



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

Department of Agrarian Reform
ADMINISTRATIVE ORDER NO. 07
Series of 2016

SUBJECT: THE RULES AND PROCEDURES GOVERNING THE VOLUNTARY TRANSFER OF OWNERSHIP OF AGRICULTURAL LANDS COVERED BY A CERTIFICATE OF LAND OWNERSHIP AWARD OR AN EMANCIPATION PATENT PRIOR TO THE TERMINATION OF THE HOLDING PERIOD

PREFATORY STATEMENT

Republic Act (R.A.) No. 6657, as amended, specifically Section 27 thereof, provides that lands awarded through any agrarian reform program may only be transferred through hereditary succession, or to the government or other qualified beneficiaries within ten (10) years from its award and prior to the full payment of the amortization.

This Administrative Order (A.O.) is issued covering voluntary transfers of these types of awarded lands to another qualified beneficiary.

**ARTICLE I
GENERAL PROVISIONS**

SECTION 1. Coverage. – These rules of procedure (“Rules”) shall apply to all cases involving the voluntary transfer of awarded lands to a private person during the holding period.

The transfer through intestate succession and testate succession of legitimes to compulsory heirs during the holding period, however, shall be governed by A.O. No. 06, Series of 2016.

SECTION 2. Definition of Terms. – For purposes of these Rules, the following terms are defined, to wit:

- 2.1. **Awarded Land** – refers to an agricultural land distributed through an agrarian reform program of the State. This includes landholdings covered by Certificates of Landownership Award (CLOAs) and Emancipation Patents (EPs). However, agricultural lands with a Certificate of Land Transfer (CLT) but without a registered EP yet, are not considered as Awarded Land under this A.O.
- 2.2. **Holding Period** – refers to the period of time commencing from the date of registration of the EP, CLOA, or other Title issued pursuant to an agrarian reform program of the State

until the lapse of ten (10) calendar years AND the payment of the amortization¹ thereof, whichever comes later.²

ARTICLE II STATEMENT OF POLICIES AND RULES

SECTION 3. Statement of Policies and Rules. – The transferability of agricultural land awarded to farmers/ARBs during the holding period shall be governed by the following policies:

- 3.1. As a general rule, the transfer of ownership of all Awarded Lands to a private person during the holding period is prohibited unless the transferee is a qualified beneficiary. The following transfers are not covered by the abovementioned general restrictions:
 - 3.1.1. Transfer via intestate succession;
 - 3.1.2. Transfer of legitimes to compulsory heirs
- 3.2. The determination of whether the transferee is qualified to be a beneficiary is within the jurisdiction of the DAR. Section 22 of R.A. No. 6657, as amended, and the pertinent rules and procedures of the Department shall be the standard in the aforementioned determination.
- 3.3. The transferee shall assume the obligation of the transferor to pay the remaining amortization, if any, to the LBP or, in case of a VLT/DPS, to the landowner. Should the transfer be conducted through methods other than hereditary succession, the transferor, at his option, may demand the transferee to pay the amount he has already paid to the LBP or, in case of a VLT/DPS, to the landowner.
- 3.4. Pursuant to DOJ Opinion No. 59, Series of 2015, no Awarded Land may be mortgaged prior to the termination of the holding period.
- 3.5. The DAR shall generate an EP or CLOA, as the case may be, in the name of the transferee, which in turn shall be registered with the Registry of Deeds for the transferee's Certificate of Title.
- 3.6. Upon the registration of the Title in the name of the transferee, the ten year period limiting transfers shall begin anew. The transferee/s shall only assume the transferor's balance of the amortization to the LBP or, in case of Voluntary Land Transfer (VLT) or Direct Payment Scheme (DPS), to the previous landowner.
- 3.7. The farmer/ARB who transfers his/her awarded land to another private person shall by reason thereof be disqualified to be a beneficiary of another landholding to be distributed by the DAR subsequent to the transfer.

¹ As intended by Section 26 of R.A. No. 6657.

² These are concurring requirements. Therefore, the holding period is not deemed terminated after the lapse of the ten-year period alone or upon the full payment of the amortization alone.

4. A waiver by an ARB of his/her ownership rights over an awarded land in favor of another person shall hereby be deemed as a transfer and shall be subject to these rules, including the prohibitions hereto.
5. The cancellation of an EP or CLOA of the transferor due to a voluntary act of its owner need not be ordered by the Secretary of the DAR.

ARTICLE III FILING, PROCESSING, AND ISSUANCE OF TRANSFER CLEARANCE

SECTION 4. Documentary Requirements. – In the application for a clearance on the transfer of an awarded land, the following documents must be submitted:

1. Filled-up application form for a clearance on the transfer of awarded land which must be signed by both the transferor⁴ and the transferee(s), which shall state, among others:
 - 1.1. the name, address, and personal circumstances of the transferor and the transferee;
 - 1.2. the fact that the subject land is a an awarded land;
 - 1.3. the fact that the ten-year period has yet to elapse and/or that the amortization has yet to be paid fully;
 - 1.4. the location, size in hectares, and the title number of the EP/CLOA covering the lot;
 - 1.5. crop/s planted on the land; and
 - 1.6. In case only a portion of the landholding covered by the Title is being transferred:
 - 1.6.1. the area of the portion being transferred vis-à-vis the total area covered by the Title;
 - 1.6.2. the technical description of the portion being transferred; and
 - 1.6.3. a general sketch of the land covered by the Title indicating therein the portion being transferred.
2. If applicable, proof of authority of the person applying executed by the transferor or the transferee;
3. Certified true copy of the Title of the landholding being transferred;

⁴ In case of transfer via hereditary succession, only the transferee(s) are required to sign the application form.

4. Photocopy of the latest valid government-issued identification card of both the transferor and the transferee bearing their picture and signature.
5. A document executed by the transferor and the transferee showing the intended transfer, such as, among others, the contract to sell;
6. In case the amortization to the LBP or, in case of VLT/DPS, to the landowner, has already been partially or fully-paid, a notarized agreement, whether as part of the deed of conveyance or not, that:
 - 6.1. the transferee will fully or partially pay the transferor the full amount of the amortization to the LBP or, in case of VLT/DPS, the landowner, already paid by the transferor; or
 - 6.2. the transferor is waiving his/her right to be reimbursed by the transferee of the amount of the amortization to the LBP or, in case of VLT/DPS, the landowner, he/she has already paid;
7. A certification from the LBP stating the amount of the amortization already paid and the amount of balance, if any;
8. Photographs required under Section 5 hereof;
9. Four (4) duplicate original copies of an affidavit executed by the transferee stating that:
 - 9.1. he/she is a farmer or tiller residing within the same barangay as the landholding, or, in case he/she is not a resident of the barangay, is a resident of the same municipality as where the landholding is located and that based on his/her personal knowledge there are no other qualified beneficiaries residing within the barangay; and
 - 9.2. he/she and his/her spouse and children have no other landholdings or, in case they have a landholding, does not own a total area of more than three (3) hectares, inclusive of the land to be acquired.

The transferor and transferee may submit other documents which they believe can support their application pursuant to the rules and principles provided in Article II hereof.

SECTION 5. Installation of Notice with Respect to Transfers. – The transferor and/or the transferee must cause the production of a sturdy billboard, measuring no smaller than 60.96cm x 91.44 cm (2 x 3 feet), containing the following (in English and the major dialect in the area):

“To all concerned,

[Original/Transfer] Certificate of Title No. [EP/CLOA]-_____ registered in the name of [name of transferor] is intended to be transferred to [name of transferee].

[Name of transferee] is a Filipino, who resides in this [barangay/municipality], an actual farmer/tiller, and is landless. Any person who has information that the

said statement is false is requested to inform the DAR immediately through [state address and telephone number of the Municipal Office or Provincial Office].

[(In case the transferee is not a resident of the same barangay:) No other person who is landless and an actual farmer/tiller residing in this barangay is interested to buy this lot from (name of transferor).]

Removal of this Notice is punishable under Sections 73 (d) and 74 of R.A. No. 6657, as amended.

[Name of Transferor]"

and install the same at a conspicuous location along the premises of the landholding within seven consecutive (7) days immediately prior to the filing of the Application. He shall thereafter take at least four (4) photographs of the same notice from different directions and submit them to the PARPO together with all the necessary documents.

The transferor and/or the transferee must not remove the said Notice until the DAR Clearance has been issued, unless they are no longer interested to pursue such Clearance.

SECTION 6. Filing of Application. – An application for a transfer clearance may be filed by the heirs in the DARPO which has jurisdiction over where the landholding is located. All documents required under Section 4 hereof must be submitted, otherwise it will not be accepted by the DARPO but will rather be returned to the applicant indicating to them the lacking documents.

SECTION 7. Processing of the Application. – The application shall be processed by the DARPO upon receipt of the application and the documents required.

During the processing of the application in the determination of the appropriateness of issuing a DAR Clearance (prior to its issuance), the DARPO, by itself, or through the DARMO, shall investigate the qualification of the transferee. It shall also conduct an ocular investigation to determine if the notice has been posted.

During the conduct of the investigation of the DARPO/DARMO, a Notice stating the intended transfer and the alleged qualification of the transferee shall be posted by the Municipal Agrarian Reform Program Officer (MARPO) or any other DAR personnel authorized by the PARPO for seven (7) days at the Barangay Hall where the landholding covered is located. The MARPO or such other DAR personnel shall include in the Investigation Report the fact and date and time of the posting thereof at the bulletin board of the said Barangay Hall and at the premises, which report shall be accompanied by a certificate of posting (containing, among others, the date when the notice was posted at the bulletin board) to be executed by the pertinent Barangay officer.

If the request for DAR Clearance and the documents/information are in order and validated and the qualification of the intended beneficiary is verified in the Investigation Report, and if no objection is filed within fifteen (15) days from the first day of the posting of the abovementioned Notices, the DARPO/DARMO shall submit a copy of the Investigation Report to the Barangay Agrarian Reform Committee (BARC), or, in case there is no BARC, the Barangay Council, for its certification of the qualification of the transferee.

Upon receipt of the certification of the BARC, should it certify the qualification of the transferee, the DARMO or DARPO shall take the necessary action for the execution of the Application to Purchase and Farmer Undertaking of the intended transferee and shall prepare for the transferee's oath-taking with the proper municipal/city judge.

Within fifteen (15) days after the posting of the abovementioned Notices, any member of the public may file a written protest against the qualification of the transferee. The transferee shall be duly notified by the PARPO of the proceedings and the decision. The PARPO shall conduct compulsory arbitration within ten (10) days from receipt of said protest to resolve the same. The PARPO's decision shall be final insofar as the transfer is concerned, copy of which shall be furnished to the parties concerned.

The authority of the PARPO to decide is specifically limited to protests and petitions on the transferee's qualifications to be as such. After the compulsory arbitration phase, other issues related to the transferee's qualifications under specific issuances shall be filed as an agrarian law implementation (ALI) case to the Regional Director (RD).

Any person who disagrees with the PARPO's decision/s or order/s may file a verified petition for inclusion/exclusion against the transferee therein in accordance with existing ALI rules.

SECTION 8. Recommendation. – Upon verification that the request is in order, the PARPO shall recommend to the RD for the approval of the transfer.

SECTION 9. Approval. – Upon verification that the request is in order, the Regional Director (RD) shall sign the DAR Clearance to Transfer.

The RD shall issue four (4) original copies of the DAR Clearance to Transfer, one of which shall be transmitted to the Registry of Deeds together with the generated EP/CLOA, another which shall be retained by the DARRO, the third which shall be sent to the BLTI for monitoring purposes, and the fourth which shall be transmitted to the Barangay Agrarian Reform Council (BARC). The duplicate original copies of the affidavit stated in Section 4, item 9 shall be attached to the Clearances.

The decision of the RD in denying the request for a DAR Clearance to Transfer may be appealed to the Office of the Secretary.

SECTION 10. Generation and Registration of EP/CLOA. – Upon approval of the request, the appropriate EP/CLOA in the name of the transferee(s) shall be generated.

The DARRO shall thereafter cause the transmittal of one copy of the DAR Clearance to Transfer and the generated EP/CLOA in the name of the transferee to the Registry of Deeds for the registration of the latter.

ARTICLE V

GROUND FORS FOR ANNULING A DAR CLEARANCE

SECTION 11. Grounds for Annulling a DAR Clearance. – The Secretary, through a Cancellation of EP/CLOA case, may annul a DAR Clearance to Transfer, and accordingly render the transfer void, in the following cases:

- (1) Violation of any of the provisions stated in the Statement of Policies and Rules considering the facts and circumstances of the transfer;
- (2) Misrepresentation of any facts required by this AO; and/or
- (3) Submission to the DAR of forged or sham documents.

The decision of the Secretary may be appealed in accordance with the rules and procedures in Cancellation of EP/CLOA Cases.

ARTICLE VI NO APPLICATION FEES

SECTION 12. No Application Fees. – No fees shall be required by the DAR in the application for a DAR Clearance to Transfer pursuant to these Rules.

ARTICLE VII FINAL PROVISIONS

SECTION 13. Citizen's Charter. – The Finance, Planning, and Administrative Office is directed to make a standard design of flowcharts of the procedures set by this A.O. within thirty (30) days from the effectivity of these Rules.

All regional, provincial, and municipal offices of the DAR are hereby directed to print and place the abovementioned standard flowcharts in a conspicuous location in or around their office within fifteen (15) days from receipt of the said design.

The Undersecretary for Field Operations shall be responsible for ensuring that this provision is implemented.

SECTION 14. Repealing Clause. – All orders, circulars, rules and regulations, and issuances or portions thereof that are inconsistent herewith, such as A.O. No. 8, Series of 1995, are hereby repealed or amended accordingly.

SECTION 15. Separability Clause. – Any judicial pronouncement declaring as unconstitutional any provision of these Rules shall have no effect on the validity of the other provisions not affected thereby.

SECTION 16. Effectivity Clause. – These Rules shall take effect ten (10) days after publication in two (2) newspapers of general circulation.

31 MAY 2016 Diliman, Quezon City.

VIRGILIO R. DELOS REYES
Secretary

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DEPARTMENT of AGRARIAN REFORM

CERTIFICATION

This is to certify that Administrative Order No. 7, Series of 2016 entitled **“THE RULES AND PROCEDURES GOVERNING THE VOLUNTARY TRANSFER OF OWNERSHIP OF AGRICULTURAL LANDS COVERED BY A CERTIFICATE OF LAND OWNERSHIP AWARD OR AN EMANCIPATION PATENT PRIOR TO THE TERMINATION OF THE HOLDING PERIOD”** was published today, 07 June 2016 in the Daily Tribune and The Standard newspapers.

Issued this 7th day of June 2016 for whatever purpose it may serve.

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Director IV
Public Assistance and Media
Relations Service