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INTRODUCED BY THE COMMITTEE ON AGRARIAN REFORM

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**AN ACT INSTITUTING A COMPREHENSIVE AGRARIAN REFORM PROGRAM AND PROVIDING THE MECHANISM FOR ITS IMPLEMENTATION**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

- 1           **SECTION 1. Title.** - This Act shall be known  
2 as the "Comprehensive Agrarian Reform Law of 1988".
- 3           **SEC. 2. Declaration of Principles and Policies.**  
4 - The State shall, by law, undertake an agrarian  
5 reform program founded on the right of farmers and  
6 regular farmworkers, who are landless, to own directly  
7 or collectively the lands they till or, in the case  
8 of other farmworkers, to receive a just share of  
9 the fruits thereof. To this end, the State shall  
10 encourage and undertake the just distribution of  
11 all agricultural lands, subject to such priorities  
12 and reasonable retention limits as the Congress may  
13 prescribe, taking into account ecological, develop-  
14 mental, or equity considerations, and subject to  
15 the payment of just compensation. In determining  
16 retention limits, the State shall respect the right

1 of small landowners. The State shall further provide  
2 incentives for voluntary land-sharing.

3 The State shall recognize the right of farmers,  
4 farmworkers and landowners, as well as cooperatives  
5 and other independent farmers' organizations, to partici-  
6 pate in the planning, organization, and management  
7 of the program, and shall provide support to agricul-  
8 ture through appropriate technology and research,  
9 and adequate financial, production, marketing, and  
10 other support services.

11 The State shall apply the principles of agrarian  
12 reform, or stewardship, whenever applicable, in accor-  
13 dence with law, in the disposition or utilization  
14 of other natural resources, including lands of the  
15 public domain, under lease or concession, suitable  
16 to agriculture, subject to prior rights, homestead  
17 rights of small settlers, and the rights of indigenous  
18 communities to their ancestral lands.

19 The State may resettle landless farmers and farm-  
20 workers in its own agricultural estates which shall  
21 be distributed to them in the manner provided by law.

22 By means of appropriate incentives, the State  
23 shall encourage the formation and maintenance of eco-  
24 nomic-size family farms to be constituted by individual  
25 beneficiaries and small landowners.

26 The State shall protect the rights of subsistence  
27 fishermen, especially of local communities, to the  
28 preferential use of communal marine and fishing resources,  
29 both inland and offshore. It shall provide support  
30 to such fishermen through appropriate technology and

1 and research, adequate financial, production and  
2 marketing assistance, and other services. The State  
3 shall also protect, develop and conserve such re-  
4 sources. The protection shall extend to offshore  
5 fishing grounds of subsistence fishermen against  
6 foreign intrusion. Fishworkers shall receive a just  
7 share from their labor in the utilization of marine  
8 and fishing resources.

9 The State shall be guided by the principle that  
10 land has a social function and landownership has  
11 a social responsibility. Owners of agricultural  
12 land have the obligation to cultivate directly or  
13 through labor administration the lands they own and  
14 thereby make the land productive.

15 The State shall provide incentives to landowners  
16 to invest the proceeds of the agrarian reform program  
17 to promote industrialization, employment creation,  
18 and privatization of public sector enterprises.  
19 Financial instruments used as payment for their lands  
20 shall contain easy marketability features and be  
21 honored as equity in enterprises of their choice.

22 The State shall make available uncultivated lands  
23 on a lease basis to interested and qualified parties  
24 for the development of capital-intensive, traditional  
25 and pioneering crops, subject to the prior rights  
26 of the beneficiaries under this Act.

27 CHAPTER I

28 COVERAGE

29 SEC. 3. Scope. - The Comprehensive Agrarian  
30 Reform Law of 1988 shall cover, regardless of territorial

1 arrangement and commodity produced, all public and  
2 private agricultural lands as provided in Proclamation  
3 No. 131 and Executive Order No. 229, including other  
4 lands of the public domain suitable for agriculture.

5 SEC. 4. Schedule of Implementation. - The dis-  
6 tribution of all lands covered by this Act shall  
7 be implemented immediately and completed within ten  
8 (10) years from the effectivity hereof.

9 SEC. 5. Retention Limit. - Except for land coope-  
10 ratives, corporations or associations which qualify  
11 under Section 17 of this Act, no person may own/retain,  
12 directly or indirectly, any agricultural land except  
13 that which he or she shall cultivate directly or  
14 through labor administration. The land retained  
15 by such person or family shall vary according to  
16 factors governing a viable family-size farm, such  
17 as commodity produced, terrain, infrastructure, soil  
18 fertility, and others as determined by the Presidential  
19 Agrarian Reform Council (PARC), but in no case shall  
20 retention by the landowner exceed seven (7) hectares.  
21 However, an additional three (3) hectares will apply  
22 to each direct legal heir, subject to the afore-  
23 mentioned factors. In both cases, the right to own  
24 land by the existing occupants shall not be prejudiced.

25 Upon the effectivity of this Act, any sale, dis-  
26 position, lease, management contract or transfer  
27 of possession of private lands executed by the original  
28 landowner, covered by this Act, shall be null and  
29 void.

30 Any sale, disposition, lease, management contract

1 or transfer of possession of private lands executed  
2 by the original landowner three (3) months prior  
3 to the effectivity of this Act shall be null and  
4 void: Provided, however, That those executed prior  
5 to such period shall be valid only when registered  
6 with the Register of Deeds within a period of three  
7 (3) months after the effectivity of this Act. All  
8 Registers of Deeds shall inform the Department of  
9 Agrarian Reform (DAR) within thirty (30) days of  
10 any transaction involving agricultural lands in excess  
11 of seven (7) hectares.

12 **SEC. 6. Distribution Limit.** - No qualified bene-  
13 ficiary may own more than three (3) hectares of agri-  
14 cultural land: Provided, however, That the bene-  
15 ficiaries may organize themselves into a cooperative  
16 pursuant to Section 18 of this Act.

17 **SEC. 7. priorities.** - The guiding principle in  
18 the implementation of the program shall be the readi-  
19 ness of the beneficiaries to work the land and make  
20 such land productive. Consequently, the following  
21 lands shall be distributed to the beneficiaries in  
22 the following order:

23 **Phase One:** Alienable and disposable public lands,  
24 and all private lands abandoned or  
25 which have remained idle for at least  
26 three (3) years before the effectivity  
27 of this Act; private landholdings  
28 voluntarily offered by the owners  
29 for agrarian reform; sequestered  
30 properties as determined by the courts

1 and foreclosed properties where  
2 ownership is already consolidated;  
3 all arable public lands under agro-  
4 forest, pasture and agricultural  
5 leases already cultivated and planted  
6 to crops, in accordance with Section  
7 6, Article XIII of the Constitution.

8 **Phase Two:** Public lands shown suitable for  
9 opening to new cultivation, with  
10 due consideration to maintaining  
11 areas reserved for water and envi-  
12 ronmental protection; and private  
13 agricultural lands in excess of  
14 fifty (50) hectares, insofar as  
15 the excess hectareage is concerned.

16 **Phase Three:** All other private landholdings,  
17 starting from large estates and  
18 proceeding to the medium and small  
19 landholdings.

20 The schedule of acquisition and redistribution  
21 of all agricultural lands covered by this program  
22 shall be made in accordance with the above order  
23 of priorities which shall be provided in the imple-  
24 menting rules to be prepared by the Presidential  
25 Agrarian Reform Council (PARC), taking into consi-  
26 deration the following: the need to distribute  
27 lands to the tillers at the most practicable time  
28 possible, the need to enhance agricultural productivity,  
29 and the availability of funds and resources to imple-  
30 ment and support the program.

1           **SEC. 8. Beneficiaries.** - The lands covered  
2 by the agrarian reform program shall be distributed  
3 to the beneficiaries in the following order of priority:  
4 Provided, That no one shall qualify to be a bene-  
5 ficiary unless he is landless, and; Provided, further,  
6 That the beneficiaries shall, as much as possible,  
7 be residents of the same barangay or municipality  
8 of subject lands;

- 9           (1) agricultural share tenants;
- 10          (2) agricultural lessees;
- 11          (3) regular farmworkers;
- 12          (4) seasonal farmworkers;
- 13          (5) other farmworkers;
- 14          (6) actual tillers of abandoned lands;
- 15          (7) actual tillers or occupants of public lands;
- 16          (8) collectives or cooperatives of the above
- 17             beneficiaries; and
- 18          (9) other direct workers who are deprived
- 19             of access and control over agricultural lands.

20           This provision shall not benefit those bene-  
21 ficiaries who, after due judicial determination,  
22 have been found to have previously abandoned or  
23 waived the rights that they might have otherwise  
24 acquired through this Act.

25           The occupation of agricultural land, whether  
26 private or public, prior to the effectivity of this  
27 Act shall not be a bar to being a beneficiary of  
28 this program, unless such occupation has been declared  
29 illegal by final judgment; Provided, further, That  
30 beneficiaries under Presidential Decree No. 27 who

1 have culpably sold or abandoned their land are  
2 disqualified to become beneficiaries under this  
3 program.

4 For purposes of this Act, a landless beneficiary  
5 is one who owns less than three (3) hectares of  
6 agricultural land which is not sufficient for a  
7 family-size farm.

8 **SEC. 9. Areas Exempted from Land Distribution.**

9 - Lands actually and exclusively used and found  
10 to be necessary for national defense, school sites  
11 and campuses, church sites and convents appurtenant  
12 thereto, mosque sites and Islamic centers appurte-  
13 nant thereto, penal colonies, government and pri-  
14 vate research and quarantine centers and all lands  
15 with eighteen percent (18%) slope and over, shall  
16 be exempt from the coverage of this Act. Upon  
17 proper application the DAR shall also exempt, from  
18 the land distribution requirements of this Act,  
19 lands devoted to:

- 20 (1) Vegetable farming and cut-flower farming;  
21 (2) Aquaculture and non-tenanted orchards;  
22 Provided, That they are capital-intensive  
23 or of long gestation period, and: Provided,  
24 further, That in the case of corporate  
25 exemptees they must undertake to share  
26 technology with their regular workers  
27 and assist in their training and in the  
28 formation of cooperatives;  
29 (3) Poultry, piggery and livestock projects;  
30 (4) Residential, housing, commercial and indus-  
31 trial sites classified as such by the



1 municipal and city development councils  
2 as already approved by the Housing and  
3 Land Use Regulatory Board in their res-  
4 pective zoning development plans;

5 (5) Lands devoted to athletic and recreational  
6 facilities; and

7 (6) Sites of duly registered foundations for  
8 the poor and the underprivileged, and  
9 rehabilitation centers and livelihood  
10 centers for drug addicts.

11 Provided, That if the purpose for which the  
12 exemptions were granted no longer exists, such  
13 areas shall automatically be subject to land dis-  
14 tribution.

15 SEC. 10. Homestead Grants and Free Patents.

16 - For equity considerations upon proof satisfactory  
17 to the DAR, lands granted under homestead or free  
18 patents whose title is in the name of the original  
19 grantee or his direct descendants shall be exempt  
20 from the retention limit up to twenty-four (24)  
21 hectares.

22 SEC. 11. Compulsory Registration. - Within

23 ninety (90) days from the effectivity of this Act,  
24 all natural and juridical persons, including govern-  
25 ment entities, owning, leasing, or managing agri-  
26 cultural lands in the Philippines, except those  
27 who have already registered pursuant to Executive  
28 Order No. 229, shall file a sworn statement in  
29 the assessor's office of the municipality or city  
30 where each parcel is located, in a form prescribed  
31 by the DAR, which shall, as much as possible

1 be similar to those filed under Executive Order No.  
2 229. This shall be without prejudice to filing a  
3 single consolidated sworn statement with the office  
4 of the provincial assessor in the case of a person  
5 holding several parcels of land in different municipi-  
6 palities in a province.

7 It shall likewise be the duty of all tenants,  
8 regular and seasonal farmworkers, and other benefi-  
9 ciaries, within the date prescribed above, to register  
10 with the DAR, their names, and the names of their  
11 immediate farm household, name of the landowner or  
12 administrator, area cultivated, location, crops planted,  
13 production, tenurial status, previous land rental  
14 or compensation received, and other relevant data  
15 as may be required. Any conflict between the land-  
16 owner's registration and that of the tenant, lessee  
17 or farmworker, shall be resolved initially with the  
18 assistance of the PARC.

19 CHAPTER II

20 PRIVATE LAND ACQUISITION

21 SEC. 12. Procedure for Acquisition. - After having  
22 identified the land, the landowners and the benefi-  
23 ciaries, the DAR shall publish its decision to acquire  
24 the land and notify the owners thereof, together  
25 with the offer of the DAR to pay a corresponding  
26 value in accordance with the valuation set forth  
27 in Section 13 hereof.

28 Within fifteen (15) days from publication and

1 notice, the landowner shall signify to the DAR his  
2 acceptance or rejection of the offer.

3 If the landowner accepts the offer of the DAR,  
4 the Land Bank of the Philippines shall pay the land-  
5 owner the purchase price of the land within fifteen  
6 (15) days after he surrenders the Certificate of  
7 Title or other muniments of title and other relevant  
8 documents required by the DAR and the Land Bank of  
9 the Philippines.

10 In case of rejection or failure to reply, the  
11 DAR shall conduct summary administrative proceedings  
12 to determine the compensation for the land by requiring  
13 the landowner, the Land Bank of the Philippines and  
14 other interested parties to submit evidence as to  
15 the just compensation for the land, within fifteen  
16 (15) days from the receipt of the notice. After the  
17 expiration of the above period, the matter is deemed  
18 submitted for decision. The DAR shall decide the  
19 case within thirty (30) days after it is submitted  
20 for decision.

21 Within fifteen (15) days from the receipt of  
22 the decision on just compensation, the Land Bank  
23 of the Philippines shall establish a trust fund for  
24 the landowner concerned in the amount decided, and  
25 notify the landowner and the Department of Agrarian  
26 Reform of its establishment.

27 After the establishment of the trust fund or  
28 receipt by the DAR of the landowner's acceptance  
29 of the offer, it shall take immediate possession of the land.  
30 Upon formal notification by the Department of Agrarian

1 Reform, the Register of Deeds shall issue a Transfer  
2 of Certificate of Title in the name of the Republic  
3 of the Philippines. Thereupon, the DAR shall start  
4 with the redistribution of the land to the qualified  
5 beneficiaries.

6 Any party who disagrees with the decision may  
7 bring the matter to the court of proper jurisdiction  
8 for final determination of just compensation.

9 The rights and responsibilities of ownership  
10 by the beneficiary shall commence at the time the  
11 DAR takes possession of the land. Ownership shall  
12 be evidenced by a Certificate of Ownership Award.

13 SEC. 13. Land Valuation and Mode of Compensation.

14 - The Land Bank of the Philippines shall compensate  
15 the landowner in such amount as may be agreed upon  
16 by the landowner and the DAR, or as may be finally  
17 determined by the court as the just compensation  
18 for the land, which shall be exempt from payment  
19 of capital gains tax.

20 The compensation shall be paid in one of the  
21 following modes, at the option of the landowner:

22 (1) Cash payment, under the following terms  
23 and conditions:

24 For land seven (7) - Fifty percent (50%) downpayment,  
25 hectares and below the balance to be paid in  
26 government financial instruments  
27 negotiable at any time.

28 For lands above - Forty percent (40%) downpayment,  
29 seven (7) hectares the balance to be paid in go-  
30 and up to twenty- vernment financial instruments  
31 four (24) hectares negotiable at any time.

1 For lands above - Thirty-five percent (35%)  
2 twenty-four (24) downpayment, the balance to  
3 hectares and up to be paid in government financial  
4 fifty (50) hectares instruments negotiable at  
5 any time.

6 For lands above - Thirty percent (30%) downpay-  
7 fifty (50) hectares ment, the balance to be paid  
8 in government financial instru-  
9 ments negotiable at any time.

10 (2) Exchange for shares of stocks in government-  
11 owned corporations, Land Bank of the Philippines  
12 preferred shares, physical assets or other qualified  
13 investments in accordance with guidelines set by  
14 the PARC;

15 (3) Direct payment in cash or in kind by bene-  
16 ficiaries, with terms mutually agreed upon by the  
17 beneficiaries and landowners subject to confirmation  
18 by the DAR;

19 (4) Payment in the form of tax credits which  
20 can be used against any government tax liability;

21 (5) Payment in the form of financial instruments  
22 which can be negotiated at any time as:

23 a. Collateral for loans at full value with  
24 government banks;

25 b. Substitutes for bail and other judicial  
26 bonds required by courts and quasi-judicial  
27 bodies, and surety bonds required by govern-  
28 ment institutions;

29 c. Payment for various taxes, import duties  
30 and other payments to government: Provided,

31 That the use of these bonds for these pur-  
32 poses will be limited to a certain percentage  
33 of the outstanding balance of the financial

1 instruments: Provided, further, That only  
2 a percentage of the tax due shall be payable  
3 in financial instruments: Provided, further-  
4 more, That a discount will be applied to  
5 the bonds used as payment if the payment  
6 results in accelerated liquidation of the  
7 bonds, and: Provided, finally, That the  
8 PARC shall determine the percentages and  
9 discounts mentioned above;

10 d. Substitute for bank legal reserves required  
11 by law: Provided, That such reserves as  
12 may become loanable funds because of sub-  
13 stitution by these financial instruments shall  
14 be used for loans to agrarian reform benefi-  
15 ciaries, agricultural projects in general,  
16 and such other projects as may be approved  
17 by the Board of Investments;

18 e. Payment for equity in government-controlled  
19 assets and listed corporations and other  
20 publicly listed companies for as long as  
21 these corporations agree;

22 f. Payment for tuition fees in all government  
23 universities, colleges, trade schools, and  
24 other institutions;

25 g. Payment for fees in government hospitals;

26 h. Exchange for government-owned shares in corpo-  
27 rations under privatization.

28 The government shall take appropriate measures  
29 to ensure the market value and negotiability of such  
30 financial instruments.

1           SEC. 14. Lands Unpaid Under Presidential Decree  
2       No. 27. - The mode of payment for lands whose values  
3       have already been determined under the Operation  
4       Land Transfer of Presidential Decree No. 27, where  
5       at least partial payment has been made, shall be  
6       maintained. Otherwise, the provisions on valuation  
7       and mode of payment of this Act shall apply.

8           SEC. 15. Assistance to Landowners. - Landowners  
9       affected by this Act shall be assisted and provided  
10       with the following services by the Land Bank of  
11       the Philippines:

12           (1) Investment and management information  
13       and counselling assistance;

14           (2) Conversion or exchange of bonds to govern-  
15       ment stocks or government assets;

16           (3) Marketing of Land Bank bonds;

17           (4) Other services to utilize productively  
18       the proceeds of sale of lands to the government.

19           SEC. 16. Incentives to Economic-Size Farms.

20       - Economic-size farm cooperatives constituted by  
21       individual beneficiaries and small landowners shall  
22       be given priority in the delivery of assistance  
23       and support services such as concessional loans,  
24       technology, management and marketing services.

25           CHAPTER III

26           VOLUNTARY LAND TRANSFER, OWNERSHIP  
27           PATTERNS AND PROFIT

28           SEC. 17. Corporate Landowners. - Corporate  
29       landowners may voluntarily transfer ownership over

1 their agricultural landholdings to the Republic  
2 of the Philippines pursuant to Section 12 hereof  
3 or to qualified beneficiaries under such terms and  
4 conditions, consistent with this Act, that they  
5 may agree upon, subject to confirmation by the DAR.

6 Upon certification by the DAR, corporations  
7 owning agricultural lands may give their qualified  
8 beneficiaries the right to purchase such proportion  
9 of the capital stock of the corporation that the  
10 agricultural land, actually devoted to agricultural  
11 activities, bears in relation to the company's total  
12 assets, under such terms and conditions as may be  
13 agreed upon by them. In no case shall the compen-  
14 sation received by the workers at the time the shares  
15 of stocks are distributed be reduced. The same  
16 principle shall be applied to associations, with  
17 respect to their equity or participation.

18 Corporations or associations which voluntarily  
19 divest a proportion of their capital stock, equity  
20 or participation to their workers or other qualified  
21 beneficiaries under this section shall be deemed  
22 to have complied with the provisions of this Act.  
23 Provided, That the following conditions are complied  
24 with:

25 a) In order to assure the right of benefi-  
26 ciaries who own shares of stocks to dividends and  
27 other financial benefits, the books of the corpo-  
28 ration or association shall be subject to periodic  
29 audit by certified public accountants authorized  
30 by the beneficiaries;



1           b) Irrespective of their equity in the corpo-  
2 ration or association, the beneficiaries shall be  
3 assured of at least one (1) representative in the  
4 board of directors of the corporation or association;  
5 and

6           c) Any transfer of shares of stocks by the  
7 original beneficiaries shall be void ab initio unless  
8 ~~said~~ transaction is in favor of a qualified and re-  
9 gistered beneficiary.

10           Shares of stocks acquired by such workers and  
11 beneficiaries shall have the same rights and features  
12 as all the other shares.

13           If within two (2) years from the approval of  
14 this Act, the land or stock transfer envisioned  
15 above is not made or realized, the agricultural  
16 land of the corporate landowners or corporation shall  
17 be subject to the compulsory coverage of this Act.

18           SEC. 18. Collective or Individual Ownership.

19           - While tenanted lands shall be transferred to the  
20 beneficiaries, individually or collectively, at  
21 the option of the beneficiaries, the government  
22 shall encourage the beneficiaries to form coopera-  
23 tives. The beneficiaries in lands under labor admi-  
24 nistration shall also be encouraged to form coope-  
25 ratives or corporations, which can then own the  
26 lands collectively, even beyond the retention limit  
27 of seven (7) hectares. The individual members of  
28 such cooperatives or corporations shall be provided  
29 with homelots and small farmlots for family use  
30 taken out from the land of the cooperatives.

1 SEC. 19. Production and Income-Sharing. - Pending  
2 final land transfer, individuals or entities owning,  
3 or operating under lease or management contract, agri-  
4 cultural lands are hereby mandated to execute a pro-  
5 duction-sharing plan with their farmworkers or farm-  
6 workers' organization, if any, whereby at least two  
7 and one-half percent (2.5%) of the gross sales from  
8 the production of such lands are distri-  
9 buted as compensation to regular and seasonal farm-  
10 workers over and above the compensation they currently  
11 receive: Provided, That these individuals or entities  
12 realize gross sales in excess of Five million pesos  
13 per annum: Provided, further, That such individuals or enti-  
14 ties are not obligated to pay more than one hundred  
15 percent (100%) over the regular and annual compensation  
16 of the farmworkers.

17 To forestall disruption in the normal operation  
18 of lands to be turned over to regular farmworkers,  
19 a transitory period, the length of which may be deter-  
20 mined by the DAR, will be established. During the  
21 transitory period, at least two and one-half percent  
22 (2.5%) of the gross sales from the production and  
23 cultivation of the land will be distributed to the  
24 original management group as compensation for tran-  
25 sitory management functions performed.

26

#### CHAPTER IV

27

#### UTILIZATION AND CONSERVATION

28

SEC. 20. Leases, Mortgages, Usufructs and Other

29

Claims. - Valid leases, mortgages, usufructs and

1 other claims on lands covered by the program and  
2 registered with the Register of Deeds prior to the  
3 approval of this Act may continue under their original  
4 terms and conditions, but in no case beyond five  
5 (5) years from its approval. Where the existing  
6 lease rentals are not acceptable to the qualified  
7 beneficiaries, such rentals shall be renegotiated  
8 with the assistance of the PARC. If the parties  
9 fail to agree, the PARC shall determine the rental.  
10 Valid leases, mortgages, usufructs and other claims  
11 registered with the Register of Deeds prior to the  
12 approval of this Act will be assumed by the government  
13 up to the extent of the landowner's compensation  
14 value as provided for in Section 13 hereof.

15 SEC. 21. Land Consolidation. - The DAR shall  
16 carry out land consolidation projects to promote  
17 equal distribution of landholdings, to provide the  
18 needed infrastructures in agriculture, and to conserve  
19 soil fertility and prevent erosion.

20 SEC. 22. Payment of the Land. - Lands acquired  
21 and redistributed by the government shall be sold  
22 to the beneficiaries in accordance with its acquisition  
23 cost. All previous land rentals and uncompensated  
24 labor shall be deducted from the resale price of  
25 the land to the beneficiary. Uncompensated labor  
26 is the difference between actual farm wages and the  
27 government mandated minimum wage including other  
28 benefits provided by law. In the event of sale,  
29 the beneficiary shall pay in seventeen (17) equal  
30 annual amortizations without interest. The first

1 payment shall be due two (2) years after resale.  
2 In no case shall the annual amortization exceed ten  
3 percent (10%) of the net value of current production.

4 **SEC. 23. Non-transferability.** - Title to land  
5 acquired under this program shall not be transfer-  
6 able for a period of ten (10) years except by heredi-  
7 tary succession, or to the government who shall hold  
8 it in trust for qualified beneficiaries. There-  
9 after, such land shall be transferable to a registered  
10 qualified beneficiary through the intercession and  
11 prior consent of the PARC: Provided, however, That  
12 the children including the spouse of the transferor  
13 shall have a right to redeem the land within a period  
14 of two (2) years.

15 **SEC. 24. Support Services.** - The government  
16 shall give highest priority in providing the following  
17 support services for the success of the agrarian  
18 reform program. For this purpose, the Office of  
19 the Executive Officer for Support Services of the  
20 program is hereby created, to coordinate and imple-  
21 ment with the DAR and the PARC in the support services  
22 component of this program, as well as to implement  
23 the following policies formulated and the rules and  
24 regulations promulgated under this Act:

- 25 (1) Irrigation facilities especially second crop  
26 or dry season irrigation facilities;
- 27 (2) Infrastructure development and public works  
28 projects in areas and settlements that  
29 come under agrarian reform, and for this  
30 purpose, to prepare the physical development

1 plan of such settlements providing suitable  
2 village and barrio sites, potable water  
3 and power resources, irrigation systems  
4 and other facilities for a sound agricultural  
5 development plan;

6 (3) Government subsidies for the use of irrigation  
7 facilities;

8 (4) Price support and guarantee for all agri-  
9 cultural produce;

10 (5) Extending the necessary credit like conces-  
11 sional and collateral-free loans for agro-  
12 industrialization to small landowners and  
13 farmer-groups based on social collaterals  
14 like the guarantee of farmers' organizations;

15 (6) Assigning sufficient numbers of agricultural  
16 extension workers to farmers' organizations;

17 (7) Investing in the research, development and  
18 dissemination of low-cost and ecologically  
19 sound farm inputs and technologies to mini-  
20 mize reliance on expensive and imported  
21 agricultural inputs;

22 (8) Development of cooperative management skills  
23 through intensive training; and

24 (9) Assistance in the identification of ready  
25 markets for agricultural produce and training  
26 in other various aspects of marketing.

27 In order to cover the expenses and cost of expert  
28 services, at least twenty-five percent (25%) of all  
29 appropriations for agrarian reform shall be immediately  
30 set aside and made available for this purpose.

1           SEC. 25.   Land Rent Limits. - Pending final  
2 land transfer, land rent shall be determined by the  
3 DAR in accordance with existing laws on land rentals.

4           SEC. 26.   Special Areas of Conc. n. - As an  
5 integral part of the comprehensive agrarian reform  
6 program, the following principles in these special  
7 areas of concern shall be observed:

8           (1) Lands Leased to the Multinationals - All  
9 lands currently under the control of multinational  
10 corporations must revert back to Filipinos and their  
11 ownership and management transferred collectively  
12 to the direct producers;

13           (2) Subsistence Fishing - Small fisherfolk inclu-  
14 ding seaweed farmers should be assured of greater  
15 access to management over water resources;

16           (3) Lands of Indigenous Communities - The right  
17 of indigenous cultural communities to their ancestral  
18 lands shall be protected to ensure their economic,  
19 social and cultural well-being. In line with the  
20 concept of self-determination and autonomy, the systems  
21 of land ownership, land use, and the modes of settling  
22 land disputes of all indigenous communities must be  
23 recognized and respected;

24           (4) Logging and Mining Concessions - Subject  
25 to the requirement of a balance ecology and conser-  
26 vation of water resources, suitable areas, as deter-  
27 mined by the Department of Environment and Natural Resources  
28 (DENR), in logging, mining and pasture areas must  
29 be opened up for agrarian settlements whose benefi-  
30 ciaries will be required to undertake reforestation

1 and conservation production methods. Subject to exist-  
2 ing laws, rules and regulations, settlers and members  
3 of tribal communities must be allowed to enjoy and  
4 exploit the products of the forests other than timber  
5 within the logging concessions;

6 (5) Sparsely Occupied Public Agricultural Lands

7 - Sparsely occupied agricultural lands of the public  
8 domain will be surveyed, proclaimed and developed  
9 as farm settlements for qualified landless people  
10 based on an organized program to ensure their orderly  
11 and early development.

12 Agricultural land allocations will be made for  
13 ideal family-size farms as determined by the PARC.  
14 Pioneers and other settlers will be treated equally  
15 in every respect.

16 The DAR will prepare the physical development  
17 plan of the settlement to include suitable village  
18 and barrio sites, potable water sources, lighting  
19 facilities, irrigation systems and an agricultural  
20 development plan.

21 Subject to the prior rights of qualified benefi-  
22 ciaries, uncultivated lands of the public domain will  
23 be made available on a lease basis to interested and  
24 qualified parties. Parties who will engage in the  
25 development of capital-intensive, traditional or  
26 pioneering crops will be given priority.

27 The lease period, which shall not be more than  
28 fifty (50) years shall be proportional to the amount  
29 of investment and production goals of the lessee.  
30 A system of evaluation and audit will be instituted.

1           (5) Idle, Abandoned, Foreclosed and Sequestered  
2 Lands - Idle, abandoned, foreclosed and sequestered  
3 lands will be physically planned for distribution  
4 as homelots and family-size farmlots to actual occu-  
5 pants. If land area permits, other landless families  
6 will be accommodated in these lands.

7           Lands covered by this Act may be used as collat-  
8 erals by the beneficiaries for all loans granted by  
9 any banking institution. All lands foreclosed by  
10 banks from beneficiaries of this Act may be redeemed  
11 by the government upon presentation of the correspond-  
12 ing instruments of ownership to the proper government  
13 agencies concerned, subject to the General Banking  
14 Act. Lands foreclosed before or after the effectivity  
15 of this Act shall be owned by the bank until such  
16 time that these lands are acquired by the government.

17           (7) Rural Women - All qualified women members  
18 of the agricultural labor force must be guaranteed  
19 and assured equal rights to ownership of the land,  
20 equal shares of the farm's produce, and representation  
21 in advisory or appropriate decision making bodies.

22           (8) Veterans and Retirees - In accordance with  
23 Section 7 of Article XVI of the Constitution, landless  
24 war veterans and veterans of military campaigns, their  
25 surviving spouses and orphans, retirees of the Armed  
26 Forces of the Philippines and the Integrated National  
27 Police, returnees, surrenderees, and similar benefi-  
28 ciaries shall be given due consideration in the dispo-  
29 sition of agricultural lands of the public domain.



1       (9) Agriculture Graduates - Graduates of agri-  
2 cultural schools who are landless shall be assisted  
3 by the government, through the DAR, in their desire  
4 to own and till agricultural lands.

5       SEC. 27. The Presidential Agrarian Reform Council  
6 (PARC). - Unless otherwise provided in this Act, the  
7 provisions of Executive Order No. 229 regarding the  
8 organization and the administrative jurisdiction of  
9 the Presidential Agrarian Reform Council (PARC) shall  
10 remain in effect.

11       SEC. 28. Quasi-Judicial Powers of the Department  
12 of Agrarian Reform (DAR). - The DAR is hereby vested  
13 with primary jurisdiction to determine and adjudicate  
14 agrarian reform matters, and shall have exclusive  
15 original jurisdiction over all matters involving the  
16 implementation of agrarian reform, except those falling  
17 under the exclusive jurisdiction of the Department  
18 of Agriculture and Food (DAF) and the Department of  
19 Environment and Natural Resources (DENR).

20       The DAR shall issue subpoena, subpoena duces  
21 tecum and writs to enforce its orders and decisions.

22       Responsible farmer leaders shall be allowed to  
23 represent themselves, their fellow farmers, or their  
24 organizations in any proceedings before the DAR: Provided,  
25 however, That when there are two or more representa-  
26 tives for any individual or group, the representatives  
27 should choose only one among themselves to represent  
28 such party or group before any DAR proceedings.

29       Unless appealed to the court, the decision of  
30 the DAR shall be immediately final and executory.

1 CHAPTER

2 FINANCING

3 SEC. 29. Funding Source. - The initial amount  
4 needed to implement this Act for the period of ten  
5 (10) years upon approval hereof shall be funded from  
6 the Agrarian Reform Fund created under Sections 20  
7 and 21 of Executive Order No. 229.

8 In addition, a portion of amounts accruing to  
9 the Philippines from all sources of official foreign  
10 aid grants and concessional financing from all countries,  
11 including peso proceeds from the U.S. Public Law 480  
12 Program, the amount to be determined by the President,  
13 shall be used to augment the fund for the specific  
14 purposes of financing production credits, infrastructures,  
15 and support services required by the program.

16 SEC. 30. Land Bank of the Philippines. - The  
17 Land Bank of the Philippines shall be the financing  
18 arm of agrarian reform. As such, it shall be an attached  
19 agency to the Department of Agrarian Reform. The Sec-  
20 retary of Agrarian Reform shall be its chairman.

21 CHAPTER VI

22 GENERAL PROVISIONS

23 SEC. 31. Prohibited Acts and Penalties. - Any  
24 person who knowingly and willfully violates the provi-  
25 sions of this Act shall be punished by imprisonment  
26 of not less than one (1) month to not more than two  
27 (2) years or a fine of not less than One thousand pesos  
28 (P1,000.00) and not more than Five thousand pesos (P5,000.00),  
29 or both, at the discretion of the court.

1           SEC. 32. Immunity of Government Agencies from  
2 Undue Interference. - No injunction, restraining order,  
3 prohibition or mandamus shall be issued by the lower  
4 courts against the Department of Agriculture and Food  
5 (DAF), the Department of Environment and Natural Re-  
6 sources (DENR), and the Department of Justice in their  
7 implementation of the program.

8           SEC. 33. Preferential Attention in Courts. -  
9 All courts in the Philippines, both trial and appellate,  
10 are hereby enjoined to give preferential attention  
11 to all cases arising from or in connection with the  
12 implementation of the provisions of this Act.

13           SEC. 34. Final Adjudication. - All cases pending  
14 in court arising from or in connection with the imple-  
15 mentation of this Act shall continue to be heard,  
16 tried and decided into its finality, notwithstanding  
17 the expiration of the ten-year period mentioned in  
18 Section 4 hereof. After the final decision has been  
19 rendered and implemented, the remaining proceedings,  
20 if any, for the implementation of the provisions of  
21 this Act, shall continue until they are finally com-  
22 pleted in accordance with this Act.

23           SEC. 35. Assistance of Other Government Entities.  
24 - The PARC in the exercise of its functions is hereby  
25 authorized to call upon the assistance and support  
26 of other government agencies, bureaus and offices,  
27 including government-owned or controlled corporations.

28           SEC. 36. Payment of Beneficiaries. - Payments  
29 made by the beneficiaries of lands acquired under  
30 this Act shall be governed by Executive Order No.  
31 229, series of 1987.

1           SEC. 37. Farmers' Cooperatives. - The DAR shall  
2 promote and help organize cooperatives of agrarian  
3 reform beneficiaries and also of small landowners, when  
4 so requested by latter, with priority to the benefi-  
5 ciaries.

6           SEC. 38. Training in Livelihood Projects. -  
7 The DAR is tasked with the training of beneficiaries,  
8 particularly family dependents, in all types of live-  
9 lihood projects such as raising of vegetables, poultry,  
10 piggery, and livestock projects, and the production  
11 of organic fertilizers for home gardening and the  
12 market.

13           SEC. 39. Credit Facilities. - To enable benefi-  
14 ciaries to have ready and adequate credit facility  
15 and market for their produce, the DAR will formulate  
16 the policies and establish the organizations required  
17 to accomplish these objectives and the funding to  
18 support it.

19           SEC. 40. Ancestral Lands. - The rights of indi-  
20 genous cultural communities to their ancestral lands  
21 are hereby protected to ensure their economic, social,  
22 and cultural well-being.

23           SEC. 41. Free Registration of Patents and Titles.  
24 - All Registers of Deeds are hereby directed to register,  
25 free from payment of all fees, patents, titles, and  
26 documents required for the implementation of the CARP.

27           SEC. 42. Separability Clause. - If, for any  
28 reason, any section or provision of this Act shall  
29 be held unconstitutional, the other provisions hereof  
30 shall not be affected and shall remain in full force  
31 and effect.

1           SEC. 43. Suppletory Application of Existing Legis-  
2 lations. - The provisions of Republic Act No. 3844,  
3 as amended; Presidential Decree Nos. 27 and 266, as  
4 amended; Proclamation No. 131, series of 1987; Executive  
5 Order No. 229, series of 1987; and other laws not incon-  
6 sistent with this Act shall have suppletory effect.

7           SEC. 44. Repealing Clause. - All laws, issuances,  
8 decrees or parts thereof inconsistent with the provi-  
9 sions of this Act are hereby repealed or amended accord-  
10 ingly.

11           SEC. 45. Effectivity Clause. - This Act shall  
12 take effect upon its approval.