



DEPARTMENT OF
ENVIRONMENT AND
NATURAL RESOURCES

DENR Special Order

No. 139

Series of 1990

13 February 1990

Subject: Regional Support to the DENR-BIR
Joint Special Action Committee

In the interest of the service and pursuant to the DENR-BIR Memorandum of Agreement dated 29 December 1989, all Regional Executive Directors, this Department are enjoined to extend technical and administrative support to DENR-BIR Joint Special Action Committee.

1. All REDs should designate a staff support to the Committee during field investigation of timber concessions.
2. Pertinent documents should be submitted immediately to Mrs. Carmen Borje, c/o DAI, DENR Representative to the Committee, e.g. Report on Forest Charges, Annual Reports of Timber Concessionaires, 1987-1989.

All expenses resulting from this Order are hereby authorized, subject to the usual Accounting and Auditing rules.

This Order shall take effect immediately.

VICTOR O. RAMOS
Undersecretary for Operations

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

- This instrument executed by and between the DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES, hereinafter referred to as the DENR, a government entity, with principal office at Visayas Avenue, Diliman, Quezon City, and herein represented by its Secretary, FULGENCIO S. FACTORAN, JR., and the BUREAU OF INTERNAL REVENUE, hereinafter referred to as the BIR, likewise a government entity, with principal office at Diliman, Quezon City, and herein represented by its Commissioner, JOSE ONG:

W I T N E S S E I H:

WHEREAS, the DENR is encountering difficulty in identifying timber concessionaires who are "farming out" their timber licenses and allowing others to operate their concession areas for and in consideration of royalties/fees in violation of forestry laws, rules and regulations;

WHEREAS, the best means of ferreting out the identities of these erring timber concessionaires is thru the examination of their income tax returns, tax payments, financial statement/records and books of accounts, all of which are required to be submitted to the BIR;

WHEREAS, the nonpayment by the illegitimate operators/contractors of timber concession areas result in losses to the BIR of revenues which would otherwise be paid by these operators/contractors in the form of forest charges, taxes, etc.;

NOW, THEREFORE, in view of the above considerations, it is hereby agreed and stipulated:

1. That the DENR and the BIR hereby create a Joint Special Action Committee composed of representatives of the DENR duly designated by the Secretary of DENR and representatives of the BIR duly designated by the Commissioner of Internal Revenue.

The senior representative of the BIR shall be the Chairman of the Committee.

2. That the Committee shall have the following duties/functions:

(a) Conduct field investigations to identify timber concessionaires who are "farming out" their timber licenses;

(b) Inspect and examine financial records (statements, tax returns and books of account, etc.) of timber concessionaires relative to their logging and other operations to the extent of the powers vested on them by law; and

(c) Issue the required processes to secure the production of relevant documents and exercise the visitorial powers vested both in the DENR and the BIR.

CERTIFIED XEROX COPY

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de Castro
LIGAYA C. DE CASTRO
Records Officer V

1/17/00

[Handwritten signature]

3. The Committee shall submit reports to the DENR and the BIR after termination of such investigation.

4. The Committee shall be entitled to receive per diem, travelling expenses and honoraria chargeable against their respective offices, subject, however, to the usual accounting and auditing rules and regulations.

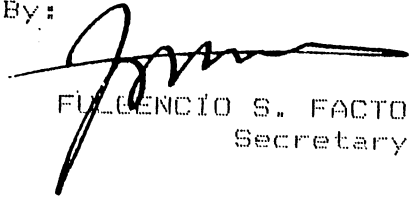
The DENR and BIR both recognize that the unauthorized use of timber licenses or permits results in the defraudation of the government in terms of loss of revenue and that this problem is a perennial one. Accordingly, they hereby agree to render mutual assistance as the need arises to prevent this anomalous practice.

IN WITNESS WHEREOF, the parties have hereunto affixed their signature this 29th day of December, 1989, at Quezon City.

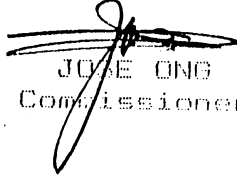
DEPARTMENT OF ENVIRONMENT
AND NATURAL RESOURCES

BUREAU OF INTERNAL REVENUE

By:


FULGENCIO S. FACTORAN, JR.
Secretary

By:


JOSE ONG
Commissioner

CERTIFIED XEROX COPY:

Ligaya C. de Castro
LIGAYA C. DE CASTRO
Records Officer V.
into
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BUREAU OF INTERNAL REVENUE
RECORDS DIVISION

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