



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

DAR ADMINISTRATIVE ORDER NO. 02
Series of 2004

SUBJECT: Amendment to Administrative Order No. 13, Series of 1994 Entitled "Rules and Regulations Governing the Grant of Increment of Six Percent (6%) Yearly Interest Compounded Annually on Lands Covered by Presidential Decree (P.D.) No. 27 and Executive Order (E.O.) No. 228"

I. RATIONALE

DAR Administrative Order No. 13, Series of 1994, was issued pursuant to Presidential Agrarian Reform Council (PARC) Resolution No. 94-24-1 which approved the grant of an increment of six percent (6%) yearly interest compounded annually based on the land value as determined under the existing valuation formula. The increment enhanced the valuation of rice and corn lands covered under PD 27 and EO 228.

As provided for in AO 13, Series of 1994, the grant of the six (6) percent increment is up to November 1994 only. However, a number of landowners have not yet been paid of their lands beyond this effectivity date. In this regard, the prescribed period of computing the six percent annual interest compounded yearly is being extended from November 1994 up to the time of actual payment.

II. AMENDMENT

Item III, No. 03 of A.O. No. 13, Series of 1994, is hereby amended to read as follows:

The grant of six percent (6%) yearly interest compounded annually shall be reckoned as follows:

3.1 Tenanted as of 21 October 1972 and covered under OLT

- From 21 October 1972 up to the **time of actual payment but not later than December 2006**

3.2. Tenanted after 21 October 1972 and covered under OLT

- From the date when the land was actually tenanted (by virtue of **Regional Order of Placement issued prior to August 18, 1987**) up to the **time of actual payment but not later than December 2006**

Time of Actual Payment - is the date when the Land Bank of the Philippines (LBP) approves the payment of the land transfer claim and deposits the compensation proceeds in the name of the landowner (LO) in cash and in bonds. The release of the payment can be claimed by the landowner upon compliance with the documentary requirements for release of payment.

III. INCREMENT FORMULA:

The following formula shall apply:

For palay : $LV = (2.5 \times AGP \times P35) \times (1.06)^n$

For corn : $LV = (2.5 \times AGP \times P31) \times (1.06)^n$

Where:

LV = land value

AGP = Average Gross Production in cavan of 50 kilos
In accordance with DAR Memorandum Circular
No. 26, Series of 1973

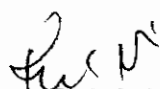
P35 = Government Support Price for palay in 1972
Pursuant to Executive Order No. 228

P31 = Government Support Price for corn in 1972
Pursuant to Executive Order No. 228

n = number of years from date of tenancy up to the
time of actual payment

This order shall take effect ten (10) days after its publication in two (2) newspapers of general circulation pursuant to Section 49 of R.A. 6657.

Diliman, Quezon City *November 4, 2004.*


RENE C. VILLA
Secretary
Department of Agrarian Reform

Published in two (2) national newspaper
of general circulation:
1. Manila Bulletin
2. The Philippine Star
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