



FISHERIES ADMINISTRATIVE )  
ORDER NO. 125 - 1 :  
Series of 1991. )

SUBJECT: Amending Sections 5 and 6 of  
Fisheries Administrative Order  
No. 125, s. of 1979.

SECTION 1. Section 5 of Fisheries Administrative Order No. 125, s. of 1979, is hereby amended to read as follows:

" Section 5. Terms and conditions of the Fishpond Lease Agreement. - The following are the terms and conditions of a Fishpond Lease Agreement (FLA) which shall be reproduced and printed at the back of the FLA (BFs Form No. 1-A) as part of the lease agreement between the lessee and the lessor:

TERMS AND CONDITIONS

- "1. The fishpond area covered by this Agreement shall be confined within the perimeter of the parcel of land described herein and shall be utilized by the LESSEE for fishpond purposes only.
- "2. The area subject of this Agreement is public land to the best knowledge and belief of the parties herein, and accordingly, the LESSOR shall not be responsible for any loss occasioned by legal award of the area to any claimant recognized by the Courts.
- "3. The fishpond which shall be established over the area covered by this Agreement shall be so constructed as not to interfere with the free navigation of any river or stream adjoining or flowing thru the area nor shall it impede the flow and ebb of the tide to and from the interior of the swamps nor shall forest growth be removed from a strip of 40 meters wide along the banks of the rivers or streams adjoining or passing through the area. Any construction made contrary thereto shall be removed by or under the authority and direction of the LESSOR or his duly authorized representative at the expense of the LESSEE.

- "4. Annual rentals shall be at the rate prescribed under the existing rules and regulations. Failure to pay the annual rentals on the date the same are due shall subject the LESSEE to the corresponding surcharges as provided for in the regulations. For failure to pay the annual rentals and surcharges for two (2) consecutive years without justifiable cause, this Agreement 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.
- "5. The LESSEE shall introduce improvements in the area within One Hundred Eighty (180) Days from the date of issuance of this Agreement, otherwise, the same shall be cancelled. At least fifty (50) percent of the area under this Agreement shall be developed within three (3) years, from the date of its original issuance, and the remaining portion shall be completely and fully developed within period of five (5) years, also from the date of original issuance of this Agreement by the Secretary of Agriculture.
- "6. The leasehold rights of the LESSEE may be transferred covering all or any portion of the fishpond area herein granted to another party subject to the approval of the LESSOR.
- "7. The leasehold rights of the LESSEE may be assigned to any financial institution to secure a loan for the development of the area covered by this Agreement subject to the approval of the LESSOR.
- "8. The LESSEE is prohibited to sublease all or any portion of the area covered by this Agreement through any form of arrangement that partakes the nature of the sub-lease.
- "9. Upon cancellation of this Agreement for cause, the ejectment of the LESSEE and/or occupants from the area shall be ordered by the LESSOR or his authorized representative. Failure to vacate the area shall subject the LESSEE and/or occupants thereof to applicable provisions of laws, rules and regulations thereon, and all existing improvements shall be forfeited in favor of the government subject to the rights of the assignee-bank, if applicable, as provided in Section No. 10 of this Contract.

- "10. When applicable, in the event of default in the payment of the loan by the LESSEE and the assignee-bank enforces the terms and conditions of the assignment of rights, the said assignee-bank shall have a period of five (5) years thereafter to hold the area covered by this Agreement for the purpose of liquidating the debt, disposing of the improvements therein, and negotiating for the transfer of assignment of the rights therein to other qualified transferees who shall comply with the requirements of the LESSOR. For this purpose, the assignee-bank shall notify the LESSOR when such enforcement will commence. However, if after the period of five (5) years has elapsed and no transfer of rights has been effected, then the area shall be automatically reverted to the LESSOR for proper disposition, subject to the rights of the assignee-bank and the provisions of EO 407 and RA 6657.
- "11. When the national interest so requires, the President of the Philippines may at any time review, amend, modify, revise, rescind or revoke this Agreement. (PD 1585).
- "12. Upon the recommendation of the Department of Agriculture, the President may, pending the conduct of appropriate hearing, summarily suspend and order the cessation of all activities and operations in the fishpond area under this Agreement for violation of the terms and conditions thereof. (PD 1585).
- "13. This Agreement shall be subject to the existing laws, rules and regulations on the matter."

SEC. 2. Section 6 of Fisheries Administrative Order No 125, s. of 1979 is hereby amended to read as follows:

" Section 6. Rental, when due and payable. - Starting January 1, 1992 the annual rental shall be One Thousand Pesos (P1,000.00) per hectare. However, any fraction of a hectare shall be charged the corresponding fraction of P1,000.00. The annual rental shall be due and payable at the end of January of each year".

SEC. 3. Repealing Clause. - Existing fishery rules and regulations which are inconsistent with this Order are hereby repealed or modified accordingly.

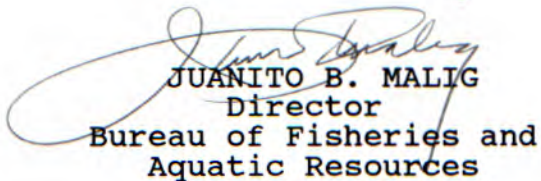
SEC. 4. Effectivity. - This Order shall take effect fifteen (15) days after its publication in the Official Gazette and/or in two (2) newspapers of general circulation.

Issued this 27th day of June, 1991 in Quezon City.



SENEN C. BACANI  
Secretary

RECOMMENDED BY:



JUANITO B. MALIG  
Director  
Bureau of Fisheries and  
Aquatic Resources