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#### FISHERIES ADMINISTRATIVE ORDER

NO. 197-2 Series of 2023

Subject: Amended rules and regulations governing the lease of public lands for fishpond and mangrove-friendly aquaculture

Pursuant to Section 16, Article II of the 1987 Constitution, Sections 3, 6, 12, 13, 45, 46, 50, 55, 57, 65, and 109 of Republic Act (RA) 8550, as amended by RA No. 10654 (also known as "The Philippine Fisheries Code of 1998"), the following rules and regulations governing lease of public lands for fishpond and mangrove-friendly aquaculture are hereby promulgated for the guidance of all concerned:

#### I. DEFINITION OF TERMS

**SECTION 1. Definitions.** - For purposes of this Order, the words and terms herein shall be construed as follows:

- 1.1 Abandoned fishpond refers to public land released for fishpond development where there is no occupation, possession or operational activity by the lessee or any of his or her lawful representative as manifested by any of, but not limited to, the following conditions: (1) failure by the lessee to submit to the Bureau within ten (10) days after six months (6) from the approval of the lease the required initial report under oath relative to the fishpond development, operation and production, duly verified by the concerned Regional Director or his or her authorized representative; (2) subleasing; or, (3) where there is absence of clear indication of fish production operations in the area;
- 1.2 Aquasilviculture Stewardship Contract (ASC) a contract entered into by and between the Secretary or duly authorized representative and any qualified person for the use of public land for mangrove-friendly aquaculture;
- 1.3 Areas released for fishpond development portions of public land transferred by the DENR to the Bureau for fishpond development by virtue of the following: (a) certifications issued by the Director of the Bureau of Forest Development (BFD) now the Forest Management Bureau (FMB), for releases made prior to the Issuance of Presidential Decree 705; (b) BFD/FMB Administrative Orders; and, (c) individual releases of alienable and disposable areas under the Bureau of Lands, now the Land Management Bureau, made prior to the effectivity of Republic Act 8550;
- 1.4 Authorized representatives include personnel of the Bureau or Department duly authorized by the Regional Director, the Director, the Undersecretary for Fisheries or the Secretary as the case may be;
- 1.5 Bureau Bureau of Fisheries and Aquatic Resources;
- 1.6 Certificate of Non-Coverage (CNC) a certification issued by the Environmental Management Bureau (EMB) certifying that based on the submitted project description, the project is not covered by the EIS System and is not required to secure an ECC;
- 1.7 Commercial-scale production aquaculture production of fish in ponds of not less than 1,500 kg per hectare per year or its equivalent;
- 1.8 Department Department of Agriculture:

- 1.9 DENR Department of Environment and Natural Resources;
- 1.10 Developed fishpond refers to public land released for fishpond development where the area is enclosed by dikes with functional water control structures and not vegetated with mangrove species;
- 1.11 Director Director of the Bureau;
- 1.12 Environmental Compliance Certificate (ECC) refers to the permit issued by the President of the Philippines or his duly authorized representative certifying that the new fishpond development will not bring about unacceptable environmental impact and that the proponent has complied the requirements of the Environmental Impact Statement (EIS) system;
- 1.13 Fish includes not only finfish but also mollusks, crustaceans, echinoderms, marine mammals, and all other species of the aquatic flora and fauna;
- 1.14 Fisherfolk people directly or personally and physically engaged in taking and/or culturing and processing fishery and/or aquatic resources;
- 1.15 Fisherfolk cooperative a duly registered association of fisherfolk with a common bond of interest, who have voluntarily joined together to achieve a lawful common social or economic end, making equitable contribution to the capital requirement and accepting a fair share of the risks and benefits of the undertakings in accordance with universally accepted cooperative principles;
- 1.16 Fisherfolk organization an organized group, association federation, alliance or an institution of fisherfolk which has at least fifteen (15) members, a set of officers, a constitution and by-laws, an organizational structure and a program of action;
- 1.17 Fishpond a land-based facility enclosed with earthen, stone or concrete material to impound water for the growing of fish;
- 1.18 Fishpond Lease Agreement (FLA) an agreement entered into by and between the Secretary or duly authorized representative and any qualified person for the use of public land released for fishpond purposes;
- 1.19 Foreshore land a string of land margining a body of water, the part of a seashore between the low-water line usually at the seaward margin of a low tide terrace and the upper limit of wave wash at high tide usually marked by a beach scarp or berm;
- 1.20 Fully developed fishpond refers to public land released for fishpond development where the area is clean, leveled and enclosed with dikes at least one foot higher than the highest flood water level in the locality and strong enough to resist water pressure at the highest flood tide, and consists of at least a nursery pond, a transition pond, a rearing pond, or a combination of any or all said classes of ponds and a functional water control system and producing in a commercial scale;
- 1.21 Gratuitous permit an agreement entered into by and between the Secretary and fisheries research institutions, fisheries state colleges and universities for the use of public land for fishpond, aquaculture, silviculture, research and development/educational or experimental breeding;
- 1.22 Mangroves/tidal swamps/marshes a community of intertidal plants including all species of trees, shrubs, vines and herbs found on coasts, swamps, or border of swamps;
- 1.23 Mangrove-friendly aquaculture aquaculture method having minimal adverse impact on the mangrove environment, which may include but is not limited to culture of fish in pens, ponds or rafts integrated with mangrove trees inside the forest itself (aquasilviculture) or harvesting/gleaning of fishery or aquatic resources inside the mangrove forest (silvofisheries);

- 1.24 Occupied actual or constructive possession over the fishpond area;
- 1.25 Permanent improvement improvement introduced in the fishpond area which cannot be separated/removed therefrom without causing damage thereto;
- 1.26 Person natural or juridical entities such as individuals, associations, partnerships, cooperatives or corporations;
- 1.27 Regional Director Regional Director of the Bureau;
- 1.28 Regional Office Regional Office of the Bureau;
- 1.29 Resource rent the difference between the value of the products produced from harvesting a publicly owned resource less the cost producing it, where cost includes the normal return to capital and normal return to labor;
- 1.30 Secretary Secretary of the Department of Agriculture;
- 1.31 Suitable for fishpond purposes meeting all accepted criteria on elevation, soil type, soil depth, topography and water supply required for successful fishpond development;
- 1.32 Temporary improvement improvement introduced in the fishpond area which can be removed/separated therefrom without causing damage thereto or diminish the usefulness thereof:
- 1.33 Unoccupied not occupied by any person, or is occupied by a person disqualified to acquire or enter upon it, or by a person who, being qualified to occupy or use it, refuses or fails to exercise his preferential right thereto;
- 1.34 Underutilized fishpond refers to public land released for fishpond development where the fishpond area or portion thereof is not producing in commercial scale within three (3) years from the approval of the ASC or FLA, or not fully developed and producing in commercial scale within five (5) years as reflected in either (1) the submitted annual report on fishpond development, operation and production, under oath by the ASC holder or lessee and duly verified by the concerned Regional Office; or (2) as deduced from the information supplied in the Reports on Inspection and Verification, submitted by authorized representatives and duly endorsed by the Regional Director concerned, evidencing that such portion or the whole fishpond area is not producing on a commercial scale;
- 1.35 Undeveloped fishpond refers to public land released for fishpond development where the fishpond area is not enclosed by dikes; or enclosed by dikes but without functional water control structures; or enclosed by dikes with functional water control structures but the water level required for production on a commercial scale cannot be maintained either by high tides or by pumping; or a larger area enclosed only with a simple perimeter dike which has not been subdivided, which may or may not be vegetated with mangrove species;
- 1.36 Vegetated with mangrove species an intertidal area of one (1) hectare or more with at least ten (10) percent mangrove crown cover in each hectare (i.e., when the sun is directly overhead at high noon, the shadows cast by mangrove species cover at least ten (10) percent of the area.

#### II. LEASES AND PERMITS

**SECTION 2.** Use of areas released for fishpond development. - No person shall occupy or use any portion of areas released for fishpond development as defined, without first securing a lease or permit in accordance with the provisions of this Order.

#### SECTION 3. Area that may be granted. -

- a) An area not exceeding two hundred fifty (250) hectares may be granted to a fisherfolk cooperative duly registered with the Cooperative Development Authority, or association duly registered and organized under the Philippine laws or a corporation duly registered with the Securities and Exchange Commission through an FLA/ASC;
- b) An area not exceeding fifty (50) hectares may be granted to an individual through an FLA/ASC;
- c) An area not exceeding two hundred fifty (250) hectares subject to availability, may be granted through a GP, fisheries research institutions, fisheries state colleges and universities for the use of public land for fishpond, aquaculture, silviculture, research and development/educational or experimental breeding;

## **SECTION 4. Persons who may qualify for lease or gratuitous permit.** - The following persons may apply for an FLA/ASC or GP:

- (a) Citizen of the Philippines provided, he or she is at least eighteen (18) years of age; and
- (b) Fisherfolk cooperative/association organized or registered under the laws of the Philippines or Corporations duly incorporated and registered under the laws of the Philippines at least sixty per centum (60%) of the capital stock or interest of which belongs to citizens of the Philippines.
- (c) Fisheries research institutions, fisheries state colleges and universities, within the region where the area is located, for the use of public land for fishpond, aquaculture, silviculture, research and development/educational or experimental breeding purposes may apply for GP.

**SECTION 5. Period of Lease and Gratuitous Permit.** – The FLA/ASC shall be valid for a period of twenty-five (25) years, subject to renewal.

A GP shall be valid for a period of five (5) years. An evaluation to determine the completion of the purpose of the grant of the permit shall be conducted by the Bureau thereafter.

## **SECTION 6. General conditions under which leases or permits are issued.** - Every lease or permit shall be governed by the provisions of this Order.

- (a) Legal status of land. The area granted is public forest land to the best knowledge and belief of the Director, the Secretary or their authorized representative;
- (b) No title acquired. A permittee, contracting party or lessee shall have no right to a title or claim of any sort whatsoever on the land covered by the permit, contract or lease. No such land shall be deemed to be occupied within the meaning of the Public Land Act. Areas released for fishpond development, which have been titled during the lifetime of the GP, ASC or FLA, shall be referred to the Office of the Solicitor General for reversion to the public domain;
- (c) Adjudication of area and damage. The Secretary or the Director shall not be responsible for any loss occasioned by the adjudication of the area in favor of any claimant by the competent court and the permittee, contracting party or lessee shall have no right to claim for any damage arising from such decision;
- (d) Statements in application as part of the conditions of the permit, contract or lease. Any or all of the statements made in the application shall be considered as essential conditions and part of the permit, contract or lease granted. Any false statement in the application or material omission of facts or alteration, change, modification of any or all of the terms and conditions therein shall ipso facto cause the cancellation of the permit, contract or lease;

- (e) Free access to area. The Secretary, the Undersecretary for Fisheries, the Director and their authorized representatives shall have free access at all times to the land under permit, contract or lease;
- (f) *Free navigation*. The permittee, contracting party or lessee shall not obstruct or interfere the free navigation in any public stream, lakes or bays adjoining or flowing through the area, as well as with the defined migration paths of migratory fish;
- (g) Rentals. Annual rentals shall be set at levels that reflect resource rent accruing from the utilization of resources and shall be determined by the Secretary through the Director in consultation with stakeholders and the National Fisheries and Aquatic Resources Management Council (NFARMC) based on a scientific study to be conducted every five (5) years;
- (h) Disposition of Improvements. -
- (1) The permittee, contracting party or lessee shall have no right by virtue of the permit, contract or lease to claim for reimbursement for the expenses incurred for improvements of whatever kind, which he or she may have introduced on the land;
- (2) Upon the expiration or cancellation of the permit, contract or lease, or the rejection of an application for permit, contract or lease, the improvements existing thereon shall become the property of the government. The appropriate guidelines on the assessment of improvements will be formulated by the Bureau.

#### III. APPLICATIONS

**SECTION 7. Form and contents of application.** - All applications for permit, contract or lease for new, renewal or transfer shall be duly accomplished using the prescribed form. In case the applicant is a corporation, cooperative, association or partnership, the application shall be accompanied by documents consisting of the articles of incorporation/cooperation, and certificate of registration and such other documents showing that the applicant is qualified under this Order.

**SECTION 8. Place of filing.** - An application shall be filed only with the Regional or Provincial Office where the area is located.

**SECTION 9. Application fee.** A non-refundable application fee for new, renewal or transfer of Two thousand pesos (P2,000.00) shall be paid to the Regional Office or Provincial Office upon filing of one (1) complete set of documentary requirements as well as the conduct of inspection.

SECTION10. When application is considered filed. - An application for permit, contract or lease shall be considered filed on the date and time the original thereof is stamp-received upon actual receipt of the complete set of all the requirements by the Regional or Provincial Office where the area is located. Only application with complete documentary requirements and supported by Report of Inspection and Verification of Improvements shall be forwarded to the Central Office.

All accepted applications for FLA or ASC or GP shall be given control numbers and shall be duly recorded.

**SECTION 11. Priority right of application.** -When two or more applications are filed for the same area, the first applicant shall have the right of preference thereto provided the applicant is qualified and has complied with all regulatory requirements as provided for in this Order.

SECTION 12. Requirements in the filing of new application for contract or lease over areas released for fishpond development. - The requirements for the filing of new application for FLA/ASC are as follows:

- a) Duly accomplished application form, attached as Annex A for FLA and Annex B for ASC, acknowledged before a Notary Public with stamp receipt by the Regional or Provincial Office indicating the date, time and signature of the receiving personnel of the Region;
- b) In case of a juridical person, two (2) certified true copies of Articles of Incorporation, Cooperation, Association or Partnership duly approved by government agencies concerned, the primary purpose of which is to engage in fishery/aquaculture business;
- c) A Certificate of Bank Deposit issued in the name of the applicant by any Banking Institution showing that the applicant has a current or checking account and has capital in cash of P150,000.00 per hectare or fraction thereof and the bank statements of said account for the preceding six (6) months;
- d) Six (6) copies of the survey plan of the area duly approved by the Director of Lands or Regional Director of Lands, or if under cadastral survey, the same shall be certified by the Bureau of Lands;
- e) Six (6) duly accomplished FLA or ASC acknowledged before a Notary Public;
- f) Payment of cash bond deposit and initial rental; and,
- g) Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage (CNC) from the DENR, in case the area has never been issued with FLA/ASC.

**SECTION 13. Requirements for the Renewal of the FLA/ASC.** - the requirements for the renewal of the FLA/ASC are as follows:

- a) Duly accomplished application form (Annex A or Annex B) acknowledged before a Notary Public with stamp receipt by the Regional or Provincial Office indicating the date, time, and signature of the receiving personnel of the Region;
- b) Payment of cash bond and initial rental; and
- c) A new survey plan, should there be changes in the area.

**SECTION 14. Requirements in the filing of application for GP.** - The requirements in the filing of application for GP are as follows:

- a) Duly accomplished application form attached as Annex C for gratuitous permit acknowledged before a Notary Public with stamp receipt by the Regional/Provincial Office indicating the date, time and the signature of the receiving personnel of the Region;
- b) Project profile which states:
  - i) The general and specific objectives of the project;
  - ii) A brief description of the project; and,
  - iii) The methodology of project implementation, which includes: names of personnel involved and percentage of time allocated to the project; schedule of implementation, funding requirement and sources both local and foreign; target beneficiaries; and, monitoring and evaluation scheme.
- c) Sketch plan of the area, in case the area has never been issued with GP.

SECTION 15. Conditions for the assignment/transfer of rights and interests under the FLA/ASC. - The assignment or transfer of rights under FLA/ASC may be allowed under the following conditions:

a) The assignor/transferor has not violated any provisions of the fishery laws, rules and regulations governing areas released for fishpond development including the terms and conditions of the contract or lease pursuant to Section 23 of this Order;

- b) The assignee/transferee is qualified to hold the contract or lease pursuant to the provisions of Section 4;
- c) The area subject of the assignment/transfer is not involved in any administrative or judicial case; and,
- d) The transferee shall be granted FLA/ASC valid for twenty-five (25) years, subject to renewal.

SECTION 16. Requirements on assignment/transfer of FLA/ASC rights. - The assignee/transferee shall submit the following requirements:

- a) The prior written approval of the Department or duly authorized representative;
- b) Duly accomplished application form (Annex A or Annex B) acknowledged before a Notary Public with stamp receipt by the Regional/Provincial Office indicating the date, time, and the signature of the receiving personnel of the Region;
- c) Original copy of the Deed of Assignment or Transfer and Assumption of Obligations;
- d) Payment of assignment or transfer fee in the amount of One hundred pesos (P100.00) per hectare or fraction thereof;
- e) Payment of application fee of Two thousand pesos (P2,000.00) after validating that all requirements are complete;
- f) Posting of required cash bond deposit;
- g) Six (6) copies of the survey plan of the area under his/her name duly approved by the Director of Lands or Regional Director of Lands; and,
- h) Six (6) copies of contract or lease form duly accomplished and acknowledged before a Notary Public.

SECTION 17. Grounds for the rejection of application for contract or lease. - An application for contract or lease or an application for renewal of contract or lease shall be rejected on any of the following grounds:

- a) Lack/loss of interest of the applicant;
- b) Applicant is not qualified;
- c) Incomplete requirements;
- d) Death of the individual applicant;
- e) Dissolution of juridical person;
- f) Fraudulent, false or misleading statements or information in the application;
- g) Occupying or introducing improvements in the area applied for without an FLA/ASC; and,
- h) When public interest so requires.

#### IV. FEES, RENTALS AND BONDS

**SECTION 18. Rentals, when due and payable.** - Upon the effectivity of this Order, the annual rentals shall be due and payable to the BFAR at the rate prescribed below:

The annual rental shall be at the rate of One thousand five hundred pesos (P1,500.00) per hectare or a fraction thereof.

As a form of incentive specific for FLA holders who maintain vegetated mangroves areas as supported by a Report of Inspection and Verification attached as Annex D, the contracting party or lessee shall be given a discount of fifty percent (50%) on the annual rental per hectare of the vegetated mangrove area.

The annual rental therefore for the area allocated for mangroves or silviculture shall be at the rate of Five hundred pesos (P500.00) per hectare or a fraction thereof.

Scientific studies on resource rent for FLA and ASC areas shall be conducted within three (3) years after the approval of this Order, and every five (5) years thereafter, the results of which shall be the basis for new rental rates.

SECTION 19. Remittance of Rentals. - Rentals from FLAs and ASCs shall accrue to a fund other than the Central Fund to be remitted to the National Fisheries Research and Development Institute and other qualified research institutions to be used for aquaculture research development pursuant to Section 46 (c) of Republic Act 8550, as amended by Republic Act 10654.

SECTION 20. Surcharges for default of payment of rentals. - Non-payment of annual rental when it becomes due and payable shall be subject to a surcharge in accordance with the following schedules:

Rentals paid from March 1 to March 31 ...... 5%

Rental paid from April 1 to June 30 ..... 10%

Rental paid from July 1 to December 31 ...... 15%

Rental paid after one (1) year ......20%

The FLA/ASC holder who fully pays the annual rental for the following year, within December of the current year shall be given a ten (10) percent discount on the annual rental by way of incentive.

SECTION 21. Cash Bond Deposit. - Before any contract or lease is issued, as a guaranty of good faith in filing the application and for the satisfactory compliance with existing fishery laws, rules and regulations promulgated thereunder and of the terms and conditions of the contract or lease, the applicant shall be required to deposit a cash bond with the Bureau or its Regional Offices. The cash bond shall be at the rate of Five hundred pesos (P500.00) per hectare or fraction thereof: Provided, however, that after five (5) years from the approval of the FLA/ASC and the lessee shall have fully developed the area and made it producing in commercial scale or the contracting party shall have utilized the area for mangrove-friendly aquaculture and the lessee or contracting party has satisfactorily complied with all the requirements and the terms and conditions of the contract or lease.

**SECTION 22. Forfeiture, Refund or Transfer of Cash Bond.** - The Secretary or the Director may confiscate or forfeit the cash bond or part thereof in favor of the government for any of the following reasons:

- (a) Violation and/or failure to fulfill any of the terms, conditions and/or requirements under which the contract or lease is issued;
- (b) Violation of any provision of fisheries law, rules and regulations;
- (c) Rescission of the contract or cancellation of the lease for cause.

The cash bond shall be administratively forfeited in favor of the government upon findings of any violations of the terms and conditions of the contract based on the Report of Inspection and Verification of Improvements of the Regional or Provincial Office.

#### V. TERMS AND CONDITIONS OF THE LEASE OR PERMIT

### SECTION 23. Terms and conditions of the FLA/ASC and GP. -

- (a) The area covered by the FLA/ASC shall be limited to the boundaries of the parcel of land described therein and shall be utilized for silviculture and mangrove-friendly aquaculture only by the contracting party or for aquaculture purposes only by the lessee.
- (b) The contracting party or lessee shall shoulder the expenses for the removal of any construction made in violation of Section 6 (f), which removal shall be undertaken upon orders of the Secretary, through the Director, in coordination with other government agencies.
- (c) Failure to pay the annual rentals on the date the same are due shall subject the contracting party or the lessee to the corresponding surcharges as provided for in this Order. For failure to pay the annual rentals and surcharges for two (2) consecutive years without justifiable cause, the contract or lease shall be cancelled or terminated, and the bond therein forfeited in favor of the government without prejudice to any action the government may take to recover rentals due including surcharges.
- (d) Within fifteen (15) days from the date of issuance of the FLA/ASC, the contracting party must have started utilizing the area for mangrove-friendly aquaculture while the lessee must have introduced improvements in the area. It may also be utilized for salt production, provided that the required annual aquaculture production of the area is complied with.
- (e) Within five (5) years from the approval of the FLA/ASC, the lessee must have fully developed the area and must have made it capable of producing in commercial scale.

Failure to attain the required level of commercial scale production for a fully developed fishpond shall thereafter be considered underutilization of the area, which shall be a ground for the cancellation of the FLA/ASC.

- (f) The contracting party or lessee must have financial capability to develop and manage the area.
- (g) The FLA/ASC rights cannot be used by the contracting party or lessee as collateral to secure a loan for the development of the area.
- (h) The contracting party or lessee is prohibited to sublease all or any portion of the area covered by the FLA/ASC through any form of arrangement that partakes of the nature of a sub-lease.
- (i) The contracting party or lessee is prohibited from transferring or assigning his leasehold rights to any person or entity without the prior approval of the Secretary.
- (j) The contracting party or lessee shall undertake reforestation in river banks, bays, streams and seashore fronting the FLA/ASC area to at least fifty (50) meters strip whenever applicable.
- (k) Upon cancellation of the FLA/ASC for cause or upon the expiration of the contract or lease, the contracting party or lessee shall vacate the area and all existing improvements shall be forfeited in favor of the government. Provided that the Secretary has the authority to administratively eject the lessee or contracting party.
- (l) The contracting party or lessee shall keep a record of operations and transactions of the area.
- (m) The contracting party or lessee shall allow the duly authorized representative of the lessor to inspect and validate all the records required in the operations of the area.
- (n) The FLA/ASC does not confer to the contracting party or lessee any rights or permit to cutdown or harvest mangrove timber or other forest products, Provided, that when the same is necessary for the optimum operations of the fishpond, a cutting permit must first obtained

from the appropriate government agency. However, gleaning/harvesting of mangrove associated aquatic fauna that are not threatened is permitted.

- (o) The contracting party or lessee shall submit an Annual Report on Fishpond Development, Operation and Production, attached as Annex E, under oath relative to the development, operation and production of the FLA/ASC, including the species and volume thereof, for statistical and evaluation purposes. Said report shall be in a prescribed form duly verified and certified to by the Regional Director concerned or his or her authorized representative, provided that the FLA/ASC of the contracting party or holder who fails to render a yearly report shall be immediately cancelled pursuant to Section 109 of RA 8550 as amended by RA 10654.
- (p) The contracting party or lessee shall provide facilities that will minimize environmental pollution such as settling ponds and reservoirs, Provided, that failure to comply with this provision shall be a ground for cancellation of the FLA/ASC.
- (q) The contracting party or lessee employing permanent worker/s shall submit proof of payment of SSS contributions or remittances, if any.
- (r) The contracting party or lessee shall, within a period of one (1) year prior to expiration, submit an application to renew the FLA/ASC.
- (s) The FLA/ASC shall be subject to the existing laws, rules and regulations on the matter.
- (t) The permittee of the GP shall submit a progress report on the project one (1) year after the grant of the GP and every year thereafter.

SECTION 24. Renewal and expiration of the FLA/ASC. – The FLA/ASC shall be renewed within a period of one (1) year prior to expiration, an application to renew the FLA/ASC must be filed at least one (1) year prior to the expiration.

The Regional Office shall issue a Notice of Expiration, attached as Annex F, to the FLA/ASC holder or his or her legal heirs/authorized representative one (1) year prior to expiration, copy furnished the Central Office.

The Notice of Expiration shall indicate that upon failure to renew FLA/ASC, the area is automatically declared open and available to interested qualified applicant upon expiration.

SECTION 25. Termination of lease upon the death of the lessee. - The FLA shall terminate upon the death of the individual lessee. However, his or her legal spouse and/or children as legal heirs, provided they are qualified, shall have preemptive rights to the unexpired term of the FLA, upon filing of an application within ninety (90) days from the death of the lessee.

Upon expiration of the above ninety (90) days period, a Notice of Termination, attached as Annex G, shall be issued by the Regional Office and the area shall be declared open and available to interested qualified applicant.

#### VI. CANCELLATION OF THE FLA/ASC or GP

#### SECTION 26. Grounds for the cancellation of the FLA/ASC or GP.

- (a) Violation of existing fishery laws, rules and regulations and other applicable laws;
- (b) Death of the lessee, subject to the pre-emptive rights of legal heirs under Section 25 of this Order;
- (c) Dissolution of juridical personality;
- (d) Fraudulent, false or misleading statements or information in the application and/or other documents submitted prior to or after the issuance of the lease;

- (e) Failure to submit a yearly report for two (2) consecutive years;
- (f) Failure to pay the rentals and surcharges for two (2) consecutive years;
- (g) Sublease of the area or any portion thereof;
- (h) Transfer or assignment of rights under the FLA/ASC without prior approval of the Secretary or undertaken in the course of the application under Section 6 (d) hereof;
- (i) Non-adherence to Good Aquaculture Practices;
- (j) Failure to provide facilities that will minimize environmental pollution, such as settling ponds or reservoirs;
- (k) Failure to comply with the other terms and conditions of the FLA/ASC or other rules and regulations governing the FLA/ASC;
- (l) Abandonment, non-development or underutilization of the area covered by the FLA/ASC;
- (m) In the case of GP, failure to submit the required project progress report.

SECTION 27. Procedure in the Cancellation of FLA/ASC for violations of Section 26 of FAO 197-2. - The BFAR Rules of Procedure for the Adjudication of Fisheries Law Cases (RPAC) shall be observed as the procedure in the cancellation of FLA/ASC for violations of Section 26 of this Order.

**SECTION 28. Hearing Officer.** The Hearing Officer designated by the Adjudication Committee pursuant to Section 9 of Rule 3 (Venue of and Authority over an Action) of the RPAC will hear the petition for cancellation, and all cases arising from the rights, claims or protest of the applicant or any interested party.

**SECTION 29. Disposition of improvements.** - Upon the cancellation or termination of the ASC or FLA, the existing improvements on the area subject of the contract or lease shall become property of the government.

In case of unpaid rentals, and surcharges the improvements shall be assessed and sold at current market value to the qualified FLA/ASC applicant to settle the obligations incurred by the previous FLA/ASC holder.

**SECTION 30.** Unlawful use or occupation of public lands released for fishpond purposes. - Any person illegally occupying or introducing improvements in areas released for fishpond development without a permit, contract or lease, shall be liable for prosecution for the offense of mangrove conversion, without prejudice to the filing of other administrative or criminal charges.

**SECTIONS 31. Adverse Claim or Protest.** - All cases arising from the rights, adverse claim or protest of the applicants or parties must be resolved by the Adjudication Committee based on the Rules on Adjudicative Action of the RPAC.

#### VII. TRANSITORY PROVISIONS

**SECTION32.** Grace period and priority in the utilization of AUU fishpond areas. For purposes of utilizing AUU areas, the bona fide occupant/s who developed the portion identified as AUU areas by the Bureau, previously covered by FLA/ASC, shall be given priority within one (1) year from effectivity hereof to apply for new FLA/ASC, subject to the following conditions:

a) The application over the developed portion shall be accompanied by an affidavit of waiver of rights and interests over the undeveloped portion.

For this purpose, a developed portion refers to such area occupied, possessed, and operated by an occupant for fish production enclosed by dikes with functional water control structures, vegetated or not vegetated with mangroves.

- b) Upon failure to apply within the grace period, the area shall automatically be deemed open and available for application to any qualified applicant without the need for issuance of an order for that purpose.
- c) Sections 29 and 30 hereof which provides for the rules on the disposition of improvements and unlawful use of occupation of public lands released for fishpond purposes are hereby suspended within this period for this purpose.

The application for FLA/ASC over identified AUU areas shall comply with Section 12 hereof.

An Affidavit of Undertaking to submit six (6) copies of the approved survey plan of the portion applied for within six (6) months from the approval of FLA in lieu of the duly approved survey plan, and a copy of previously approved plan indicating the delineated portion for actual occupants of the developed portion or applicants over undeveloped portion.

Upon the approval of the lease or contract over the undeveloped portion, the lessee or grantee shall introduce development in the area within a period of fifteen (15) days upon receipt thereof and shall, preferably, operate the portion as nursery pond. Failure to do so shall be a ground for cancellation of the lease or contract.

**SECTION 33. Separability Clause.** - If any section or provision of this Order, or part thereof, is declared unconstitutional or invalid, the other sections or provisions thereof which are not affected thereby shall continue in full force and effect.

SECTION 34. Repealing Clause. – Revised Administrative Order No. 60, series of 1960, Fisheries Administrative Order No. 125, series of 1979, Fisheries Administrative Order No. 197, series of 2000 and Fisheries Administrative Order No. 197-1, series of 2012 are hereby repealed. Other fishery rules and regulations which are inconsistent with the provisions of this Order are hereby repealed or modified accordingly.

**SECTION 35. Effectivity.** - This Administrative Order shall take effect after fifteen (15) days following the completion of its publication in a newspaper of general circulation and its filing with the Office of the National Administrative Register (ONAR).

Issued	l this		day	of		2023,	in	Quezon	City,	Metro	Manila,	Philippines.
Secre	tary				<u>-</u> ,							
RECC	MMEI	NDEI	BY:									
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Direc	tor, BF	'AR				- 2						

Published in the		
	, 2023	
Filed with the ONAR.	TS -	. 2023

#### ANNEXES:

- A Application Form for FLA New, Renewal, Transfer
  B Application Form for ASC New, Renewal, Transfer
  C Application Form for GP New
  D Report of Inspection and Verification of Improvements
  E Annual Report on Fishpond Development, Operation and Production
  F Notice of Expiration
  G Notice of Termination



# Republic of the Philippines Department of Agriculture

BUREAU OF FISHERIES AND AQUATIC RESOURCES
Fisheries Building Complex, Bureau of Plant Industry Compound,
Visayas Ave., Diliman, Quezon City
Tel. No. 929-8074 | do@bfar.da.gov.ph | records@bfar.da.gov.ph

### APPLICATION FOR FISHPOND LEASE AGREEMENT

Application No New Lease, Renewal, Transfer Or Change of Area (State which)	Place of filing Date of filing
The Director Bureau of Fisheries and Aquatic Resources Quezon City	
apply under the provisions of Republic Act No. 8	citizen of the Philippines, years old, single/married, my occupation nce/postal address at, do hereby 550, as amended by Republic Act 10654, to lease and occupy a parcel of ng hectares, more or less, as shown in the attached described as follows:
Province:	
My/Our initial capital for the development/mai	ntenance of the area based at Php. 150,000.00 per hectare is Php ed certification of bank deposit. Also enclosed are the complete set of all
Fishpond Lease Agreement is issued in my/our far laws, rules and regulations and the instructions is the use and operation of the area herein describe	thorize me/us to enter the area or introduce improvements therein, unless a vor. I/We also bind ourselves to comply with the provisions of existing fishery sued by that Office and to those that may subsequently be issued regardinged and shall be solely responsible for the proper compliance with the same ity. I/We understand that this application is non-transferrable, and that the
Herewith enclosed is an application fee of Php 2,6	000.00 pesos in cash or check.
Postal address: Contact No: Email Address:	(Signature over Printed Name of the Applicant)
Philippines. The affiant exhibited to me his/ her	day of at, Competent Evidence of Identity or Government-Issued Identification No.
Doc. No Page No	
Book No Series of 20	Notary Public



# Republic of the Philippines Department of Agriculture

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### APPLICATION FOR AQUASILVICULTURE STEWARDSHIP CONTRACT

Application No	Place of filing
New, Contract, Renewal, Transfer Or Change of Area (State which)	Date of filing
er enange er ales (esale unan,	
The Director	
Bureau of Fisheries and Aquatic Resources	
Quezon City	
I/We	_, a duly organized and/or registered fisherfolk cooperative/
association/organization/MSME/corporation, here	in represented by, do
hereby apply under the provisions of Republic Act	No. 8550, as amended by Republic Act 10654, to lease and occupy a
parcel of public forest land for aquasilviculture purp	oses containing hectares, more or less, as shown in unded and described as follows:
the attached sketch/survey plan and particularly bo	unded and described as follows:
Province:	North:
Municipality :	East:
Barangay :	South:
Sitio:	West:
Our initial capital for the development/maintenance of as evidenced by the attached certification of bank do to support the application.	of the area based at Php. 150,000.00 per hectare is Phpeposit. Also enclosed are the complete set of all regulatory requirements
Aquasilviculture Stewardship Contract is issued in or fishery laws, rules and regulations and the instruction regarding the use and operation of the area herein	norize us to enter the area or introduce improvements therein, unless an ur favor. I/We also bind ourselves to comply with the provisions of existing ons issued by that Office and to those that may subsequently be issued described and shall be solely responsible for the proper compliance with authority. I/We understand that this application is non-transferrable, and able.
Herewith enclosed is an application of Php 2,000.00	pesos in cash or check.
Postal address:	
Contact No.	(Signature over Printed Name of the Applicant)
Email Address:	Tax Identification Number (TIN):
Subscribed and sworn to before me this, Philippines. The affiant exhibited to me his/ her C issued at	day of at, ompetent Evidence of Identity or Government-Issued Identification No on
Doc. No	
Page No	
Book No.	
Series of 20	Notary Public
	-



#### Republic of the Philippines Department of Agriculture

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Tel. No. 929-8074 | do@bfar.da.gov.ph | records@bfar.da.gov.ph

### **APPLICATION FOR GRATUITOUS PERMIT**

Application NoNew Permit, Renewal, Or Change of Area (State which)	Place of filing Transfer Date of filing
Of Change of Area (State Which)	
The Director Bureau of Fisheries and Aquatic Resources Quezon City	
hereby apply under the provisions of Republic Act No. parcel of public forest land for scientific, research, educati	, a duly organized/registered Academic, Scientific, need represented by, do siness address at, do 8550, as amended by Republic Act 10654, to lease and occupy a onal or experimental breeding purposes containing survey plan and particularly bounded and described as follows:
Province : Municipality : Barangay : Sitio :	North:
Gratuitous Fishpond Permit is issued in our favor. I/We a laws, rules and regulations and the instructions issued by the use and operation of the area herein described and s	e us to enter the area or introduce improvements therein, unless a also bind ourselves to comply with the provisions of existing fishery by that Office and those that may subsequently be issued regarding shall be solely responsible for the proper compliance with the same be understand that this application is non-transferrable, and that the
Postal address: Contact No Email Address:	(Signature over Printed Name of the Applicant)  Tax Identification Number (TIN):
Subscribed and sworn to before me this da Philippines. The affiant exhibited to me his/ her Compe issued at	ay of at, tent Evidence of Identity or Government-Issued Identification No on
Doc. No; Page No; Book No; Series of 20	Notary Public

### REPORT OF INSPECTION AND VERIFICATION OF IMPROVEMENTS

	Date
The Director Bureau of Fisheries and Aquatic Resources	
3/F Main Building, Fisheries Building Complex Visayas Avenue, Diliman, Quezon City	
Sir:	
was conducted by the undersigned in the located in Bgry.	cular inspection and verification of improvements is hood area covered by FLA/ASC/Fp. A. No Municipality of
, and I hereby certify improvements found existing in the area and pro-	that the following are the kind and extent of oduction thereof.
Name of Lessee/Applicant:	
Address:	
No. of hectares granted:	Date of Expiration:
No. of hectares developed:	No. of hectares undeveloped:
A. Kind and Extent of Improvements	Date Introduced Value/Cost (Php)
<ol> <li>Clearings:         Area Cleared: has.</li> </ol>	
Main dike: lineal meters	9=
Secondary dikes: lineal meters	
2. Excavation: cubic meters	
3. Gates:	
Concrete: (number)	
Wooden:(number)	
4. House, etc	· · · · · · · · · · · · · · · · · · ·
5. Equipment, etc.	
6. Assessed Value Actual Appraisal	TOTAL VALUE:
Under Tax Declaration	
	ployed: (Attach proof of SSS
Contribution/Remitances)	throyeu (Attach proof of 555
8. No. of Non Permanent Personnel/Worker	s Employed:
9. No. of Personnel/Workers Registered in	FishR):
B. Operation and Production SPECIES STOCKED SOURCE	QUANTITY VALUE/COST (Php)
1	
2	
3.	
4. Date of Stocking:	No. of Kilos harvested:
5. Date of Harvest	Gross Sales

	6.	Markets: Domestic:	
		Export:	Number of Kilos:
C.	Ve	rification of Presence of Facilit	nt minimize Environmental pollution
	2. 3.	Nursery:(H Transition:(I Rearing:(I Others:(I	e method)
D.	Re	marks and Recommendation/	
_		to recognition to	
_			Very truly yours,
			very truly yours,
			Inspecting Officer
			Date of Inspection
		C	IFICATION
pe the	rsoi e foi	I,nally conducted a thorough, actuates a conducted a conducted a conducted are set and all statements are set on the conducted are set on th	ander my official oath, do hereby certify that I have ection and verification of the fishpond area treated in as are true and correct.
su	bjed	I am fully aware that any false of the to appropriate disciplinary	ading statements I have stated in the said report will which may be summary dismissal from the service.
at,		IN WITNESS WHEREOF, I have	nto set my signature this day of
			-
			(Signature over Printed Name)
No	ted	by:	
_		Designation	

## SKETCH OF THE AREA SHOWING IMPROVEMENTS WITH PICTURES SHOWING THE ACTUAL STATUS OF THE AREA

		FROM	то		_
		esources ommonwealth Avenue			
Sir:					
			ort on the extent of develo		
0-4-1			Europe Between		
	ssued:		Expiry Date:	madi	(has.)
Alta	Granteu		Alea Develo	ped:	(has.)
			b. Transition	n:	(has.)
			c. Rearing:	••	(has.)
			Area Undev	eloped:	(has.)
		A. KINC	AND EXTENT OF IMPR	ROVEMENTS	
<u>ITEM</u>			DATE INTRODUCED		VALUE/COST
1. Clearings:			-		-
	j:	(has.)			
2. Dikes:		Paral materi			
Maill:		ineal meters			
Excavation:		cubic meters			
3. Gates:	11111				
Concrete:					
Wooden:					
House/Build	ing, etc				
±quipment/1	oois/Banca, etc			TAI	
4. Assessed Va	alue:		10	Dha	
Actual Appra	4 4			and a	
				Php	
5. Number of V	Vorkers Employed:				
a. Caretaker	s:		b. Laborer/s		
		B. PRODU	JCTION AND MARKETIN	IG OPERATION	
1. STOCKING:					
Species	Date Stocked	Source/Place	Area Stocked (Has.)	Quantity (No.)	Cost (Php)
Bangus					
Fry					
Fingerlings		_			
	77		_		
Sugpo		2			
Shrimp					

Others (Specify)

TOTAL

ANNUAL REPORT ON FISHPOND DEVELOPMENT, OPERATION & PRODUCTION

<u>Species</u>	Date Harvested	Area Harvested	Quantity (Kilos)	No. of Pcs./kg.	Price/Kilo	Total Value
Bangus _						
Sugpo						
Shrimp						
Others (Specify)						
=					2 <del></del>	
-						
TOTAL			<del></del>	:	-	
3. MARKETING:						
	Local	Consumption			Export	
<u>Species</u>	Quantity (Kilos)	Value	(Php)	Quantity (Kil	os)	<u>Value(Php)</u>
Bangus						
Sugpo						<del>-</del>
Shrimp				1		
Others						
		_				
-						
TOTAL						
IOIAL			=======================================	1		<del></del>
REMARKS:						
				-		
Sketch of the Area:						
				Very tru	ıly yours,	
				(Sig	nature of Lesse	e over Printed Name)
SUBSCRII	BED AND SWORN to bef	ore me this	day of		at	 at
Affiant exhibited to	me his/her Community	Tax Certificate No 		iss	ued on	at
				(Any Pareo	n Authorized to	Administer Oath)
Doc No				h m.h , 0190		
Book No Page No						
Series of						

2. HARVESTING:

Registered Mail with Return Card

Data	With Rotal in Oal a
Date	
Name of the lessee  Lessee of FLA No.  Postal/Official Address	
SUBJECT: NOTICE OF EXPIRATION OF FLA/ASC No. Location:	
Dear Mr./Mrs. Name of the LESSEE:	
Pursuant to Sections 24 (r) and 25 FAO 197-2, Series of 2023, entire Regulations Governing the Lease of Public Lands for Fishpond and Mangrove Fishpond Lease Agreement (FLA) or Aquasilviculture Stewardship Contraprior to the date of its expiration and the lessee of the FLA/ASC has a period the expiration of the lease agreement within which to renew the same.	e-friendly Aquaculture, the ct (ASC) shall be renewed
Relative thereto, you are hereby notified that the FLA/ASC shall expire on date of expiration.	No located in
As the lessee, you are hereby notified to submit your application for rene with the complete set of regulatory requirements, within one (1) year price FLA/ASC with the Regional Office/Provincial Office where the FLA/ASC are	or to the expiration of the
Further, this will also serves as a Notice of Termination for failure to renew expiration. Likewise, the FLA/ASC area shall be declared open and available applicant.	the FLA/ASC prior to the ble to interested qualified
Please indicate also the official telephone number and permanent official your application for easy communication.	email address (if any) in
Please be guided accordingly.	
Very truly yours,	
Representative/Designation BFAR Regional Office No	
Received by:	
Signature and Date over the Name of the lessee or its authorized representative	

Registered Mail with Return Card

Name of the lessee Lessee of FLA No. Postal/Official Address	
	F TERMINATION  pond Lease Agreement)
In accordance with Section 46(b) of Republic Act Administrative Order No. 197-1, the following Fis	No. 8550 as amended and Section 27 of Fisheries hpond Lease Agreement is hereby terminated:
FLA No.	
Land Area:	
Location:	
Lessee:	
Date of Expiry:	
vacant to qualified applicants.  Regional Director BFAR Regional Office No	ishpond or aquasilviculture purposes is open and
Received by:  Signature and Date over the  Name of the lessee or his/her authorized represen	tative

Date \_\_\_\_