

DENR Memorandum Circular
No. 21
June 22, 1994

SUBJECT : Supplementary Guidelines and Instructions on the Implementation of DAO No. 07, S. 1994, Anent Issuance of Certificates of Origin for Forest Products.

Pursuant to DENR Administrative Order No. 07 and DENR Memorandum Order No. 01 both dated 17 February 1994, the following supplementing guidelines and instructions for the effective implementation of the above DENR Orders are hereby issued for the information and guidance of all concerned.

1. Regional Executive Directors shall submit to the Office of the Undersecretary for Field Operations within seven (7) working days from issuance hereof, a list of DENR officials within their respective regions who are authorized to issue and approve Certificates of Origin for logs, timber, lumber and other forest products, together with their specimen signatures, initials and right-hand thumbmarks;
2. The names of In-Charge of the Office of the authorized issuing officials duly designated consistent with the provisions of DAO No. 38, S-1994, as amended, shall likewise be submitted within seven (7) days from the issuance of such designation together with the requirements called for in the immediately preceding Section;
3. The CENRO of origin shall notify through the fastest available means the CENRO of destination of forthcoming shipment(s) indicating, among others, the Certificate of Origin number, kind and volume/quantity of forest products being transported/shipped, date of departure and expected arrival at specific port, type of carrier, and such other information as may be necessary to guide the latter in his actions;
4. The CENRO of destination shall notify the CENRO of origin within 72 hours after arrival of the forest products. In the event, however, that the forest products failed to arrive at the expected date of arrival (EDA), the

CENRO of origin shall likewise be notified within 48 hours reckoned from the EDA;

5. The CENRO, before issuance of the Certificate of Origin, shall see to it that the following, among others, have been ascertained or verified;

5.1 the forest products are legally cut;

5.2 the volume is within the licensee's/permittee's allowable cut;

5.3 the forest products have been physically verified as to the quantity or volume, species, personality/authority of the shipper, and that the application fees therefor have been paid;

5.4 the forest charges pursuant to RA 7161 have been paid;

5.5 in case it is in compliance with the shipper's obligation or commitment by virtue of a log/lumber supply contract, that said contract is duly approved by the RED concerned or his duly authorized representative.

6. In line with the DENR policy on the transparency, the subscription of the Certificate of Origin shall as much as possible be administered by a Notary Public and/or elected local government official. In case the subscription is administered by an elected local government official, only the following shall be authorized:

6.1 Provincial Governor

6.2 Vice-Governor

6.3 Mayor

6.4 Vice-Mayor

6.5 Barangay Captain

PROVIDED, that the origin of the forest products being shipped/transported are within the administrative jurisdiction of the said local government officials.

7. In no case shall unauthorized erasures be allowed. Should erasures be unavoidable, the same shall be initialed by the authorized issuing official. In the event that the mistake of entries in the form are very significant, the form shall be stamped "SPOILED" and report ,thereof be included in the required Report on Accountable Forms specified in DAO No.7, S. 1994, and a new Certificate of Origin shall be accomplished and issued in lieu thereof.
8. Only one (1) extension of Certificate of Origin shall be allowed by the nearest CENR Officer concerned, the validation of which shall be for a period not exceeding the expected time that the repair of the vehicle/conveyance shall have been completed, or the circumstances causing the delay in the completion of the delivery to the destination/consignee such as typhoons and other force majeure situations have passed, but in no case shall the extension exceed, fifteen (15) days. Further extensions, based on justifiable reasons, maybe issued subject to prior clearance by the Undersecretary for Field Operations or his duly authorized representative;
9. To address the present problem of insufficiency of available new COF, and until further advice from the Secretary or his authorized representative one (1) CTO/CLO may. be issued to a given commodity lot as an exemption to the per-shipment rule on CO issuance, subject to the following conditions:
 - 9.1 A scaling and marking of the logs/timber has been undertaken and entered into the log landing/cold deck list. (Appendix A).
 - 9.2 The pre-issuance requirements set frth in Sec. 5 hereof have been satisfied;
 - 9.3 The CTO/CLO for multiple-vehicle land transport shall be for a volume which can be transported to the log pond, mill site, or consignee within a period of not more than five (5) consecutive days;
 - 9.4 The CENRO of origin shall issue a trip ticket (Appendix B) for each vehicle indicating the following information:

- 9.4.1 The number of the mother CTO/CLO;
 - 9.4.2 The kind and volume/quantity of the forest products being transported;
 - 9.4.3 The type and plate number of the carrier/conveyance;
 - 9.4.4 The name of the consignee and/or destination point;
 - 9.4.5 The number of the trip ticket in relation to the total number of trip tickets to be issued for the particular CTO/CLO, e.g. for the first trip ticket of an expected number of tickets of 10, it will be designated as 1/10, and so forth;
 - 9.4.6 The remaining balance (number of pieces and volume) of the commodity covered by the certificate of origin.
- 9.5 The original CTO/CLO shall accompany the first truckload and the trip ticket for the succeeding loads/shipment shall be accompanied by a machine copy of the original CTO/CLO duly certified by the CENRO concerned;
- 9.6 The CTO/CLO shall be valid only for a single consignee/destination;
- 9.7 The CTA and Bill of Particulars required under existing regulations have been properly complied with;
- 9.8 In the event that the products delivered to the logpond/shipping point will be transhipped, the CENRO concerned shall issue a Certificate of Transshipment, after verifying that the data and information contained in the CTO/CLO tally with products being transhipped. The transhipped products shall invariably be accompanied by the original CTCs/CLOs.

- 9.9 The CENRO at the point of destination shall be guided by the provisions of DAO No.7, S. 1994, particularly Sec. 7 thereof, and DMC No, 01, S. 1994.
10. Pursuant to the Memorandum of Agreement between the officials of DENR and the Autonomous Region in Muslim Mindanao (ARMM), the policy on the joint documentation of all logs, timber, lumber and other forest products originating from ARMM by the concerned field units of DENR and DENR-ARMM is reiterated;
 11. The document tracking system for CTOs/CLOs as previously agreed upon shall be followed for ease of monitoring and records maintenance (Annex C);
 12. Forest products shipped/transported which are found in excess of the quantity/volume specified in the Certificate of Origin/Certificate of Transshipment Certificate of Verification and/or other related transport documents, the whole shipment shall be seized and confiscated in favor of the Government if the excess volume is beyond allowable error of 5% for logs and timber, and 2% for lumber and non-timber products.
 13. The Regional Executive Directors are hereby authorized to issue additional instructions, PROVIDED, that such issuances are within the spirit and intents of this Circular; PROVIDED FURTHER, that such instructions shall be for the effective implementations of DAO No.7, S-1994, and these instructions; PROVIDED FINALLY, that copies of such issuances/instructions, shall be furnished the Undersecretary for Field Operations for information and record.
 14. DENR Officials found verified to have violated the provisions of this Circular shall be dealt with accordingly.

This Circular shall take effect immediately.

BEN S. MALA YANG III
Undersecretary