

Republic of the Philippines
Ministry of Natural Resources

Visayas Avenue, Diliman, Quezon City, Metro Manila

10 September 1986

Ministry Administrative Order
No. 40
Series of 1986

SUBJECT : Revoking Ministry Administrative Order No. 513 Series of 1984, and Regulating All Equity Participation Agreements Between Wood Processors and Timber Licensees

WHEREAS, pursuant to the New Forestry Code of the Philippines, no person may utilize, exploit, occupy, possess, or conduct any activity within forestlands, or establish and operate any wood processing plant, unless he has been authorized to do so under a license agreement, lease, license, or permit;

WHEREAS, pursuant to Section 24 of the same, no license agreement, license, lease, or permit over forestlands shall be issued to an applicant unless he proves satisfactorily that he has the financial resources and technical capability not only to maximize utilization but also to practice forest protection, conservation, and development measures to ensure the perpetuation of said forest in productive condition;

WHEREAS, it has been found that many instances of illegal logging and log smuggling were connected with the implementation of Equity Participation Agreements especially with the provision that wood processors can conduct logging operations even without the consent of the logging company;

"The Filipino is worth dying for" – Ninoy Aquino

Section 3. Penalties

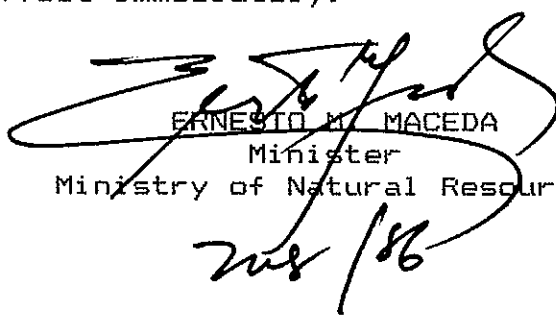
1. Any person who shall, without written permission from the Director of the Bureau of Forest Development and/or from the Minister of Natural Resources or their authorized representatives, willfully cut, haul, sell and ship undersized logs, for any reason or another, shall be penalized in accordance with the applicable Forest and Internal Revenue Laws. In case of a licensee or permittee, cancellation of the existing timber license agreement or permit, and prohibiting the said licensee or permittee to enter into any form of contract with the government as far as utilization, exploitation and sale of forest resources are concerned.

Section 4. Repealing Clause

All orders, rules and regulations inconsistent herewith are hereby revoked or amended accordingly.

Section 5. Effectivity

This order takes effect immediately.


ERNESTO M. MACEDA
Minister
Ministry of Natural Resources

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