



ADMINISTRATIVE ORDER NO. 02
Series of 1994

SUBJECT: Rules Governing the Correction and Cancellation of Registered/Unregistered Emancipation Patents (EPs), and Certificates of Land Ownership Award (CLOAs) Due to Unlawful Acts and Omissions or Breach of Obligations of Agrarian Reform Beneficiaries (ARBs) and for Other Causes

I. PREFATORY STATEMENT

Under Presidential Decree No. 27, Executive Order No. 228, and Republic Act No. 6657, tenants, farmers, and regular farmworkers have the right to own directly the land they till. Ownership shall be evidenced by either an Emancipation Patent (EP) or Certificate of Landownership Award (CLOA).

Section 12 (g) of Presidential Decree No. 946 provides that the Court of Agrarian Relations shall have original and exclusive jurisdiction involving the annulment of decisions or lease contracts and deeds of sale, and the cancellation of amendments of titles pertaining to agricultural lands under the administration and disposition of the Department of Agrarian Reform (DAR) and the Land Bank of the Philippines (LBP), as well as Emancipation Patents issued under P.D. 266, homestead patents, free patents, and miscellaneous sales patents to settlers in settlement and resettlement areas under the administration or disposition of the Department of Agrarian Reform.

Section 5(g) of Executive Order No. 129-A mandates that DAR may issue emancipation patents to farmers and farmworkers covered by agrarian reform for both private and public lands and when necessary make administrative corrections of the same.

EPs/CLOAs issued to ARBs may be corrected and cancelled for violations of agrarian laws, rules and regulations. This includes cases of lands which are found to be exempt/excluded from P.D. No. 27/E.O. No. 228 or CARP coverage, or part of the landowner's retained area. All rights which accrue to the ARB upon cancellation may be forfeited and the amortizations they have paid may be refunded.

These rules and procedures are hereby prescribed to guide all concerned in the correction and cancellation of registered EPs or CLOAs.

II. SCOPE

These rules shall apply to the Registered CLOAs from the time and date of issuance thereof by the DAR up to the tenth year, when the legal restriction on its conveyance or alienation by the recipient ARB ends in accordance with Sec. 27, R.A. No. 6657. However, if the ARB concerned has not yet fully paid the cost of the land or his obligations pertaining to the land in the case of public lands, beyond the tenth year from the date of issuance of the CLOA, then these rules shall continue to apply.

However, if the land has been acquired under P.D. No. 27 or E.O. No. 228, ownership may be transferred after full payment of amortization by the ARB.

Insofar as they are applicable, these rules shall likewise cover patents, EPs and CLOAs issued to settlers in resettlement areas under the administration or disposition of the Department of Agrarian Reform.

III. DEFINITION OF TERMS

- A. **Misuse of the land** is any act causing substantial and unreasonable damage on the land, and causing the deterioration and depletion of the soil fertility and improvements thereon. It also includes the act of knowingly planting, growing, raising or permitting the planting, growing or raising of any plant which is the source of a dangerous drug, as defined in PD No. 1683, as amended.
- B. **Neglect or abandonment** shall mean the willful failure of the ARB, together with his farm household, to cultivate, till, or develop his land to produce any crop, or to use the land for any specific economic purpose continuously for a period of two calendar years.
- C. **Illegal conversion** is the change or shift of the use of the land from agricultural to non-agricultural purposes without the clearance of the DAR.

IV. POLICY STATEMENTS

- A. Registered EPs/CLOAs whether distributed or not, may only be corrected or cancelled by order of the Provincial or Regional Adjudicator, which has jurisdiction over the property, in accordance with the DARAB Rules and Procedures. the

Gregorio M. Commendador versus Hon. Judge, Regional Trial Court of Gingoog City, Branch 27 et. al., CAG.R., SP No. 27450; Aurea Hernandez versus Abeto Salcedo Jr., et.al., CA-G.R. NO. 27815-SP; Tangub V. Court of Appeals, et al., UDK No. 9864, December 3, 1990, 191 SCRA 885; Quismundo V. Court of Appeals, et.al., G.R. No. 96664, September 13, 1991, 201 SCRA 609); Rogelio Anciga versus Court of Appeals, G.R. No. 9104, Jan. 24, 1990; and CMU versus DARAB, G.R. No. 10009, Oct. 22, 1992.

B. Grounds for the cancellation of registered EPs or CLOAs may include but not be limited to the following:

1. Misuse or diversion of financial and support services extended to the ARB; (Section 37 of R.A. No. 6657)
2. Misuse of the land; (Section 22 of R.A. No. 6657)
3. Material misrepresentation of the ARB's basic qualifications as provided under Section 22 of R.A. No. 6657, P.D. No. 27, and other agrarian laws;
4. Illegal conversion by the ARB; (Cf. Section 73, Paragraph C and E of R.A. No. 6657)
5. Sale, transfer, lease, or other forms of conveyance by a beneficiary of the right to use or any other usufructuary right over the land acquired by virtue of being a beneficiary, in order to circumvent the provisions of Section 73 of R.A. No. 6657, P.D. No. 27, and other agrarian laws. However, if the land has been acquired under P.D. No. 27/E.O. No. 228, ownership may be transferred after full payment of amortization by the beneficiary; (Sec. 6 of E.O. No. 228)
6. Default in the obligation to pay an aggregate of three (3) consecutive amortizations in case of voluntary land transfer/direct payment scheme, except in cases of fortuitous events and force majeure;
7. Failure of the ARBs to pay for at least three (3) annual amortizations to the LBP, except in cases of fortuitous events and force majeure; (Section 26 of RA 6657);
8. Neglect or abandonment of the awarded land continuously for a period of two (2) calendar

years as determined by the Secretary or his authorized representative; (Section 22 of RA 6657)

9. The land is found to be exempt/excluded from P.D. No. 27/E.O. No. 228 or CARP coverage or to be part of the landowner's retained area as determined by the Secretary or his authorized representative; and
 10. Other grounds that will circumvent laws related to the implementation of agrarian reform program.
- C. The administrative corrections may include non-identification of spouse, corrections of civil status, corrections of technical descriptions and other matters related to agrarian reform.
- D. The decision of the DARAB may include cancellation of registered EP/CLOA, reimbursement of lease rental as amortization to ARBs, forfeiture of amortization, ejectment of ARB, reallocation of the land to qualified beneficiary, perpetual disqualification to become an ARB, reimbursement of amortization payment and value of improvements, and other ancillary matters related to the cancellation of the EP or CLOA.

VI. TRANSITORY PROVISION

The implementation of these rules shall be governed by the procedures to be adopted by the DAR Adjudication Board to include the concept of designating a nominal party and the concept of exhaustion of administrative remedies.

VII. EFFECTIVITY AND REPEALING CLAUSE


This Administrative Order shall take effect ten (10) days after publication in two national newspapers of general circulations pursuant to Section 49 of RA 6657. All Orders, Circulars, Memoranda, and Rules and Regulations inconsistent herewith are hereby revoked, canceled or modified accordingly.

Diliman, Quezon City, March 7, 1994.

Published in Two (2) Daily Newspapers:

1. MALAYA
2. PHILIPPINE TIMES JOURNAL

Date of Publication - March 15, 1994


ERNESTO D. GARILAO
Secretary



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

C E R T I F I C A T I O N

This is to certify that ADMINISTRATIVE ORDER NO. 2, SERIES OF 1994 entitled "RULES GOVERNING THE CORRECTION AND CANCELLATION OF REGISTERED/UNREGISTERED EMANCIPATION PATENTS (EPs), AND CERTIFICATES OF LAND OWNERSHIP AWARD (CLOAs) DUE TO UNLAWFUL ACTS AND OMISSIONS OR BREACH OF OBLIGATIONS OF AGRARIAN REFORM BENEFICIARIES (ARBS) AND FOR OTHER CAUSES" was published in MALAYA and PHILIPPINE TIMES JOURNAL on 15 MARCH 1994 and the date of effectivity is MARCH 25, 1994.


JOSE AGUSTIN C. CUENCO
Director, PAS 