



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

MEMORANDUM CIRCULAR NO. 19
Series of 2004

TO: The Regional Directors (RDs)
The Regional Centers for Land Use Policy and Planning Institute (RCLUPPIs)
The Center for Land Use Policy and Planning Institute (CLUPPI)
The Bureau of Agrarian Legal Assistance (BALA)
All other concerned DAR Officials and Employees

SUBJECT: **REAFFIRMING THE INDEFEASIBILITY OF EMANCIPATION PATENTS (EPS) AND CERTIFICATES OF LAND OWNERSHIP AWARDS (CLOAS) AS TITLES UNDER THE TORRENS SYSTEM**

The Department of Agrarian Reform (DAR) recognizes the indefeasibility of Emancipation Patents (EPs) and Certificates of Land Ownership Award (CLOAs) issued to farmer beneficiaries (FBs) and registered before the Register of Deeds. It is likewise aware of the fact that there are several cases being filed which have the effect of nullifying the issuance of such titles to innocent farmer beneficiaries despite the fact that such titles have already been registered with the Register of Deeds. This is contrary to public policy of protecting the gains of Comprehensive Agrarian Reform Program and promoting the stability of the Torrens System.

Section 2, Article III of the 1987 Constitution provides that no person shall be deprived of life, liberty or property without due process of law nor shall any person be denied with the equal protection of the law.

It is also the policy of the State that the welfare of the landless farmers and farmworkers will receive the highest consideration to promote social justice and to establish owner-cultivatorship of economic-size farms as the basis of Philippine agriculture (Section 2, R.A. 6657). Towards this end, agricultural lands shall be distributed to qualified farmer beneficiaries and their ownership shall be evidenced by Emancipation Patents (EPs) and Certificates of Land Ownership Awards (CLOAs).

Presidential Decree No. 266 provides that "[a]fter the tenant-farmer shall have fully complied with the requirement for the grant of title under P.D. No. 27, an EP and/or grant shall be issued by the DAR on the basis of a duly approved survey plan." Full compliance, in this matter, includes completion of full payment of the awarded agricultural land. Executive Order No. 228, issued on July 17, 1987, on the other hand, declares that qualified farmer beneficiaries are deemed full owners of the lands awarded to them under Presidential Decree No. 27 as of October 21, 1972;

Section 106 of Presidential Decree No. 1529 states that "the Registry of Deeds shall complete the entries on the aforementioned EP and shall assign an original certificate title (OCT) number in case of unregistered land, and in case of registered property, a corresponding transfer certificate title (TCT) without requiring the surrender of the owner's duplicate of title to be cancelled";

Republic Act No. 6657 provides that "the rights and responsibilities of the beneficiary shall commence from the time the Department of Agrarian Reform (DAR) makes an award of the land to him, such award shall be completed within one hundred eighty days (180) from the time the DAR takes actual possession of the land. Ownership of the beneficiary shall be evidenced by the CLOA, such shall

contain the restrictions and conditions provided for in this Act, and shall be recorded in the Registry of Deeds and annotated on the Certificate of Title.*

In order to harmonize the foregoing laws and policies with the relevant and recently issued DAR rules and regulations affecting the treatment of EPs and CLOAs as subject for cancellation, the following clarificatory guidelines are hereby issued:

1. EPs and CLOAs being titles brought under the operation of the Torrens System enjoy the same indefeasibility and security afforded to all titles under the said Torrens System as provided under Presidential Decree No. 1529.
2. In the resolution of Agrarian Law Implementation (ALI) cases affecting the integrity of registered EPs or CLOAs awarded to FBs such as but not limited to: (a) exercise of the right of retention by the landowner; (b) exemption from coverage under Sec. 10 of R.A. No. 6657; (c) exemption pursuant to Department of Justice (DOJ) Opinion No. 44 (1990); (d) exclusion from CARP coverage of agricultural land used for livestock, swine, and poultry raising; (e) exemption/exclusion of fishpond and prawn farms from coverage of CARP pursuant to R.A. No. 7881; (f) issuance of Certificate of Exemption for land subject of Voluntary Offer to Sell (VOS) and Compulsory Acquisition (CA) found not suitable for agricultural purposes; and conversion of agricultural land to residential, commercial, and industrial uses, all doubts should be resolved in favor of the indefeasibility of such land titles; PROVIDED THAT all options should be explored in the resolution of such cases with the end in view of protecting the tenurial security of innocent FBs already awarded with registered EPs and CLOAs; PROVIDED FURTHER THAT no action shall be given due course if the FBs awarded with registered EPs or CLOAs are not directly impleaded in such case.
3. Farmers who qualified and awarded with registered lands under P.D. No. 27 and R.A. No. 6657 are hereby deemed purchasers in good faith and are entitled to the rights and protection of all such purchasers under existing laws.
4. Protests from coverage are within the jurisdiction of the Department of Agrarian Reform. Cases involving the cancellation of registered EPs/CLOAs are within the jurisdiction of the Department of Agrarian Reform Adjudication Board.
5. Pursuant to DAR A.O. 3, s. 2003, in all cases involving protest from coverage or petition for the lifting of coverage, the protestant or the petitioner has sixty (60) calendar days from the receipt of Notice of Coverage or publication date of the said Notice, as the case may be, within which to file his/her protest or petition. Said A.O. further provides that failure to file the same within the period shall merit outright dismissal of the case.
6. Petitions for cancellation of EPs/CLOAs on the grounds mentioned in part 1 hereof and without presentation of any proof of a final and executory decision by the Secretary of the DAR that the land is retained, exempted, excluded from CARP or converted shall be dismissed by the DARAB on the ground of lack of cause of action or suspended pending the finality of the pertinent ALI case.
7. In cases where the landowner has utilized part of or the entire payment for just compensation or has availed of the voluntary land transfer/direct payment scheme (VLT/DPS) and EPs/CLOAs have already been registered and issued, the applicant/petitioner/protestant shall be considered estopped from filing protest from coverage or application for exemption, exclusion, retention, or conversion and the case shall be dismissed accordingly.
8. In all cases where exemption, exclusion, retention or conversion is granted and the EP and CLOA subsequently cancelled, the former EP or CLOA holder shall be entitled to reimbursement of the actual and necessary expenses on the plants and improvements constructed thereon as a result of agricultural production as well as all amortizations paid by the farmer beneficiary with interest.

9. Pursuant to this Memorandum Circular, the Guidelines Drafting Committee, in consultation, with various stakeholders, is hereby directed to study and recommend policies that will address the filing of cases leading to unjust cancellation of EPs or CLOAs despite the lapse of considerable period of time.
10. Any judicial pronouncement declaring unconstitutional or invalid any provision or portion of this clarificatory guidelines shall not affect the validity of other provisions herein which can stand alone without the invalidated portion.
11. All memorandum circulars inconsistent herewith are hereby amended, modified or repealed, as the case may be.

For strict compliance.

Diliman, Quezon City, 16 August 2004.



JOSE MARI B. PONCE
OIC-Secretary