

ADMINISTRATIVE ORDER NO. **03**  
SERIES OF 2023**SUBJECT: RULES GOVERNING THE FORFEITURE OF THE AGRARIAN REFORM  
PROGRAM AWARD**

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**PREFATORY STATEMENT**

Inherent in the power of the Department of Agrarian Reform (DAR) to undertake land distribution for Agrarian Reform purposes is its authority to identify qualified Agrarian Reform Beneficiaries (ARBs).<sup>1</sup> The identification of actual and potential beneficiaries under the Comprehensive Agrarian Reform Program (CARP) is vested in the Secretary of Agrarian Reform pursuant to Section 15 of Republic Act (R.A.) No. 6657, as amended. The administrative prerogative of the DAR to identify and select ARBs holds upon the courts.<sup>2</sup> Corollary to it is also the authority of the DAR to select a substitute to a previously designated beneficiary who may have surrendered or abandoned his claim and reallocate the land awarded to the latter in favor of the former.<sup>3</sup> The surrender or abandonment of the award may either be voluntary or involuntary. It is voluntary if the designated beneficiary intentionally relinquishes his or her status as an ARB. It is involuntary if the relinquishment is the consequence of an act or omission of the ARB violative of R.A. No. 6657, as amended, or other Agrarian Reform laws. The voluntary or involuntary relinquishment of the status of an ARB results in the forfeiture of the awarded land. Forfeiture involves the loss of all the rights and privileges derived from the status of an ARB based on a final and executory Agrarian Law Implementation (ALI) case involving the disqualification of one or more ARBs. The loss of rights includes the extinguishment of the rights of ownership and possession of the awarded land. The payments made for the award by the person, whose ARB status has been relinquished, shall constitute as rent or payment for damages arising from the forfeiture. If no full payment has been effected, the amount shall constitute as a debt obligation which must be paid to the Government.

The current rules and regulations of the Department emphasize the disqualification of the ARB as a result of acts and omissions constituting violations of R.A. No. 6657, as amended, and other Agrarian Reform laws. The policy should shift its focus on the forfeiture of the award as an ARB as the outcome of such violations. The forfeiture of the award is the cause. The disqualification of the ARB, the cancellation of the Agrarian Reform title, the extinguishment of the rights of possession and

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<sup>1</sup> Musa vs. Amor (G.R. No. 141396 - April 9, 2002).

<sup>2</sup> DAR vs. DECS (G.R. No. 158228 - March 23, 2004).

<sup>3</sup> Manuel vs. DARAB (G.R. No. 149095 - July 24, 2007).

ownership, as well as the removal of the person from the awarded land or the dismantling of any improvement found therein are mere effects of the forfeiture. It need not be belabored that forfeiture of the Agrarian Reform Program award is the very inverse of our social justice mandate. The Department must proceed with forfeiture and strip a person of the status of an ARB only in clear cases supported by uncontroverted facts. No one shall be deprived of life, liberty, or property without due process of law. We must never lose sight of the assertion that "the edicts of social justice found in the Constitution and the public policies that underwrite them, the extraordinary national experience, and the prevailing national consciousness, all command the great departments of government to tilt the balance in favor of the poor and underprivileged whenever reasonable doubt arises in the interpretation of the law."<sup>4</sup>

## **ARTICLE I DEFINITION OF TERMS**

**Section 1.** For the purpose of these Rules, unless the context indicates otherwise, the following terms are defined, thus:

### **1.1. Award**

The conferment by the Department to an individual of the status of an ARB in accordance with R.A No. 6657, as amended, Presidential Decree (P.D.) No. 27, and other Agrarian Reform laws.

### **1.2. Awarded Land**

The parcel of agricultural land which is covered by an Emancipation Patent (EP), an individual or collective Certificate of Land Ownership Award (CLOA), or other Agrarian Reform titles, the ownership and possession of which is conferred in favor of the ARB.

**1.3. Forfeiture Action** is an ALI case resulting in the disqualification of an ARB and the extinguishment of his/her rights, duties, and privileges due to his/her abandonment or surrender of the awarded land or acts and omissions constituting violations of Agrarian Reform laws.

### **1.4. Clearing Actions**

The process of removing the person(s) who is/are on the awarded land, including the removal of any and all improvements on the same. It also includes the harvest of the last crop, if any, prior to reallocation.

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<sup>4</sup> Salas vs. Cabungcal (G.R. No. 191545 - March 29, 2017).



### **1.5. Reallocation**

The process of selecting the person(s) who will be the new ARB(s) and the installation of said person(s) on the said landholding upon the finality of a decision in an ALI case in the disqualification of an ARB(s) and upon the issuance of the Agrarian Reform title in the name of the newly selected ARB(s).

### **1.6. Retitling Actions**

The process of cancelling the EP or the CLOA registered in the name of the person whose Agrarian Reform award has been forfeited and the issuance of a new title in the name of the Republic of the Philippines unless the reallocatee has already been identified.

## **ARTICLE II SCOPE AND COVERAGE**

**Section 2.** These rules shall apply to ARBs who have not complied with the ten (10) year holding period, and who have not fully paid for their awarded lands as provided under Section 27 of R.A. No. 6657, as amended. The holding period commences from their receipt of a duly registered EP or CLOA and their actual physical possession of the awarded land as provided under Section 24 of R.A. No. 6657, as amended.

## **ARTICLE III GROUNDS FOR THE FORFEITURE OF THE AWARD**

**Section 3.** The following acts or omissions, which may be undertaken by the ARB or by any person with the knowledge or consent of the ARB, shall result in the forfeiture of the award without prejudice to any civil and/or criminal action, thus:

- 3.1 Misuse of financial and support services extended to the ARB by any public or private entity as provided under P.D. No. 27, R.A. No. 6657, as amended and other Agrarian laws.
- 3.2 Misuse of the land as provided under P.D. No. 27, R.A. No. 6657, as amended and other Agrarian laws.
- 3.3 Failure to continuously exhibit the willingness, aptitude, and ability to cultivate and make the awarded land as productive as

possible as provided under Section 22 of R.A. No. 6657, as amended.

- 3.4 Illegal, premature, or other forms of unauthorized conversion punishable under R.A. No. 6657, as amended, R.A. No. 8435, and other laws.
- 3.5 Fraud or misrepresentation in any of the information or undertaking required for an application for land use conversion to be filed or actually submitted with the DAR as provided under Section 65 of R.A. No. 6657, as amended, and the pertinent rules and regulations of the DAR on conversion.
- 3.6 Unauthorized transfer of the awarded land in circumvention of P.D. No. 27, R.A. No. 6657, as amended, and other Agrarian laws.
- 3.7 Failure of the ARBs to pay at least three (3) annual amortizations to the Land Bank of the Philippines (LBP), except in cases of fortuitous events and *force majeure* as provided under Section 26 of R.A. No. 6657, as amended.
- 3.8 Any act or omission which directly or indirectly transfers ownership or possession of the awarded land to any entity without the approval of the DAR.
- 3.9 Neglect or abandonment of the awarded land continuously for a period of two (2) calendar years as provided under Section 22 of R.A. No. 6657, as amended.
- 3.10 Any act or omission constituting the malicious and willful prevention or obstruction of the implementation of the CARP.
- 3.11 Any act or omission constituting culpable neglect or the willful violation of R.A. No. 6657, as amended, P.D. No. 27, and other Agrarian laws, as well as any and all implementing rules and regulations implementing said laws including those issued by the DAR on the basis of its rule making power under Section 49 of R.A. No. 6657, as amended.

#### **ARTICLE IV EFFECTS OF FORFEITURE OF THE AWARD**

**Section 4.** The forfeiture of the Agrarian Reform award shall result in the following:

- 4.1 Termination of all the rights and privileges of an ARB prior to the forfeiture of the award.

- 4.2 Extinguishment of the rights of ownership, use, and possession of the awarded land prior to the forfeiture of the award.
- 4.3 Cancellation of the CLOA, or EP, or any other Agrarian Reform title and its registration in the name of the Republic of the Philippines or a reallocatee.
- 4.4 Removal of the person from the premises of the awarded land. This also includes the eviction of any other person or groups on the awarded land, whether or not claiming rights from the said disqualified beneficiary.
- 4.5 Removal of any and all improvements on the awarded land. The removal of other improvements on the awarded land shall be undertaken by the former ARB within a reasonable time prescribed by the DAR.

The removal of the improvements introduced by the former ARB is without prejudice to the right of the said person to harvest the last crop on the awarded land, if any. Last crop refers to what has actually been sown, planted, and nurtured by the former ARB.

- 4.6 Forfeiture of all previous payments made by the person which are to be treated as rent, or payment, or damages. Arrears in the thirty (30) year amortization under Section 26 of R.A. No. 6657, as amended, if any, as well as real property tax deficiencies shall constitute as debt obligations of the person, notwithstanding the forfeiture of the award.
- 4.7 Substitution of the disqualified ARB by a person who complies with the requirements under P.D. No. 27, R.A. No. 6657, as amended, and other Agrarian Reform laws through the process of reallocation.

The financial obligation under Section 26 of R.A. No. 6657, as amended, of the reallocatee shall be based on the original valuation of the awarded land.

## **ARTICLE V PROCEDURAL RULES FOR FORFEITURE ACTIONS**

**Section 5.** The forfeiture action shall be commenced through the filing of a verified Petition at the Office of the Regional Director by any interested party who has personal knowledge of the facts, or as may be warranted, the Provincial Agrarian Reform Program Officer (PARPO).

**Section 6.** The verified Petition shall contain the following:



- 6.1. The full name and address of the Respondent ARB(s);
- 6.2. The details of the award (date of award, date of installation, Agrarian Reform title number, area, location, type of agricultural activity on the area, occupants of and structures on the awarded land). There must be an indication of whether the CLOA is individual or collective.
- 6.3. A clear statement of the alleged specific acts or omissions of the ARB warranting the forfeiture of the award together with the evidence supporting such allegations.
- 6.4. Proof of service to the Respondent(s) of the Petition together with its attachments in accordance with the pertinent provisions of the ALI Rules on personal service, substituted service, and service by publication.

No Petition shall be accepted and docketed unless all of the aforesaid requirements are present.

**Section 7.** The Regional Director shall issue an Order requiring the Respondent ARB(s) to file a Comment on the Petition within fifteen (15) days from receipt thereof. The Regional Director may conduct hearings as may be warranted. Thereafter, the Regional Director may require the parties to submit their respective Position Papers. No Motion to Dismiss shall be entertained.

**Section 8.** The Regional Director shall order the PARPO II to conduct an on-site inspection and investigation (OSII) and may issue a Cease-and-Desist Order to preserve the *status quo ante*.

**Section 9.** The parties may be represented by Counsel.

**Section 10.** The Regional Director shall resolve the case within thirty (30) calendar days from the submission of the Position Papers of the parties and the OSII Report, if any. The decision to forfeit the award must state the manner of complying with Section 4.0. of these Rules. Only one (1) Motion for Reconsideration may be filed by the party aggrieved by the Decision.

**Section 11.** The Decision or Order of the Regional Director may be appealed to the Secretary. A Notice of Appeal must be filed with the Office of the Regional Director within fifteen (15) days from receipt of the said Decision or Order. Appeals, together with the case folder(s), shall be elevated to the Undersecretary for Legal Affairs Office (ULAO) through the Bureau of Agrarian Legal Assistance (BALA) for initial evaluation of the Appeal. The ULAO may resort to available modes of

discovery as part of the complete staff work. The ULAO shall submit its recommendation(s) to the Secretary within fifteen (15) days from receipt of the Appeal, the case folder(s), and the OSII Report, if any, as well as the completion of the CSW.

**Section 12.** The case folder/s shall contain the following:

- 12.1. The short title of the case indicating the surname of the first party named on the side of the Petitioner/Appellant, as well as the surname of the first party named on the side of the Respondent/Appellee. There is no need to include the complete names of all the parties in the cover. The docket number and the nature of the case, as well as the originating office must be indicated.

The following is an illustration of a proper label for a case folder, thus:

*Case Title : Reyes, et al. v Cruz, et al.*  
*Docket No. : 22-0001*  
*Nature : Forfeiture Action*  
*Origin : Office of the Regional Director Region IV-A*

- 12.2. A Certification as to the completeness of the case folder. The Certification should contain a statement that the preparation of the case folder has been undertaken in compliance with this Order. It shall be signed by the Regional Chief Legal Officer. The Certification and the said signature shall appear at the lower right corner of the cover of the Case Folder worded in the following manner:

*“Certification:*

*I hereby certify that this folder has been prepared in full compliance with the requirements provided in DAT Administrative Order No. \_\_ (Forfeiture Actions), Series of 2023*

*Name of Regional Chief Legal Officer :  
Signature of Regional Chief Legal Officer  
Date “ :*

- 12.3. All the documents in the folder must be properly bound. The binding material to be used may consist of staple wires, fastener, or thread.
- 12.4. The documents in the folder must be arranged chronologically in such a manner that the earliest document must be at the bottom, and the latest document must be on top of the bundle.



- 12.5. A folder should only contain a maximum of three hundred (300) leaves. Thus, resort to a second folder is made if the number of pages exceeds the stated maximum.
- 12.6. The case folder must be paginated. Each and every page of a document in the bundle must have a designated page number which should appear on the lower right corner of every page. Avoid redundant page numbers or unnumbered pages.
- 12.7. Every folder must have a Table of Contents appearing as the first page of each Folder. The Table will indicate the actual page location of every important or vital document.

**Section 13.** The Decision of the Regional Director or the Secretary, as the case may be, shall contain an instruction to the PARPO II to undertake the following:

- 13.1. Cancellation of the EP/CLOA or any Agrarian Reform title of the disqualified ARB.
- 13.2. Substitution of the disqualified ARB by a person who complies with the requirements under P.D. No. 27, R.A. No. 6657, as amended, and other Agrarian Reform through the process of reallocation. The financial obligation under Section 26 of R.A. No. 6657, as amended, of the reallocate, if any, shall be based on the original valuation of the awarded land.
- 13.3. Removal of the persons whose Agrarian Reform award was forfeited from the premises of the awarded land. This also includes the eviction of any other person or groups on the awarded land, whether or not claiming rights from the said disqualified beneficiary.
- 13.4. Removal of any and all improvements on the awarded land by the former ARB within a reasonable time prescribed by the DAR. Otherwise, the PARPO II shall cause the removal of improvements at the expense of the disqualified ARB. The removal of the improvements introduced by the former ARB is without prejudice to the right of the said person to harvest the last crop on the awarded land, if any.
- 13.5. Forfeiture of all previous payments made by the former ARB which are to be treated as rent, or payment, or damages.
- 13.6. Orientation on the duties and obligations of the new ARB to cultivate and make the awarded land productive including the regular payment of the monthly amortization and the real property tax.
- 13.7. Inform the local government unit concerned about the arrears, if any, in the payment of the real property tax of the previous ARB and



endeavor to have a settlement arrangement or a condonation of the tax obligations of the said previous ARB.

- Section 14.** Reallocatee shall state under oath before the judge of the city or municipal court as provided under Section 5 of R.A. No. 9700 that he or she is willing to make the land productive and to assume the obligation to pay the amortization and the taxes
- Section 15.** The PARPO II shall ensure that the Reallocatee shall be awarded the proper CLOA. The PARPO II shall likewise ensure that the Reallocatee shall be installed immediately on the awarded land through the proper clearing actions as provided in these Rules. The PARPO II shall report all its actions to the Field Operations Office (FOO).
- Section 16.** The Support Services Office (SSO) shall provide the necessary support services as provided under Section 37 of R.A. No. 6657, as amended, and other Agrarian Reform laws once the Reallocatee is installed on the awarded land.
- Section 17.** If the ground for the revocation is the failure to pay at least three (3) annual amortizations to the LBP, the foreclosure by the LBP of the mortgage will consist of the LBP foreclosing on the amount paid by the previous ARB and treating the same as rental or payment for damages, if any, and the treatment of the arrears of the previous ARB as a debt obligation to the Republic of the Philippines. The LBP shall then submit an initial determination of the amortization amount and schedule of payment of the Reallocatee to the DAR which shall provide said information to the Reallocatee.
- Section 18.** The retitling action which involves the cancellation of the EP or CLOA, or any Agrarian Reform title of the former ARB shall be in accordance with DAR Administrative Order (A.O.) No. 1, Series of 2018, as amended, and A.O. No. 3, Series of 2017. It is an involuntary transaction anchored on the original and exclusive jurisdiction of the Secretary of the DAR under Section 24 of R.A. No. 6657, as amended. Thus, there shall be no need for the Register of Deeds (ROD) to require the surrender of the owner's duplicate copy of the Agrarian Reform title issued to the former ARB before the proper ROD issues the title in the name of the Republic of the Philippines or the CLOA. The Final and Executory Decision of Forfeiture shall serve as the basis for the cancellation of the EP, CLOA, or any Agrarian Reform title of the former ARB.
- Section 19.** Clearing actions which include the process of evicting the disqualified ARB and other unauthorized person(s) who is/are on the awarded land, the process of dismantling any and all improvements on the same, as well as authorizing the harvest by the disqualified ARB of the last crop, shall only be undertaken when the Decision in the Forfeiture of Award Action has become final and executory through

the issuance of the necessary Orders by the Secretary or any designated Officer.

**Section 20.** The identification, screening, and selection of an ARB shall be undertaken by the PARPO II in accordance with pertinent rules and regulations.

**Section 21.** Any Agrarian Reform Title issued to a beneficiary who is a respondent in a pending forfeiture action shall contain the following annotation:

*"The rights derived from this title are subject to the final outcome of a forfeiture action docketed as (Case Number and Parties) pending before (Indicate Office) as of (Date of Issuance of New Title)"*

The PARPO II shall cause the annotation on the Agrarian Reform title.

#### ARTICLE VI MISCELLANEOUS PROVISIONS

**Section 22.** The rules on ALI cases shall have a suppletory effect in the procedure involving the forfeiture of the Agrarian Reform Program award. The Rules for the online/electronic processing of ALI cases shall be applicable in forfeiture actions.

**Section 23.** Other issuances which are inconsistent with this Administrative Order are hereby amended and/or repealed accordingly.

**Section 24.** Any judicial pronouncement declaring any provision or portion of this Administrative Order as unconstitutional shall not affect the validity of the other provisions herein.

**Section 25.** This Administrative Order shall take effect ten (10) days after its publication in at least two (2) newspapers of general circulation.

Diliman, Quezon City, JUL 03 2023

Published for General Circulation:

1. ~~Malaya Business Insight on November 27, 2023~~ CONRADO M. ESTRELLA III
2. Daily Tribune on November 27, 2023

Secretary

Department of Agrarian Reform

Office of the Secretary



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REPUBLIC OF THE PHILIPPINES

**DEPARTMENT OF AGRARIAN REFORM**

Tunay na Pagbabago sa Repormang Agraryo



## **CERTIFICATION**

This is to certify that Administrative Order No. 03, Series of 2023 entitled **“RULES GOVERNING THE FORFEITURE OF THE AGRARIAN REFORM PROGRAM AWARD”** was published last Monday, 27 November 2023, in the Malaya Business Insight and Daily Tribune newspapers.

Issued this 28th day of November 2023 for whatever purpose it may serve.

A handwritten signature in blue ink, appearing to read 'J. Demorito', is written over a faint circular stamp.

**JOSE JENIL C. DEMORITO**  
Director, Public Information Division