

**Administrative Order  
No. 54  
October 18, 1991**

**SUBJECT: Rules and Regulations Governing the  
Exportation of Finished and Semi-Finished  
Wood Products**

Pursuant to Executive Order No. 192, Series of 1987, mandating the Department of Environment and Natural Resources (DENR) to implement, among others, measures for the regulation and supervision of the processing of forest products, as well as monitoring the movement of timber and other forest products, the following rules and regulations are hereby promulgated:

**Section 1. Policies and Objectives.** - This Order is in pursuance of the following policies and objective:

- 1.1 **Policies.** It is the policy of the DENR to conserve the country's forest resources, and to strictly supervise timber harvesting operations in the forest areas, to ensure that all timber supplied to wood-based industries originate from legal sources.

It is also the policy of DENR to facilitate the development and distribution of more value-added timber products in the domestic and international markets.

- 1.2 **Objective.** To streamline the export procedures for processed wood products that are allowed for exports.

**Section 2. Definition of Terms.** - As used in this Order, the following terms are defined as follows:

- 2.1 **Export** - the sale and shipment of products to a foreign entity;
- 2.2 **Export Authority** - a document issued by the Regional Executive Director (RED) allowing the exportation of any wood-based products containing the following information: (a) name of species used; (b) kinds or forms of products to be exported including its number, volume and specifications; (c) the export price; (d) date and place of loading; and (e) country of destination;
- 2.3 **Export Compliance Certificate** - a certificate issued by the Community Environment and Natural Resources Officer (CENRO), where the wood products to be exported are to be loaded. This Certificate supports the documentation

process by the Central Bank of the Philippines (CB) and the Department of Trade and Industry (DTI) on the exportation of wood-based commodities. Information/data listed therein should be consistent with the Export Authority issued by the Regional Executive Director (RED). A format of this Certificate is prescribed in Annex C hereof;

- 2.4 **Finished Wood Products** - end-products ready for use without need of further manufacture such as, but not limited to doors, door jambs, picture frames, tool handles, wooden shoes, mouldings, toothpicks, chopsticks, boxes, plywood, toys, drawers sides, decorative articles, floor parquets, pallets (assembled), and other similar products;
- 2.5 **Semi-Finished Wood Products** - whole end-products requiring final stages of manufacture and/or assembly such as, window components, table tops, veneer, and other similar products.
- 2.6 **Knock-down finished or semi-finished wood products** - end-products whose components or parts are taken apart for ease in packing, handling and transporting to the market or the end-user such as cabinets, tables, chairs, and other similar products.

**Section 3. Requirements for Qualified Applicants.** Individuals, corporations/partnerships and holders of wood processing plant permits are qualified to apply for an authority to export, subject to the submission of the following requirements:

**3.1 For Individuals**

- a) Photocopy of purchase order;
- b) Letter of Credit issued by the Central Bank of the Philippines;
- c) Certified photo copies of Income Tax Returns for the last three (3) years, if applicable (for new applicants); and
- d) Sworn statement authorizing DENR representative/s to verify submitted information.

**3.2 For Licensed Wood Processors/Exporters**

- a) All documents required for individual applicants as stated under Section 3.1 hereof; and

- b) Photocopy of permit to operate a wood processing plant and corresponding official receipts.

**3.3 For Corporations, Partnerships and Associations other than Licensed Wood Processors or Exporters**

- a) All documents required for individual applicants as stated under Section 3.1 hereof;
- b) Certified photo copy of Certificate of Registration issued by the Securities and Exchange Commission (SEC) (for new applicants);
- c) Certified photo copy of the Articles of Incorporation and By Laws of Partnership/Association and/or Corporation;
- d) Audited Financial Statements for the immediately preceding three (3) years (for new applicant); and
- e) Authorization letter duly approved by the Board of Directors of the corporation, partnership and/or association designating their representative to sign and follow-up documents for and in behalf of the said corporation, partnership and/or association.

**Section 4. Procedures.** - The following procedures for the exportation of wood products shall be observed:

- 4.1 Qualified exporters shall file a letter of application attaching all the requirements stated under Section 3 of this Order to the CENR Office where the wood products to be exported are located, **five (5) days** before the date of loading;
- 4.2 The concerned CENRO shall then evaluate the qualifications of the applicant as well as the completeness of the documents submitted. He shall also dispatch a qualified technical personnel to verify the commodity subject for export. The verification or inspection of wood products to be exported shall be done at the manufacturing plant where the wood products are being packed or being prepared. The verification report shall contain, among other the following:
  - 4.2.1 Name of the entity and status of its license/permit e.g. date of issuance of the permit and its expiration and other relevant information;
  - 4.2.2 Description (kinds and forms), volume and estimated value of the products being cleared for export; and

4.2.3 The date and port of loading including the conveyance to be used.

4.3 If the inspection/verifying officer finds everything is in order, the CENRO shall forward the application together with the original copy of inspection/verification report with all the submitted requirements to the Office of the Regional Executive Director (RED) thru the Provincial Environmental and Natural Resources Officer (PENRO) within two (2) working days after submission of the verification/inspection report. Otherwise, the CENRO shall reject the applications.

4.4 If the RED concerned finds that all submitted documents are in order after a thorough evaluation, he shall issue an **Export Authority**, (ANNEX A) copy furnished the CENRO concerned, Office of Secretary, Office of the Undersecretary for Field Operations and the Director of Forest Management Bureau for monitoring and records purposes.

If however, the application is denied, the application and the supporting documents shall be returned immediately to the CENRO concerned thru his PENRO for appropriate action.

The said Export Authority covers the authority to transport the subject wood products from its processing plant to the final loading point (pier) and shall remain valid for thirty (30) days from the date of issuance. However, the actual loading of the wood products to be exported shall be supervised by the CENRO concerned or his duly authorized representative to ensure that only the authorized wood products will be loaded. A certification to that effect shall be issued by the designated DENR officer present at the actual loading and the same shall form part of, and should be attached to, the approved Export Authority.

4.5 The applicant shall request the CENRO concerned to conduct final inspection and verification of the wood products to be exported following the format prescribed in Annex B hereof (Request for Inspection).

4.6 If it is in order, the CENRO at the port of loading shall approve the **Export Compliance Certificate** (Annex C) within twenty four (24) hours upon receipt of the final verification/inspection report, copy furnished the Office of the Secretary, Office of the Undersecretary for Field Operations, Director of Forest Management Bureau and the Office of the RED who issued the Export Authority. In case of misdeclaration, he shall cause the immediate confiscation of the wood products pursuant to the existing rules and regulations on the matter.

4.7 In cases where the manufacturing plants and the port of loading are under different CENROs, the CENRO which has jurisdiction over the port of loading shall be furnished copies of the export documents by the CENRO which has jurisdiction over the location of the manufacturing plant.

**Section 5. Fees and Charges.** Qualified applicants shall be required to pay a verification/inspection fee equivalent to one percent (1%) of the FOB value of the wood products to be exported as indicated in the **Export Declaration** issued by the Central Bank of the Philippines, computed to its peso equivalent.

**Section 6. Penal Provisions.** Any misdeclaration and falsification of any information as stated in all the documents pertinent to exportation shall be sufficient ground for the filing of administrative charges against DENR personnel involved in the processing, and verification/inspection.

Furthermore, if after investigation, the exporter is found to be in connivance with some DENR Officials in committing such acts; such exporter will be banned from engaging in any form of business with DENR. The DENR shall further recommend to other concerned agencies (CB and DTI) the cancellation of their license to operate or engage in any form of export business without prejudice on the part of the government to file a criminal case, if evidence warrant.

In case the misdeclared wood products are still within Philippine jurisdiction, they shall be seized and confiscated pursuant to the existing rules and regulations on the matter.

**Section 7. Separability Clause.** If any provision of this Order is declared void or illegal, the remaining provisions thereof, not affected thereby, shall remain in full force and effect.

**Section 8. Repealing Clause.** All Orders, Circulars, Memoranda and other issuances, which are inconsistent herewith are hereby repealed and/or modified accordingly.

**Section 9. Effectivity.** This Order takes effect fifteen (15) days following its publication in a newspaper of general circulation.

**FULGENCIO S. FACTORAN, JR.**  
Secretary

**NOTE:** Annexes Omitted