[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

This pertains to the *(Type of tenurial instrument)* issued to *(Name of Cooperative/Organization/Individual)* effective from \_\_\_\_\_ until \_\_\_\_\_ covering an area of \_\_\_\_\_ hectares of forest land located in \_\_\_\_\_.

Pursuant to the approved Agreement, you are required to submit the *Annual Report on or before every 30<sup>th</sup> of April of the following year.* However, based on our records, you were not able to submit the said *(Tenure Management Plan/Annual Report)* and comply within the prescribed period.

In view of the non-compliance to the submission of *Annual Report on (April 30/YYYY)*, kindly be informed that you have incurred a fine amounting to *(Amount in Peso)*. Please settle your payment in the nearest Community Environment and Natural Resources Office (CENRO)/Implementing Provincial Environment and Natural Resources (PENRO) *(Insert name of CENRO/Implementing PENRO)* within fifteen (15) days upon receipt of this notice. Failure to do so may cause an additional fine for every month of delay. Further, non-submission of the Annual Report for two (2) consecutive years will be grounds for the automatic cancellation of the Agreement and the use of forestland.

Please be guided accordingly.

Thank you.

Very truly yours,

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Regional Executive Director



**ANNEX C**

*[Insert header of the DENR Regional Office with address and contact details]*

**NOTICE OF RECONSIDERATION**

[(day) (Month) (year)]

**[NAME OF TENURE HOLDER]**

[Position in the Cooperative/Organization]

[Name of Cooperative/Organization]

[Address]

Dear Mr./Ms. \_\_\_\_\_,

Greetings!

This pertains to your letter request for reconsideration on the late submission of (Tenure Management Plan/Annual Report) dated (Date in MM/DD/YY) which was received by this Office on (Date in MM/DD/YY).

Upon review and evaluation of your letter, we found valid and reasonable grounds to approve your Request for Reconsideration. Kindly submit the required regulatory document to this Office within 30 days upon receipt of this letter. Failure to do so within the non-extendable period of 30 days will be considered a delay which will be subjected to issuance of Notice of Delay and imposition of fines.

Please be guided accordingly.

Thank you.

Very truly yours,

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Regional Executive Director

Annex D.

REPORT ON THE SUBMITTED REQUIRED REGULATORY DOCUMENTS

CENRO/Implementing PENRO \_\_\_\_\_

As of (MM/DD/YY)

Holder Name	Tenure Number	Type of Tenure	Date Issued	Expiry Date	Required Regulatory Documents	Required Date of Submission	Actual Date of Submission	Date of Issuance of Notice of Delay/Reconsideration (if applicable)	Months Delayed (if applicable)	For imposition of fines (Y/N)	Reportorial Fines (Php) (if applicable)	Link of Scanned File	Remarks

Prepared by:

Reviewed by:

Approved by:

\_\_\_\_\_  
Technical Personnel, MES

\_\_\_\_\_  
Chief, MES

\_\_\_\_\_  
CENR/Implementing PENR Officer