



Republic of the Philippines  
**Department of Environment and Natural Resources**  
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**MEMORANDUM**

TO : **ALL REGIONAL EXECUTIVE DIRECTORS**  
FROM : The Undersecretary for Field Operations  
SUBJECT : **LIFTING OF SUSPENSION ON THE ISSUANCE OF SPECIAL  
LAND-USE PERMITS (SLUPs) INCLUDING OTHER LAWFUL  
PURPOSES PERMITS (OLPs)**  
DATE : **29 NOV 2013**

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Pursuant to the instruction of the Secretary, the suspension on the processing and issuance of Special Land-Use Permits (SLUPs) including Other Lawful Purposes Permits (OLPs), issued by this Office under Memorandum dated 16 August 2013, is hereby lifted. Hence, you may now resume the processing and issuance of these permits/agreements subject to the following:

1. Incorporation of a provision in the Terms and Conditions of the these permits/agreements that the annual rental fee/user's fee/government share shall be subject to a new rate and, for FLAgS/FLAgTs which are long term, re-appraisal every five years, once the harmonized rates currently undergoing review and finalization, have been promulgated; and
2. Non-renewal of SLUPs/OLPs. Should there be a need to extend validity of these permits, the applicant should apply for FLAg/FLAgT.

Attached are the prescribed templates for SLUP/OLP and FLAg for your use in the issuance/processing of these permits/agreements.

**FOR STRICT COMPLIANCE.**

  
**DEMETRIO L. IGNACIO, JR., CESO I**

cc: Chief of Staff and Undersecretary, DENR  
Undersecretary for Staff Bureau, DENR  
Director, FMB  
HEA, DENR

**MEMO NO. 537**

**Republic of the Philippines**  
**Department of Environment and Natural Resources**

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Rental	:	Bond Deposit	:
O.R. No.	:	O.R. No.	:
Date	:	Date	:

**SPECIAL LAND USES PERMIT/ORDINARY OTHER LAND USES PERMIT**  
**(TYPE)**

***NAME OF PROJECT***

FMS No.:

In accordance with Section 57 of Presidential Decree No. 705, as amended otherwise known as the Revised Forestry Code of the Philippines, this permit is hereby granted to \_\_\_\_\_ with business/postal address at \_\_\_\_\_ to occupy \_\_\_\_\_ hectare/s of public forestland situated in \_\_\_\_\_ described on the attached map which forms part of this permit.

The annual rental of the area shall be payable in advance in the amount PhP \_\_\_\_\_ until otherwise amended and until appraisal or re-appraisal on the land and improvements shall have been made which shall be based on 3% of the value of the land and 1% of the value of improvements introduced.

The privilege granted under this permit for the use of the area solely by the above-named permittee is for \_\_\_\_\_ only.

This permit is subject to existing forestry laws, rules and regulations as well as those that may hereinafter be promulgated and to the stipulations, terms and additional conditions stipulated in the attached sheet which forms part of this permit.

This permit is **NON-TRANSFERRABLE** and **NON-NEGOTIABLE** except as provided in Section 61 of Presidential Decree No. 705 as amended, and **EXPIRES on** \_\_\_\_\_.

Approved by:

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## ADDITIONAL TERMS, CONDITIONS AND INSTRUCTIONS

1. The area granted in this Permit: (a) is a public forest land based on existing records; (b) shall not be used as security for any indebtedness of the **Permittee**, neither shall be involved in any private transaction.
2. The **Permittee** shall: (a) comply with the laws, rules and regulations and instructions now or hereinafter enforce for the proper use of the land; (b) respect any legal or prior claims by settlement or occupation within the area granted; (c) conserve the corners and boundary lines of the area; (d) protect any spring, waterfalls or natural/historical/archaeological sites in the area; (e) report to the nearest local forest officer(s) all forest violations in the area and adjacent lands; and (f) report to the concerned Regional Executive Director every six (6) months the kind, number and value of improvement(s) introduced in the area.
3. The **Permittee** shall: (a) not appropriate for himself the exclusive use of public trails traversing or adjoining the area or impede the use thereof by the public; (b) not sublease the area or any portion thereof; and (c) protect and conserve unique, rare and endangered tree/plants/wildlife identified under existing rules and regulations.
4. No trees, regardless of species, shall be cut in the permit area if found within twenty (20) meters from banks of rivers, creeks or streams and of public roads. In case the said 20-meter strip is bereft of trees, the same shall be rehabilitated by the Permittee.
5. The **Permittee** shall strictly observe sanitary measures within the permit area to ensure protection of watershed values;
6. The **Permittee** shall protect the permit area from forest fires and other forms of forest destruction.
7. The **Permittee** shall protect and conserve unique, rare and endangered flora and fauna, if any, within the permit area pursuant to existing laws, rules and regulations.
8. Permanent improvements made in the area shall: (a) not give the **Permittee** any kind of right, claim or title over the permitted area or any right to claim reimbursements for expenses incurred on the improvements introduced; and (b) shall become the property of the government upon the expiration/cancellation of the permit.
9. Non-use of the area within four (4) months after it is granted may result in the cancellation of the permit.
10. The annual government share/user fees shall be subject to change once the harmonized rates for special uses of forest lands has been promulgated by the DENR.

11. The **Permittee** shall post a cash performance bond in the amount of \_\_\_\_\_ to answer for whatever damages/violation of the terms and conditions of the permit. Otherwise, the permit has no force and effect.
12. Violation or non-compliance of any of the terms and conditions of the permit or any forestry laws, rules and regulations shall be sufficient grounds for the cancellation thereof without prejudice to whatever legal action that may be taken.
13. This permit is non-renewable. Should there be a need for extended use of the forest land, a Forest Land Agreement should be applied for provided that the holder has shown satisfactory performance based on the results of evaluation and has fully complied with the terms and conditions of the permit.

Approved by:

\_\_\_\_\_

**FOREST LANDUSE AGREEMENT**

**(FLAg) No.** \_\_\_\_\_

of

(Second Party)

(Location of Area)

This **AGREEMENT** made and entered into by and between:

The **REPUBLIC OF THE PHILIPPINES**, through the **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES ("DENR")**, with postal address at Visayas Avenue, Diliman, Quezon City, herein represented by its Secretary, **RAMON J.P. PAJE**, hereinafter referred to as the **FIRST PARTY**,

-and-

\_\_\_\_\_ represented by \_\_\_\_\_ with postal address at \_\_\_\_\_, herein referred to as the **SECOND PARTY**,

*WITNESSETH*

WHEREAS, under Executive Order No. 192, promulgated on June 10, 1987, the DENR is empowered to exercise supervision and control over the forestlands of the Philippines;

WHEREAS, Section 57 of Presidential Decree No. 705, also known as the "Revised Forestry Code of the Philippines", authorizes the special use of forestlands for beneficial purposes which do not impair the forest resources therein;

WHEREAS, the **SECOND PARTY** has conducted studies and assessments in connection with the existing Special Land Use Permits (SLUPs) including the expansion and additional area, and intends to pursue its development, construction, installation, operation.

WHEREAS, the **SECOND PARTY** has applied the conversion of said SLUPs, and its expansion and the integration of the new area into one (1) Forest Landuse Agreement for the purpose of \_\_\_\_\_ in accordance with DENR Administrative Order No. 2004-59 dated August 31, 2004, covering an aggregate area of \_\_\_\_\_ **hectares** of forestland in Brgys. \_\_\_\_\_, Municipality/City of \_\_\_\_\_, Province of \_\_\_\_\_.

**DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

*(FIRST PARTY)*

By:

**RAMON J.P. PAJE**

Secretary

*(SECOND PARTY)*

By:

*WITNESSES:*

\_\_\_\_\_

\_\_\_\_\_

NOW, THEREFORE, for and in consideration of the foregoing premises and the terms and conditions set forth below, the parties agree as follows:

**Area, Purpose and Duration**

I. The **FIRST PARTY** hereby grants the **SECOND PARTY** the exclusive right to occupy, manage and develop approximately \_\_\_\_\_ **hectares** of public forestland for Other Lawful Purposes (\_\_\_\_\_) for a period of twenty five (25) years to expire on \_\_\_\_\_, renewable for another twenty-five (25) years, located in Brgys. \_\_\_\_\_, Municipality/City of \_\_\_\_\_, Province of \_\_\_\_\_, the boundaries of which are shown in the attached map which form as an integral part of this **AGREEMENT**.

II. The **SECOND PARTY** is authorized to harvest \_\_\_\_\_ with dbh 16 cm. and above of various species with total gross volume of \_\_\_\_\_ cubic meters directly affected by the Forest Landuse Agreement (FLAg) pursuant to the exemption granted for \_\_\_\_\_ from the coverage of Executive Order 23 thru Malacañang Memorandum dated October 20, 2011, on the matter within six (6) months from the date of actual Project Implementation. **(For FLAgs requiring tree removal.)**

III. The FLAg Area shall be confined within the perimeter of the parcel of land described in the attached map. No other parcel of public forestland shall be utilized by the **SECOND PARTY** without first securing the prior approval of the **FIRST PARTY**.

IV. The FLAg area is a public forestland to the best knowledge and belief of the parties, and the **FIRST PARTY** confirms that based on applicable land classification maps, control maps, and available records of the DENR, there are no prior existing rights therein granted in favor of third parties. The **FIRST PARTY** shall not be responsible for any loss that the **SECOND PARTY** may suffer in case the FLAg area or portion thereof is declared with finality by a competent court or authority as the private property of another, or is found to be covered by a prior existing right.

V. The **SECOND PARTY** shall utilize the FLAg Area only for the purpose for which this **AGREEMENT** is granted. In the event the said area will be used for a different purpose, said use shall be subject to prior approval of the Secretary or his duly authorized representative.

**DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

*(FIRST PARTY)*

By:

**RAMON J.P. PAJE**  
Secretary

*(SECOND PARTY)*

By:

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_

V. The **SECOND PARTY** shall, within six (6) months from the execution of this **AGREEMENT**, delineate and mark on the ground the boundaries of the FLAg Area under the supervision of the DENR. It shall preserve the monuments and other landmarks indicating corners and outlines along the boundaries and within the confines of the FLAg Area.

**Comprehensive Development and Management Plan (CDMP)**

VI. The **SECOND PARTY** shall submit within six (6) months from the issuance of this **AGREEMENT** a Comprehensive Development and Management Plan ("CDMP") for the FLAg Area. The CDMP shall provide, among others, for appropriate schemes, arrangements, or activities therein, which are compatible with the \_\_\_\_\_ for the protections of the environment and conservation of natural resources in the area and shall benefit the host community. The CDMP shall be submitted to, and approved by, the Regional Executive Director concerned after review and deliberation by a Review Committee composed mainly of technical staff of Forest Management Sector. The approved CDMP shall form part of FLAg.

VII. The **SECOND PARTY** may construct permanent and/or temporary improvements or infrastructure in the FLAg Area necessary and appropriate for its development for \_\_\_\_\_ pursuant to the approved CDMP. "Permanent Improvements" refer to access roads, and buildings or structures which adhere to the ground in a fixed and permanent manner. On the other hand, "Temporary Improvements" include those which can be transported from place to place and/or are detachable from the foundation on the ground introduced by the **SECOND PARTY** in the FLAg Area and which the **SECOND PARTY** may remove or dismantle upon expiration or cancellation of this **AGREEMENT**. For the avoidance of doubt, "Temporary Improvements" include, but are not limited to, \_\_\_\_\_ and other machines and equipment that form part of the \_\_\_\_\_.

**Government Share and Performance Bond**

VIII. The **SECOND PARTY** shall pay annual Government Share of \_\_\_\_\_ (Php \_\_\_\_\_), Philippine Currency, within thirty (30) days upon execution of this **AGREEMENT**, and annually thereafter, to be increased cumulatively by 10% every year, within the same month that this **AGREEMENT** is executed. The annual Government Share shall be subject to a new rate and regular re-appraisal once DENR has promulgated the harmonized rates for special use of forest lands.

**DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

*(FIRST PARTY)*

By:

**RAMON J.P. PAJE**  
Secretary

*(SECOND PARTY)*

By:

WITNESSES:

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\_\_\_\_\_

IX. The Annual Government Share shall be paid by the **SECOND PARTY**, without need of demand, within the same month that this **AGREEMENT** was executed. In case of failure to pay the annual Government Share on the date due, the **SECOND PARTY** shall pay additional charges of 8.33% per month of delay or 100% for one (1) year of delay.

X. The Government Share is non-refundable.

XI. Payment of Government Share after the expiration of this **AGREEMENT** shall not be construed as an assurance for the renewal thereof.

XII. As guarantee for the faithful performance of the terms and conditions of this **AGREEMENT**, and compliance with applicable Forest Laws and Regulations, the **SECOND PARTY** shall post a Performance Bond of \_\_\_\_\_ [**Php** \_\_\_\_] which is twice the amount of annual Government Share. The performance bond shall be posted within thirty (30) days upon execution of this agreement, pursuant to DENR Administrative Order No. 2004-59, dated August 31, 2004

### **Obligations of the Second Party**

XIII. The **SECOND PARTY** shall immediately secure the required Environmental Compliance Certificate (ECC) and other necessary permits prior to the conduct of any activity in the area.

XIV. No trees, regardless of species, shall be cut in the FLAg area if found within twenty (20) meters from banks of rivers, creeks or streams and of public roads. In case the said 20-meter strip is bereft of trees, the same shall be rehabilitated by the **SECOND PARTY**.

XV. Compliance therewith by the **SECOND PARTY** shall be undertaken in accordance with the approved Environmental Compliance Certificate (ECC) and shall at all times be under the direct supervision of the CENRO concerned or his representative authorized in writing.

XVI. The DENR shall not be held liable or responsible for any untoward incident that might occur during the cutting and earth-balling operations. ***(If FLAg require tree removal.)***

### **DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**

*(FIRST PARTY)*

By:

**RAMON J.P. PAJE**  
Secretary

*(SECOND PARTY)*

By:

*WITNESSES:*

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XVII. The **SECOND PARTY** shall post in two (2) conspicuous places in the Other Lawful Purposes (Wind Energy Project) bulletin board with size of at least 4ft. x 8ft. reflecting the objective of the project, FLAg No., date issued, and expiry date for the information of the public.

XVIII. The **SECOND PARTY** shall strictly observe sanitary measures within the FLAg Area to ensure protection of watershed values;

XIX. The **SECOND PARTY** shall protect the FLAg Area from forest fires and other forms of forest destruction.

XX. The **SECOND PARTY** shall protect and conserve unique, rare and endangered flora and fauna, if any, within the FLAg Area pursuant to existing laws, rules and regulations.

XXI. The **SECOND PARTY** shall not impede, obstruct or prevent the entry and exit through the FLAg Area of legitimate stakeholders and/or forest users duly authorized by the DENR, provided that:

XXII. The **SECOND PARTY** shall submit an Annual Report to the Regional Executive Director thru the CENRO concerned copy furnished the FMB Director showing developmental activities undertaken within the FLAg Area in accordance with the approved CDMP.

XXIII. All authorized DENR officials and/or employees shall be allowed to enter and inspect the FLAg Area for the purpose of monitoring compliance with the terms and conditions of this **AGREEMENT** and the activities authorized under the approved CDMP.

XXIV. The **SECOND PARTY** shall inform the RED or his duly authorized representative on any changes in the management, ownership or capital stock of the company or corporation or transfer of a majority of the stock or shares of the company or corporation as provided for in PD 705, as amended.

**Termination**

XXV. This **AGREEMENT** may be terminated or cancelled by the **FIRST PARTY**, after giving the **SECOND PARTY** due notice and opportunity to be heard, on any of the following grounds:

**DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

*(FIRST PARTY)*

By:

**RAMON J.P. PAJE**  
Secretary

*(SECOND PARTY)*

By:

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_

- In case this **AGREEMENT** was determined, after appropriate proceedings, to have been obtained through fraud, misrepresentation or omission of material facts existing at the time of filing of the application;
- Abandonment of the FLAg Area or failure to utilize the same for the purpose it was granted within the prescribed period of six (6) months without justifiable cause;
- Failure to introduce improvements or develop the FLAg Area as indicated in the CDMP;
- Failure to pay the Government Share and other administrative fees after three (3) consecutive notices after the same had become due and demandable; and
- Violation of any of its terms and conditions, or failure to comply with the obligations under this **AGREEMENT**;

XXVI. In case of termination or cancellation of this **AGREEMENT** due to the fault of the **SECOND PARTY**, the Performance Bond shall be forfeited in favor of the **FIRST PARTY**, and the **SECOND PARTY** shall have no right to claim for reimbursement or compensation of whatever kind for the permanent improvements introduced within the FLAg Area as defined in Item VII hereof. Such improvements, which shall not include the Temporary Improvements referred to in paragraph VII above, shall be forfeited in favor, and become the property, of the **FIRST PARTY**.

XXVII. Upon termination of this **AGREEMENT**, the **SECOND PARTY** shall be allowed to continue to occupy the FLAg Area for a period not exceeding six (6) months to enable it to remove the Temporary Improvements referred to in Item VII above, and to revert the land to its original condition to the most practical most practical extent possible.

### **Ownership and Transfer**

XXVIII. The **SECOND PARTY** shall, with respect to its ownership or capital stock, and in relation to the right granted herein to use the public forestland described in the attached map, ensure compliance with the nationality requirement under Article XII, item 2 of the 1987 Constitution of the Republic of the Philippines, at all times throughout the duration of this **AGREEMENT**. In this regard, the **SECOND PARTY** shall secure the approval of the **FIRST PARTY** or his duly authorized representative in case of transfer of majority of its shares or capital stock after execution of this **AGREEMENT**.

**DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**

*(FIRST PARTY)*

By:

**RAMON J.P. PAJE**  
Secretary

*(SECOND PARTY)*

By:

WITNESSES:

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XXIX. The **SECOND PARTY** may transfer this **AGREEMENT** or any rights therein or any assets used therewith, if authorized by the DENR Secretary, subject to the following conditions:

- The FLAg has been in existence for at least three (3) years;
- The **SECOND PARTY** has been faithfully complying with the terms and conditions of the FLAg including implementation of CDMP;
- The transferee has all the qualifications and none of the disqualifications to hold a FLAg; and
- The transferee shall assume all the obligations and responsibilities of the transferor specified in the FLAg, CDMP and ECC.

XXX. The parties, however agree that in case the transfer is made by the **SECOND PARTY** in favor of its affiliate, the three (3)-year requirement under item (a) above shall not apply. An "affiliate" shall mean an entity, corporate or non-corporate, controlling or controlled by the **SECOND PARTY**, or associated with the **SECOND PARTY** through common controlling or controlled entities. For the purpose hereof, control shall be deemed to exist if one entity owns, directly or indirectly, through shareholdings or otherwise, at least fifty-one (51%) of the voting shares or other voting units of participation in another entity. *Provided*, that the transfer to an affiliate shall not violate any existing laws and regulations implemented by other government agencies.

### **Amendment and Renewal**

XXXI. This **AGREEMENT** may be modified, altered or amended upon mutual agreement in writing by both parties.

XXXII. This **AGREEMENT** may be renewed upon filing by the **SECOND PARTY** of an application six (6) months prior to the expiration hereof.

### **Miscellaneous Provisions**

XXXIII. This **AGREEMENT** is subject to pertinent DENR Laws, Rules and Regulations, provided the same shall not impair the contractual obligations of both parties herein.

IN WITNESS WHEREOF, the parties have affixed their signatures below at Quezon City, Philippines, this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

**DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES**  
(FIRST PARTY)

(SECOND PARTY)

By:

**RAMON J.P. PAJE**  
Secretary

By:

WITNESSES:

\_\_\_\_\_

\_\_\_\_\_

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES )  
QUEZON CITY, PHILIPPINES ) S.S.

BEFORE ME, a Notary Public for and in \_\_\_\_\_, Philippines, this  
\_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, personally appeared the following:

<i>Name</i>	<i>Evidence of Competent Identity</i>
Ramon J.P. Paje	

known to me to be the same persons who executed the foregoing instrument, and who  
acknowledge to me that the same is their free and voluntary act and deed.

This instrument, which is Forest Landuse Agreement (FLAg) No. \_\_\_\_\_,  
consists of eight (8) pages including this page where this Acknowledgement is written  
and has been signed by the parties and their witnesses on each and every page hereof.

WITNESS MY HAND AND SEAL, at the place and on the date written.

NOTARY PUBLIC

Doc No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of \_\_\_\_\_