

FISHERIES ADMINISTRATIVE)
ORDER NO. 125 :
Series of 1979.)

SUBJECT: RULES AND REGULATIONS GOVERNING CONVERSION
OF ORDINARY FISHPOND PERMITS AND TEN (10)
YEAR FISHPOND LEASE AGREEMENTS INTO TWENTY
FIVE (25) YEAR FISHPOND LEASE AGREEMENTS
AND OTHER RELATED MATTERS.

In order to encourage and accelerate the development of fishponds all over the country which may only be ensured through the issuance of long-term leases and in order to phase out marginal operators, permittees or lessees with no operations inasmuch as their holding thereof has proven more to be a burden to them and has not contributed to national development, the following rules and regulations governing the conversion of ordinary fishpond permits and ten (10)-year fishpond lease agreements into twenty-five (25)-year fishpond lease agreements are hereby promulgated pursuant to Sections 7 and 24 of Presidential Decree No. 704:

SECTION 1. Definition of Terms. - In applying the provisions of this Order, the words and terms herein used shall be construed to mean as follows.

- a. Ordinary fishpond permit - refers to a fishpond permit issued by the Bureau of Fisheries and Aquatic Resources for a period of one (1) year which is renewable every year thereafter.
- b. Ten (10)-year fishpond lease agreement - refers to a fishpond lease agreement entered into by and between the Minister of Natural Resources and the qualified fishpond applicant for a period of ten (10) years, renewable thereafter.
- c. Twenty-five (25)-year fishpond lease agreement (FLA) - refers to a fishpond lease agreement entered into by and between the Minister of Natural Resources and the qualified applicant for a period of twenty five (25) years, renewable thereafter for another twenty five years.
- d) Fully-developed fishpond - refers to a clean, leveled area 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 consisting at least of a nursery pond, a transition pond, a rearing pond, or a combination of any or all of said classes of ponds, and a water control system.

SECTION 2. Who are entitled to apply for conversion into a twenty-five (25)-year fishpond lease agreement? - Those who were issued ordinary fishpond permits and ten (10)-year fishpond lease agreements shall apply for the conversion of the same into twenty-five (25)-year fishpond lease agreements within sixty (60) days from the effectivity hereof, otherwise said permits and lease agreements shall be deemed automatically terminated/cancelled: Provided, That those whose fishpond areas are involved in judicial or administrative cases shall apply for conversion into twenty-five (25)-year fishpond lease agreements, only after said cases shall have been finally decided or terminated in their favor.

SECTION 3. Filing of applications. - Applications for conversion into twenty-five (25)-year fishpond lease agreements shall be filed, in the form prescribed for this purpose by the Bureau of Fisheries and Aquatic Resources, with the Fisheries Regional Office concerned, together with the application fee in the amount of twenty pesos (P20.00) for areas five (5) hectares and below and five pesos (P5.00) per hectares for areas more than five (5) hectares or fraction thereof in cash payable to the Director of Fisheries and Aquatic Resources which shall be duly receipted and shall not be refundable.

SECTION 4. Processing of fishpond applications. - The Regional Director shall, within five (5) days upon receipt of the application, secure officially from the Municipal Courts and Courts of First Instance having jurisdiction over the fishpond areas, certifications whether said areas are involved in court cases or not. He shall also certify whether or not said fishpond areas are involved in administrative cases. If the said areas are not involved in any administrative or judicial case, he shall transmit to the Central Office of the Bureau of Fisheries and Aquatic Resources the application together with the 25-year Fishpond Lease Agreement with that part corresponding to the Lessee duly acknowledged before a Notary Public, including the receipt of payment therefor, for processing and subsequent recommendation of the Director of Fisheries and Aquatic Resources for approval to the Minister of Natural Resources. If the areas are involved in any case, then the Regional Director should hold the application in abeyance and should inform the applicants and the Central Office of the pending cases immediately.

SECTION 5. Terms and conditions of the Fishpond Lease Agreements. - The fishpond lease agreements shall contain, among others, the following terms and conditions:

- a. The Lessee shall lay on the ground the boundaries of the leased area within six (6) months after the issuance of the fishpond lease agreement and to submit the survey plan thereof duly approved by the Bureau of Lands six (6) months thereafter.
- b. The Lessee shall submit a development plan of the fishpond, in the form prescribed by the Bureau of Fisheries and Aquatic Resources, within six (6) months after the issuance of the fishpond lease agreement.

- c. The Lessee shall update the payment of the fishpond rentals for 1979 and prior years at the rate existing previous to the issuance of this Order and starting January, 1980 at the rate prescribed under Sections 6 and 7 hereof within six (6) months after the issuance of the fishpond lease agreement. Thereafter, annual rentals shall be at the uniform rate prescribed under this Order. Failure to pay the annual rentals on the date the same are due shall subject the Lessee to the corresponding surcharge as provided for in this Order.
- d. The Lessee shall introduce improvements in the area within one hundred eighty (180) days from the date the lease agreement was issued.
- e. The fishpond operation shall be confined within the perimeter of the parcel of land described herein which shall be utilized by the herein Lessee for fishpond and other aquacultural purposes only.
- f. Any fishpond which shall be established in the area covered by the lease agreement shall be constructed so as not to interfere with the free navigation of any river or stream adjoining or flowing through the area nor shall it impede the flow and ebb of the tide to and from the interior of the swamps. Any construction made contrary hereto shall be removed by or under the authority and direction of the Lessor or his duly authorized representative at the expense of the Lessee.
- g. The Lessee shall exclude from the proposed fishpond area a strip of forty (40) meters wide from the river, banks or streams adjoining or passing through the area which should be maintained forested or, if denuded, should be planted with appropriate species for river bank protection, pursuant to Presidential Decree No. 953.
- h. The Lessee shall not obstruct all the existing routes and trails and means of transportation which shall pass through or are adjoining the area under the fishpond lease agreement.
- i. The Lessee shall develop fifty per cent (50%) of the area within three (3) years and to completely develop the remaining portions within five (5) years both to commence from the date of the issuance of the lease agreement.
- j. The Lessee shall submit to the Director of Fisheries and Aquatic Resources, through the Fisheries Regional Director concerned, in the prescribed form a semi-annual report on the fishpond development, operation

and production within the first ten (10) days after every six (6) months and such other information relative to the operation of the fishpond as may be required from time to time for statistical and other purposes, which report shall be verified and certified correct by the Regional Director concerned or his duly authorized representative.

- k. The Lessee shall not transfer all or any portion of the area herein granted or any right acquired therein without the previous approval of the Lessor.
- l. The Lessee shall not sublet or enter into a sub-lease contract over the area or any portion covered by the fishpond lease agreement.
- m. The Lessee shall keep a record of operations and transactions concerning the fishpond.
- n. The Lessee shall allow the duly authorized representative of the Lessor to inspect all the records required in the operation of the fishpond.
- o. The Lessor may, at any time, reduce the area covered by the lease agreement or change or modify the terms and conditions thereof, or terminate the same at an earlier date, when public interest so requires, or for justifiable grounds or reasons.
- p. The area leased is public land to the best knowledge and belief of the Lessor and accordingly, the Lessor shall not be responsible for any loss or claim occasioned by any legal award of the area to any claimant recognized by the courts or as a result of any judicial litigation involving the same area.
- q. The Lessee shall assume responsibility for any injury or destruction in the area covered by the fishpond lease agreement which may be caused by the operation of the area for fishpond development or by the act of the representative or employees of the Lessee.
- r. The Lessee shall vacate the area covered by the fishpond lease agreement upon the expiration, cancellation or rescission hereof.

SECTION 6. Rentals when due and payable. - Starting January 1, 1980 the annual rental shall be at the rate of thirty pesos (P30.00) per hectare or fraction thereof for the first five (5) years. After the 1985 annual rental is paid, subsequent annual rentals shall be due and payable on the first working day of January each year. On the sixth year and the years following thereafter, the annual rentals

shall be at the rate of fifty pesos (₱50.00) per hectare or fraction thereof. This section shall also be applied to all existing 25-year fishpond lease agreements previously issued prior to the effectivity of this Order.

SECTION 7. 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 schedule:

Rental paid from Jan. 1 to March 31	10%
Rental paid from April 1 to June 30	15%
Rental paid from July 1 to Sept. 30	20%
Rental paid from Oct. 1 to Dec. 31	25%
Rental paid after one (1) year	40%

SECTION 8. Schedule of Cash Bond Deposits. - Starting January 1, 1980 the cash bond deposit shall be at the rate of fifty pesos (₱50.00) per hectare or fraction thereof: Provided, That if at the end of five (5) years the Lessee shall have introduced improvements in accordance with this Order and has satisfactorily complied with all the requirements of the fishery laws, rules and regulations and the terms and conditions of the lease, the Minister of Natural Resources upon the recommendation of the Director of Fisheries and Natural Resources may waive this bond entirely. This section shall also be applied to all existing 25-year lease agreements previously issued prior to the effectivity of this Order.

SECTION 9. Grounds for termination, cancellation, or rescission of the fishpond lease agreement. - A fishpond lease agreement may be terminated, cancelled, or rescinded and the improvements thereof, including the bond, forfeited in favor of the government, for any of the following grounds:

- a. Death of the Lessee;
- b. Dissolution of lessee-corporation;
- c. Fraudulent, false, or misleading statement made by the Lessee in the application or in any report submitted relative to the operation of fishpond under lease agreement
- d. Failure to submit the semi-annual reports;
- e. Failure to develop fifty per cent (50%) of the area within three (3) years and to complete the development thereof within five (5) years after the issuance of the fishpond lease agreement;
- f. Failure to pay the rentals and surcharges for two (2) consecutive years without justifiable cause;
- g. Sub-letting the area under the lease or any part thereof.
- h. Non-use or abandonment of the area

- i. Failure to submit the survey plan of the area under lease duly approved by the Bureau of Lands within one (1) year from the issuance of the fishpond lease agreement; and
- j. Failure to comply with any of the terms and conditions of the fishpond lease agreement and all fishery laws, rules and regulations.

SECTION 10. Adverse claim or protest. - Any person who has an adverse claim or protest over the area which is the subject of an application for conversion shall file the claim or protest with the Bureau of Fisheries and Aquatic Resources within two (2) months from the effectivity of this Order and after which no claim, protest or complaint shall be entertained.

SECTION 11. Repealing Clause. - Existing fishery rules and regulations which are inconsistent with this Order are hereby repealed or modified accordingly.

SECTION 12. Effectivity. - This Fisheries Administrative Order shall take effect fifteen (15) days after its publication in the Official Gazette or two (2) newspapers of general circulation.

(SGD.) JOSE J. LEIDO, JR.
Minister

RECOMMENDED BY:

(SGD.) FELIX R. GONZALES
Director of Fisheries & Aquatic Resources