



Republic of the Philippines  
**DEPARTMENT of AGRARIAN REFORM**  
ELLIPTICAL ROAD, DILIMAN, QUEZON CITY • TELS. 928-7031 TO 39

Department of Agrarian Reform  
**ADMINISTRATIVE ORDER No. 07**  
Series of 2011

**SUBJECT: REVISED RULES AND PROCEDURES GOVERNING THE ACQUISITION AND DISTRIBUTION OF PRIVATE AGRICULTURAL LANDS UNDER REPUBLIC ACT (R.A.) NO. 6657, AS AMENDED**

**PREFATORY STATEMENT**

Administrative Order (A.O.) No. 2, Series of 2009, otherwise known as The Rules and Procedures Governing the Acquisition and Distribution of Agricultural Lands under Republic Act (R.A.) No. 6657, as amended by R.A. No. 9700, is revised to streamline the Land Acquisition and Distribution (LAD) Process of the Department of Agrarian Reform (DAR), strengthen the due process requirement for Comprehensive Agrarian Reform Program (CARP) coverage, and ensure the completion of land acquisition and distribution within the prescribed period provided in R.A. No. 6657, as amended.

**CHAPTER 1. APPLICABILITY**

**SECTION 1. Applicability.** – These rules and procedures shall govern the acquisition and distribution of:

1. All private agricultural lands covered under Section 4 of R.A. No. 6657, as amended, but which have not been issued Notices of Coverage (NOCs); and
2. Private agricultural lands issued with NOCs but where the list of potential beneficiaries has not been finalized by the Municipal Agrarian Reform Officer (MARO) concerned as of 1 July 2009.

**CHAPTER 2. DEFINITION OF TERMS**

**SECTION 2. Definition of Terms.** – For purposes of these Rules, the following terms are defined as follows:

- A. **Advance Survey Plan (AdSP)** refers to the segregation/subdivision survey plan prepared by a licensed geodetic engineer who conducted the

survey which is submitted by the DAR to the Land Management Service (LMS) of the Department of Environment and Natural Resources (DENR) for verification and approval to be used as reference in the conduct of the joint field investigation of the subject lot and in the valuation of landowner's compensation.

- B. **Approved Survey Plan (ASP)** refers to the survey plan verified and approved by the LMS-DENR or the Land Registration Authority (LRA).
- C. **Agrarian Dispute** refers to any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship, or otherwise, over lands devoted to agriculture, including disputes concerning farmworkers' associations, or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms and conditions of such tenurial arrangements.

It includes any controversy relating to the compensation of lands acquired under R.A. No. 6657 and other terms and conditions of transfer of ownership from landowners (LOs) to farmworkers, tenants, and other Agrarian Reform Beneficiaries (ARBs), whether the disputants stand in proximate relation of farm operator and beneficiary, LO and tenant, or lessor and lessee.

- D. **Agricultural lessee** refers to a person who, by himself and with the aid available from within his immediate farm household, cultivates the land, belonging to or lawfully possessed by another, with the latter's consent, for purposes of agricultural production, for a price certain in money or in produce or both. The term is distinguished from a civil lessee as understood in the Civil Code of the Philippines.
- E. **Civil Society Organizations (CSOs)** refers to voluntary organizations or associations bonded by a common interest which are distinct from the government or the market organizations. For purposes of this A.O., CSOs include farmer organizations, non-governmental organizations, faith-based organizations, farmer cooperatives, irrigators' association, etc.
- F. **Cooperatives** refer to organizations composed primarily of small agricultural producers, farmers, farmworkers, or other ARBs who voluntarily organize themselves for the purpose of pooling land, human, technological, financial, or other economic resources, and operate on the principle of one member, one vote. A juridical person may be a member of a cooperative, with the same rights and duties as a natural person.
- G. **Direct Management**, insofar as preferred beneficiaries are concerned, refers to the cultivation of the land through personal supervision under the system of labor administration. It shall be interpreted along the lines of farm management as an actual major activity being performed by the LO's child from which he/she derives his/her primary source of income.

- H. **Farmworker** refers to a natural person employed by an LO to perform in the subject landholding the cultivation of the soil, planting of crops, growing of fruit trees, harvesting of farm products, or other similar farm activities and practices.
- I. **Installation** refers to a series of activities spearheaded by the DAR to achieve the effective possession and peaceful control by ARBs of the awarded land.
- J. **Landless Beneficiary** is any farmer/tiller who owns less than three (3) hectares of agricultural land.
- K. **Newspaper of General Circulation** refers to a newspaper or publication of national circulation.
- L. **Other Farmworkers** refer to farmworkers who are not regular or seasonal farmworkers.
- M. **Perimeter Land Use Map (PLUM)** refers to the findings of the survey work in which a CARP-covered lot is divided into sub-lots based on existing crop/s and/or land use to produce Perimeter Land Use Map.
- N. **Regular Farmworker** refers to a farmworker who is employed on a permanent basis by an LO to do functions that are actually necessary and desirable in the farm operations.
- O. **Seasonal Farmworker** refers to a farmworker who is employed on a recurrent, periodic, or intermittent basis by an agricultural enterprise or farm, whether as a permanent or a non-permanent laborer, such as "dumaan", "sacada", and the like.
- P. **Segregation Survey** refers to survey work conducted by a licensed geodetic engineer wherein a CARP-covered lot is divided into two (2) or more sub-lots for coverable and non-coverable areas to produce segregation plan which shall be used as reference for award to co-owners, cooperative or farmer association.
- Q. **Share Tenant** refers to a person who himself and with the aid available from within his immediate farm household, cultivates the land belonging to or lawfully possessed by another, with the latter's consent, for purposes of agricultural production, sharing the produce with the landholder under the share tenancy system, or paying the landholder a price certain or ascertainable in produce or in money or both under the leasehold tenancy system. This arrangement has been abolished by R.A. No. 3844, as amended, which automatically converted the same into an agricultural lease arrangement.
- R. **Subdivision survey** refers to survey work in which a CARP-covered lot is divided into two (2) or more sub-lots for coverable and non-coverable

areas, with the former further subdivided into smaller sub-lots for award to individual ARBs.

- S. **Untenanted land** refers to any agricultural landholding which is not the subject of any tenancy agreement.
- T. **Usufruct** refers to a real right conferred on the beneficiary/usufructuary to enjoy the fruits of the property of another with the obligation of preserving its form, substance, and productivity.

### **CHAPTER 3. COVERAGE: SCHEDULE, EXCLUSIONS, AND SPECIAL RULES**

**SECTION 3. LAD CARP Extension with Reform (CARPER) Balance Database and List of Lands with NOCs.** Upon the effectivity of these Rules, the DAR Provincial Office (DARPO) shall provide the DAR Municipal Office (DARMO) with a copy of the relevant portion of the LAD CARP Extension with Reform (CARPER) balance database, which lists down the LAD balances under the DARMO's area of jurisdiction, and the schedule of coverage of each landholding therein. The generated list of landholdings must be grouped according to the prioritized phasing under Section 7 of R.A. No. 6657, as amended, and Section 5 of this A.O.

At the same time, the DARPO shall provide the MARO with a list of the lands for which NOCs had already been issued and served. The MARO must continue with the process of land acquisition and distribution, unless the landholding falls under a different schedule as provided in Section 5 hereof.

Landholdings not listed in the LAD CARPER Balance Database may be included in the said database upon issuance of the Provincial Agrarian Reform Officer's (PARO) Certification of Coverage and the Provincial Agrarian Reform Coordinating Committee (PARCCOM) Resolution, duly approved by the LAD Balance Technical Review Committee pursuant to Memorandum Circular (M.C.) No. 8, Series of 2010.

**SECTION 4. When Lands Deemed Private.** As a general rule, untitled public alienable and disposable (A & D) lands are within the jurisdiction of the DENR pursuant to Commonwealth Act (C.A.) No. 141 (Public Land Act). However, such lands are deemed "private" and for coverage by the DAR, if all the requisites specified in R.A. No. 6940, as amended by R.A. No. 9176, for the determination of whether or not private rights over a landholding have already been acquired exist, based on the following:

- a. Continuous occupancy and cultivation by oneself or through one's predecessors-in-interest on or prior to 04 December 1972;
- b. Classification of the land as alienable and disposable on or prior to 04 December 1972;
- c. Payment of the real estate tax thereon; and
- d. Non-existence of adverse claims on the land.

In cases where the DAR and DENR have jointly identified specific untitled properties that may be covered under the LAD component of CARP, the DENR – Community Environment and Natural Resources Office (CENRO)/Provincial Environment and Natural Resources Office (PENRO) or Regional Technical Director (RTD) – LMS shall issue the certification that the subject tract of land is within an area classified as A & D. The MARO shall, thereafter, initiate the acquisition process for the landholding concerned.

**SECTION 5. LAD Phasing.** The schedule of the acquisition and distribution of lands covered by the CARP shall be, as follows:

SCHEDULE	PHASES
<p><b>Starting 1 July 2009 up to 30 June 2012</b></p>	<p><b>Phase 1</b></p> <ul style="list-style-type: none"> <li>a. All large single private agricultural lands above fifty (50) hectares (with or without Notice of Coverage [NOC])</li> <li>b. All large aggregate private agricultural lands (PALs) of landowners with a total area greater than 50 hectares with (NOC) as of December 10, 2008</li> <li>c. P.D. 27 lands (rice and corn), regardless of size</li> <li>d. All idle or abandoned agricultural lands, regardless of size</li> <li>e. All lands offered under Voluntary Offer to Sell (VOS), regardless of size</li> <li>f. Lands covered by Voluntary Land Transfer (VLT), regardless of size, submitted as of June 30, 2009, subject to the provisions of A.O. No. 8, Series of 2003</li> <li>g. Government Financial Institutions (GFI)-foreclosed lands, regardless of size</li> <li>h. PCGG-acquired lands, regardless of size</li> <li>i. All other government-owned alienable and disposable agricultural lands, regardless of size</li> </ul>

	<p><b>Phase 2-A</b></p> <ul style="list-style-type: none"> <li>a. All remaining large single agricultural lands with an area of 24 to 50 hectares (with or without NOC)</li> <li>b. All PALs of landowners with an aggregate area of above 24 to 50 hectares with NOC as of December 10, 2008</li> <li>c. All agricultural lands provided in the preceding phase yet to be completed</li> </ul>
<p><b>Starting 1 July 2012 up to 30 June 2013</b></p>	<p><b>Phase 2-B</b></p> <ul style="list-style-type: none"> <li>a. All remaining PALs of landowners with an aggregate area in excess of 24 hectares with or without NOC</li> <li>b. All agricultural lands provided in the preceding phases yet to be completed</li> </ul>
	<p><b>Phase 3-A</b></p> <ul style="list-style-type: none"> <li>a. All PALs with an aggregate area of above 10 hectares up to 24 hectares, with respect to the excess above 10 hectares</li> <li>b. All agricultural lands provided in the preceding phases yet to be completed</li> </ul>
<p><b>Starting 1 July 2013 up to 30 June 2014</b></p> <p>(Notwithstanding the aforementioned schedule, in no case may Phase 3-B begin on a particular province unless the LAD balance of the same province that are covered by Phases 1, 2-A, 2-B, and 3-A, except lands under the jurisdiction of DENR, have been successfully completed.)</p>	<p><b>Phase 3-B</b></p> <ul style="list-style-type: none"> <li>a. All PALs with an aggregate area from above 5 hectares up to 10 hectares, with respect to the excess above 5 hectares</li> <li>b. All agricultural lands provided in the preceding phases yet to be completed</li> </ul>

The Presidential Agrarian Reform Council (PARC) or the PARC Executive Committee, upon the recommendation of the PARCCOM, may authorize particular provinces to proceed with the acquisition and distribution of agricultural lands of a particular Phase ahead of its schedule by declaring them as Priority Land Reform Areas, provided that that particular province has completed the LAD of all the other Phases prior to the one to proceed ahead of schedule.

**SECTION 6. Phase of a Co-Owned Landholding.** In case a landholding is co-owned, the following rules shall apply in determining which phase that particular landholding shall be acquired and distributed:

- i. if the landholding is co-owned due to the non-settlement of the estate of a deceased LO: the phase shall be based on the aggregate size of all the landholdings of the deceased LO;
- ii. if the landholding is co-owned due to other reasons:
  - a. if the aggregate size of all the landholdings of each co-owner coincidentally belongs to the same phase: the phase shall be based on the aggregate size of all the landholdings of one of the co-owners; or
  - b. if the aggregate size of all the landholdings of each co-owner belongs to different phases: the co-owners, as a group, shall be treated as a single LO for the sole purpose of determining the phase that that particular landholding shall be acquired and distributed, provided that the share of a co-owner to that landholding shall be incorporated in determining his/her/its aggregate size of landholdings owned to determine the schedule of acquisition and distribution of his/her/its other landholdings.

**SECTION 7. Excluded From Coverage.** Excluded from coverage are:

- a. All undeveloped lands with eighteen percent (18%) slope and over;
- b. All lands duly classified by the proper Local Government Unit (LGU) as commercial, industrial, or residential as of 15 June 1988;
- c. All ancestral lands/domains that may be identified in accordance with rules that may be jointly issued by the DAR, DENR, LRA, and the National Commission on Indigenous People;
- d. Retention areas granted to LOs who exercised their retention rights; and
- e. All agricultural landholdings of a LO with an aggregate size of five (5) hectares or less.

**SECTION 8. Exempted From Coverage.** Exempted from coverage are lands actually, directly, and exclusively used, and found to be necessary for, the following purposes:

- a. Parks;
- b. Wildlife;
- c. Forest reserves;
- d. Reforestation;
- e. Fish sanctuaries and breeding grounds;
- f. Watersheds;
- g. Mangroves;
- h. National defense;
- i. School sites and campuses, including experimental farm stations operated by public or private schools for educational purposes;
- j. Seeds and seedlings research and pilot production centers;
- k. Church sites and Islamic centers appurtenant thereto;
- l. Communal burial grounds and cemeteries;
- m. Penal colonies and penal farms actually worked by the inmates;
- n. Government and private research and quarantine centers;
- o. Fish ponds and prawn farms; and
- p. Livestock, poultry, and swine raising since 15 June 1988.

**SECTION 9. Coverage of Previously Exempted Agricultural Lands.** If any of the private agricultural lands stated in Section 8 hereof is discovered not to be actually, directly, and exclusively used, and/or not necessary, anymore for the purpose for which it is exempted, the PARO shall immediately issue an NOC for the subject landholding or the portions thereof.

**SECTION 10. Conversion Proceeding Not A Bar to Coverage.** Absent any final order granting conversion, no act or attempt directed to changing the use of the land from agricultural to non-agricultural, shall affect the land's coverage pursuant to the CARP.

**SECTION 11. Automatic Coverage of Converted Lands Not Developed.** Pursuant to Section 65 of R.A. No. 6657, as amended, the failure to fully implement the conversion plan within five (5) years from the issuance of DAR conversion order, or any violation of the conditions of the conversion order, in the event such failure or violation



was due to the fault of the applicant, shall cause the land subject thereof to automatically be covered by CARP, subject to the rights of retention.

Pursuant to this rule, an ocular inspection of all landholdings subject of a conversion order shall be conducted by the PARO on an annual basis, or immediately after reports of violations of the conditions of a conversion order are presented before his/her office. The PARO must prepare and submit a report that contains his/her findings regarding the status of implementation of the conversion plan and/or existence of violations of the conversion order. This report shall be sent to the Regional Director (RD) or the Center for Land Use Policy, Planning, and Implementation (CLUPPI), depending on their jurisdiction per the Rules on Conversion. The RD or the Secretary, as the case may be, shall take appropriate actions pursuant to the existing implementing rules and regulations on land use conversion.

**SECTION 12. DENR Distributed Lands Under CARP.** Landholdings distributed by the DENR under R.A. No. 6657, as amended, shall no longer be acquired and distributed by the DAR.

**SECTION 13. Agricultural Lands Reclassified to Non-Agricultural Uses Before June 15, 1988 but Subsequently Reclassified to Agricultural Uses are Covered by CARP.** Landholdings within zones classified as non-agricultural before 15 June 1988 but subsequently reclassified as agricultural by the LGU concerned are covered by CARP. Any exemption order issued therein shall be reviewed by the RD to determine whether the subject landholding is still agricultural in land use, and if found to be such, said exemption order shall be immediately revoked. An NOC shall thereupon be issued to the LO.

**SECTION 14. Reallocation of Foreclosed Agricultural Land.** The DAR shall take possession of awarded agricultural lands which were foreclosed for failure to pay the amortizations for three (3) aggregate years, where the two (2)-year redemption period has already expired by negotiating for redistribution. The Land Bank of the Philippines (LBP) shall certify the lands' availability for reallocation, and the DAR shall identify new ARBs therefor.

#### **CHAPTER 4. NOTICE OF COVERAGE**

**SECTION 15. Issuance of Notice of Coverage.** The NOC shall be issued to the registered landowner (RLO) of the landholding, as stated in the Transfer Certificate of Title (TCT) or Original Certificate of Title (OCT), or, in case of untitled private agricultural lands, the Tax Declaration, preferably not later than one hundred and eighty (180) days prior to the first day of the scheduled date of acquisition and distribution as provided for in Section 5 of this Rule.

In case the RLO stated in the TCT or OCT is different from that stated in the Tax Declaration, the NOC shall be served to the RLO stated in the TCT or OCT.

The NOC must state the periods for the LO to file a protest on coverage, nomination of preferred beneficiary/ies, manifestation for exemption/exclusion, and manifestation to

exercise the right of retention, as well as to submit a duly attested list of the agricultural lessees, regular farmers, and/or tenants in his/her/its landholding. The NOC must explicitly warn the LO that failure on their part to exercise their right during the said periods shall be regarded as a waiver on their part to exercise these.

**SECTION 16. Service of NOC.** The NOC shall be served in the following manner:

- a. **Personal Service:** The NOC shall be served primarily by personally handing a copy thereof to the "person authorized to receive" as enumerated under Section 17 hereof. Personal service is effected when the person authorized to receive affixes his signature or thumb mark on the receiving copy of the NOC in the presence of a witness who also affixes his signature.

Personal service of the NOC shall be done by the Bureau of Land Acquisition and Distribution (BLAD) in the DAR Central Office if the last known address of the person authorized to receive is within Metro Manila, or the MARO who has jurisdiction over the last known address of the person authorized to receive, if living in a province outside Metro Manila.

- b. **Substituted Service:** If the "person authorized to receive" is not present in his/her last known address, or refuses to receive the NOC, the MARO shall immediately avail of substituted service and serve the NOC by leaving a copy of the NOC at the residence of the person authorized to receive with some person of suitable age and discretion residing therein, or by leaving a copy of the NOC at the RLO's office or regular place of business with some competent person in charge thereof.

The MARO shall thereafter immediately prepare and send a Return of Service of the NOC to the concerned PARO who has jurisdiction over the subject landholding the fact of completed/failed substituted service.

The PARO shall thereafter immediately inform the BLAD the fact of substituted service and send it a copy of the NOC. The BLAD shall thereafter publish the NOC in accordance with Section 18 hereof.

- c. **Extraterritorial Service:** If upon diligent investigation, the MARO who has jurisdiction over the subject landholding finds out that the last known address of the persons authorized to receive is outside the territory of the Philippines, he shall send a copy of the NOC to the last known address of the person authorized to receive abroad by registered mail.

The MARO shall immediately prepare and send a Return of Service of the NOC to the concerned PARO and request the latter for the publication of the NOC through the BLAD. The BLAD shall then cause the publication of the NOC in accordance with Section 18 hereof.

- d. **Immediate Publication:** If the address of the person authorized to receive is unknown, or substituted person is not available, the MARO who has

jurisdiction over the subject landholding shall immediately file a written report as to the investigation made and the failure to know the address of the LO to the PARO, and the latter shall send a copy of the NOC to the BLAD. The BLAD shall thereafter cause the publication of the NOC.

Immediate publication shall also be effected if the person authorized to receive the NOC is that stated in Section 17 (vii) (b) hereof. As such, the PARO who has jurisdiction over the subject landholding shall also send a copy of the NOC to the BLAD. The BLAD shall thereafter publish the NOC in accordance with Section 18 hereof.

**SECTION 17. Persons Authorized to Receive.** Service of the NOC shall be made to the following persons:

- i. Service upon the RLO who is a natural person – The NOC shall be served to the RLO.
- ii. Service upon co-owners – In case the RLO of the landholding are multiple persons as co-owners, the NOC shall be served upon each and every registered co-owner, unless one is specifically authorized, in a written public document, to receive for the co-owners;
- iii. Service upon minors – When the RLO is a minor, service shall be made upon his/her father and/or mother, whoever has lawful custody of the said minor. If the RLO has no parents, service shall be made upon his/her legal guardian if he/she has one, or, if none, upon his/her guardian *ad litem* whose appointment shall be applied for by the DAR;
- iv. Service upon incompetents – When the RLO is insane or otherwise incompetent, service shall be made upon his/her legal guardian if he/she has one, or, if none, upon his/her guardian *ad litem* whose appointment shall be applied for by the DAR;
- v. Service upon entity without juridical personality – When the RLOs who are persons associated through an entity without juridical personality are issued an NOC under the name by which they are generally or commonly known, service may be effected upon all the RLOs by serving upon any one of them, or upon the person in charge of the office or place of business maintained in such name, provided that service shall not individually bind any person whose connection with the entity has, upon due notice, been severed before the proceeding was brought;
- vi. Service upon domestic private juridical entity – When the RLO is a corporation, partnership, or association organized under the laws of the Philippines with a juridical personality, service may be made on the president, managing partner, general manager, corporate secretary, treasurer, or in-house counsel; and

- vii. Service upon the heirs of a deceased RLO – When the RLO has died prior to the service of the NOC, the NOC shall be served to:
- a. if the settlement of the Estate is currently pending with the court, the Executor or the Administrator of the Estate; or
  - b. if the settlement of the Estate is not pending with the court or if there is no executor or administrator, the NOC shall be served to all known heirs and shall also be published.

**SECTION 18. Publication of NOC.** If any of the circumstances under Sections 16 and 17 requires publication of the NOC, the NOC shall be published in a newspaper of general circulation.

NOCs required to be published shall be sent by the PARO concerned to the BLAD which shall be responsible for publishing the same. All NOCs sent to the BLAD for publication shall be published on the fifteenth or thirtieth day of the month they were received by the BLAD, whichever is soonest.

Service by publication shall be evidenced by the affidavit of the editor-in-chief, or circulation/advertising manager, attesting to the fact of said publication and a copy of the said publication. The publication need not state the entire contents of the NOC but only the following essential particulars:

1. Coverage of the subject landholding under CARP on the specific land acquisition schedule based on the prioritized phasing under Section 7 of R.A. No. 6657, as amended;
2. OCT/ TCT/Latest Tax Declaration No/s. and corresponding area;
3. Complete name/s of the RLO/s and last known address, if available;
4. Address or location of the subject landholding (barangay, city/municipality, province); and
5. The period for the LO to nominate his/her preferred beneficiary/ies, to submit a duly attested list of tenants, lessees and/or regular farmworkers, if any, in his/her/its landholding, to file a manifestation to exercise the right of retention, to file a protest on coverage, and to file a manifestation for exemption/exclusion, as well as the consequences of the failure to exercise these rights during the prescribed period.

**SECTION 19. Posting of the NOC.** In all cases, the MARO or any authorized DAR Personnel shall post a copy of the NOC at a conspicuous place at the subject landholding, and ensure that the notice is clearly visible. For this purpose, waterproof and environmentally-friendly materials, measuring two (2) by three (3) feet, shall be used. The BARC Chairman or his authorized representative shall thereafter issue the corresponding Certification of Posting Compliance.

Additionally, a certified true copy of the NOC shall also be posted for seven (7) days at the bulletin board of the Municipal/City Hall and the Barangay Hall where the land covered is located. The Municipal/City Administrator and the Barangay Secretary shall thereupon issue their corresponding Certification of Posting Compliance.

**SECTION 20. Date of Receipt of NOC.** For RLOs who did not receive the NOC through personal service, the date of posting or the date of publication, whichever is later, shall be deemed the date of receipt of the same.

## **CHAPTER 5: VOLUNTARY OFFER TO SELL**

**SECTION 21. VOS Conditions.** LOs may voluntarily offer their private agricultural lands for coverage under R.A. No. 6657, as amended, by submitting a notarized Letter- Offer, in a form that shall be provided by the DAR, to the PARO where the offered landholding is located.

Upon its acceptance by the DAR, the Letter-Offer for coverage under VOS can no longer be withdrawn. A VOS is deemed accepted by the DAR upon receipt by the LO of the Letter of Acceptance of the PARO. The Letter of Acceptance shall be served to the LO in the same manner as the NOC, as provided by Sections 16 and 18 of this A.O.

**SECTION 22. Landholding Under Five (5) Hectares Voluntarily Offered.** The DAR shall not accept the VOS of any LO who owns one or more agricultural landholdings which, combined, has an aggregate size of five (5) hectares or less.

To ensure this, it is incumbent upon the PARO to verify the extent of the landholdings owned by the LO prior to executing and issuing the letter of acceptance.

**SECTION 23. VOS To Cover The Entire Area Of The Land Offered.** An LO who wishes to offer his/her/its land under VOS must offer the entire area of the same parcel of land, subject, however, to the last paragraph of Section 27 of this A.O.

**SECTION 24. Landholding Owned By A Corporation or Co-Owned.** In case the agricultural landholding is owned by a corporation, the Letter-Offer for coverage under VOS must be filed together with a Resolution by the Corporation's Board of Directors giving specific authority to the person who executed the Letter-Offer to voluntarily offer the landholding.

In case the agricultural landholding is co-owned by several persons or is owned by an unsettled estate of a deceased person, the Letter-Offer must be executed by all the co- owners / heirs, except if the person(s) executing the Letter-Offer has/have been specifically authorized in a public instrument by all the co-owners / heirs to execute the same on behalf of them.

**SECTION 25. When Shifting from CA to VOS Allowed.** LOs who received NOCs for their landholdings under Compulsory Acquisition (CA) may be allowed to shift to VOS, provided that the Claim Folder (CF) for the subject landholding has not yet been

received by the Claims Processing, Valuation and Payment Division (CPVPD) of the Land Bank of the Philippines (LBP) for valuation.

The LO may shift to VOS from CA by filing a written Letter-Offer received by the PARO of the area where the land is located.

An LO who shifts to VOS who fails to nominate a preferred beneficiary and to submit his/her duly attested list of tenants, lessees and/or regular farmworkers, if any, during the thirty (30) day period from receipt of NOC is disqualified to nominate one and/or is deemed to have waived his right to attest.

**SECTION 26. Voluntary Land Transfer/Direct Payment Scheme.** Only VLT/DPS applications duly submitted to DAR on or before 30 June 2009 shall be allowed.

#### **CHAPTER 6: RETENTION, PROTEST OF COVERAGE, NOMINATION OF PREFERRED BENEFICIARY/IES, APPLICATION FOR EXEMPTION OR EXCLUSION**

**SECTION 27. Period to Protest Coverage, Nominate Preferred Beneficiary/ies, File a Manifestation for Exemption/Exclusion, and File a Manifestation to Exercise Retention Rights.** Within a non-extendible period of thirty (30) days from his/her/its/their receipt of the NOC, the LO may do the following:

1. Protest against coverage, which must be filed before the PARO and should contain the substantial bases thereof;
2. Nominate child/ren who may qualify as preferred beneficiary/ies;
3. File a Manifestation for Exemption or Exclusion from CARP coverage before the PARO; and
4. File a Manifestation to Exercise the Right of Retention before the PARO.

The failure to do any of the foregoing within the abovementioned reglementary periods shall be construed as a waiver on the part of the LO of the right to protest coverage, to nominate child/ren as preferred beneficiary/ies, to file a petition for exemption or exclusion from CARP coverage, and/or to exercise the right of retention, as the case may be. All protests, nominations, and manifestations/petitions made after this period shall no longer be accepted.

For landholdings under VOS, the LO shall exercise his right of retention and the right to nominate child/ren as preferred beneficiaries by submitting a notarized notice thereof to the PARO who has jurisdiction over the landholding offered at any time prior to the completion of service of the Letter of Acceptance. The failure to exercise the said rights in this case at the prescribed time shall be construed as a waiver thereof.

**SECTION 28. Period to File an Application/Petition for Exemption/Exclusion.**

The Application/Petition for Exemption or Exclusion from CARP coverage may be filed together with the above-mentioned Manifestation. If it is not filed jointly, the LO can file it, together with the documents required by the rules on exemption or exclusion, within sixty (60) days from receipt of the NOC. Non-submission thereof within this reglementary period shall be construed as a waiver or abandonment of his/her/its right to file said Petition for Exemption or Exclusion from CARP coverage with respect to the landholding covered.

For landholdings under VOS, the LO is deemed to have waived his/her/its right to file such a Petition for Exemption or Exclusion from CARP coverage upon DAR's acceptance of his/her/its offer.

**SECTION 29. Petition for Protest of Coverage and/or Petition for Exemption or Exclusion Not Bar to Continue LAD Process.**

Despite the pendency of a protest against coverage or a petition for exemption or exclusion, the land acquisition process shall nevertheless continue until the issuance of the Memorandum of Valuation (MOV) with the attached Land Valuation Worksheet (LVW) by the LBP, unless otherwise suspended sooner through a Cease and Desist Order (CDO) by the RD or the Secretary.

Notwithstanding a Petition for Certiorari filed with the courts, the PARO shall issue and serve the Notice of Land Valuation and Acquisition (NLVA) and proceed with the rest of the land acquisition and distribution process thereafter as soon as the protest against coverage or petition for exemption or exclusion has been denied by the RD, or if appealed, by the Secretary, or if further appealed, by the President of the Republic of the Philippines, unless otherwise ordered suspended by the Supreme Court.

The submission of the Manifestation for Exemption or Exclusion alone, without the Application/Petition, shall not affect the land acquisition process as provided in this A.O., nor give ground for the issuance of a CDO by the RD or the Secretary.

**SECTION 30. Period to Exercise Right of Retention.** The LO may choose a retention area at the same time that he/she/it manifested to exercise the right of retention. If this is not done at the same time, the LO can choose the area within a non-extendible period of fifteen (15) days after manifesting his/her/its desire to exercise the said right.

In case the landholding is owned by co-owners, or by an unsettled Estate of an LO who died prior to the issuance of the NOC, such co-owners or heirs may only choose a retention area through a joint application executed by all of them, agreeing therein the retention area of each of the said co-owners or heirs, provided that the right of retention of the heirs, in case of an unsettled Estate, shall be subject to Section 37 of this A.O. In case one or more of the co-owners or heirs refuses or fails to join with the others in the application, the rest of the co-owners or heirs may not choose a retention area unless they have partitioned their co-ownership or the Estate, whichever is applicable. Some or all of the co-owners or heirs may file, together with their manifestation to exercise their right of retention, a manifestation to partition their co-ownership or the Estate. If such manifestation to partition is filed, the co-owners or heirs must partition the co-ownership or Estate and choose a retention area within sixty (60) days from receipt of the NOC. If

such manifestation to partition is not filed, the co-owners or heirs must accomplish such partition and choose a retention area within the fifteen (15) days allotted to a single LO.

The failure to choose his/her/its/their desired area within the fifteen (15)-day or sixty (60)-day period, whichever is applicable, shall be deemed a waiver to do so, and shall automatically authorize the MARO to choose the area to be retained.

**SECTION 31. Factors to Consider in Choosing Retained Areas.** When the LO waives his/her/its right to choose the area to be retained, the MARO shall choose, on or before the conduct of the Survey, in the LO's behalf, taking into consideration the following factors:

1. commodity produced;
2. terrain;
3. available infrastructure; and
4. soil fertility.

As soon as the MARO shall have identified the area, the DAR shall notify the LO, by registered mail with return card, the portion selected as his/her retention area. The same notice shall indicate that the Retained Area chosen may not be contested.

**SECTION 32. Retained Area Must be Compact and Contiguous.** No retention area may be chosen by the LO or the MARO unless such area is compact and contiguous.

In case of a co-ownership or an unsettled Estate mentioned in Section 30 hereof, each co-owner or heir may choose an area not contiguous with that chosen by his/her/its co-owner/co-heir, provided, that if it is the MARO who shall choose the retention area on their behalf, the retention area of all co-owners/co-heirs must, as far as practicable, be compact and contiguous with each other.

**SECTION 33. Certificate of Retention.** The PARO shall issue Certifications of Retention to LOs who had already availed of their Retention Rights. LOs who own lands with an aggregate area of five (5) hectares or less may be issued by the PARO a Certification of Retention upon request.

In case the LO opts for the immediate issuance of a title for his/her retention area after the issuance of Certification of Retention by the PARO, prior to the acquisition process in accordance with the schedule stated in Section 5 of this A.O., he can request, in coordination with the PARO, the Registry of Deeds (ROD) to issue a title in the LO's name on the portion of his/her retained area based on the Owner's Duplicate Copy of title from the LO, Approved Segregation Plan, and technical description, and Certificate of Retention. All fees for the said immediate segregation survey of the LO's retention area and the issuance of title on the same by the ROD shall be chargeable to the account of the LO.

**SECTION 34. Retention for VOS Lands Prior to 1 July 2009.** For VOS lands submitted prior to 1 July 2009 where the master list of ARBs has been finalized, the retention areas of LOs covered under said VOS shall be processed under the existing guidelines of R.A. No. 6657, as amended, before July 1, 2009.



**SECTION 35. Retention Under Commonwealth Act No. 141.** Landholdings covered by homestead grants and Free Patents issued pursuant to Commonwealth Act (C.A.) No. 141 still owned by the original grantees or their direct compulsory heirs shall be retained by them as long as they were cultivating the said landholdings and continue to cultivate the same.

**SECTION 36. Retention under P.D. No. 27.** LOs or heirs of LOs not qualified to retain lands under P.D. No. 27 cannot claim retention under R.A. No. 6657, as amended, or even under R.A. No. 9700, over their landholdings that were covered under P.D. No. 27. The same LOs or heirs of LOs, however, may still exercise their right of retention over other landholdings that hereafter shall be covered by R.A. No. 6657, as amended.

**SECTION 37. Retention of Landowner's Heirs.** Heirs of deceased LOs who died after 15 June 1988 are only entitled to the five (5) hectare retention area of the deceased LO.

**SECTION 38. Retention of Spouses.** For marriages covered by the Conjugal Property of Gains Regime, spouses whose agricultural lands are all conjugal in nature may retain a total of not more than five (5) hectares of such properties. However, if either or both of them are LOs in their own respective rights (capital and/or paraphernal), they may each retain not more than five (5) hectares of their respective landholdings. In no case shall the total retention area of such couple exceed ten (10) hectares.

For marriages covered by the Absolute Community of Property Regime, the spouses, together, may retain not more than five (5) hectares. All properties (capital, paraphernal, and conjugal) shall be considered to be held in absolute community, i.e., the ownership relationship is one, and, therefore, only a total area of five (5) hectares may be retained by the couple.

For marriages covered by a Complete Separation of Property Regime, each of them may retain not more than five (5) hectares of their respective landholdings.

The property regime of a married couple whose marriage was celebrated prior to 03 August 1988 shall be presumed to be the Conjugal Property of Gains, unless otherwise stated in a valid marriage settlement. The property regime of those whose marriage was celebrated on or after 03 August 1988 shall be presumed to be the Absolute Community of Property, unless otherwise stated in a valid marriage settlement.

**SECTION 39. Tenant Chooses to Remain in the Retention Area.** In case a tenant chooses to remain in the LO's retained area, the former shall be a leaseholder in the said land and shall not qualify as a beneficiary under CARP. Conversely, if the tenant chooses to be a beneficiary in another agricultural land, he/she cannot be a leaseholder in the land retained by the LO. The tenant must exercise this option within a period of one (1) year from the time the LO manifests his/her choice of the area for retention.

Tenants/lessees in the retained areas who do not wish to become leaseholders in the retained lands shall be given preference in other landholdings whether or not these lands belong to the same LO, without prejudice to the farmers who are already in place in said other landholdings and subject to the priorities under Section 22 of R.A. No. 6657, as amended.

In all cases, the security of tenure of the farmers or farmworkers on the LO's retained land prior to the approval of R.A. No. 6657, as amended, shall be respected. Further, actual tenant-farmers in the landholdings shall not be ejected or removed therefrom.

**SECTION 40. DAR Clearance on Land Transactions.** Land transactions executed prior to 15 June 1988 shall be valid only when registered with the Registry of Deeds on or before 13 September 1988 in accordance with Section 6 of R.A. No. 6657, as amended.

With respect to those executed on or after 15 June 1988, where the transfer/sale of a landholding involves a total area of five (5) hectares and below and such landholding is the retention area of or subject of retention by the transferor, and where the transferee will not own an aggregate area of more than five (5) hectares as a result of the sale, the transfer is legal and proper. However, a DAR clearance is needed for monitoring purposes and as a requisite for the registration of the title in the name of the transferee with the ROD.

With respect to LOs who have yet to exercise their right of retention, where more than five (5) hectares of the landholding is sold or transferred, whether through a single transaction, multiple transactions, or a series of transfers/sales, only the first five (5) hectares sold/conveyed and the corresponding titles therefor issued by the ROD in the name of the transferee shall be considered valid and treated as the transferor's retained area, but in no case shall the transferee exceed the five (5)-hectare landholding ceiling pursuant to Sections 6, 70, and 73(a) of R.A. No. 6657, as amended. Insofar as the excess area beyond the five (5) hectares sold and conveyed is concerned, the same shall be covered under CARP, regardless of whoever is the current title-holder to the land, and even if the said current title-holder owns less than five (5) hectares of agricultural landholding, considering that the transferor has no right to dispose of these lands since CARP coverage of these lands is mandated by law as of 15 June 1988. Any landholding still registered in the name of the LO after earlier dispositions up to an aggregate of five (5) hectares are no longer part of his retention area and therefore shall be covered under CARP.

In cases where there has been an improper, invalid, or unlawful transfer, the NOC shall be sent to the last lawful owner of the landholding and to such person who is registered as the owner of the same, and its coverage shall be done in accordance with the pertinent guidelines on the matter.

**SECTION 41. Conditions for LGU Retention Limit Exemption.** CARP covered agricultural lands which are to be expropriated or acquired LGUs for actual, direct, and exclusive public purposes, such as roads and bridges, public markets, school sites, resettlement sites, local government facilities, public parks, and barangay plazas or squares, consistent with the approved local government land use plan, shall not be subject to the five (5)-hectare retention limit. However, prior to the expropriation/acquisition by the LGU concerned, the subject land shall first undergo the land acquisition and distribution process of the CARP, and the ARBs therein shall be paid just compensation without prejudice to their qualifying as ARBs in other landholdings under the CARP.

**SECTION 42. Agricultural Lands Subject of Expropriation.** Pursuant to Section 6-A of R.A. No. 6657, as amended, an LGU may, through its Chief Executive and/or pursuant to an ordinance, exercise the power of eminent domain on agricultural lands for public use, purpose, or welfare of the poor and the landless, upon payment of just compensation to the ARBs on these lands, pursuant to the provisions of the Constitution and pertinent laws. The power of eminent domain may not be exercised unless a valid and definite offer has been previously made to the ARBs, and such offer was not accepted. In cases where the land sought to be acquired has been issued with an NOC or is already subject to VOS (with a letter-offer submitted to DAR), the concerned LGU shall suspend the exercise of its power of eminent domain until after the LAD process has been completed and the title to the property has been transferred to the ARBs.

Where agricultural lands have been subjected to expropriation, the ARBs therein shall be paid just compensation.

## **CHAPTER 7. FARMER BENEFICIARY IDENTIFICATION, SCREENING AND SELECTION**

**SECTION 43. Who are Qualified Beneficiaries.** Farmers/Tillers and farmworkers who meet the following qualifications shall be eligible as beneficiaries under the Comprehensive Agrarian Reform Program:

- a. General Qualifications. All ARBs must be:
  - i. A farmer/tiller who owns less than three (3) hectares of agricultural land;
  - ii. A Filipino citizen;
  - iii. A resident of the barangay (or the municipality if there are not enough qualified ARBs in the barangay);
  - iv. At least fifteen (15) years of age at the time of identification, screening, and selection of farmer-beneficiaries; and
  - v. Willing, able, and equipped with the aptitude to cultivate and make the land productive.
- b. Specific Qualifications for Regular Farmworkers in Commercial Farms and Plantations. In case the subject landholding is a commercial farm or plantation, in addition to the General Qualifications stated above, the applicant must be employed in the landholding covered under CARP to be deemed a regular farmworker.

All farmworkers who are holding managerial or supervisory positions as of the issuance of the NOC shall not qualify as ARBs. However, farmworkers who were promoted to managerial or supervisory positions after they were identified, screened, and selected shall remain as qualified ARBs.

**SECTION 44. Disqualification of a Landowner-Mortgagor from Being an ARB.**

A landowner-mortgagor, including his/her children, of a foreclosed agricultural land where the redemption period has already expired and which land is to be subsequently covered under CARP, cannot qualify as an ARB on the foreclosed land, notwithstanding his/her/their being in actual possession and cultivation thereof.

The former LO/actual occupant and his/her children may reacquire the foreclosed landholding through normal banking transactions up to a maximum of five (5) hectares each, and if there is any excess, the same shall be covered under CARP in the name of the foreclosing bank for distribution to qualified ARBs.

**SECTION 45. Prioritization of Qualified Beneficiaries.** Qualified beneficiaries shall be prioritized in the following order:

- i. Agricultural lessees and tenants;
- ii. Regular farmworkers;
- iii. Seasonal farmworkers;
- iv. Other farmworkers;
- v. Actual tillers or occupants of public lands, only insofar as untitled private agricultural lands are concerned; and
- vi. Others directly working on the land.

For the purpose of the prioritization listed herein, agricultural lessees described in Section 47 hereof are deemed tenants of the area they selected.

**SECTION 46. Farmer Children of Landowner as Preferred Beneficiaries.** Pursuant to existing rules and regulations, the child of an LO shall be given preference in the distribution of his/her parent's land provided he/she meets all of the following criteria:

- i. Filipino citizen;
- ii. At least fifteen (15) years of age as of the issuance of 15 June 1988; and
- iii. Actually tilling or directly managing the farm as of the time of the conduct of the field investigation of the landholding under CARP.

In no case may the distribution of lands to preferred beneficiaries deprive each of the agricultural lessees and tenants of being awarded the portion of the landholding they are actually tenanted/leasing, which in no case shall be more than three (3) hectares.

**SECTION 47. Tenants of Retained Areas as Priority Beneficiaries.** An agricultural lessee or tenant of a portion of a landholding chosen as a retained area who opted not to stay therein as a tenant may choose any CARP-covered landholding which is not entirely tenanted and manifest to the PARO which has jurisdiction over the said landholding his intention to be a beneficiary thereof. The PARO shall consider such agricultural lessee

or tenant, duly attested by the retaining LO, as priority in the selection, subject to the rights of those who are already in place.

**SECTION 48. Landowners Availing of VOS are Disqualified to be ARBs.** LOs who have voluntarily offered their landholdings for coverage under CARP, and those who have previously waived their rights to retain, are disqualified from becoming ARBs of other landholding/s being covered or to be covered under CARP. The LO's voluntary offer or his previous waiver is construed to be an inability and/or unwillingness to cultivate the land and make it productive.

**SECTION 49. Disqualification of ARBs.** The following are grounds for the disqualification of ARBs of the CARP:

- a.) Failure to meet the qualifications provided under Section 22 of R.A. No. 6657, as amended;
- b.) Voluntary execution of a waiver of right to become an ARB in exchange for due compensation, and such waiver has not been questioned in the proper government entity as of the effectivity of this A.O.;
- c.) Deliberate and absolute failure of the ARB to pay an aggregate of three (3) annual amortizations to the LBP and subsequent failure to exercise the right of redemption/repurchase within two (2) years, provided an amortization table has been issued to the ARB, and provided further that the amortizations shall start one (1) year from the ARB's actual occupancy pursuant to Section 26 of R.A. No. 6657, as amended;
- d.) Deliberate and absolute non-payment of three (3) consecutive amortizations in case of a voluntary land transfer/direct payment scheme, provided that the ARB has been installed and is in actual possession of the land, and provided further that the last proviso will not apply if the non-possession of the ARB is attributable to his or her own fault;
- e.) With respect to commercial farms, termination from the service for cause as of the date of effectivity of this A.O., unless a complaint for illegal dismissal regarding the said termination is pending, in which case the termination must be affirmed with finality by the proper entity of the government;
- f.) Voluntary resignation or voluntary retirement from the service, provided this was not attended by coercion and/or deception, and there is no case questioning said voluntary retirement or voluntary resignation by the applicant as of the date of effectivity of this A.O.;
- g.) Misuse or diversion of financial and support services extended to ARBs pursuant to Section 37 of R.A. No. 6657, as amended;

- h.) Negligence or misuse of the land or any support extended by the government as provided in Section 22 of R.A. No. 6657, as amended;
- i.) Material misrepresentation of the ARB's basic qualifications under Section 22 of R.A. No. 6657, as amended by R.A. No. 9700, P.D. No. 27, and other agrarian laws;
- j.) Sale, transfer, lease, or any other form of conveyance by a beneficiary of the right of ownership, right to use, or any other usufructuary right over the land acquired by virtue of being such beneficiary, in order to violate or circumvent the provisions of Sections 27 and 73 of R.A. No. 6657, as amended by R.A. No. 9700, P.D. No. 27, and other agrarian laws;
- k.) Premature conversion by the ARB pursuant to Section 11 of R.A. No. 8435;
- l.) Final judgment for forcible entry or illegal detainer by persons who are originally not qualified beneficiaries as agrarian reform beneficiaries, the unlawful entry of which would have allowed them to avail the rights and benefits of an agrarian reform beneficiary;
- m.) With respect to foreclosed landholdings, the LO thereof and/or his children, but only insofar as the same foreclosed landholding is concerned; and
- n.) Commission of any violation of the agrarian reform laws and regulations, or related issuances, as determined with finality after proper proceedings by the appropriate tribunal or agency.

**SECTION 50. Period to Prepare and Submit the duly Attested List of Tenants, Lessees and/or Regular Farmworkers.** Within a non-extendible period of thirty (30) days from receipt of the NOC, the LO must submit to the MARO, furnishing a copy to the PARO, a duly attested list of all his/her tenants, agricultural lessees, and regular farm workers, in his/her landholding at the time of the issuance of the NOC. The list shall be submitted with a sworn statement that to the best of his personal knowledge and based on all documents in his possession, all those listed are tenants, lessees, and/or regular farm workers in his/her landholding, and that he/she has not omitted any tenants, agricultural lessees, and/or regular farm workers from the said list.

The LO must also attest whether or not the subject landholding is a subject of a civil law lease. If it is, the attested list must contain both his/her/its regular farmworkers and those of his/her/its civil law lessees.

The failure to submit the duly attested list and the sworn statement during the abovementioned reglementary periods shall be construed as a waiver on the part of the LO to exercise his attestation rights as regards the tenants, lessees, and regular farmworkers in his/her landholding.

Furthermore, the LO's failure or refusal to submit the attested list shall not, in any way, delay the LAD process.

**SECTION 51. ARB Selection for Untenanted Lands.** For untenanted land, all the farmers/tillers/farmworkers therein who qualify under the existing guidelines on the identification, screening, and selection of ARBs, shall be considered as potential beneficiaries of the land, provided that the proportional share of each will not exceed three (3) hectares; otherwise, additional farmworkers shall be considered.

For unoccupied lands, each qualified landless farmer shall be allowed the award ceiling of three (3) hectares.

**SECTION 52. ARB Selection for Commercial Farms/Plantations.** For the purpose of screening and selection of qualified ARBs in commercial farms/plantations, all concerned PAROs shall create a Beneficiary Screening Committee (BSC) whose members shall be composed of the PARO as the Ex-Officio Chairperson, the MARO, the DARPO Legal Officer, the Provincial Agrarian Reform Coordinating Committee (PARCCOM) Chairperson or his representative, and the Barangay Agrarian Reform Committee (BARC) Chairperson, or if there is no BARC, the Barangay Council Chairperson, of the area where the landholding is located or his representative, pursuant to DAR A.O. No. 7, Series of 2003. The Master list of ARBs prepared by the BSC must be certified as correct and accurate by the BARC or, if there is no BARC, the Barangay Council.

The BSC may invite the LO/s and/or civil society organization (CSO) representatives in the area to serve as resource persons in the ARB selection and screening process, as may be necessary.

The BSC shall exercise jurisdiction in the screening and selection of ARBs in commercial farms for collective distribution to ARBs. The procedure enumerated in Sections 55 and 56 of this A.O. shall apply.

**SECTION 53. Preliminary List of Potential ARBs For Non-Commercial Farms/Plantations.** Within three (3) days from his receipt of the LO's attested list of lessees, tenants and/or regular farmworkers or after the lapse of the thirty (30)-day period for the submission of said attested list, the MARO together with the BARC shall prepare the preliminary list of potential qualified ARBs of the subject landholding, clearly stating therein whether a qualified ARB is classified as a lessee, tenant, regular farmworker, seasonal farmworker, other farmworker, actual tiller or occupant of public land (only insofar as untitled private agricultural landholdings are concerned), or others directly working on the land. The MARO shall post the preliminary list of potential ARBs for seven (7) days at the subject landholding and ensure that the list is clearly visible to general public. For this purpose, waterproof and environmentally-friendly materials, measuring two (2) by three (3) feet, unless a larger one is deemed necessary, shall be used.

Additionally, the preliminary list shall also be posted for seven (7) days at the bulletin boards of the Municipal/City Hall and the Barangay Hall where the land covered is located.

The MARO or such other authorized DAR personnel shall include in the CF a report stating the fact and date and time of the posting thereof at the bulletin boards of the Municipal/City Hall and at the Barangay Hall, as well as at the premises, which report shall be accompanied by a certificate of posting (containing, among others, the date when the notice was posted at said bulletin boards and premises) to be executed by the Municipal/City Administrator, the Barangay Secretary, and the BARC concerned, respectively.

Within seven (7) days from the last date of posting, all potential ARBs whose names appear on said preliminary list must submit essential documents to prove his/her qualification as an ARB as provided in Section 43 of this A.O. The potential ARBs are as responsible as the DARMO in proving their own qualification. The preliminary list of potential ARBs must also state instructions as to the submission of written requests and other documentary proof.

Aside from the documents submitted by a potential ARB, the DARMO shall use available documentary evidence at hand, if any, and exhaust all efforts to gather the necessary information/evidence as bases in the evaluation of the potential ARB's qualifications and inclusion in the said list.

The preliminary list must also include instructions to farmers and farm workers not listed in the preliminary list as to how they can prove that they are qualified. Such farmers and farm workers who believe that they are qualified ARBs, but whose names are not included in the preliminary list must signify their intent to be included and submit documentary requirements within seven (7) days from the last day of the posting of the preliminary list.

**SECTION 54. Screening and Selection of Qualified Beneficiaries.** Upon receipt of the application and documentary requirements, the MARO together with the BARC shall screen and select qualified beneficiaries pursuant to Section 22 of R.A. No. 6657, as amended, in a particular landholding. The BARC shall certify the Master List under oath within five (5) days after the screening and selection. The BARC certified Master List shall be provided to the PARO for the latter's approval.

**SECTION 55. Service and Posting of the Master List.** The Master List approved by the PARO shall be served by the MARO or any DAR personnel authorized by the PARO, personally or by registered mail, to all those named therein and to all persons listed in the preliminary list but is not included in the approved master list. The Master List shall clearly state whether a qualified ARB is classified as a lessee, tenant, regular farmworker, seasonal farmworker, other farmworker, actual tiller or occupant of public land (only insofar as untitled private agricultural landholdings are concerned), or others directly working on the land. It shall also provide the length of service or tenure, in days, of each of the said qualified ARBs.

The Master List shall be accompanied by a notice to the qualified ARBs listed therein that they will be required to execute and sign the APFU and that failure to do so shall be considered a waiver of their right to become beneficiaries of the landholding.

The Master List approved by the PARO shall also be posted by the MARO or any other DAR personnel authorized by the PARO for seven (7) days at the Barangay Hall where



the landholding covered is located. In addition to the foregoing, the MARO or such other DAR personnel authorized by the PARO shall simultaneously cause the production and installation of a billboard, preferably made of tarpaulin or any visible waterproof and environmentally-friendly material, of said Master List, measuring two (2) by three (3) feet, unless a larger one is deemed necessary, at a conspicuous location within the premises of the landholding. The MARO or such other DAR personnel shall include in the CF a report stating 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 Barangay Secretary concerned.

**SECTION 56. Compulsory Arbitration.** Within fifteen (15) days after the posting of the BARC Certified Master List, the LO or any of the potential beneficiaries may file a written protest thereon. The parties concerned, specially the persons to be excluded shall be duly notified by the PARO of the proceedings and the decision. The PARO shall conduct compulsory arbitration within ten (10) days from receipt of said protest to resolve the same. The PARO's decision shall be final insofar as the Master List is concerned, copy of which shall be furnished to the parties concerned.

In case the decision of the PARO in the arbitration results into an amendment of the Master List, the amended list shall be posted again for another seven (7) days in the manner and places provided by Section 55 of this A.O.

**SECTION 57. PARO's Authority on Inclusion/Exclusion Protest.** The BARC Certified Master List of qualified ARBs becomes final after the lapse of fifteen (15) days from issuance of the PARO's decision on the protest and receipt of the same by the parties.

The authority of the PARO to decide is specifically limited to protests and petitions on the ARBs' qualifications to be included in the BARC Certified Master List. After this phase, other issues related to the ARBs' qualifications under specific issuances shall be filed as an agrarian law implementation (ALI) case to the RD.

Any person who disagrees with the PARO's decision/s or order/s for inclusion/exclusion of potential ARBs in/from the Master List may file a verified petition for inclusion/exclusion against the ARBs therein in accordance with existing ALI rules

**SECTION 58. Filing of Inclusion/Exclusion Petition with the RD within 1-year from Registration of RP Title.** The filing of a verified petition for inclusion/exclusion against the ARBs before the RD must be initiated within one (1) year from the registration of the Republic of The Philippines (RP) title, or, in case the landholding is untitled, from the issuance of the COD. A petition for inclusion/exclusion filed beyond said one (1)-year period is already barred and must be dismissed.

**SECTION 59. Distribution Pending Inclusion/Exclusion.** In case an action for inclusion/exclusion of qualified beneficiaries is pending, the distribution process shall nevertheless continue.

If the action for inclusion/exclusion is still pending at the time that the Certificates of Landownership Award (CLOAs) are to be generated, the ARBs shall be notified by the MARO on or before the date of the generation of the CLOAs that the land allocated may still change depending on the final conclusion of the aforementioned action. The PARO shall annotate on the back of the CLOA that the award is not yet final until such time that a final and executory decision has been rendered on the pending inclusion/exclusion case. This annotation shall be removed by the PARO in his own instance upon the termination of the said case.

**SECTION 60. ARB's Oath Before the Judge.** The ARBs who qualify under the screening process shall state under oath before the judge of the city or municipal court that he/she is willing to work on the land to make it productive and to assume the obligation of paying the amortization for the compensation of the land as well as the land taxes thereon as stipulated in the Application to Purchase and Farmer's Undertaking (APFU). The MARO shall arrange a schedule and transportation for the ARBs to take this oath before the judge or the judge to go to the places of the ARBs.

ARBs in the Master List who fail or refuse to execute and sign the APFU shall be given thirty (30) days from the date of receipt thereof to sign it. The failure to sign the same within the said thirty (30) days shall be considered a waiver of the right to become an ARB. Due notice shall be given to the concerned parties stating the consequence of such failure to sign and execute the APFU within the prescribed period. Such notice shall be served together with the Master List, as provided in Section 55 of this A.O.

## **CHAPTER 8. LAND ACQUISITION**

**SECTION 61. Leaseholders Continue to Pay Rentals Before COD.** For tenanted lands or lands under leasehold, the ARBs shall continue to pay their lease rentals as tenants/lessees based on their leasehold contracts until such time that the LBP issues a COD.

**SECTION 62. CARP Volume.** The current list of all lands covered by NOCs and all remaining unacquired and undistributed landholdings covered under CARP, including those covered by conversion orders but deemed to have been reverted into agricultural lands due to the failure of the LOs to comply with the conditions thereof, as well as those which are in the process of acquisition and distribution or will be acquired based on the schedule of priorities under Section 7 of R.A. No. 6657, as amended, shall be submitted by the DARPO to the ROD concerned for segregation of the corresponding original copy of the Certificates of Title of all these lands from the regular volume or files of the Registry, and for the compilation of the same in a new separate volume (CARP Volume) until the customary number of titles constituting a regular volume is reached. This CARP Volume shall be treated as a restricted volume, and any voluntary transaction on any of the titles included in this restricted file shall be subject to clearance in writing from the PARO. The maintenance of the CARP Volume shall be undertaken by the LRA-CARP personnel under the supervision of the ROD.

Any certificate of title contained in the CARP Volume shall only be returned to the general/regular file upon proof that the property covered by said title is exempted,

excluded, or ascertained to be outside CARP coverage. Such proof may be in the form of a Court Order or DAR Order which has become final and executory.

**SECTION 63. Validation and Projections of Landholdings Subject to Acquisition.** Landholdings subject of acquisition shall be validated based on ownership documents and on the projection by the DAR on DENR land classification maps to determine whether or not the areas are alienable and disposable.

All projections undertaken by the DARPO on land titles, whether administratively or judicially (where the survey was based on the cadastral map of the DENR) issued, shall be confirmed or validated by the DENR-CENRO/PENRO as to the land classification status of said lands. The projections should be prioritized by the PARO and may be done even prior to the issuance of NOC.

All projections undertaken by the DARPO on lands covered by judicially issued titles and whose survey was based on the Private Survey (PSU) Plan of the LRA shall be confirmed or validated by the LRA that these lands do not overlap with other titled or decreed properties.

Titles judicially issued prior to 1919 based on Act No. 2874 need not be validated or confirmed by the DENR-CENRO/PENRO as to their land classification status, as such lands are classified as alienable and disposable. However, the DARPO, through the Bureau of Land Development (BLD), shall obtain a Certification from the LRA that the subject property does not overlap with a titled or decreed property. Such certification shall include, among others, the Judicial Decree number, date of issuance of Decree, name of adjudicatee, location, and area.

**SECTION 64. Segregation of Overlapping Titles.** Such properties that partially overlap with other titled or decreed properties shall be segregated accordingly during the conduct of the survey on the landholdings subject of acquisition. The acquisition and distribution of such landholdings with an area of more than five (5) hectares that either partially or fully overlap with decreed properties shall continue regardless in whose name the decree has been issued.

**SECTION 65. Survey Activities Before Field Investigation.** The conduct of the survey to determine land use, the segregation of coverable and not coverable areas, and the subdivision survey shall be undertaken prior to Field Investigation (FI). The PARO shall ensure that all field survey activities shall be completed before the conduct of FI. A licensed geodetic engineer must participate in the survey.

**SECTION 66. Discrepancy in Area or Size.** In case the area or size of the landholding stated in the TCT or OCT is different from that stated in the Tax Declaration, the area stated in the TCT or OCT shall be controlling and shall be deemed the correct one.

In cases of untitled private agricultural landholdings, if there is a discrepancy as to the area or size between the findings on the survey and that in the Tax Declaration, the results of the survey activities shall be deemed the correct one.

**SECTION 67. Utilization of LUMD Fund.** The Land Use Management and Development (LUMD) Fund shall be released and utilized only for CARP covered lands with Requisition Survey Services (RSS) approved by the PARO, with a copy thereof furnished to the BLD, pursuant to existing guidelines on requisition, approval, and monitoring of survey services.

**SECTION 68. Conduct of the Field Investigation.** If the Survey was conducted prior to the FI and the Master List has already been finalized, the DARPO shall, within three (3) days from the accomplishment of the Survey, submit a request for the conduct of an FI of the landholding to the LBP. Attached to the request shall be the finalized Master List of ARBs, the PLUM, and either the ASP or, if the DAR has not yet been furnished the ASP by the LMS, the AdSP.

The DARPO shall identify, notify, and invite the LO and the ARBs, through a Notice, to the conduct of the FI. The Notice must be served by the MARO no later than (15) days prior to the scheduled date of the conduct of the FI. Proof of service shall be included in the CF. The failure of the LO or the identified ARB to participate in the FI, despite being notified, shall be a waiver on their part to question the findings thereof.

The FI shall be accomplished to verify the reports currently contained in the CF for the purpose of its valuation. It shall be conducted jointly by the MARO, a member of the BARC, and representatives of the LBP. A representative of the Municipal/Provincial Agricultural Office shall be invited if there is an issue on the suitability of the landholding for agriculture. A representative from the DENR-CENRO/PENRO shall be invited whenever there is any issue as to the slope.

As a rule, there should be at least three (3) concrete cylindrical monuments (also referred to as "Mojon") and/or natural boundary points remaining at the landholding at the time of the said investigation. This is to ensure that the landholding being investigated is the same as that indicated in the AdSP. In such case, the FI may be conducted even in the absence of a geodetic engineer. In the event, however, that there are less than three (3) monuments and/or natural boundary points remaining at the site, then the FI may not be conducted unless it is done with the participation of a licensed geodetic engineer.

**SECTION 69. Preparation and Transmittal of the CF.** After the execution of the Field Investigation Report (FIR) and the APFU, the DARMO shall transmit the CF to the DARPO. The CF must be submitted within three (3) days after its completion, which may not be later than fifteen (15) days after the execution of the FIR or the APFU, whichever is later. The PARO shall then endorse and transmit the CF to the DAR-LBP Pre-Processing Unit (PPU). The PPU shall have three (3) days to verify the contents of the CF after which it shall transmit the same to the LBP.

An AdSP shall be included in the CF in lieu of the ASP, if the said ASP is the only item not available for the completion of the CF.

The LBP may thereafter begin its process of determining the value of just compensation, on the basis of the ASP, or, in its absence, the AdSP.

**SECTION 70. Acquisition May Proceed Pending Case of Inclusion/Exclusion of ARBs.** In the event the finalization of the Master List of the ARBs will necessitate the

resolution of petitions for inclusion and exclusion of the ARBs therein, the PARO shall inform the LBP regarding the matter, in which case, the conduct of the subdivision survey will come after the FI or upon the finalization of the Master List of the ARBs so as not to delay the land acquisition process. Consequently, the LBP shall proceed with the preparation and release of the MOV to the PARO.

**SECTION 71. Submission of the Approved Survey Plan.** The PARO shall submit the ASP to the LBP within three (3) days from its receipt thereof from the LMS. If the ASP is not different from the AdSP included in the CF, then the LBP may determine the initial valuation of the covered landholding. If the ASP/AdSP is different from the findings in the FIR, a resurvey must be conducted to allow the ASP/AdSP to conform with the findings in the FIR.

No MOV may be issued by the LBP prior to its receipt of the ASP.

**SECTION 72. Valuation by the LBP.** The LBP shall determine the initial valuation of the covered landholding in accordance with Chapter 10 of this A.O., other issuances of DAR, and LBP's own internal rules. It shall inform the DAR of its initial valuation, including the computation and factors from which the initial valuation was arrived at, by submitting to the PARO an MOV. An LVW shall be attached to, and form an integral part of, the MOV.

Certified true copies of the contents of the CF of the LBP that did not originate from DAR with respect to the LO of the subject landholding, except internal memoranda and other documents therein deemed confidential by the LBP, shall be transmitted by the LBP to the PARO at the same time that it transmits the MOV or within seven (7) days thereafter. The DAR shall reimburse the LBP for the cost of its reproduction of the said contents.

**SECTION 73. Period to Issue and Serve the Notice of Valuation and Acquisition.** Within three (3) days after the PARO receives the MOV with the LVW and the copy of the abovementioned contents of the CF from the LBP, he/she shall immediately issue the NLVA attached thereto a copy of the MOV with the LVW, transmit the same to the MARO, and direct the latter to serve the NLVA and MOV with the LVW to the LO within five (5) days from his receipt thereof, in the manner provided in Section 74 hereof.

The addresses of the LBP and the Provincial Agrarian Reform Adjudicator (PARAD), Regional Agrarian Reform Adjudicator (RARAD), and the Department of Agrarian Reform Adjudication Board (DARAB) must be stated in the NLVA.

**SECTION 74. Service of NLVA.** If the LO was served with the NOC through personal or substituted service, or, regardless of the type of service, in case the DAR has already ascertained the address of the LO, the NLVA and MOV with the LVW shall be served to the LO by Registered Mail. The registered mail envelope shall be marked "Deliver to Addressee Only" and "Return to Sender" based on the possibilities that the LO has moved out, address is erroneous or insufficient, or the LO refuses to accept or receive the mailed NLVA.

If the address of the LO is unknown despite substantial investigation by the DAR, or if the registered mail was sent back to the PARO or remained unserved for fifteen (15) days or more, the PARO shall effect the publication of a Notice in a newspaper locally circulating within the locality both where the subject landholding is located and the last known address of the LO. The Notice shall state the name of the LO, the location of the landholding, the fact that the landholding has been valued and is to be acquired, a notice that the LO may inspect and obtain a copy of the NLVA from the PARO and the BLAD, and that the LO has thirty (30) days from the date of publication to accept or reject the valuation otherwise it shall be deemed rejected. The address of the PARO and the BLAD shall be indicated in the same Notice.

**SECTION 75. Notice of Land Acquisition to be Posted at the Site of the Land Holding, the Barangay, and the Municipal/City Hall.** A Notice stating that the landholding is to be acquired by the DAR shall be posted by the MARO, or any authorized personnel of the DAR, at a conspicuous location at the site of the landholding and on the bulletin boards of the Barangay Hall and the Municipal/City Hall where the land covered is located within five (5) days from his receipt of the same. The Notice shall state the name of the LO and the location of the landholding. In case the circumstances requiring publication in Section 74 hereof is present, the Notice to be posted shall also state that the LO may inspect and obtain a copy of the NLVA from the PARO and the BLAD, and that the LO has thirty (30) days from the date of publication to accept or reject the valuation otherwise it shall be deemed rejected.

The Barangay Secretary and Municipal/City Administrator, respectively, shall thereupon issue the corresponding Certification of Posting Compliance.

The failure to post this Notice shall not be a ground for the LO to contest the acquisition process, insofar as he/she/it has received the NLVA or the NLVA has been published.

**SECTION 76. Acceptance, Rejection, or Failure to Reply by the LO.** The LO must file a written letter of acceptance or rejection to the PARO within thirty (30) days from his/her/its receipt of the NLVA, or from the date of posting, whichever is later.

The PARO shall, upon acceptance, rejection, or lapse of the thirty (30) day period, submit a notice to the LBP stating the action of the LO.

In case the valuation was rejected by the LO, or there was no written letter of acceptance or rejection filed within the thirty (30) day reglementary period, the valuation shall be resolved administratively by the DARAB or Adjudicator concerned in accordance with its rules, without prejudice to the right of the LO to question the valuation of the DAR and LBP with the proper Special Agrarian Court (SAC). As such, the PARO shall, within three (3) days from receipt of the rejection letter or from the end of the thirty (30) day reglementary period, advise the DARAB/Adjudicator to conduct administrative proceedings by transmitting a Certified True Copy of the entire contents of the CF, together with either a copy of the rejection letter or a Memorandum stating that no reply was received from the LO within the thirty (30) day period, whichever is applicable, to the appropriate Adjudicator or the DARAB, indicating in a transmittal letter that the valuation has been rejected by the LO.

**SECTION 77. Transmittal of the Order to Deposit Landowner Compensation.**

The PARO shall, at the same day of its transmittal of the NLVA to the MARO concerned, transmit its Order to Deposit Landowner's Compensation to the LBP. The delay of the posting of the Notice provided by Section 75 of this A.O. shall not suspend the transmittal of the Order to Deposit Landowner's Compensation to the LBP and any other procedure hereof.

**SECTION 78. Service of the COD and Request for Registration.** The LBP shall issue to the PARO a COD upon its receipt of the Order to Deposit Landowner's Compensation. Within ten (10) days from the PARO's receipt from the LBP of a copy of the COD, he/she shall immediately transmit the COD, together with a copy of the ASP and a written request for the issuance of a 'TCT' in the name of the Republic of the Philippines (RP Title), to the ROD.

**SECTION 79. Withdrawal of Deposited Amount for Land Compensation.** In cases of rejection, LOs may withdraw the original value of the landholding as determined by the DAR and LBP per MOV, subject to their submission of the requirements for payment. The withdrawal of the value by the LO shall not automatically terminate the adjudication of the just compensation case pending with the appropriate Adjudicator or the DARAB.

When the LO later accepts the original value or subsequent value as recomputed by the LBP based on existing valuation guidelines, the mere filing of a manifestation by the LO regarding the acceptance of the original value or of a joint manifestation by the LO and the LBP on the recomputed value with the Adjudicator or DARAB shall automatically terminate the just compensation case pending thereat.

**SECTION 80. Just Compensation from Agrarian Reform Fund Only.** The just compensation of the LO shall be drawn solely from the Agrarian Reform Fund. It shall not be drawn from or executed against the general funds and/or assets of the LBP.

**SECTION 81. DAR Possession Upon Issuance of COD.** As a general rule, the DAR shall take immediate possession of a landholding upon the issuance of a COD by the LBP, and shall thereafter immediately proceed with the distribution process to the qualified ARBs of the landholding pursuant to Section 16 of R.A. No. 6657, as amended.

**SECTION 82. ROD's Duty to Issue RP Title Upon Receipt of COD.** Upon receipt of the PARO's request for the issuance of an RP Title, the ROD shall immediately issue the RP title for the CARP covered area and a separate title to the retention and non-coverable area in the name of the LO.

**SECTION 83. Accelerated ALI Case Resolution for Pipeline Cases.** Notwithstanding the pendency of an ALI case involving a landholding included in the CARPER balance, its acquisition and distribution shall continue. If there is an ALI or DARAB case involving said land and its pendency is prejudicial to the acquisition or distribution process, the PARO shall recommend to the Regional Director, if the case is pending with him, or to the Head Executive Assistant of the Office of the Secretary, if the case is pending with the Office of the Secretary, the Legal Affairs Office, the DARAB, or the Center for Land Use Policy, Planning, and Implementation, as the case may be, that the case be certified as urgent and its resolution be accelerated.

## CHAPTER 9. LAND VALUATION AND LANDOWNER COMPENSATION

**SECTION 84. Just Compensation.** The compensation for lands covered under R.A. No. 6657, as amended, shall be: a) the amount determined in accordance with the criteria provided for in Section 17 of the said law and existing guidelines on land valuation; or b) the value based on the order of the DARAB or the regular court, which has become final and executory.

**SECTION 85. Formula for Valuation.** The basic formula for the valuation of lands covered by VOS or CA shall be:

$$LV = (CNI \times 0.60) + (CS \times 0.30) + (MV \times 0.10)$$

Where: LV = Land Value  
CNI<sup>1</sup> = Capitalized Net Income (based on land use and productivity)  
CS<sup>2</sup> = Comparable Sales (based on fair market value equivalent to 70% of BIR Zonal Value)  
MV<sup>3</sup> = Market Value per Tax Declaration (based on Government assessment)

The CS factor refers to the Market Data Approach under the standard appraisal approaches which is based primarily on the principle of substitution where a prudent individual will pay no more for a property than it would cost to purchase a comparable substitute property. This factor is determined by the use of 70% of the BIR zonal valuation.

The CNI factor, on the other hand, refers to the Income Capitalization Approach under the standard appraisal approaches which is considered the most applicable valuation technique for income-producing properties such as agricultural landholdings. Under this approach, the value of the land is determined by taking the sum of the net present value of the streams of income, in perpetuity, that will be forgone by the LO due to the coverage of his landholding under CARP.

The MV factor is equivalent to the Market Data Approach, except that this is intended for taxation purposes only.

<sup>1</sup> Factors enumerated in Section 17 of RA 6657, such as, the nature, actual use and income are considered in the determination of the CNI of a particular landholding.

<sup>2</sup> Factors, such as, the cost of acquisition of the land, the current value of like properties, loans secured from any government financing institution and seventy percent (70%) of the zonal valuation of the Bureau of Internal Revenue are considered as the CS sub-factors.

<sup>3</sup> On the other hand, factors, such as, the tax declarations and assessment made by government assessors were considered in the determination of the MV factor.



Valuation cases:

- a. If three factors are present

When the CNI, CS and MV are present, the formula shall be:

$$LV = (CNI \times 0.60) + (CS \times 0.30) + (MV \times 0.10)$$

- b. If two factors are present

b.1) When the CS factor is not present and CNI and MV are applicable, the formula shall be:

$$LV = (CNI \times 0.90) + (MV \times 0.10)$$

b.2) When the CNI factor is not present, and CS and MV are applicable, the formula shall be:

$$LV = (CS \times 0.90) + (MV \times 0.10)$$

- c. If only one factor is present

When both the CS and CNI are not present and only MV is applicable, the formula shall be:

$$LV = MV \times 2$$

In no case shall the value of idle land using the formula  $(MV \times 2)$  exceed the lowest value of land within the same Estate under consideration or within the same barangay, municipality, or province (in that order) approved by the LBP within one (1) year from receipt of the CF.

**SECTION 86. Determination of Annual Gross Production.** In the determination of the Annual Gross Production (AGP), Selling Price (SP), and Cost of Operation (CO) to be used in the determination of the CNI factor, the audited financial statement filed with the Bureau of Internal Revenue (BIR) shall be obtained by the DARMO from the LO fifteen (15) days prior to the date of FI. If the LO fails to submit the same, the DAR and the LBP may adopt applicable industry data or, in the absence thereof, conduct an industry study on the specific crop concerned.

**SECTION 87. Lands Awarded to Preferred Beneficiaries, Non-Compensable.** In the determination of the just compensation, the area to be awarded to preferred beneficiaries shall not be included. The LO shall not be compensated for the portion of the land to be awarded to the preferred beneficiaries.

**SECTION 88. Pending Land Valuation Cases.** All previously acquired lands where valuation is subject to challenge by LOs shall be completed and finally resolved pursuant to Section 17 of R.A. No. 6657, as amended.

**SECTION 89. Additional 5% Cash for VOS.** LOs, other than banks and financial institutions, who voluntarily offer their lands for sale, shall be entitled to an additional five percent (5%) cash payment.

**SECTION 90. Whom to Pay if Subject Land is Transferred.** For landholdings which were conveyed and thereafter registered after the effectivity of R.A. No. 6657, the LBP may consider the transferee as the payee, provided that the transfer is valid and proof of the transfer is presented.

Subject to the rules in A.O. No. 05, Series of 2006 and other pertinent A.O.s, for transfers made not in accordance with A.O. No. 01, Series of 1989, the Deed of Conveyance shall be treated as a Deed of Assignment to the proceeds from the just compensation, for purposes of the release of payment.

## **CHAPTER 10. LAND DISTRIBUTION**

**SECTION 91. Agreement as to the Allocation of Awarded Lands.** The qualified beneficiaries may agree among themselves as to how the land shall be allocated to each of them. The agreement must be signed by all the qualified beneficiaries.

If no agreement is made, the equitable allocation of the land shall be observed in the manner provided by Sections 92, 93, 94, and 95 of this A.O.

**SECTION 92. Three (3) Hectares to Regular Farmworkers and Tenants.** Unless an agreement among the qualified beneficiaries to the contrary is made, only after the agricultural lessees, tenants, and regular farmworkers, have each been awarded three (3) hectares pursuant to Section 22 of R.A. No. 6657, as amended, shall the other qualified beneficiaries such as seasonal farmworkers, other farmworkers, actual tillers/occupants of public lands (only insofar as untitled private agricultural landholdings are concerned), and others directly working on the land, be accommodated.

**SECTION 93. Allocation of Awarded Lands.** The equitable allocation of the land shall be observed in the following manner:

- a. Landholdings covered by CARP shall be allocated first to agricultural lessees, tenants, and regular farm workers of the same landholding up to a maximum of three (3) hectares each. In case the landholding is not sufficient to award each agricultural lessee, tenant, and regular farm worker three (3) hectares each, it shall be distributed in the manner provided in Section 94 of this A.O.
- b. After complying with the three (3)-hectare allocation requirement for lessees, tenants, and regular farm workers, as the case may be, the MARO shall determine the remaining area left for distribution to seasonal farm

workers, other farm workers, actual tillers or occupants of public lands, and others directly working on the land, in the manner provided by Section 95 of this A.O.

- c. Excess areas, if any, after the allocation mentioned in the preceding paragraph shall be awarded to collectives or cooperatives of the above beneficiaries. However, the tenants/lessees in such excess areas shall be given a reasonable time to harvest the produce of his/her crop, subject to the rules on standing crops.

In cases, however, where there are preferred beneficiaries approved upon nomination of the LO, each preferred beneficiary may select a contiguous and compact area, no larger than three (3) hectares, to be allocated to them prior to determining the allocation for the ARBs, provided that in no case may the distribution of lands to preferred beneficiaries deprive each of the agricultural lessees and tenants of being awarded the portion of the landholding they are actually tenanted/leasing, which in no case shall be more than three (3) hectares.

**SECTION 94. If Land Not Enough for Agricultural Lessees, Tenants, and Regular Farmworkers.** In cases where the land area is not enough to meet the three (3)-hectare award ceiling for each agricultural lessee, tenant, and regular farmworkers in a particular landholding, then the landholding shall be divided equally among them, provided that in no case may the allocation of lands deprive each of the agricultural lessees and tenants of being awarded the portion of the landholding they are actually tenanted/leasing, which in no case shall be more than three (3) hectares. However, in the extreme cases that the land area is not enough to provide all them one thousand (1,000) square meters each, the names of the said agricultural lessee, tenant, and regular farmworkers shall be listed from the ARB who has leased/served the most aggregate time to him/her who has leased/served least. Each ARB shall, thereafter, be awarded one thousand (1,000) square meters each starting from the person at the top of the list, until the area remaining is less than one thousand (1,000) square meters. The remaining land area, if any, shall then be distributed equally among those who received one thousand (1,000) square meters each.

Other qualified beneficiaries under Section 22 of R.A. No. 6657, as amended, who are displaced after the distribution of all available land to tenants/lessees, may still qualify as ARBs in other lands covered under the CARP.

**SECTION 95. Allocation of Seasonal Farmworkers, Other Farmworkers, Actual Tillers or Occupants of Public Lands, and Others Directly Working On The Land.** The remaining land shall be allocated to the seasonal farmworkers, other farmworkers, actual tillers or occupants of public lands, and others directly working on the land in the following manner:

- (a) The remaining area shall be distributed equally among seasonal farmworkers, but in no case shall each be awarded more than three (3) hectares each. In the extreme cases that the land area is not enough to provide all the seasonal farmworkers one thousand (1,000) square meters each, the names of the said seasonal farmworkers shall be listed from the farmworker who has served the most aggregate time to him/her who has

served least. Each seasonal farmworker shall, thereafter, be awarded one thousand (1,000) square meters each starting from the person at the top of the list, until the area remaining is less than one thousand (1,000) square meters. The remaining land area, if any, shall then be distributed equally among those who received one thousand (1,000) square meters each.

- (b) If after all the seasonal farmworkers have been allocated three (3) hectares each there still remains a land area, or if there are no seasonal farmworkers, it shall be distributed equally among the other farmworkers, but in no case shall each be awarded more than three (3) hectares each. In the extreme cases that the land area is not enough to provide all the other farmworkers one thousand (1,000) square meters each, the names of the said other farmworkers shall be listed from the farmworker who has served the most aggregate time to him/her who has served least. Each of the other farmworkers shall, thereafter, be awarded one thousand (1,000) square meters each starting from the person at the top of the list, until the area remaining is less than one thousand (1,000) square meters. The remaining land area, if any, shall then be distributed equally among those who received one thousand (1,000) square meters each.
- (c) If after all the other farmworkers have been allocated three (3) hectares each there still remains a land area, and if the landholding is an untitled private agricultural land, it shall be distributed equally among the actual tillers or occupants of that public land, but in no case shall each be awarded more than three (3) hectares each. In the extreme cases that the land area is not enough to provide all the actual tiller/occupant one thousand (1,000) square meters each, the names of the said actual tiller/occupant shall be listed from the actual tiller/occupant who has tilled/occupied the said land the most aggregate time to him/her who has tilled/occupied least. Each of the actual tiller/occupant shall, thereafter, be awarded one thousand (1,000) square meters each starting from the person at the top of the list, until the area remaining is less than one thousand (1,000) square meters. The remaining land area, if any, shall then be distributed equally among those who received one thousand (1,000) square meters each.
- (d) Finally, if after all the actual tiller/occupant have been allocated three (3) hectares each there still remains a land area, or if the landholding is not an untitled private agricultural land, it shall be distributed equally among the other persons directly working on the land, but in no case shall each be awarded more than three (3) hectares each. In the extreme cases that the land area is not enough to provide all these other persons one thousand (1,000) square meters each, the names of these other persons shall be listed from him/her who has worked the said land the most aggregate time to him/her who has worked least. Each of the actual tiller/occupant shall, thereafter, be awarded one thousand (1,000) square meters each starting from the person at the top of the list, until the area remaining is less than one thousand (1,000) square meters. The remaining land area, if any, shall then be distributed equally among those who received one thousand (1,000) square meters each.

**SECTION 96. Award of CLOA.** In general, the land awarded to an ARB should be under an individual CLOA-title covering one (1) contiguous tract or several parcels of land cumulated up to a maximum of three (3) hectares.

Qualified beneficiaries may opt for collective ownership, through a co-workers or farmers' cooperative/association or some other form of collective organization, for the issuance of collective ownership titles: Provided, That the total area to be awarded shall not exceed the total number of co-owners or members of the cooperative or collective organization multiplied by the award limit of three (3) hectares, except in meritorious cases as may be determined by the PARC, and provided further that the conditions for the grant of collective CLOAs under this A.O. are met.

Under collective ownership, a collective CLOA to the property shall be issued in the names of the co-owners, who may form a farmers' cooperative/association or collective organization. If the CLOAs are issued collectively, the names of all the beneficiaries must be listed in the CLOA. If the subject land is legally transferred, the transferee, if qualified, can be substituted as beneficiary of the individual CLOA upon the approval of the PARO.

Collective CLOAs may be issued under the following instances:

- i. The current farm management system of the land covered by CARP is not appropriate for either individual farming or division of the landholding into farm parcels;
- ii. The farm labor system is specialized, where the farmworkers are organized by functions such as spraying, weeding, packing, and other similar activities, and not by specific parcels;
- iii. The potential beneficiaries are currently not farming individual parcels but collectively working on large contiguous areas; and
- iv. The farm consists of multiple crops being farmed in an integrated manner, or includes non-crop production areas that are necessary for the viability of farm operations, such as packing plants, storage areas, dikes, and other similar facilities that cannot be subdivided or assigned to individual farmers.

The names of the ARBs sharing a collective CLOA issued in the name of a farmers' cooperative/association or collective organization shall be listed at the back thereof. Those listed shall be deemed as the owners of the landholding covered by the said collective CLOA.

**SECTION 97. Collective Ownership of Idle, Abandoned, or Undeveloped Land.**

For idle and abandoned lands or undeveloped agricultural lands to be covered by CARP, collective ownership shall be allowed only if the beneficiaries opt for it and in case there is a clear development plan that would require collective farming or integrated farm operations exhibiting the conditions described in Section 96 of this A.O. Otherwise, such lands awarded to ARBs should be under individual CLOAs/titles, covering one (1)

contiguous tract or several parcels of land cumulated up to a maximum of three (3) hectares.

**SECTION 98. Period to Select Type of CLOA.** With respect to ARBs who may opt for collective CLOAs under Section 96 and 97 of this A.O., the ARB must file a manifestation to the PARO as to whether he/she opts for an individual CLOA or a collective one within a non-extendible period of fifteen (15) days from the posting of the Master List of ARBs.

The failure to file said manifestation within this fifteen (15)-day reglementary period shall be construed as a waiver of the right to choose, and the ARB shall be deemed to have opted for an Individual CLOA.

**SECTION 99. Specification of Actual Area to be Awarded.** After the ARBs have decided whether they wanted to be awarded an individual CLOA or a collective one, the MARO shall allocate the actual portion of the landholding to be awarded to the ARBs. In allocating the area, the MARO shall decide in accordance with the preference of the ARBs, subject to the following factors in the following order:

- i. The area of the individual ARBs sharing a collective CLOA shall be adjacent and contiguous with each other;
- ii. The area tenanted by an ARB shall be that awarded to him/her.

**SECTION 100. Usufructuary Right of ARBs.** Notwithstanding Section 108 of this A.O., the ARBs have the right of usufruct over the land from the time the DAR takes constructive or actual possession of the same until the award of a CLOA.

Pending the award of the CLOA and for the purpose of establishing usufructuary rights, the DAR, upon issuance of the COD and upon actual possession of the land, shall immediately inform the ARBs that they have been identified and qualified to receive the land.

**SECTION 101. Labor-Related Issues not a Deterrence to the Acquisition and Distribution of Landholding.** The existence of labor-related issues between the LO and the farmworkers, including questions on ownership of the subject landholding and payment of just compensation, shall in no case deter or delay the process of land acquisition and distribution.

**SECTION 102. When Other Rights and Obligation of ARBs Commence.** The rights of the ARBs, other than the usufructuary rights provided in Section 100 hereof, and their responsibilities shall commence from their receipt of a certified true copy of the duly registered Certificate of Land Ownership Award (CLOA) and actual physical possession of the awarded property. The following are the obligations of ARBs:

- a. All ARBs shall exercise diligence in the use, cultivation, and maintenance of the land, including the improvements thereon. Negligence, misuse, or unauthorized sale of the land or misuse of any support extended to an ARB shall be a ground for the forfeiture of one's right as an ARB.

- b. Amortization payments shall commence one (1) year from the date of actual occupancy of the ARB, provided that the CLOA has already been registered. Subject to existing rules on computation of amortization based on the principle of affordability and provision for government subsidy, ARBs shall have the obligation to pay the LBP in thirty (30) annual amortizations with interest at six percent (6%) per annum, unless the ARB opts to accelerate payment. Amortizations shall not include interest due for the delay in payment of just compensation to the LOs.
- c. ARBs shall have the obligation to pay the real property taxes due on their awarded lands.

Furthermore, lands awarded to ARBs under this Act may not be sold, transferred, or conveyed, except through hereditary succession or to the Government, or to the LBP, or to other qualified beneficiaries within a period of ten (10) years and while the amortization payments have yet to be fully paid; provided, however, that the children or the spouse of the transferor shall have a right to repurchase the land from the government or the LBP within a period of two (2) years from the date of transfer.

**SECTION 103. Real Property Tax Liability of ARB Cooperative.** The ARB Cooperative/Association may assume the responsibility of paying the local government unit (LGU) the real property tax (RPT) due on collectively awarded land, subject to the provisions of the Cooperative Code of the Philippines.

**SECTION 104. Facilities for Common Use and Award.** Land improvements and facilities that are not property of public dominion, such as private roads and bridges, warehouses, and the like, which are for common use and benefit as may be defined by DAR, shall be transferred to all of the ARBs in the landholding through a Farmers' Association or Cooperative, or in the absence thereof, through co-ownership, and equally shared payments covered under either individual or collective land amortizations, as the case may be.

**SECTION 105. Award to Qualified Spouses.** Agricultural lessees and tenants, regular farmworkers, and other qualified beneficiaries such as seasonal farmworkers, other farmworkers, actual tillers/occupants of public lands (only insofar as untitled private agricultural landholdings are concerned), members of collectives or cooperatives of the above beneficiaries, and others directly working on the land who are husband and wife may be entitled to three (3) hectares each, provided that they qualify as ARBs in their own individual right and that their respective vested rights to the land have been duly established. A separate CLOA shall be issued to each spouse in such cases.

For legally married spouses, the names of both husband and wife shall appear in the CLOA and shall be preceded by the word "spouses". Should the couple qualify as individual ARBs, their names shall be registered in the title, to wit: Juan married to Maria or Maria married to Juan to indicate that the first name is the awardee. In the case of a common-law relationship, the names of both parties shall likewise appear in the CLOA with the conjunctive word "and" between their names. Should they likewise qualify as individual ARBs, their names shall be registered without the other. The same provisions shall apply in cases where the married ARBs or ARBs in a common-law relationship are

covered by a collective/co-ownership CLOA and their names are annotated at the back of the said CLOA.

For purposes of ARB inventory and reporting, spouses or parties whose names appear in a single CLOA shall be counted as one ARB.

**SECTION 106. Ministerial Duty of ROD in CARP Implementation.** It is the ministerial duty of the ROD to:

1. Issue the title of the land in the name of the Republic of the Philippines, after the LBP has certified that the claim proceeds have been deposited in the name of the LO constituting full payment in cash and bonds, with due notice to the LO;
2. Register the CLOA generated by DAR;
3. Cancel previous titles pertaining thereto; and
4. Issue title for the LO's retained area and other non-CARPable areas.

**SECTION 107. Repository of Registered CLOAs.** All registered CLOAs shall be released by the ROD to the LBP as the mortgagee financing institution. The LBP shall provide two (2) sets of certified true copies of the CLOA, closely simulating the appearance, color, and paper of the same, to the PARO. The PARO shall thereafter transmit one set of the copies to the ARBs within fifteen (15) days from his/her receipt of the CLOAs. The LBP shall be the responsible repository of the encumbered CLOAs until the time of their release to the concerned ARBs upon full payment of the land amortization, and the cancellation of the encumbrance.

## **CHAPTER 11. INSTALLATION OF AGRARIAN REFORM BENEFICIARIES ON AWARDED LANDS**

**SECTION 108. ARB's Right of Possession.** As owner/s of awarded lands under CARP, the ARB/s shall take possession of the land covered by his/her/their titles from the time the same is awarded to them through a registered CLOA.

**SECTION 109. Writ of Installation.** In case taking possession of the awarded land by the ARBs would imperil or endanger their lives, the DAR shall assume responsibility for the installation of the ARB/s on the subject land with the assistance of the police or military until they are settled and in constructive and physical control of the property.

In pursuance of this mandate, the PARO may issue a Writ of Installation directing the Sheriff of the PARAD or the RARAD who has jurisdiction over the landholding, alone or with the assistance of the police or military, to conduct all necessary lawful acts to physically install the ARB/s on the subject landholding.

In case the installation activities would necessitate the provision of police and/or military forces to assist the Sheriff, the PARO shall coordinate the said activities with the



Department of National Defense-Armed Forces of the Philippines (DND-AFP) and the Department of Interior and Local Government-Philippine National Police (DILG-PNP), pursuant to the existing guidelines per Memorandum of Agreement executed by the DAR, Department of Interior and Local Government (DILG), and Department of National Defense (DND).

**SECTION 110. Continuing Responsibility.** The DAR, in cooperation with the AFP, PNP, and/or the LGU, shall ensure that installed ARBs shall continue to enjoy their right of ownership and possession over the lands awarded to them. ARBs may seek assistance from the DAR when they are facing threats, harassment, or ejection attempts by the LO or other parties. Assistance shall include, among others, the duty of the DAR to assist ARBs in reporting these cases to the police and the military, and the filing of the appropriate legal action against those responsible, if warranted. If dispossessed, the ARBs must be given assistance so that they can re-occupy their land.

**SECTION 111. Harassment of ARBs.** In the event the former LO harasses or threatens the ARB/s installed by the DAR, the affected ARB/s shall immediately report the matter to the concerned PNP and the DAR. The ARBs should be assisted by the DAR Regional/Provincial Legal Division, Public Attorney's Office (PAO), and the Office of the City/Provincial Prosecutors.

In the event that ARBs are driven out of the land against their will, the said ARBs shall take the initiative in filing a criminal case against the perpetrator, with the DAR providing legal assistance. The affected ARBs shall be re-installed notwithstanding the pendency and result of the case filed against the perpetrator conformably with A.O. No. 4, Series of 2010.

**SECTION 112. Obstruction of Landowner.** If the former LO deliberately acts to delay, stall, or obstruct the installation of the ARBs, the DAR shall initiate a criminal case against him/her for violation of Section 73 (d) of R.A. No. 6657, as amended, without prejudice to any other case that may be filed by any other person. Moreover, the DAR shall ask that the LO be held liable by the Court for actual, compensatory, and moral damages suffered by the ARB/s.

**SECTION 113. DAR Referral to DOJ.** In cases of failed installation and/or dispossession of FBs due to LO harassment, the DAR may refer the matter to the DOJ for the proper investigation of possible violation of Section 73 of R.A. No. 6657, as amended.

**SECTION 114. Protective Injunction Order.** The RD and the DAR Secretary, *motu proprio*, can grant a protective injunction order within two (2) years from the issuance of the CLOA to preserve the covered lands and ensure the peaceful and effective ownership of the ARBs. A protective injunction order may be a mandatory one to enjoin the performance of a ministerial duty sanctioned by the laws or prohibitory in nature to refrain the doing of an act that is detrimental to the rights of the parties in an agrarian controversy. The failure to comply with such an order is punishable as an obstruction to CARP implementation under Section 73 of R.A. No. 6657, as amended.

## CHAPTER 12. FINAL PROVISIONS

**SECTION 115. Power of Secretary to Suspend the Rules.** In order to serve and protect the interest of CARP implementation and justice, the DAR Secretary may suspend the rules embodied in this A.O.

**SECTION 116. Transitory Provision.** The DAR shall not be required to serve new NOCs to LOs properly served with such prior to the effectivity of these Rules. Those LOs shall be bound by the periods to exercise rights stated in the appropriate A.O.

Within thirty (30) days from the effectivity of these Rules, the MARO shall make an inventory of all NOCs previously sent but not received by the LOs. New NOCs shall then be sent to these LOs immediately, in accordance with these Rules.

**SECTION 117. Repealing Clause.** All A.O.s inconsistent herewith are hereby accordingly repealed, modified, and/or amended.

**SECTION 118. Separability Clause.** Any judicial pronouncement declaring as unconstitutional any provision of this A.O. shall have no effect on the validity of the other provisions not affected thereby.

**SECTION 119. Effectivity Clause.** These Rules shall take effect ten (10) days after its publication in two (2) newspapers of general circulation.

Diliman, Quezon City, 30 SEPT 2011.

  
VERGILIO R. DE LOS REYES  
Secretary

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Office of the Secretary



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

**CERTIFICATION**

This is to certify that DAR Administrative Order No. 7, Series of 2011 entitled **“REVISED RULES AND PROCEDURES GOVERNING THE ACQUISITION AND DISTRIBUTION OF PRIVATE AGRICULTURAL LANDS UNDER REPUBLIC ACT (R.A.) NO. 6657, AS AMENDED”** is published today, Wednesday, 05 October 2011 at Manila Times and Malaya newspapers.

Issued this 5<sup>th</sup> day of October 2011 for whatever purpose it may serve.

  
**HUGO D. YONZON III**  
Public Affairs Director