

Administrative Order
No. 20
April 25, 1991

SUBJECT: Guidelines on the Confiscation, Seizure, and Disposition of Illegally-Sourced Minerals/Mineral Products

Pursuant to the provisions of Presidential Decree No. 1281, Presidential Decree No. 463, Executive Order No. 192, and other pertinent laws, rules, and regulations, the following guidelines and procedures in the arrest of offender(s) and confiscation, seizure, and disposition of minerals/mineral products extracted, removed or disposed of without any authority are hereby issued for the information, guidance and compliance of all concerned:

Section 1. Definition. For purposes of this Order, minerals/mineral products shall mean all naturally occurring inorganic substances in solid, liquid, or any intermediate state. Soil which supports organic life, sand and gravel, guano, petroleum, geothermal energy and natural gas are included in this term but are governed by special laws. Minerals/mineral products such as ores, aggregates, sand and ceramic raw materials are also included.

Illegally-sourced minerals/mineral products are those which are mined, extracted, removed, and or disposed of without authority or permit under existing mining laws, rules and regulations.

Section 2. Documents Required in the Transport of Minerals/Mineral Products. The transport of all minerals by a permittee/licensee/lessee, production sharing agreement holder (heretofore stated as contractor, non-permittee/licensee/lessee/ contractor) must be accompanied by the following documents:

- a) For non-metallics - Delivery Receipts;
- b) For metallics - Certificate of Origin of Mineral Ore (COMO)- ANNEX "A"

Prior to the issuance of Delivery Receipts, transporters must first secure accreditation certificate with the concerned DENR Regional Office. Guidelines therefore are contained in DENR Administrative Order No. 21, Series of 1991.

Section 3. Basis of Arrests and Confiscations - Absence of any of the foregoing documents shall be considered as **prima facie** evidence of illegal mining and

this shall cause the seizure of the minerals/mineral products and the tools and equipment including conveyance used in the commission of the offense in favor of the government pursuant to PD 1281, subject to further investigation. If it is found that the minerals/mineral products seized have been mined, extracted or removed without any permit or authority under existing mining laws, rules and regulations, final confiscation can be effected to be followed by the filing of the complaint. DENR officers which include the Regional Executive Director (RED), Regional Technical Director (RTD), Provincial and Community Environment and Natural Resources Officers (PENROs/CENROs), and other DENR personnel duly authorized by the Secretary or his duly authorized representatives shall have authority to arrest offenders and seize/confiscate illegally-sourced minerals/mineral products and the tools, equipment and conveyances used in the commission of offense.

Section 4. Execution of Sworn Statements - Immediately after seizure of the minerals/mineral products together with the tools, conveyance/s and equipment used in the commission of the offense, the apprehending DENR officer shall execute his sworn statement/affidavit surrounding the facts of the case in the form hereto attached as Annex "B". He shall also take the affidavits or statements of witnesses, if any, in the form hereto attached as Annex "C".

Section 5. Assessment and Issuance of Seizure Receipt - The kind, volume or quantity of the seized minerals/mineral products shall be determined immediately and the assessment thereof shall be based on the gross volume or weight without benefit of deduction for natural defects, after which the corresponding seizure receipt shall be issued by the signing DENR officer duly acknowledged by the apprehended person/s or party/ies. In case the apprehended person/s or party/ies refuse to acknowledge, the local authority may attest as to the veracity of the seizure receipt.

Section 6. Custody of the Seized Minerals/Mineral Products, Tools, Conveyances, and Equipment - This shall be made in accordance with the following procedures:

- a) In cases of apprehension by the DENR field officer, the mineral products, tools, equipment and conveyance/s used shall be deposited with the nearest CENRO/PENRO/RED office, as the case may be and wherever it is most convenient, for safekeeping. If the transfer of the seized products to the aforesaid offices is not immediately feasible, the same shall be placed under the custody of any licensed mine operator or the nearest local public official such as the Barangay Captain, Municipal/City Mayor, Provincial Governor or the Philippine National Police (PNP), at the discretion of the confiscating officer taking into account the safety of the confiscated items. The apprehending officer is authorized to seek assistance from licensed mine operators to provide

transportation facilities for the transfer of the confiscated items from the place of apprehension to the place of custody. In any event, the custody shall be duly acknowledged and received by the official taking custody thereof. **PROVIDED**, however, that in the case of seizure/confiscation by the DENR Central Office, the case shall be referred to the CENRO/PENRO/RED concerned for further investigation and disposition.

In cases of apprehension by the PNP, Economic Intelligence and Investigation Bureau (EIIB), Coast Guard, and other government law enforcement agencies, the apprehending agency shall notify the nearest DENR Office and turn over the seized items to the CENRO/PENRO/RED as the case may be for proper investigation and disposition.

For confiscated gold and other precious metals, the CENRO/PENRO/RED, as the case may be, shall first determine if they conform with Central Bank (CB) specifications or requirements for acceptance (see Annex "E" hereof). If the confiscated gold satisfies the minimum weight requirements but it does not conform with the physical requirements, the said metal shall be delivered by accountable officer escorted by security officers to the nearest DENR Metallurgy Office for processing. In cases where the weight requirement is not satisfied, the Chief Cashier/Accountant of the CENRO/PENRO/RED office concerned shall store the confiscated metal in a safe deposit box of the nearest reputable banking institution duly accredited by the DENR Regional Office. Once the inventory of metals reaches the minimum CB weight specifications, the Chief Cashier/Accountant shall turn over the confiscated gold to the Metallurgy Office. The latter shall turn over immediately after processing into saleable forms the metals to the Chief Cashier/Accountant. In each turnover, accountability is transferred through Memorandum Receipts.

Section 7. Filing of Complaint - The CENRO/PENRO/RED, as the case may be, shall file the complaint with the proper court for violation of Sec. 78 of P.D. No. 463, as amended in the form hereto attached as Annex "D".

The following documents should be attached to the complaint:

- a) Sworn statement of the apprehending/arresting officer (Annex "B");
- b) Affidavits of witnesses, if any (Annex "C");
- c) Copy of the seizure receipt;

- d) Photographs showing the minerals/mineral products seized including the tools, equipment, and conveyances used in the commission of the offense.

Section 8. Referral of Complaint - Immediately after the complaint is filed, the CENRO/PENRO shall transmit copy of the complaint and all supporting documents to the Regional Office for proper handling and disposition, copy furnished the Assistant Secretary for Legal Affairs.

Section 9. Disposition of Confiscated Minerals/Mineral Products - The disposition of confiscated minerals/mineral products shall be handled in accordance with the following procedure:

- a) The CENRO/PENRO/RED, as the case may be, or his duly authorized representative(s) shall expeditiously sell at public auction and/or dispose in accordance with existing laws and regulations all confiscated minerals/mineral products except the following:
 - i) Those subject of judicial proceedings where ownership of the minerals is at issue until proper authority is obtained for their disposition from the court where the case is pending;
 - ii) Those earmarked for donation to other government agencies;
 - iii) Those determined by the DENR for its own needs.
- b) For confiscated gold and precious metals, there shall be no bidding as the same shall be sold directly to the Central Bank. The sale shall be made as follows:
 - i) If confiscated metals conform with CB specifications, the CENRO/PENRO/RTD/RED concerned shall prepare a letter of intent or advice to sell confiscated precious metals addressed to the nearest CB Buying Station Director or Administrator.
 - ii) The Accountable Officer escorted by security officers shall finally deliver said metals together with the letter/advice to the Central Bank Buying Station and receive payment therefor.
- c) Confiscated minerals/mineral products except gold and other precious metals shall be disposed of through a Committee on Bids and Awards on Confiscated Mineral Products which, in all cases, shall be composed of the Head of DENR field office responsible for or having custody over the confiscated minerals or his duly authorized representative as Chairman and Local Government and accredited

non-government organization (NGOs) representatives and COA representative as members.

In cases of confiscated minerals/mineral products that are the subject of court cases, especially those that easily deteriorate like pumice and clay, representations with the proper court shall be made for the immediate disposition thereof through public auction. The proceeds of the sale shall be deposited as the court directs and the same shall be awarded by the latter based on the final court decision. The procedures in handling the sale of confiscated minerals/mineral products through public auction are as follows:

- i) **Invitation to Bid** - The Chairman of the Committee on Bids and Awards on Confiscated Mineral Products shall issue an invitation to bid in the prescribed format, attached as Annex "F" hereof containing the following:
 - a. Invitation number;
 - b. Place, date, and time of opening of bids;
 - c. Quantity of minerals/mineral products;
 - d. Accurate description and specification of mineral products;
 - e. Terms and conditions including the floor price;
 - f. Bond requirements;
 - g. Government's right to accept and reject bids;
 - h. Instruction to bidders, and
 - i. Bid proposals.

The assessment of the current market value of the minerals/mineral products shall be made by the Committee based on updated price indices.

- ii) **Posting and Publication** - The Invitation to Bid (Annex "F") shall be posted in at least three conspicuous places in the concerned DENR office, municipal buildings and other public places. In cases where the value of the minerals/mineral products is at least P50,000.00, the Invitation shall be published in at least two (2) newspapers of general circulation for three (3) consecutive days, the last publication of which shall be fifteen (15) days before the opening of the bids. In cases where the value is less than P50,000.00, the posting of notices at least thirty (30) days before the opening of the bids shall be sufficient. In addition, a letter of invitation to bid shall be sent to prospective bidders such as legitimate mining/quarry licensees, permittees, lessees, operators, dealers, traders, and operators of mineral processing/beneficiation plants.

In case of rebidding, the Invitation to Rebid shall be published in the same newspaper of general circulation at least once every week for three (3) consecutive weeks, the last publication of which shall be one (1) week before the scheduled rebidding.

If after a rebid, no qualified bids are submitted, negotiated bids may be authorized by the DENR Secretary.

The Secretary may also authorize negotiated bidding in cases when social equity is involved.

The Regional Executive Director, upon prior clarification with the Undersecretary for Field Operations, may segregate the bidding into small lots. It is understood that the cost of bidding shall be deducted from the bidding price.

iii) **Accreditation of Bidders** - The Committee, meeting on quorum, shall not honor the offer or proposal of any bidder unless he has formally submitted an application therefor under oath containing, among others: name and address, citizenship, nature of business, and statement that he has not committed any of the following grounds for disqualification:

- a. Involvement in a crime related to business, commerce, and trade, as well as for hoarding and profiteering; and
- b. Deliberate error or omission in the bid tender.

In addition to the foregoing requirements, the prospective bidder shall submit proofs that he is either a legitimate mining/quarry licensee, permittee, lessee, operator, dealer, trader, or operator of a mineral processing/beneficiation plant.

In no case shall the person from whom the minerals/mineral products were confiscated qualify as a bidder.

The DENR Officers concerned shall develop and implement an ID Card system for buyers and agents to safeguard against misrepresentation.

- iv) **Pre-Bid Conference** - If necessary, the Committee may hold a pre-bid conference to clarify or explain doubts or ambiguities on the specifications or conditions in the Invitation to Bid. The pre-bid conference shall not be used as an occasion for amending, modifying, or revising advertised specifications and conditions.

- v) **Deposit** - All bidders shall be required to deposit an amount equivalent to ten (10) percent of the amount of bid in either cashier's or manager's check in the name of the DENR Secretary, which deposit shall be returned to the losing bidder after the award is announced. In the case of the awardee, the deposit shall be automatically converted into partial payment. Failure of the awardee to remit/pay the balance of the amount of bid on or before 2:00 in the afternoon of the third working day from the date of the sale will render the award to him as null and void, and the deposit shall be forfeited in favor of the government. In such an eventuality, the second highest complying bidder shall be considered for the award provided that his bid is at least 75% of the highest bid but in no case less than the floor price for minerals/mineral products. These rules shall apply to the third highest bidder in case of refusal on the part of the second highest bidder, and so on.

- vi) **Opening of Bids**
 - a. **Sealed Bids** - All sealed bids shall be submitted to and received by the Chairman, Committee on Bids and Awards on Confiscated Minerals/Mineral Products only on the date, time, and place for opening of the bids as indicated in the Invitation to bid. Bidders or authorized representatives may witness the proceedings. After the bid tenders are opened, all copies shall be properly identified and initialed by the Committee members and shall be recorded in the appropriate record book by the Secretariat of the Committee.

 - b. **Postponement** - No opening of any bid shall be postponed by the Committee. However, in case there is only one (1) bidder, the bidding shall be postponed and rescheduled by the Committee. Moreover, if there is more than one (1) bidder and the date set for the opening of the bids falls on a declared legal holiday, the bids shall be opened on the following working day at the same time and place specified in the invitation to bid.

- c. **Late Bids** - Bids submitted after the scheduled time of opening shall not be accepted by the Committee Chairman.
 - d. **Correctness of Bids** - After the bids are opened, no bidder shall be allowed to make any correction, alteration, or improvement on his bid.
 - e. **Abstract of Bids** - The offers submitted by the bidders shall be abstracted in the prescribed form which shall be certified as to its correctness and authenticity by the Committee. The abstract shall serve as the guide in the evaluation of the offers by the Committee.
- vii) **Appreciation of Bids** - Bids submitted which are not signed nor covered by the required bond or does not meet all the requirements shall be declared as "NO BID" to be signed by the Committee members.
 - viii) **Bases of Award** - Award shall be given to the most advantageous offer. In case of a tie, the bidders shall submit another sealed bid immediately after the Committee declares a tie and the bids shall likewise be opened, after which the Committee shall prepare the abstract of quotations and its order of award.
- A certificate of disposal of the minerals/mineral products seized indicating the quantity, type, and amount of specific taxes and penalties due thereon, together with five (5) copies of the auxiliary invoice shall be prepared furnishing a set of copies thereof to the following: Undersecretary for Field Operations, Regional Executive Director, PENRO, CENRO, and representatives of the local government concerned and COA.
- ix) **Notification of Awards** - The Committee shall prepare and send the award order or notification to the winning bidder. The award order shall serve as the permit of the awardee to remove, transport, and dispose the minerals/mineral products subject of said award.

Section 10. Expenses in the Transfer of the Seized Minerals/Mineral Products from the Place of Apprehension to a Depository Area - All expenses to be incurred in the hauling and transport of the seized minerals/mineral products from the place of apprehension to a depository area shall be added to the value of the minerals/mineral products to be bid and included in the

minimum bid price. These expenses shall be reimbursed as administrative costs not to exceed the equivalent of ten percent (10%) of the total proceeds of the sale.

In cases of minerals/mineral products that are subject of court cases and sold/disposed at public auction upon proper representations with the court, the expenses to be incurred in the bidding and transport of the seized minerals/mineral products from the place of apprehension to a depository area shall likewise be added to the value of minerals/mineral products to be auctioned and included in the minimum bid price.

For minerals/mineral products that are subject of donation to other government agencies as referred to in Item (ii), letter (a) of Section 9 hereof, the expenses to be incurred in the hauling and transport of the seized minerals/mineral products shall be shouldered by the concerned donee/s.

Section 11. Remittance of Proceeds of Sale - The proceeds of sale of confiscated minerals/mineral products, after deducting all administrative costs related to the confiscation of the minerals/mineral products and their disposition shall be remitted by the Chairman of the CBACMP to the DENR Secretary either in the form of Cashier's or Manager's check immediately upon receipt of the full payment of the bidded mineral products.

Section 12. Reporting

a) Individual Cases/Report.

Confiscation/seizure/impounding shall be reported immediately by the apprehending officer to the CENRO/PENRO/RED within twenty-four (24) hours who shall then send a report to the next higher officer. A detailed report by the apprehending officer must be submitted within three (3) days from the date of seizure indicating actions taken thereon. If the confiscation/seizure is made with personnel from the Regional Office, the same procedure shall be followed by a report of the Regional Executive Director concerned to the Undersecretary for Field Operations.

b) Monthly Report

- i) A monthly confiscation report shall be submitted by the CENRO/PENRO to the RED together with the status of the confiscated minerals/mineral products.

ii) The RED shall consolidate the monthly confiscation reports of all the CENROs/PENROs under his region and in turn forward the same to the Undersecretary for Field Operations.

c) **Quarterly Report**

The RED shall submit to the DENR Secretary through the Undersecretary for Field Operations a quarterly report of confiscated minerals/mineral products within the region.

Section 14. Repealing Clause - All policies, memoranda, rules and regulations which are inconsistent with this Order are hereby repealed and/or amended accordingly.

Section 15. Penalty Clause - Violation of any of the provisions of this Order, shall be penalized in accordance with Section 78 of PD 463 and other existing rules and regulations pertinent thereto.

Section 16. Effectivity - This Order takes effect fifteen (15) days after publication in a newspaper of general circulation.

FULGENCIO S. FACTORAN, JR.
Secretary

NOTE: Annexes Omitted

**Administrative Order
No. 21
April 25, 1991**

SUBJECT: Guidelines on the Accreditation of Processors, Traders, Dealers and Retailers of Minerals/Mineral Products and By-Products

In consonance with the provisions of Executive Order 192 and other pertinent laws, rules and regulations, the processors, traders, dealers and retailers of minerals/mineral products/by-products who are not holders of mining permit/license/duly registered operating agreement are henceforth required to be accredited by this Department. To effectively implement this, the following guidelines and procedure are hereby issued for the guidance and compliance of all concerned:

Section 1. Definition - The term "mineral" shall include all mineral and ores including construction materials such as raw sand, gravel, wash out pebbles and filling materials. Semi-processed mineral products such as but not limited to rock or concrete aggregates, unpolished decorative stone (such as marble, granite, or limestone) tiles and slabs, metallic ore concentrates or tailings, smelter slag, cathodes, ingots, billets, blooms, unrefined precious metal bars or bullion, agricultural and industrial lime are covered by this Order. Exempted are finished/manufactured minerals and metal products such as cement, transit mixed concrete, ceramics, polished decorative stone tiles, refined or alloyed metal sheets, wires, bars, beams, plates, refined precious metal bars, jewelry or ornaments and other mineral products in their final form or stage of manufacture and ready for consumption by end-users.

Section 2. Requirements for Accreditation - The following documents shall be submitted by the applicants:

- a) Duly accomplished application form as prescribed in Annex "A" hereof;
- b) Copy of the permit/license/mining rights of the supplier/source of minerals/mineral products/by-products or copy of Certificate of Accreditation in case the source of materials is a processor, trader, dealer or retailer;
- c) Proof of legal source or supply as supported by any of the following documents:
 - c.1 Supply contract/agreement with a permittee/licensee/accredited dealer producing the specified minerals/mineral products/by-products;

- c.2 Affidavit executed by a permittee/licensee/accredited dealer to the effect that he/she is willing or currently selling and will continue to sell or supply the applicant with the minerals/mineral products/by products specified in the application;
- c.3 Delivery or Purchase Receipts issued by a permittee or licensee or previously accredited dealer/trader; and
- c.4 Certificate of Origin of Mineral Ores (COMO) or Bill of Lading which clearly indicates that the applicant is the consignee of a permittee or a duly accredited dealer/trader/shipper.

Section 3. Procedure for Accreditation - The following procedures shall be observed on the issuance of the Certificate of Accreditation by all concerned:

- 3.1 Power to issue Certificates of Accreditation - The PENRO/CENRO who exercises territorial jurisdiction where applicant's business address is located shall issue the certificate as exhibited in Annex B hereof. The Regional Technical Director for Mines may issue the certificate in cases where the nearest PENRO or CENRO Office is inaccessible, or travel by the applicant may be too prohibitive.
- 3.2 Standard Operating Procedure for Processing of Applications:
 - a) PENR/CENR Office receives and dates application upon payment of the required fees;
 - b) PENR/CENR Officer (or his deputies) evaluates application and validates supporting documents;
 - c) PENR/CENR Officer issues certificates or rejects application based on merits;
- 3.3 The PENRO/CENRO shall regularly submit list of accredited processors, traders, dealers and retailers of minerals/mineral products and by-products to the RED (cc: Director of Mines and Geosciences) who will transmit the same to the Undersecretary of Field Operations Office;

Section 4. Fees - An application and filing fee of P100.00 shall be collected from each applicant.

Section 5. Effectivity and Validity of the Certificate of Accreditation - The Certificate of Accreditation shall be effective from the date of its issuance and shall be valid for a period of one (1) year renewable for the same period.

Section 6. Confiscation, Apprehension and Disposition of Seized Mineral Products. Shipments of minerals/mineral products, and by-products by non-accredited traders and other illegal sources may be apprehended, confiscated and disposed of in accordance with the provisions of DENR Administrative Order No. 20, Series of 1991.

Section 7. Penal Provisions - Penal provisions under DENR Administrative Order No. 20, Series of 1991, PD 463 and other pertinent laws, rules and regulations shall also apply to those apprehended and found liable under this Order.

Section 8. Repealing Clause - The provisions set forth in this Order shall supersede all other provisions in orders, memoranda, circular and other rules and regulations inconsistent herewith.

Section 9. Effectivity Clause - This Order shall take effect fifteen (15) days from the date of its publication in a newspaper of general circulation.

FULGENCIO S. FACTORAN, JR.
Secretary

NOTE: Annexes Omitted

Administrative Order
No. 26
May 15, 1991

SUBJECT: Suspension of Registration of Mining Claims and Other Applications for Mining Rights in Certain Areas Within the Municipality of Basud, Camarines Norte

Pursuant to Section 90 of Presidential Decree No. 463, as amended, and Section 7 of Executive Order No. 192, the registration of mining claims and other applications for mining rights in Barangay San Pascual, Municipality of Basud, Camarines Norte as delineated by the geographical coordinates 13 deg. 55'00" to 13 deg. 59'30" north latitude and 122 deg. 58'00" to 123 deg. 00'00" east longitude covering an area of two thousand four hundred thirty (2,430) hectares is hereby suspended subject to existing prior rights and the same area reserved for the Minahang Bayan Program.

This Order shall take effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary

Administrative Order

No. 40

August 16, 1991

SUBJECT: Procedures on the Collection and Remittance of the Two Percentum (2%) Replenishment Contribution to UNRFNRE from Ores Extracted or Shipped-out in Dinagat Island, Surigao del Norte

Pursuant to the Project Agreement dated 2 March 1988, executed by and between the Republic of the Philippines, represented by the Secretary, Department of Environment and Natural Resources (DENR) and the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), for mineral explorations in Dinagat Island, Surigao del Norte, the following procedural guidelines on the collection and remittance of the two percentum (2%) replenishment contribution for the UNRFNRE are hereby promulgated for the information and guidance of all concerned:

Section 1 - Coverage. As embodied in the Mineral Production Sharing Agreement (MPSA) and Small Scale Mining Permit (SSMP), the obligation to pay or remit the 2% replenishment contribution to the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) shall cover all holders thereof operating within the UNRFNRE areas in Dinagat Mineral Reservation as shown in Appendix I hereof. The obligation shall likewise cover future awardees/holders of such agreement/permit.

Section 2 - Definition of Terms. The following terms as used in this Order shall refer to the following:

- 2.1 **Surigao Mineral Reservation Monitoring Team or SMRMT** - a group composed of representatives from the Mines and Geosciences Bureau and the DENR Regional Office concerned which shall monitor all shipment of mineral ores and other mining activities within UNRFNRE areas;
- 2.2 **Provincial Environment and Natural Resources Office or PENRO** refers to the office in Surigao City which shall be responsible for the collection, deposit, recording, reporting and disbursement of the 2% replenishment contribution to UNRFNRE;
- 2.3 **Philippine National Bank or PNB** refers to its branch in Surigao City which is the authorized government depository bank of all contributions to UNRFNRE;

- 2.4 **Mines & Geosciences Bureau or MGB** the monitoring and verifying office;
- 2.5 **United Nations Revolving Fund for Natural Resources Exploration or UNRFNRE** - an international body which shall be the recipient of the 2% replenishment contribution;
- 2.6 **Applicant** - permittees, traders, and mining companies (or their duly authorized representatives), granted by the government the right to produce any "reported mineral" within the UNRFNRE areas and the payor of the 2% replenishment contribution;
- 2.7 **United Nations Development Program of UNDP** - the body based in the Philippines which shall receive all contributions in behalf of UNRFNRE.

Section 3 - Accounting Guidelines and Procedures. The accounting of the 2% contribution shall be governed by the following guidelines and procedures:

- 3.1 The amount of 2% replenishment contribution shall be based on the gross or ex-minesite value of the extracted ore which is also used as basis for computing the excise tax;
- 3.2 The payor shall pay the computed amount directly to the PENRO;
- 3.3 The PENRO Collecting Officer shall issue a duly accounted and separate series of government official receipts;
- 3.4 The collections shall be deposited in a separate trust account to be opened at the Philippine National Bank (PNB) branch in Surigao City as the authorized government depository bank;
- 3.5 The PENRO Collecting Officer shall prepare a separate Monthly Report of Collections for submission to the PENRO Accounting Unit. A legible copy thereof shall be submitted by the PENRO to the Mines and Geosciences Bureau (MGB);
- 3.6 A duly-approved disbursement voucher and signed check shall be prepared to effect the payment of the quarterly replenishment contributions within ninety (90) days after the end of each calendar quarter;

- 3.7 The check remittance shall be forwarded to the MGB for transmittal/endorsement to the UNRFNRE thru the UNDP Resident Representative in Manila;
- 3.8 An official receipt shall be issued by the UNDP Finance Officer; and
- 3.9 The PENRO Accountant shall maintain the following separate special journals:
 - a. Journal of Collections and Deposits; and
 - b. Journal of Checks Issued.

He shall likewise maintain a separate trust liability account - 8-84-900 (184) - UNRFNRE in the general ledger under the General Fund - 101.

Section 4 - Internal Control Requirements. In order to accelerate the remittance of all the collections to the UNRFNRE, compliance to the following internal procedures are hereby required:

- 4.1 All payments shall be made in check payable to PENRO-UNRFNRE and crossed with two (2) diagonal lines on the upper left corner of the check and marked "For Deposit Only to Payee's Account". Cash payments may be allowed but shall be limited only to a maximum of Ten Thousand Pesos (P10,000.00) for payments made by small-scale miners.
- 4.2 All collections shall be deposited intact to the PNB Branch in Surigao City immediately the following banking day. All checks collected shall be stamped "For Deposit Only to PENRO-UNRFNRE Account No. ____" at the back of the check.
- 4.3 The designated Collecting Officer/Cashier shall post a bond equivalent or commensurate to the expected total amount of collections.

Section 5 - Systems and Procedures. In accordance with Joint Circular No. 9-81 dated October 19, 1981 entered into by and between the then Ministry of Budget, Ministry of Finance and the Commission on Audit, the following systems and procedures on the collection, disbursement, remittance, recording, monitoring and reporting shall be observed:

5.1 Collection System

- 5.1.1 The **Applicant** submits a duly filled-up application form for the issuance of a Certificate of Origin of Mineral Ores (COMO) to the SMRMT Field Station or PENRO.
- 5.1.2 The SMRMT Action Officer checks the application and certifies its accuracy particularly the declared volume and value of the minerals to be shipped. Thereupon, he shall compute the 2% replenishment contribution based on Section 4.1 hercof.

Thereafter, the SMRMT shall issue an Order of Payment to the **Applicant** which shall be coursed through the PENRO Accounting Unit for indication of Fund and Account Codes.

- 5.1.3 Upon presentation of the Order of Payment to the designated PENRO Cashier, the **Applicant** shall pay the computed 2% replenishment contribution.
- 5.1.4 The designated PENRO Cashier receives the payment and issues a government official receipt to the **Applicant**.
- 5.1.5 The **Applicant** presents the official receipt to the PENRO Technical Officer, duly designated by the PENR Officer to process and issue the COMO.
- 5.1.6 The designated PENRO Technical Officer verifies the official receipt and records the number in his logbook. Thereafter, a COMO shall be issued to **Applicant**.
- 5.1.7 After payment of the contribution, the **Applicant** shall present the official receipt to the SMRMT Action Officer who shall then proceed to prepare the corresponding **Permit to Load** for the signature of the PENR Officer pursuant to the provisions of Section F paragraph 3.5 of DENR Administrative Order No. 38, Series of 1990, as amended.
- 5.1.8 At the end of every month, the PNB shall submit to the PENRO a report on its Statement of Deposits. Based on such report, the PENRO Accountant shall prepare a monthly bank reconciliation statement.

5.2 **Disbursement**

- 5.2.1 The designated PENRO Cashier prepares a disbursement voucher and a commercial check drawn to PNB for all disbursement out of the maintained trust fund.
- 5.2.2 The disbursement voucher shall be approved and signed by the following authorities:
 - a. Designated SMRMT Officer - recommending approval;
 - b. PENR Officer - approval; and
 - c. PENRO Accountant - certifies as to the availability of funds
- 5.2.3 The signatories to the disbursement voucher and check shall be governed by the provisions of DENR Administrative Order No. 38, Series of 1990, as amended.
- 5.2.4 The check should be addressed to UNRFNRE thru the UNDP Resident Representative.

5.3 **Remittance**

- 5.3.1 A legible certified photocopy of signed disbursement voucher and check shall be forwarded to MGB for verification.
- 5.3.2 The MGB Director shall approve the release of the check to UNRFNRE thru the UNDP Resident Representative.
- 5.3.3 The UNRFNRE, thru UNDP Resident Representative, shall issue an official receipt as acknowledgement of the receipt of all collections.
- 5.3.4 The MGB shall forward to the PENRO Accountant the original official receipt issued by UNDP Resident Representative retaining a photocopy thereof for its record and file. Said receipt shall be attached by the PENRO Accountant to the original disbursement voucher for post audit purposes.

5.4 **Recording**

- 5.4.1 The PENRO Accountant shall maintain a separate set of books to record all collections;

- 5.4.2 The PENRO Accountant records all collections in a Journal of Collections and Deposits based on the Report of Collections submitted by the PENRO Cashier. He shall likewise encode such information in index cards arranged according to payor for easy reference.
- 5.4.3 The PENRO Accountant records all disbursement and remittance in a Journal of Checks issued by Disbursing Officer based on the monthly report of the checks submitted by the PENRO Cashier. The same information shall also be entered in index cards arranged according to payor.

5.5 Reporting

- 5.5.1 The PENR Officer shall submit to the MGB a monthly report of shipment of mineral ores and COMO issued **Applicants**.
- 5.5.2 The PENR Officer shall submit to the MGB a monthly report of collections per **Applicant** and official receipts issued to the MGB.
- 5.5.3 The PENR Officer shall submit to the MGB a quarterly report of collections and shipment of mineral ores by **Applicant**. These reports shall support the disbursement vouchers and checks prepared quarterly to remit the 2% replenishment contributions to UNRFNRE.
- 5.5.4 The PENRO Accountant shall submit to MGB a copy of the Monthly Trial Balance which shall clearly show the Trust Liability Account for the UNRFNRE Trust Fund.
- 5.5.5 The MGB shall verify and compare all reports, vouchers, checks and other documents received from the PENRO.
- 5.5.6 The MGB shall retain duplicates and photocopies of all documents sent by the PENRO for filing and record purposes.

The accounting of all collections shall be carried out following the illustration shown in Appendix II.

Section 6 - Monitoring. The MGB, in coordination with the members of the SMRMT at the PENRO shall, on a regular basis, monitor and verify the accuracy of the reported minerals extracted and shipped from the UNRFNRE mineral areas as shown in a map on Appendix I of this Order; **Provided**, that nothing herein shall be construed to prevent the team from ascertaining the true value of the mineral previously shipped or

disposed of and thereafter proceed to assess and collect from the permittee/shipper the deficit on the 2% replenishment contribution fee thru the issuance of an Order of Payment by the SMRMT Action Officer.

Section 7 - Duration of 2% Collection for UNRFNRE Replenishment Contribution. The two percentum (2%) replenishment contribution of mining permittees shall be payable for a period of fifteen (15) years or until such time that the total recoupment of all the exploration expenses incurred by UNRFNRE, whichever comes first, shall have been recouped. In such a case, recording shall commence from the date of the first officially recorded production or shipment of "reported mineral" from the UNRFNRE target areas by the SMRMT, **Further**, in no case shall the contribution exceed the **Maximum Replenishment Contribution** provided for under Section 4.07 of the Project Agreement.

Section 8 - Audit Requirement. The Resident Auditor of the Commission on Audit and the UNDP Auditor shall regularly check and audit the books and records maintained by the PENRO and MGB.

Section 9 - Amendments. Any subsequent amendments to the provisions of this Order shall be made effective only upon approval of the Secretary upon the recommendation of the DENR-UNRFNRE Project Committee.

Section 10 - Date of Effectivity. The effectivity of this Order shall be retroactive from the first date of officially recorded extraction/shipment of any reported mineral in the UNRFNRE exploration areas, by legal small-scale mining permittees or companies whose permits/contracts explicitly obligate them to pay the 2% Replenishment Contribution to UNRFNRE after December 31, 1989.

FULGENCIO S. FACTORAN, JR.
Secretary

NOTE: Appendices Omitted

Administrative Order
No. 59
October 31, 1991

SUBJECT: Lifting of the Suspension Order (A.O. 73, Series of 1988) Suspending the Registration of Mining Claims and other Applications for Mining Rights in the Province of Catanduanes

Consequent to the results of the mineral explorations conducted by the DENR-Region V and finding that there is no suitable area for small-scale mining and/or labor-intensive mineral utilization, the suspension of registration of mining claims and other applications for mining rights in the Province of Catanduanes under Administrative Order No. 73, Series of 1988, is hereby lifted.

This Order takes effect immediately.

FULGENCIO S. FACTORAN, JR.
Secretary

**Administrative Order
No. 63
December 12, 1991**

**SUBJECT: Guidelines for the Acceptance,
Consideration and Evaluation of Financial
or Technical Assistance Agreement
Proposals**

To encourage foreign investors in the mining industry and in line with the policy of the Government in harnessing the country's mineral resources to accelerate economic recovery and development pursuant to Executive Order No. 279 of 25 July 1987, the following rules and regulations governing the acceptance, consideration and evaluation of the financial or technical assistance agreement for large scale exploration, development and utilization of mineral resources are hereby promulgated:

Section 1. Definition of Terms - As used in and for the purposes of this Order, the following words and terms, whether in singular or plural, shall have the following respective meanings:

- 1.a **Contract Area** means the area originally awarded under FTAA without reference to region or province.
- 1.b **Contractor** means any Filipino or foreign owned corporation to whom a Financial or Technical Assistance Agreement is awarded.
- 1.c **Date of Commencement of Commercial Production** shall mean the first day of the calendar quarter following that quarter in which production equals fifteen percent (15%) of the Project's initial annual design capacity.
- 1.d **Financial or Technical Assistance Agreement (FTAA)** means an agreement or contract which the Government enters into with any Filipino or foreign-owned corporation for the financial or technical assistance for large scale exploration, development and utilization of mineral resources.
- 1.e **Foreign-Owned Corporation** means any corporation, partnership, association or cooperative duly registered in accordance with Philippine laws in which more than forty percent (40%) of the capital is owned by non-Filipino citizens.

- 1.f **Large Scale Mining** means exploration, development and utilization of mineral resources involving a committed capital investment of at least US\$ 50 million in a single mining unit project.
- 1.g **Meridional Block** means an area of one-half (1/2) minute of latitude by one-half (1/2) minute of longitude.
- 1.h **Mining Operations** means mineral exploration, development, production and/or all other activities necessary to discover, develop and extract minerals.
- 1.i **Mining Contract** shall refer to mineral production sharing agreement, co-production, joint venture or other similar agreements.
- 1.j **Pre-operating Expenses** shall include all costs incurred by the holder of the FTAA and any of its Related Corporations on the Contract Area applied for under the FTAA up to the Date of Commencement of Commercial Production.

Such costs shall include all activities conducted toward the discovery, location and delineation of commercial ore bodies within the Contract Area including but without limitation to:

- (i) payments made to claimowners and landowners;
- (ii) all exploration programs;
- (iii) the acquisition maintenance and administration of any mining or exploration tenements;
- (iv) the establishment and administration of field offices;
- (v) the cost of administering any program of work together with any other work reasonably calculated to lead to a decision to mine together with all costs incurred in financing and insuring construction of the mine;
- (vi) feasibility studies;
- (vii) all costs of constructing and developing the mine; and
- (viii) all costs incurred at the mine towards the extraction and production of minerals from the Contract Area until the Date of Commencement of Commercial Production less:

- (a) any income received in payment for production until the Date of Commencement of Commercial Production; and
- (b) any other credits offsetting the above costs.

- 1.k **Project Area** means an area remaining after relinquishment which shall not be more than 5% of the contract area.
- 1.l **Related Corporation** shall mean a body corporate or other entity in which a shareholder in the FTAA Contractor owns an interest in excess of 40%.
- 1.m **Single Mining Unit Project** means mining operations per project area.

Section 2. Fees - Upon filing of the FTAA proposal, the proponent shall pay to the Mines and Geosciences Bureau US\$500 payable in Philippine currency at the exchange rate prevailing at the time of application for filing fee, processing fee and per P.D. 1856, as amended. Upon approval of the FTAA, the Contractor shall pay to the Mines and Geosciences Bureau the following:

- a. **Occupation Fee**
 - P10.00 per hectare/year for non-reservation area
 - P100.00 per hectare/year for reservation area
- b. **Regulatory Fee for Exploration**
 - For onshore P10.00 per hectare/year for the first year of exploration plus P5.00 yearly increment for the succeeding years
 - For offshore P50.00 per hectare/year
- c. **Registration Fee** - P100.00/FTAA
- d. **P.D. 1856, as amended, for c** - P10.00

Section 3. Qualifications of Financial or Technical Assistance Agreement Applicant - Any applicant, whether Filipino or foreign-owned corporation, may enter into FTAA provided that it has the financial or technical capability to undertake large scale mining as defined herein.

Without in any way limiting the tenor of and flexibility accorded by the above provision, the capabilities of the applicant may be substantiated, inter alia, by the following:

- 3.a Financial Capability of FTAA Applicant - To ensure compliance with its expenditure requirements and other obligations during the Exploration Period, the FTAA applicant shall be required to post a financial guaranty bond in favor of the Government for the amount equivalent to the expenditure obligations of the applicant for any year.

The FTAA applicant shall make a firm commitment of at least fifty million US dollars (US \$50,000,000), or its equivalent in Philippine currency in case of a Filipino applicant, that will be invested in the contract area.

After exploration and feasibility studies, but prior to construction and development, an FTAA applicant, to ensure fulfillment of its US\$50 million commitment, shall be required to submit documentary evidence from an internationally recognized offshore financial institution confirming that contractor has available, sufficient and accessible fund for the development of the mine for a capital investment in a single mining unit of US\$50 million less all exploration costs.

- 3.b Technical Competence of FTAA applicant - Proof of technical competence of the FTAA applicant shall be submitted showing its track record in mineral resource exploration, development and utilization; technology to be introduced; and names and curriculum vitae of technical men to undertake the operation.

Section 4. Documents to be Submitted - The FTAA applicant shall submit its proposal accompanied by the following:

- 4.a Upon filing of the proposal -
 - 4.a.1 Letter of Intent (LOI) to enter into FTAA;
 - 4.a.2 The documents pertaining to the juridical personality of the applicant such as Articles of Incorporation, By-laws and SEC Registration papers;
 - 4.a.3 All information data and documents referred to or reasonably connected with the provisions of Sections 3, 3.a and 3.b hereof, as may promote and facilitate meaningful appreciation and evaluation of the proposal;

4.a.4 Certified copies, if any, of mining exploration contract, operating contract, assignment, permit or similar agreement it has entered into with any local or foreign juridical and natural persons; and

4.a.5 Financial statement of the mother company.

4.b Upon approval of FTAA - financial guarantee bond as defined in Sec. 3.a.

4.c After completion of feasibility study:

4.c.1 Technical description of the proposed Project Area, its status as known to the applicant;

4.c.2 Mining operations to be undertaken and the technology to be used and developed therein; and

4.c.3 Contributions to the economic and general welfare of the country that shall be feasibly generated by the proposed venture.

Section 5. Available Areas.

The following areas are available for Financial and Technical Assistance Agreement:

5.a Lands of the public domain and alienable and disposable lands not covered by valid and existing mining leases, permits, licenses, applications and declarations of location.

5.b Lands covered by valid and subsisting prospecting permits, exploration permits, mining claims, mining leases and similar agreements provided that the holders consented thereto in writing.

5.c Government reservations provided that the agency concerned gives its clearance.

5.d Offshore areas including the Exclusive Economic Zone.

5.e Private lands subject to P.D. 512

5.f Any combination of the above (5.a to 5.e)

Section 6. Maximum Contract and Project Areas Allowed -

The maximum contract area as shown hereunder, that may be granted under the FTAA for exploration, development and utilization shall be subject to relinquishment to the extent of ninety five percent (95%) of the contract area after five (5) years of exploration, provided, that the minimum relinquishment per year shall be ten percent (10%) of the contract area and that the maximum retained area shall be approximately 52 meridional blocks or 5,000 hectares and 800 meridional blocks or 65,000 hectares for onshore and offshore respectively.

The maximum contract area shall be:

- 6.a 1,235 meridional blocks or 100,000 hectares onshore
- 6.b 16,000 meridional blocks or 1,296,000 hectares offshore reckoned from the 100 meters from the shore waterlines at mean low tide extending seaward.
- 6.c Combination of a & b provided that it shall not exceed the maximum limits for onshore and offshore areas.

Section 7. Duration of FTAA

The duration of FTAA shall be for a maximum of 25 years renewable for another period not exceeding 25 years. The activities of each phase of mining operations must be completed within the following periods, respectively;

Exploration & Feasibility Study - 5 years from date of approval of FTAA

Construction & Development and Production/Utilization - remaining years of FTAA contract

Section 8. Acceptance and Evaluation of FTAA

All FTAA proposals shall be filed with and accepted by the Central Office Technical Secretariat (MGB) after payment of the requisite fees to the Mines and Geosciences Bureau, copy furnished the Regional Office concerned within 72 hours. The Regional Office shall verify the area and declare the availability of the area for FTAA and shall submit its recommendations within thirty (30) days from receipt. In the event that there are two or more applicants over the same area, priority shall be given to the applicant who first filed his application. In any case, the Undersecretaries for Planning, Policy and Natural Resources Management; Legal Services, Legislative, Liaison and Management of FASPO; Field Operations and Environment and Research, or its equivalent, shall be given ten (10) days from receipt of FTAA proposal within which to submit their comments/recommendations and the Regional Office, in the preparation of

its recommendations shall consider the financial and technical capabilities of the applicant, in addition to the proposed Government share. Within five (5) working days from receipt of said recommendations, the Technical Secretariat shall consolidate all comments and recommendations thus received and shall forward the same to the members of the FTAA Negotiating Panel for evaluation at least within thirty (30) working days.

Section 9. Negotiation of FTAA -

The FTAA shall be subject to the approval of the President upon recommendation of the Negotiating Panel, created by virtue of Presidential Administrative Order No. 68 Series of 1988, to be composed of the following:

1. The Secretary of Environment and Natural Resources or his Representative - Chairman
2. The Secretary of Socio-Economic Planning and Director-General, National Economic and Development Authority or his Representative - Vice-Chairman
3. The Secretary of Finance or his Representative - Member
4. The Secretary of Trade and Industry or his Representative - Member
5. The Governor, Central Bank of the Philippines or his Representative - Member
6. The Chairman, Board of Investments or his Representative - Member
7. The Director, Mines and Geosciences Bureau - Member

In evaluating the proposed FTAA, the Panel shall take into consideration the real contributions to the economic growth and general welfare of the country that will be realized as well as the development of local scientific and technical resources.

The Panel upon being satisfied of the terms and conditions of the proposed FTAA and with the Contractor's compliance with all the requirements, shall recommend

its approval to the President. Should the Panel, however, find some of the terms and conditions unacceptable, it shall calendar the proposed FTAA for negotiation and shall make the corresponding notification to the proponent. If after the negotiation, terms and conditions, acceptable to the Panel, have been incorporated in the proposed FTAA, the Panel shall then, forthwith recommend to the President its approval.

Section 10. Obligations of the Contractor

- a. A performance guaranty shall be posted in favor of the Government before the signing of the FTAA which shall be in any foreign currency negotiable with the Central Bank of the Philippines for foreign contractors. Unless otherwise specified by the Secretary, the initial amount of the guaranty shall be equal to the first year financial commitment of the contractor. Subsequent thereto, the amount of annual guaranty may be increased or decreased depending upon the Contractor's performance of its financial and work commitments.
- b. After the Exploration period, the Contractor shall relinquish to the Government any portion of the Project Area which shall not be necessary for Mining Operations and not covered by any Declaration of Mining Feasibility.
- c. Perform its activities within the periods expressed in this Agreement, Plans and Work Programs, save as may be excused by force majeure.
- d. The Contractor shall give preference to products and services produced and offered in the Philippines of comparative quality. In particular, the Contractor shall give preference to Filipino construction enterprises and use buildings which can be constructed by using materials and skill available in the Philippines, employ Filipino sub-contractors for road constructions and transportation, and purchase Philippine household equipment, furniture and food.
- e. The Contractor shall, to the extent feasible and acceptable in view of the rates and conditions available, maximize the use of Filipino vessels and other means of transport available in the Philippines.
- f. The Contractor shall keep accurate technical records about the operations as well as financial and marketing accounts and make them available to Government representatives authorized by the Secretary for purposes of assessing performance and compliance of the Contractor with the terms of this Agreement. Authorized representatives of other Government agencies may also have access to such accounts in accordance with existing laws, rules and regulations.
- g. Pay taxes or obligations in accordance with existing laws, rules and regulations.

- h. Conform to laws and regulations regarding, among others, labor, safety, demarcation of the Project Area, and non-interference with the rights of other mining operators.
- i. Recognize and respect the rights, customs and traditions of indigenous tribal communities over their ancestral lands.
- j. Contribute to national development by helping develop the host and neighboring communities of the Project Area, local geoscience and mining technology, and mitigating environmental effects of mining operations.
- k. Undertake restoration and/or protection of the environment in compliance with the requirements of Environmental Compliance Certificate (ECC).
- l. Provide a provision on Consultation and Arbitration with respect to interpretation and implementation of the agreement.

Section 11. Option to Convert into MPSA -

The Contractor has the option to convert the FTAA to MPSA at any stage of exploration if the economic viability of the ores located in the contract area is found to be inadequate to justify large scale mining operations. As such, the Contractor shall notify the Government in writing within thirty (30) days of its intention to convert the FTAA to MPSA. All revisions to the FTAA, required by its conversion to MPSA, shall be submitted to the Government within sixty (60), days from filing of the applicant's intention to convert to MPSA.

The Contractor shall be given a period of one (1) year within which to satisfy the equity requirement of sixty (60%) Filipino capital for MPSA, subject to an extension of another one (1) year as may be approved by the Secretary taking into consideration the economic factors. Failure to convert the FTAA into MPSA within the prescribed period shall cause automatic forfeiture of the Contractor's right to such conversion and the area subject of such FTAA shall be disposed of in accordance with Section 12 hereof.

Section 12. Area Relinquishment

Where the Contractor originally derived its rights to the Contract Area from then claimowners or mineral rights owners, such part of the Project Area relinquished pursuant to the provision of Sections 6 and 11 hereof, shall revert to the claimowners or mineral rights owners shall have preferential rights over the area, provided, that within thirty (30) days from notification of relinquishment by the FTAA Contractor, the former shall

signify its intention to enter into a mining contract with the Government. And, provided, further, that all documents necessary for applications for a specific mining contract shall be submitted within sixty (60) days from receipt of such intention.

Section 13. Revenue Sharing

- a. The net revenue shall be shared by the Government and Contractor on a 60-40 basis, of which 60% of the net will be the Government Contractor. The collection of government's share shall commence after the Contractor has fully recovered its pre-operating expenses.

Net revenue mean gross revenue derived from operations less allowable deductions which are attributed to exploration, development and actual commercial production. Commercial production shall include mining, utilization/processing, marketing expenses and depreciation of properties directly used in the operations.

- b. In each year, contractor may recover from the gross proceeds resulting from the sale of minerals produced under the FTAA an amount equal to all operating expenses.

Section 14. Divestment Period

After ten (10) years from the Contractor's recovery of pre-operating expenses, it shall be given a period of one (1) year to divest its equity to at least 60% Filipino equity subject to an extension of another one (1) year as may be approved by the Secretary taking into consideration the economic factors. Failure to meet the 60-40 equity requirement within the prescribed period shall cause the automatic cancellation of the FTAA and the area subject of such FTAA shall be disposed of in accordance with Section 12 hereof.

Section 15. Revocation and Termination of FTAA

The FTAA may be terminated for any of the following reasons:

- a. Any falsehood or omission of facts made in support of the proposal
- b. Default or substantial breach of the terms and conditions of the agreement by the Contractor.
- c. By mutual consent of the parties.

- d. Upon revocation/termination of the FTAA and liquidation of the Contractor' obligations and liabilities, the financial guaranty/performance guaranty bond shall be released.

Section 16. Disposal of Property

All materials, equipment, plant and other installations erected or placed on the project area by the Contractor shall remain the property of the Contractor and upon the termination of the Agreement, the Contractor shall have the right to remove and export such materials, equipment, plant and other installations except buildings, bridges, warehouses, and other social infrastructures, subject to existing rules and regulations. All materials, equipment, plant and other installations not removed within twelve (12) months from the termination of the Agreement shall belong to the Government.

Section 17. Adoption of DENR A.O. 57, As Amended, and Other Related Orders.

The provisions of DENR A.O. 57, as amended, and all administrative orders, rules and regulations related thereto, which are not inconsistent with the provisions of these guidelines shall be adopted.

Section 18. Effectivity

This DENR Order shall take effect after fifteen (15) days from publication in at least two (2) newspapers of general circulation.

FULGENCIO S. FACTORAN, JR.
Secretary

Administrative Order
No. 66
December 27, 1991

SUBJECT: Declaring Certain Parcels of Land Embraced in Proclamation No. 369 Dated 27 February 1931 Which Established the Agusan-Davao-Surigao Forest Reserve, as Non-Forest Land Open for Small Scale Mining Purposes

Whereas, Proclamation No. 369 dated 27 February 1931 has established the Agusan-Davao-Surigao Reserve containing an area of approximately 1,927,400 hectares;

Whereas, it has been found that portions of this forest reserve are gold-rush areas and are presently being mined and occupied by thousands of small-scale miners;

Whereas, under Proclamation No. 369, the Secretary of the Department of Environment and Natural Resources (formerly the Secretary of Agriculture and Natural Resources) upon recommendation of the Director of Forest Management Bureau (formerly the Director of Forestry) is empowered to exclude from the reservation portions thereof which are no longer forest lands and declare the same for such purposes as these are presently being devoted to small-scale mining;

Wherefore, in view of the foregoing and pursuant to the authority granted under Proclamation No. 369, I hereby declare the following areas as non-forest lands and open for small-scale mining purposes, subject to existing and valid private rights, within the Municipalities of Monkayo, Compostela and Nabunturan, Davao del Norte more particularly described under PCGS 2546, Block Nos. 1, 5 and 9, to wit:

1. Those areas embraced by the following coordinates under Block No. 1:

| | | | | | | | |
|-----|-----|-----|----|-----|-----|-----|-----------|
| 7 | 48' | 30" | to | 7 | 50' | 00" | Latitude |
| 126 | 10' | 30" | to | 126 | 12' | 00" | Longitude |

containing an aggregate area of 729 hectares within Diwalwal, Monkayo, Davao del Norte;

| | | | | | | | |
|-----|-----|-----|----|-----|-----|-----|-----------|
| 7 | 56' | 00" | to | 7 | 57' | 00" | Latitude |
| 126 | 05' | 30" | to | 126 | 06' | 30" | Longitude |

containing an aggregate area of 324 hectares within Pasion, Monkayo, Davao del Norte;

| | | | | | | |
|-----|-----|-----|----|-----|-----|---------------|
| 7 | 57' | 30" | to | 7 | 58' | 30" Latitude |
| 126 | 08' | 00" | to | 126 | 08' | 30" Longitude |

containing an aggregate area of 162 hectares within Cogonan, Trento, Agusan del Sur;

2. Those areas under Block No. 5 with the following coordinates:

| | | | | | | |
|-----|-----|-----|----|-----|-----|---------------|
| 7 | 40' | 00" | to | 7 | 41' | 30" Latitude |
| 126 | 10' | 30" | to | 126 | 12' | 00" Longitude |

containing an approximate area of 567 hectares within Bango, Compostela, Davao del Norte; and

3. Those areas under Block No. 9 with the following coordinates:

| | | | | | | |
|-----|-----|-----|----|-----|-----|---------------|
| 7 | 28' | 00" | to | 7 | 29' | 30" Latitude |
| 126 | 02' | 30" | to | 126 | 03' | 30" Longitude |

containing an approximate area of 405 hectares within Inupuan, Nabunturan, Davao del Norte.

FULGENCIO S. FACTORAN, JR.
Secretary