



Republic of the Philippines  
**DEPARTMENT of AGRARIAN REFORM**

MEMORANDUM CIRCULAR NO. 18  
SERIES OF 2004

To : The Municipal Agrarian Reform Officers (MAROs)  
The Provincial Agrarian Reform Officers (PAROs)  
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: **CLARIFICATORY GUIDELINES ON THE COVERAGE, ACQUISITION AND DISTRIBUTION OF AGRICULTURAL LANDS SUBJECT OF CONVEYANCE EXECUTED IN VIOLATION OF SEC. 6, PAR. 4 OF R.A. NO. 6657.**

It is the policy of the DAR to acquire and distribute all lands covered by the Comprehensive Agrarian Reform Program (CARP) including those subject of illegal transactions under par. 4, Sec. 6 of R.A. No. 6657.

Par. 4, Section 6 specifically provides that upon effectivity of the law, any sale, disposition, lease, management contract or transfer of possession of private lands executed by the original landowner in violation of the Comprehensive Agrarian Reform Law (CARL) shall be null and void.

However, those transactions executed prior to the enactment of the law shall be valid if registered with the Register of Deeds within a period of three (3) months after the effectivity of the law, or on 13 September 1988. Thereafter, the same paragraph requires all Registers of Deeds to inform the Department of Agrarian Reform (DAR) within thirty (30) days of any transaction involving agricultural lands in excess of five (5) hectares.

In relation thereto, Sec. 70 also states that:

**SECTION 70. Disposition of Private Agricultural Lands.** — The sale or disposition of agricultural lands retained by a landowner as a consequence of Section 6 hereof shall be valid as long as the total landholdings that shall be owned by the transferee thereof inclusive of the land to be acquired shall not exceed the landholding ceilings provided for in this Act.

Any sale or disposition of agricultural lands after the effectivity of this Act found to be contrary to the provisions hereof shall be null and void.

Transferees of agricultural lands shall furnish the appropriate Register of Deeds and the BARC an affidavit attesting that his total landholdings as a result of the said acquisition do not exceed the landholding ceiling. The Register of Deeds shall not register the transfer of any agricultural land without the submission of this sworn statement together with proof of service of a copy thereof to the BARC.



The foregoing are further strengthened by the following prohibited acts and omissions under Sec. 73.

SECTION 73. Prohibited Acts and Omissions. — The following are prohibited:

- (a) The ownership or possession, for the purpose of circumventing the provisions of this Act, of agricultural lands in excess of the total retention limits or award ceilings by any person, natural or juridical, except those under collective ownership by farmer-beneficiaries. xxx
- (e) The sale, transfer, conveyance or change of the nature of lands outside of urban centers and city limits either in whole or in part after the effectivity of this Act. The date of the registration of the deed of conveyance in the Register of Deeds with respect to titled lands and the date of the issuance of the tax declaration to the transferee of the property with respect to unregistered lands, as the case may be, shall be conclusive for the purpose of this Act.

Land Registration Authority (LRA) Consultation No. 1875 also provides that "failure to register a deed of sale executed before June 15, 1988 on or before September 13, 1988 or within three (3) months from the effectivity of R.A. No. 6657 renders the sale invalid and therefore not registrable."

Pertinent administrative issuances/opinions that guide the DAR in dealing with this subject matter include:

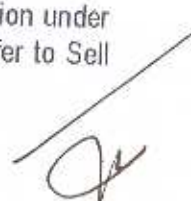
- a. DAR A.O. No. 01-89 (Rules and Procedures Governing Land Transaction); and
- b. DAR Memorandum Circular No. 02-01 (Guidelines on Annulment of Deeds of Conveyance of Lands Covered by the Comprehensive Agrarian Reform Program (CARP) Executed in Violation of Sec. 6, Par. 4 of R.A. No. 6657).

The Land Registration Authority also issued Consulta No. 1875 which states that "[t]he failure to register a deed of sale executed before June 15, 1988 on or before September 13, 1988 or within three months from the effectivity of R.A. 6657 renders the sale invalid and therefore not registrable." -

Meanwhile, lands covered under voluntary offer to sell are treated pursuant to Department of Justice Opinion No. 41 s. 1992 which states that: "xxx it is believed that it is legally proper for that Department [DAR] to give clearance for the registration of titles of agricultural properties acquired prior to the effectivity of R.A. No. 6657 which were not registered within the three month period after such effectivity in cases where said properties are voluntarily offered for sale to that Department for purposes of coverage.

To strengthen the foregoing measures for purposes of ensuring the coverage, acquisition, and distribution of lands covered by CARP including those subject of illegal transactions, and pursuant to Sec. 49 of R.A. No. 6657 as well as Secs. 6 & 7, Chapter 2, Book IV, E.O. No. 229, the following clarificatory guidelines are hereby promulgated:

- 1. Coverage — These rules shall apply to lands subject of Compulsory Acquisition under DAR Administrative Order No. 2, series of 1996. Lands under Voluntary Offer to Sell (VOS) shall be governed by Department of Justice Opinion No. 41 (1992).



2. In addition to compliance with the reglementary filing periods provided under existing rules, where applicable, no application for exemption, conversion, exclusion, and petition to lift CARP coverage, or any other protest or opposition against CARP coverage shall be accepted if the property involved is a subject of conveyance executed in violation of Sec. 6, par. 4 of R.A. No. 6657.

For this purpose, applicant-transferee who submitted a certified true copy of the TCT of the subject property registered after September 13, 1988 or tax declarations after such date must also submit proof that the prior conveyance of the subject land was a valid transaction pursuant to pars. 1-5, II.A., and pars. 1-4, II-C of DAR A.O. 01-89. In case of failure to present such proof, the Regional Director, the RCLUPPI, the BALA or the CLUPPI, as the case may be, shall forward the case to the MARO and PARO for the conduct of investigation and filing of petition for annulment of the deed of conveyance, where proper, before the PARAD pursuant to DAR MC 02-01.

3. Notwithstanding the pendency of the investigation and/or the petition for annulment of deed of conveyance, the DAR shall issue a notice of coverage to both old and new landowner/s in order for the LBP to proceed with the valuation of the property. For this purpose, the DAR Provincial or Regional Office and the Land Bank of the Philippines may execute an agreement for purposes of issuing memorandum of valuation and certificate of deposit to be held in trust for the rightful owner/s.
4. *Repealing clause.* DAR MC 02-01 is accordingly modified. All other orders, circulars, issuances or parts thereof which are inconsistent with this Memorandum Circular are hereby revoked, amended, or modified accordingly.

Strict compliance is hereby enjoined.

Diliman, Quezon City, *Aug. 18* 2004

  
JOSE MARI B. PONCE  
OIC-Secretary