



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

ADMINISTRATIVE ORDER NO. 04
Series of 1991

SUBJECT: SUPPLEMENTAL GUIDELINES GOVERNING THE EXERCISE OF
RETENTION RIGHTS BY LANDOWNERS UNDER PRESIDENTIAL
DECREE NO. 27

A. PREFATORY STATEMENT

In the case "Association of Small Landowners in the Philippines, Inc., et al. versus Honorable Secretary of Agrarian Reform" (G.R. No. 78742, 14 July 1989), the Supreme Court ruled:

"Landowners who were unable to exercise their rights of retention under P.D. No. 27 shall enjoy the retention rights granted by R.A. No. 6657 under the conditions therein prescribed."

Moreover, in the resolution of the motion for reconsideration filed by the petitioners on the same Case, the Supreme Court ruled:

"x x x landowners who, prior to the promulgation of the CARL, complied with the requirement under LOI Nos. 41, 45 and 52 regarding registration of their landholding, shall be allowed to enjoy the seven hectare retention limit provided in P.D. 27. x x x As for the other landowners who continuously refused to comply with the registration requirement, they cannot, in view of the CARL, demand that their retention limit be determined in accordance with P.D. 27."

Pursuant to these Supreme Court rulings, the following guidelines are hereby prescribed:

B. POLICY STATEMENTS

1. Landowners covered by PD 27 are entitled to retain seven hectares, except those whose entire tenanted rice and corn lands are subject of acquisition and distribution under Operation Land Transfer (OLT). An owner of tenanted rice and corn lands may not retain these lands under the following cases:
 - a. If he as of 21 October 1972 owned more than 24 hectares of tenanted rice or corn lands; or
 - b. By virtue of LOI 474, if he as of 21 October 1976 owned less than 24 hectares of tenanted rice or corn lands but additionally owned the following:

- Other agricultural lands of more than seven hectares, whether tenanted or not, whether cultivated or not, and regardless of the income derived therefrom; or
 - Lands used for residential, commercial, industrial, or other urban purposes, from which he derives adequate income to support himself and his family.
2. Landowners who filed their applications for retention before 27 August 1985, the deadline set by Administrative Order No. 1, Series of 1985, may retain not more than seven hectares of their landholdings covered by PD 27 regardless of whether or not they complied with LOI Nos. 41, 45, and 52.

Landowners who filed their applications for retention after 27 August 1985 but complied with the requirements of LOI Nos. 41, 45 and 52 shall likewise be entitled to such a seven-hectare retention area.

However, landowners who filed their applications for retention after the 27 August 1985 deadline and did not comply with the requirements of LOI Nos. 41, 45, and 52 shall only be entitled to a maximum of five hectares as retention area.

3. A landowner who has died must have manifested during his lifetime his intention to exercise his right of retention prior to 23 August 1990 (the finality of the Supreme Court decision in the case "Association of Small Landowners of the Philippines, Inc. et al. versus Honorable Secretary of Agrarian Reform) to allow his heirs to now exercise such right under these guidelines. Said heirs must show proof of the original landowner's intention.

The heirs may also exercise the original landowner's right of retention if they can prove that the decedent had no knowledge of OLT coverage over the subject property.

4. A landowner is deemed to have waived his right of retention over a parcel of land by the performance of any of the following acts:
- a. Signing of the Landowner-Tenant Production Agreement and Farmer's Undertaking (LTPA-FU) covering the subject property;
 - b. Entering into a direct-payment scheme agreement as evidenced by a Deed of Transfer over the subject property; and

- c. Signing/submission of other documents indicating consent to have the subject property covered, such as the form letter of the Land Bank of the Philippines (LBP) on the disposition of the cash and bond portions of a land transfer claim for payment, and the Deed of Assignment, Warranties and Undertaking executed in favor of the LBP.
5. All rights previously acquired by the tenant-farmers under PD 27 are retained and recognized. Section II (d), (e), (h) and (i) of Administrative Order No. 11, Series of 1990 entitled "Rules and Procedures Governing the Exercise of Retention Rights by Landowners and Award to Children Under Section 6 of RA 6657," shall be applied.
6. A landowner who owns lands other than rice and corn shall be persuaded to select the area he will retain from these "other lands" to prevent or minimize the possible dislocation of farmer-beneficiaries who have been issued Certificates of Land Transfer (CLTs) or Emancipation Patents (EPs).
7. Where there are CLT- or EP-holders in the area to be retained, the DAR shall immediately inform the tenants concerned and provide them the opportunity to dispute or contest the landowner's claim. Moreover, the DAR shall ensure that the affected tenants, should they so desire, will be given priority in the distribution of other lands of the landowner or other lands identified by the DAR for redistribution, subject to the rights of those already in place.

The same tenants may opt to remain in the retained area as leaseholders, in which case, the required lease agreements shall be executed in accordance with existing laws, rules, and regulations. The tenant must exercise this option within a period of one (1) year from the time the landowner manifests his choice of the area for retention.

C. OPERATING PROCEDURES

1. The Municipal Agrarian Reform Officer (MARO) shall:
 - 1.1 Receive the landowner's application for retention (Ret. Form No. 1).
 - 1.2 Invite all concerned parties to a conference/dialogue regarding the said application for retention. (Ret. Form No. 2).
 - 1.3 Conduct field verification and investigation of the following: (Ret. Form No. 3).

- a) Landholding of the landowner in relation to his application for retention.
 - b) Tenants or actual occupants.
- 1.4 In collaboration with the Land Management Sector, DENR, prepare a sketch plan of the area to be retained by the landowner.
 - 1.5 Evaluate the documents and on the basis of findings, submit recommendation to the PARO.
2. The Provincial Agrarian Reform Officer (PARO) shall:
 - 2.1 Review and evaluate the report and recommendation submitted by the MARO.
 - 2.2 If the documents are in order, forward the same together with his findings and recommendations, to the RARO for appropriate action. Otherwise, return the documents to the MARO.
 3. The Regional Agrarian Reform Officer (RARO) shall:
 - 3.1 Review and evaluate the documents submitted by the PARO. If the documents are in order, issue an Order of Approval attaching the sketch plan of the retained area. Otherwise, issue an Order of Denial.

The Order of Approval should specify that the retained area is subject to final survey. Only after final survey of the retained area shall the RARO issue a Certificate of Retention (Ret. Form No. 4).
 - 3.2 Forward the Order of Approval or the Order of Denial to the PARO for distribution to the concerned parties.

The Order of the Regional Director approving or denying the application for retention shall become final fifteen (15) days from receipt of the same, unless an appeal is made to the DAR Secretary.
 4. The Municipal Agrarian Reform Officer shall cause the institution of the leasehold arrangements in lands covered by the order of retention in accordance with Administrative Order No. 4, Series of 1989.

D. EFFECTIVITY

This Administrative Order shall take effect ten (10) days after publication in two (2) national newspapers of general circulation, and amends or revokes all previous orders, memoranda, circulars and issuances, or portions thereof, inconsistent with it. This Administrative Order supplements Administrative Order No. 11, Series of 1990.

Diliman, Quezon City, April 26, 1991.


BENJAMIN E. LEONG
Secretary 

APPLICATION FOR RETENTION
(P.D. 27)

Date

The Provincial Agrarian Reform Officer
Department of Agrarian Reform

Thru: The MARO

S I R :

I have the honor to apply for the retention of my _____ ()
hectares of landholdings, more or less, pursuant to
Administrative Order 04, Series of 1981.

The landholding which I choose to retain is a portion of my
landholding with a total area of _____ () hectares, more
or less, covered by TCT/OCT/TD Nos. _____ registered in my
name by the Register of Deeds of _____ or the
Municipal/Provincial Assessor's Office of _____.

In support of my application, I am submitting the aforesaid
documents for verification, evaluation and consideration.

I hope that the corresponding Certificate of Retention shall
be issued at the earliest possible time.

Very truly yours,

(Landowner)
Name and Signature

Attn.: a/s

Republic of the Philippines
DEPARTMENT OF AGRARIAN REFORM

SUBJECT: Notice of Meeting - Re Application for
Retention Under P.D. 27

We are pleased to invite you to a conference/meeting on
_____ at _____ which will be held at
(date) (time)

(venue)

We will discuss the subject matter mentioned below:

- ARB / / - Discussion on the merit of the Application for
Retention of Mr./Ms. _____ pursuant
to Administrative Order 04, Series of 1991.
- LC / / - Discussion of your application for retention,
pursuant to Administrative Order 04, Series of
1991.

Very truly yours,

(MARG)
Name and signature

INVESTIGATION REPORT ON RETENTION

A. BASIC INFORMATION

- a.1 Name of Landowner: _____
- a.2 Postal Address : _____
- a.3 OCT/TCT No. : _____ (Pls. attach)
- Survey Lot No. : _____ (Pls. attach)
- Total Area : _____ Hectares
- a.4 Location of Property: _____
 (Egy.) (Mun.) (Prov.)
- a.5 Total Area applied for retention : _____

B. FINDINGS:

b.1 Specific parcel chosen by LG to be retained.
 (Please attach a sketch plan and indicate technical description).

b.2 Actual occupants who opt to stay in the retained area:

Name	Area
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- 1)
- 2)
- 3)

(Please use separate sheet if necessary).

b.3 Actual occupants who opt to transfer outside the retained area but in the same landholding:

Name	Area
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- 1)
- 2)
- 3)

b.4 Actual occupants who opt to transfer to another landholding:

Name	Area
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- 1)
- 2)
- 3)

C. RECOMMENDATION:

CERTIFIED TRUE AND CORRECT

_____ and _____
ART and MARO
Name and Signature - Name and Signature
Date: _____ Date: _____

D. ACTION TAKEN: (Please state recommendation/objection)

(PARO)
Name & Signature

E. ACTION TAKEN: (Pis. state separate recommendation/objection)

Regional Director



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

7 April 1992

MEMORANDUM

TO : All Concerned

SUBJECT : Administrative Order No. 4, Series of 1991
on Supplemental Guidelines Governing the
Exercise of Retention Rights by Landowners
Under Presidential Decree No. 27

It has come to our attention that there is a variance in the wordings of a portion of the subject Administrative Order as published in a newspaper of general circulation, and as printed in the hand-outs being distributed/circulated by DAF offices.

For the guidance of all concerned, the official version of Section B. 1.b of the aforesaid Administrative Order, as published on May 2, 1991 in the Manila Times, reads as follows:

"B. POLICY STATEMENTS

1. Landowners covered by PD 27 are entitled to retain seven (7) hectares except those whose entire tenanted rice and corn lands are subject of acquisition and distribution under Operation Land Transfer (OLT). An owner of tenanted rice and corn lands may not retain these lands under the following cases:

a. X X X B X X X

- b. By virtue of LDI 474, if he as of 21 October 1976 owned less than 24 hectares of tenanted rice or corn lands but additionally owned the following:


- other agricultural lands of more than seven hectares, whether tenanted or not, whether cultivated or not and provided he derives adequate income therefrom;
or

" lands used for residential, commercial, industrial or other urban purposes, from which he derives adequate income to support himself and his family."

X X X X X X X

Please effect the necessary correction in your respective copies of the subject administrative order, as well as in copies thereof that are for distribution so as to ensure the orderly implementation of the guidelines on retention.

Be guided accordingly.


JOSEFINA M. SIRIANGCO
Assistant Secretary