



## MEMORANDUM

FOR : **The Directors**  
Biodiversity Management Bureau  
Ecosystems Research and Development Bureau  
Environmental Management Bureau  
Land Management Bureau  
Mines and Geosciences Bureau

FROM : **The OIC-Director, Policy and Planning Service**

SUBJECT : **DRAFT DENR ADMINISTRATIVE ORDER (DAO) ON  
REVISED REGULATIONS GOVERNING THE ENTRY AND  
DISPOSITION OF IMPORTED WOOD PRODUCTS**

DATE : **18 JAN 2021**

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## BACKGROUND

The draft DAO re: Revised Regulations Governing the Entry and Disposition of Imported Wood Products was proposed by the Forest Management Bureau (FMB) to repeal/amend the provisions of DAO No. 1999- 46 and consolidate the following policies: DAO No. 2000-14, DAO No. 2000-20, and DAO 2001-22.

This initiative is to address the clamour of the import industry, to clarify issues and concerns on importation of wood products, specifically to update and develop a consolidated policy on wood importation and specify the imported wood commodities regulated by the DENR. It also aims to ease the requirements and process in securing Authority to Import from the DENR and to avoid work redundancy in support to the implementation of Republic Act No. 11302 or the *Ease of Doing Business and Efficient Government Service Delivery Act of 2018*.

Consultations with other government agencies/concerned private organizations including the Department of Foreign Affairs (DFA), Department of Trade and Industry – Bureau of Import Services (DTI-BIS), Bureau of Customs (BOC), Department of Agriculture – Bureau of Plant Industry (DA-BPI), Philippine Ports Authority (PPA), Philippine Wood Producers Association (PWPA) and Chamber of Furniture Industries of the Philippines (CFIP) were conducted to harmonize the proposed policy with existing policies that these agencies are implementing in reference to their respective functions and mandates.

## SALIENT FEATURES

- The draft policy aims to rationalize the requirements and procedures of the importation of wood products. Specifically, it aims to:
  1. Import wood materials, as a stop-gap measure to ensure a continuous supply of wood raw materials until such time that local supply from tree plantations can adequately meet the local needs;

2. Augment local sources to utilize existing wood processing plant capacities; and
  3. Enable wood-based industries including the furniture and other downstream wood industries to generate employment and income.
- It adopts the ASEAN Harmonized Tariff Nomenclature (AHTN) Codes that classify commodities being imported and exported. It covers the entry and disposition of imported wood products with the following tariff codes: AHTN Nos. 44.01, 44.02, 44.03, 44.04, 44.05, 44.06, 44.07, 44.08, 44.09, 44.10, 44.11, 44.12, 44.13, 47.01, 47.02, 47.03, 47.04, 47.05.
  - For the registration requirements as Agents, Contractors, and Dealers, the following are no longer needed in securing Certificate of Registration (CoR): Certificate from the Philippine Wood Producers Association (PWPA), Certificate issued by the Chamber of Furniture Industries of the Philippines (CFIP) in case of Wood Furniture Manufacturers, and Authentication of the contract between the local importer and foreign exporter by the Philippine Embassy/Attaché at the country of origin of wood materials.
  - The following ports of entry have been added: Subic Bay Port (as suggested by PWPA), North Harbor, Manila (as suggested by DENR-NCR), Dumaguete City, Negros Oriental (as provided by DAO No. 2000-14), Bislig Surigao del Sur (as provided by (DAO No. 2001-22).
  - The amount of Application/Registration fee was increased from P900 (Application fee- 500 plus Registration fee- 400) to P3,000, and cash bond was also increased from P10,000 to P12,000.

#### **ACTIONS TAKEN**

The draft DAO was endorsed to this Office by FMB on 18 September 2020. The policy was then subjected to deliberation by the DENR Policy Technical Working Group (PTWG) on 10 November 2020. Thereafter, the PTWG Secretariat incorporated the comments of the PTWG and a revised version of the draft policy and some clarifications from the PTWG were endorsed to FMB in a memorandum dated 02 December 2020. This Office received the response of FMB as well as the revised version of the DAO with some changes in the scope and coverage in a memorandum dated 16 December 2020.

#### **ACTION REQUESTED**

Should you concur with the proposed DAO, please notify this Office in writing **on or before 20 January 2021**. Otherwise, your lack of feedback shall be considered as your concurrence or no objection to the said proposed policy, which we shall endorse for vetting by the Undersecretaries prior to the approval by the Secretary.

Attached is the draft DAO on the Revised Regulations Governing the Entry and Disposition of Imported Wood Products, for your consideration.

  
**MELINDA C. CAPISTRANO**

cc: FMB- Forest Policy Section  
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**DENR Administrative Order**  
**No.2020-\_\_\_\_\_**

**SUBJECT : REVISED REGULATIONS GOVERNING THE ENTRY AND DISPOSITION OF IMPORTED WOOD PRODUCTS**

Pursuant to Presidential Decree No. 705, series of 1975, as amended, Presidential Decree No. 1433, s. 1978, and Executive Order No. 192 dated June 10, 1987, Republic Act No. 9147 or the Wildlife Resources Conservation and Protection Act, and in order to provide a mechanism to effectively monitor the importation, entry, and disposition of imported wood products, alongside with the existing import guidelines and procedures of the Bureau of Customs (BOC) and the Department of Agriculture-Bureau of Plant Industry's National Plant Quarantine Services Division (BPI-NPQSD), and DENR policy on wood industry rationalization and development, the following regulations and guidelines are hereby promulgated for the guidance of all concerned.

**Section 1. Declaration of Policy.** It is the policy of the state to sustainably manage the country's forest resources to rationalize the development of the wood-based industries in order to continuously provide the wood supply needs of the country and facilitate international trade towards economic growth.

**Sec. 2. Objectives.** The general objective of this Order is to rationalize the requirements and procedures of the importation of wood products into the country, specifically, it aims to:

1. Import wood materials, as a stop-gap measure to ensure a continuous supply of wood raw materials, until such time that local supply from tree plantations can adequately meet the local needs;
2. To augment local sources in order to utilize existing wood processing plant capacities; and
3. Enable wood-based industries including the furniture and other downstream wood industries to generate employment and income.

**Sec. 3. Scope and Coverage.** This guideline only covers the entry and disposition of imported wood products with its corresponding tariff codes, shown in the table below:

<b>AHTN No. Code</b>	<b>Imported Wood Products</b>
44.01	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms
44.02	Wood charcoal (including shell or nut charcoal), whether or not agglomerated
44.03	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared

44.04	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking-sticks, umbrellas, tool handles or the like; chipwood and the like
44.05	Wood wool; wood flour
44.06	Railway or tramway sleepers (cross-ties) of wood.
44.07	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6mm
44.08	Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6mm
44.09	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed
44.10	Particle board, oriented strand board (OSB), and similar board (e.g., waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances
44.11	Fiberboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances. - Medium Density Fiberboard (MDF)
44.12	Plywood, veneered panels and similar laminated wood, blockboard, laminboard and battenboard
44.13	Densified wood, in blocks, plates, strips or profile shapes
47.01	<b>Mechanical wood pulp.</b>
47.02	<b>Chemical wood pulp, dissolving grades.</b>
47.03	<b>Chemical wood pulp, soda or sulphate, other than dissolving grades.</b>
47.04	<b>Chemical wood pulp, sulphite, other than dissolving grades.</b>
47.05	<b>Wood pulp obtained by a combination of mechanical and chemical pulping processes.</b>

Imported wood products which are not covered by the above-cited tariff classifications shall not be regulated under this policy.

**Sec. 4. Definition of Terms.** For purposes of this Order, the following terms shall be construed to mean as defined here-under:

- a) **Agent** - a person authorized in writing to act for and on behalf of the principal, for the production, procurement, sale or other means of disposal of imported wood materials.

- b) **ASEAN Harmonized Tariff Nomenclature (AHTN)** – refers to the 8-digit nomenclature, consisting of the latest version of the Harmonized Commodity Description and Coding System of the World Customs Organization and the amendments thereto, with the addition of the seventh and eighth digits (referred as the ASEAN subheadings) and commodity description for tariff purposes. It is a tariff code that classifies commodities being imported and exported.
- c) **Authority to Import/ Certificate of Registration (CoR) to Import Wood Materials**– is a document issued by the concerned DENR Regional Executive Director certifying that the entity indicated thereof is authorized to import foreign wood materials into the country (attached as Annex A).
- d) **Bill of Lading** – is a transport document as a contract of carriage between involved parties for the right to deliver and/or claim goods at the port of destination.
- e) **Certificate of Transshipment** - refers to the document issued by the DENR local official at CENRO, implementing PENRO or Regional Office in the case of NCR, to accompany logs/timber, lumber and other wood or non-wood forest products being transshipped from initial port/point of entry to their final destination, showing the quantity/ volume, type, conveyance used date of transshipment, serial number of mother Certificate of Origin, and destination/ consignee.
- f) **Commercial poles and piles** - large pieces of timber for foundation or harbor works.
- g) **Contractor** - a person who enters into a written contract or agreement with another for whom he undertakes to produce, procure, furnish or sell imported wood materials.
- h) **Convention on International Trade in Endangered Species (CITES) of Wild Fauna and Flora** - a treaty regulating the international trade of fauna and flora listed in its Appendices.
- i) **Dealer** - a person, who, for himself or on commission, sells or offers for sale imported wood materials.
- j) **Importation** – an act of transporting into the country foreign wood products listed under Section 3 hereof for commercial and/or other purposes.
- k) **Packing List** – is an itemized list of goods providing the quantity, description and weight of the freight packaged.
- l) **Plant Quarantine Service Certificate (PQSC)** - is a document issued by the Bureau of Plant Industry (BPI) for those commodities that have been processed to the point where they do not remain capable of being infested with quarantine pests.
- m) **Phytosanitary Certificate (PC)** – an official paper document or its official electronic equivalent, consistent with the model certificates of the IPPC, attesting that a consignment meets phytosanitary import requirements. It is issued by the legal authority from the country of origin to show that the transported wood products have been treated and free from harmful pests and diseases.
- n) **Port of Entry** – shall refer to the first port of call of a foreign carrier into the country designated as such by applicable laws.
- o) **Sanitary and Phytosanitary Import Clearance (SPSIC)** - is a document issued prior to importation by the BPI to ensure the products being imported meets standard to protect human, animal or plant life or health, and to prevent the spread of pests or

diseases among animals or plants. Such document also prescribes the condition to be complied by the importer for the maintenance of quality and suitability of product for the intended purposes.

**Sec. 5. Who may Import Wood Materials.** A holder of tenure instrument, Wood Processing Plant (WPP) Permit or Certificate of Registration (CoR) as Wood Furniture Manufacturer, Agent, Contractor, or Dealer of logs/poles and piles/lumber issued by the DENR, may import wood materials; provided, that before availing the privilege to import, the holder of the tenure and/or WPP Permit shall have his current Logs, commercial Poles and Piles, and/or Lumber Dealer's Permit stamped by the Office of the Regional Executive Director (RED) concerned as a VALID AUTHORITY to import wood materials; provided further, that a wood furniture manufacturer, agent, contractor, or dealer not a holder of tenure or WPP Permit shall first secure the registration requirements specified under Section 10 herein.

**Sec. 6. Authorized Ports of Entry.** Until such time that the Secretary of Environment and Natural Resources has designated other ports, the following shall be the authorized entrypoints of imported wood materials:

1. For Luzon, the ports of:
  - Poro Point, San Fernando, La Union
  - Sta. Ana, Cagayan
  - Mariveles, Bataan
  - Subic Bay Port
  - Legaspi City
  - South Harbor, Manila
  - North Harbor, Manila
  - Batangas City
2. For the Visayas, the ports of:
  - Iloilo City
  - Cebu City
  - Bacolod City
  - Dumaguete City
3. For Mindanao, the port sof:
  - Cagayan De Oro City
  - Butuan City
  - Bislig, Surigao del Sur
  - Davao City
  - Zamboanga City
  - Parang, Maguindanao
  - General SantosCity

**Sec. 7. Entry and Discharge Requirements for Imported Wood Products.** The entry and discharge of imported wood materials shall be in accordance with the requirements and procedures of the BOC and BPI-NPQSD; provided, that the Customs District Collector or his authorized agents shall require the importer or his authorized representatives to submit a copy of the Authority to Import (currently stamped Log, Commercial Poles and Piles or Lumber Dealer's Permit) pursuant to Section 5 hereof or a Certificate of Registration validly issued by the DENR pursuant to Section 11 hereof, and the Plant Quarantine Officer concerned shall require the owner or agent of the carrier, or said importer or his authorized representatives to

submit the Phytosanitary Certificate pertaining to the imported wood materials issued by the country of origin as vital document in the issuance of inspection report; provided further that in the absence of a DENR Port Integrated Clearing Office (PICO), the service of qualified DENR-designated technical personnel shall be made available to BOC and/or BPI-NPQSD, when officially requested by the latter.

Provided finally, that in the case of imported wood products from tree species listed under CITES, the importer or his shall representatives shall be required to present to the Custom Officer and DENR Monitoring Team/Wildlife Traffic Monitoring Unit (WTMU) assigned at the port of entry, the CITES Export/Re-Export Permit issued by the CITES Management Authority of the country of origin and the CITES Import Permit issued by the DENR-Biodiversity Management Bureau.

**Sec. 8. Transport Documents for Imported Wood Products.** The copies of the following documents shall be sufficient to accompany the movement or transport of imported wood materials from the port of entry to the point of destination:

- (1) Authority to Import or a Certificate of Registration to Import wood materials;
- (2) Certificate of Transshipment;
- (3) Sanitary and Phytosanitary Import Clearance (SPSIC) or Plant Quarantine Service Certificate (PQSC) issued by the BPI and/or Phytosanitary Certificate, whichever is applicable, issued by the country of origin indicating therein the kind of quarantine treatment requested and/or applied, if any;
- (4) BOC Import and Entry declaration;
- (5) Commercial Invoice;
- (6) Bill of Lading;
- (7) Summary of the Packing List; and
- (8) CITES Import Permit, if applicable.

**Sec.9. Schedule of Report Submission.** The following schedule of report submission shall be as follows:

CENRO to PENRO	Monthly report, on or before the 7 <sup>th</sup> day of the ensuing month
PENRO to Regional Office	Monthly Report, on or before the 10 <sup>th</sup> day of the ensuing month
Regional Office to FMB	Quarterly Report (with monthly breakdown), on or before the end of the month after the reference quarter
	<i>Ex. First Quarter – April 30</i>

The Regional Offices shall prepare the quarterly report with monthly breakdown using the prescribed electronic spreadsheet format. The electronic copy shall be submitted by the Regional Offices through the irrespective official email address to the Office of the Undersecretary for Field Operations copy furnished the Forest Management Bureau (FMB). Whenever a deadline falls on a weekend or on public holiday, report submission shall be due

immediately following the next working day. The quarterly report on importation shall be properly analyzed and consolidated by the Regional Office prior its submission to FMB.

**Sec. 10. Storage, Processing and Disposition of Imported Wood Products.** The storage, processing and disposition of imported wood materials and reportorial procedures required thereof shall be as follows:

The importer who is qualified under Section 5 hereof may dispose of the imported wood materials or the processed or finished wood products; provided, that their transport from the storage area or mill site to any point of consignments or sales within a given defined areas allowed under existing regulations or within the region itself shall be accompanied with pertinent sales invoice and/or delivery receipts only. Provided further, that the transport of said wood materials outside the defined area or region shall be accompanied, in addition to the corresponding sales invoice and/or delivery receipts, with photocopies of the Phytosanitary Certificate and corresponding inspection Report of the Quarantine Officer concerned, Bill of Lading, and the Summary of Packing List duly authenticated by the CENRO/Implementing PENRO concerned or the Regional Executive Director in the case of DENR-NCR and/or his authorized representatives.

**Sec. 11. Registration Requirements of Agents, Contractors, and Dealers of Imported Wood Materials.**

**11.1 Registration Requirements.** In order that an application may be considered as duly filed, the following basic documents shall accompany the application of an Agent, Contractor, or a Dealer for a Certificate of Registration to Import Wood Materials:

- a) Authenticated copy of registration as cooperative, single proprietorship, partnership or corporation from the Cooperative Development Authority, Department of Trade and Industry (DTI) and/or Securities and Exchange Commission (SEC);
- b) Authenticated copy of a Special Power of Attorney (SPA), a written Agreement or Contract between the Agent, Contractor or Dealer and the local principal authorizing the former to procure, sell or supply the latter with imported wood materials;
- c) List of specific species of wood and its scientific names for imported products belonging to AHTN Code No. 44.03 and 44.07; and
- d) Original and Certified True Copy of the Apostilled Sale/Supply Contract/Agreement between the Agent, Contractor or Dealer and the Foreign Exporter of wood materials issued by the Consular Affairs/Foreign Embassy at the country of origin. For non-Apostille countries and State Parties that objected to the Philippine accession to Apostille Convention, namely: Austria, Finland, Germany and Greece, a copy of supply contract/agreement duly authenticated by the Philippine attaché/embassy at the country of origin should be submitted.

The processing and issuance of Certificate of Registration to Import Wood Materials/Products is attached as Annex B.

**11.2 Fees and Bonds.** For every application for a new or renewal of a Certificate of Registration issued in consonance herewith, the following shall be collected:

- a) Application/Registration fee -P3,000.00



- b) CashBond-P12,000.00 (In case of surety bond, 50% of the bond deposit shall be posted in CASH and the balance in the form of surety bond. Provided that the face value of the surety bond shall be increased by 25%).

11.3 Validity. A Certificate of Registration issued in consonance with this Order shall be valid for a period not exceeding one (1) year, subject to renewal for a similar period upon application and proper compliance with existing DENR rules and regulations.

11.4 Responsibility of Registered Agents, Contractors or Dealers, Holder of Certificates of Registration shall be as follows:

- a) Display the Certificate of Registration at a conspicuous place within the establishment's premises exposed to public view;
- b) Submit to the DENR, through CENRO/Implementing PENRO concerned or Regional Office in the case of DENR-NCR, a monthly report on imported wood materials not later than the fifth (5th) day of the succeeding month to include, among others, the following information:
  - b.1) Balance of previous months;
  - b.2) Purchase(s) made during the month under report;
  - b.3) Total volume/quantity handled;
  - b.4) Volume processed/sold; and
  - b.5) Balance at the end of the month.
- c) Provide the required Certificate of Registration from the RED concerned or his authorized representative to import before disposing through sales the imported wood materials;
- d) Allow authorized DENR personnel to inspect the premises where the imported wood materials are stored and to examine records concerning withdrawals or disposition of same; and
- e) Provide such other related information as may be required by the Secretary or his authorized representative.

**Sec. 12. Penalty Clause.** A person found to have in his possession imported wood materials which have entered the country contrary to the provisions of this Order shall be penalized by the immediate suspension and/or cancellation of his permit or certificate, the confiscation of the imported wood materials and/or finished wood products derived therefrom.

**Sec. 13. Separability Clause.** Should any provision or part of this Order be declared void and/or unconstitutional, those provisions not affected thereby, shall remain in full force and effect.

**Sec. 14. Repealing Clause.** All provisions of DENR Administrative Order (DAO) No. 1999-46, DAO No. 2000-14, DAO No. 2000-20, DAO 2001-22 and all circulars, orders, memoranda, and issuances inconsistent herewith are amended or repealed accordingly.

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

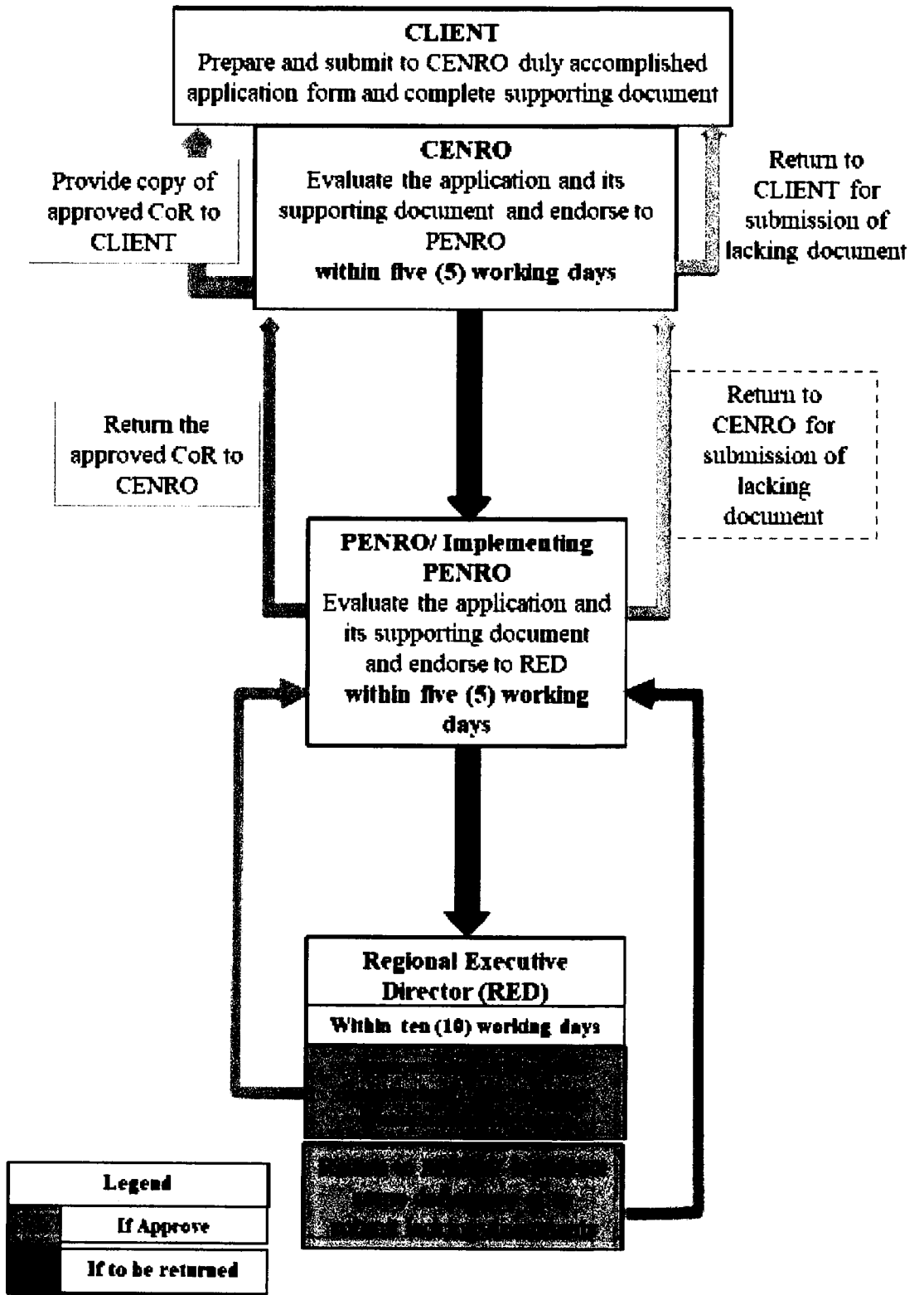
**ROY A. CIMATU**  
Secretary

**ANNEX A. Certificate of Registration as Importer of Dealer/Imported of Wood Products**

	<p>Republic of the Philippines  <b>Department of Environment and Natural Resources</b>                  NATIONAL CAPITAL REGION                  National Ecology Center, East Avenue, Diliman, Quezon City</p>
<p><b>CERTIFICATE OF REGISTRATION</b>                  Registration No. _____                  This is to certify that:</p>	
<p>_____</p>	
<p>Mr./Mrs. _____ a Filipino citizen of _____                  (Proprietor)</p>	<p>_____ has been registered                  (Office Address)</p>
<p>in this Office as</p>	
<p><b>IMPORTER/DEALER OF WOOD MATERIALS</b>                  _____</p>	
<p>Permit to the permit provision of PD No. 705, as amended, and in accordance with the provision of DAO No. 99-46 and the regulations promulgated thereto, and subject to the Terms and Conditions enumerated at the back of permit, and such other additional regulation which may hereinafter prescribed. The registrant has supply contract(s) with the following:</p>	
<p><b>SUPPLIER</b></p>	<p><b>VOLUME (CU.M)</b></p>
<p>_____</p>	<p>_____</p>
<p>The place of its/her business operation is at _____ This Certificate of Registration is non-negotiable and non-transferable and, unless sooner terminated, will expire on _____</p>	
<p>Issued on _____ at Quezon City, Philippines</p>	
<p>_____</p>	<p>Regional Executive Director</p>
<p>Franchise Bond (Cash): _____                  O.R. No. _____                  Date _____</p>	<p>Application/Death Fee: _____                  O.R. No. _____                  Date _____</p>
<p>Registration Fee: _____                  O.R. No. _____                  Date _____</p>	

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3 ANNEX B. Processing and Issuance of Certificate of Registration to Import  
 4 Wood Materials/Products



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