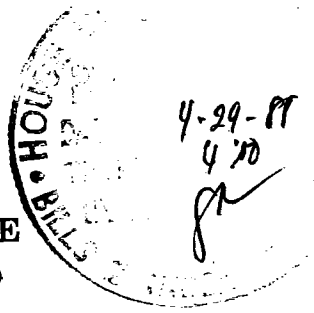


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CONGRESS OF THE PHILIPPINES }
First Regular Session



SENATE
S. No. 249

INTRODUCED BY SENATOR ALVAREZ AND THE
COMMITTEE ON AGRARIAN REFORM

AN ACT INSTITUTING A COMPREHENSIVE AGRARIAN REFORM PROGRAM TO PROMOTE SOCIAL JUSTICE AND INDUSTRIALIZATION, PROVIDING THE MECHANISM FOR ITS IMPLEMENTATION, AND FOR OTHER PURPOSES

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

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CHAPTER I

PRELIMINARY CHAPTER

SECTION 1. *Title.*—This Act shall be known as the Comprehensive Agrarian Reform Law of 1988.

SEC. 2. *Declaration of Policy.*—It is the policy of the State to pursue a Comprehensive Agrarian Reform Program (CARP) with the welfare of the landless farmers and farmworkers as the highest consideration which will promote social justice consistent with the objective of an effective and aggressive rural development policy that will propel the nation towards industrialization and the

1 establishment of owner cultivatorship of economic size
2 farms as the basis of Philippine agriculture. To this end,
3 a more equitable distribution and ownership of land, with
4 due regard to the rights of landowners to just compen-
5 sation and to the ecological needs of the nation, shall be
6 undertaken which will provide farmers and farmworkers
7 with opportunity to enhance their dignity and improve
8 the quality of their lives through greater productivity of
9 agricultural lands.

10 SEC. 3. *Definitions.*—For the purpose of this Act, unless
11 the context indicates otherwise:

12 (a) *Agrarian Reform* means distribution of lands, re-
13 gardless of crops or fruits produced, to farmers, tillers and
14 farmworkers irrespective of tenurial arrangement. It also
15 includes the totality of factors and support services
16 designed to uplift the economic status of the beneficiaries,
17 and all other interim arrangements such as profit-sharing,
18 labor administration and sales of shares of stock.

19 (b) *Agriculture, Agricultural Enterprise or Activity*
20 means the cultivation of the soil, planting of crops, growing
21 of fruit trees, raising of livestock, poultry or fish, including
22 the harvesting of such farm products; and other farm
23 activities and practices performed by a farmer in con-
24 junction with such farming operations done by persons
25 whether natural or juridical.

1 (c) *Agricultural Land* refers to land devoted to agri-
2 cultural activity as defined in this Act and is not classified
3 as mineral, forest, residential, commercial or industrial
4 land.

5 (d) *Agrarian Dispute* refers to any controversy relating
6 to tenure, terms, and conditions of agricultural employment
7 and other tenurial arrangement, whether leasehold, tenancy,
8 stewardship or otherwise, over lands devoted to agriculture,
9 including disputes concerning farmworkers associations or
10 representation of persons in negotiating, fixing, maintain-
11 ing, changing or seeking to arrange terms or conditions of
12 employment in activities or enterprises engaged in agri-
13 culture.

14 It includes any controversy relating to compensation of
15 lands acquired under this Act and other terms and con-
16 ditions of transfer of ownership from landowners to
17 farmworkers, tenants and other beneficiaries, whether the
18 disputants stand in the proximate relation of farm em-
19 ployer and employee, landowner and tenant, or lessor and
20 lessee.

21 It also embraces any matter relating to the application,
22 implementation, and interpretation of the Comprehensive
23 Agrarian Reform Program and other pertinent laws on
24 agrarian reform. However, labor disputes in agri-business

1 and agro-industrial enterprises shall continue to be govern-
2 ed by the Labor Code.

3 (e) *Idle or Abandoned Land* refers to any agricultural
4 land not cultivated, tilled or developed to produce any crop
5 nor devoted to any specific economic purpose continuously
6 for a period of three (3) years immediately prior to the
7 receipt of notice of acquisition by the Government as
8 provided under this Act, but shall not include land that has
9 become permanently or regularly devoted to non-agricul-
10 tural purposes; neither shall it include land which has
11 become unproductive by reason of *force majeure* or any
12 other fortuitous event, provided that prior to such event,
13 such land was previously used for agricultural or other
14 economic purpose.

15 (f) *Farmer* refers to an individual person whose primary
16 livelihood is cultivation of land or the production of agri-
17 cultural crops either by himself or mainly with the
18 assistance of his immediate family household, whether the
19 land is owned by him, or by another person under a
20 leasehold or share tenancy agreement/arrangement with the
21 owner thereof.

22 (g) *Farmworker* is an individual person who renders
23 service for value as an employee or laborer in an agricul-
24 tural enterprise or farm regardless of whether his com-

1 pensation is paid on a daily, weekly, monthly or *pakyaw*
2 basis. The term includes an individual whose work has
3 ceased as a consequence of, or in connection with, a pending
4 agrarian dispute and who has not obtained a substantially
5 equivalent and regular farm employment.

6 (h) *Regular Farmworker* refers to an individual person
7 who is employed on a permanent basis or as a permanent
8 seasonal worker by an agricultural enterprise or farm.

9 (i) *Other Farmworker* refers to a farmworker who is
10 not a regular farmworker such as casual or non-permanent
11 seasonal farmworker.

12 (j) *Cooperative* is a duly registered association of
13 persons with a common bond of interest and who have
14 voluntarily joined together to achieve a common socio-
15 economic end, making equitable contributions to the capital
16 required and accepting a fair share of the risks and benefits
17 of the undertaking in accordance with universally accepted
18 principles of cooperation.

19 CHAPTER II

20 COVERAGE

21 SEC. 4. *Lands Covered*.—The following lands are covered
22 by the Comprehensive Agrarian Reform Program:

23 (a) All alienable and disposable lands of the public
24 domain devoted to or suitable for agriculture; consequently,

1 no reclassification of forest or mineral lands to agricultural
2 lands shall be undertaken after the approval of this Act
3 until Congress, taking into account ecological, developmental
4 and equity considerations, shall have determined by law,
5 the specific limits of the public domain;

6 (b) All lands of the public domain in excess of the
7 specific limits of the public domain as determined by
8 Congress in the preceding paragraph;

9 (c) All other lands owned by the Government devoted to
10 or suitable for agriculture;

11 (d) All private lands devoted to or suitable for agri-
12 culture regardless of the agricultural products raised or
13 can be raised thereon;

14 (e) All lands not actually, primarily and directly
15 used, or those which the Presidential Agrarian Reform
16 Council created under Section 32 hereof, otherwise referred
17 to as the PARC, may later determine not necessary
18 for parks, wildlife, forest reserves, reforestation, fish
19 sanctuaries and breeding grounds, watersheds and man-
20 groves, national defense, school sites and campuses includ-
21 ing experimental farm stations, operated by public or
22 private schools for educational purposes, seeds and seedling
23 research and pilot production centers, penal colonies and
24 penal farms actually worked by the inmates, government

1 research and quarantine centers, and government refugee
2 centers.

3 SEC. 5. *Retention Limits.*—Except as otherwise provided
4 in this Act, citizens of the Philippines qualified to hold
5 private or public lands may own land devoted to agricul-
6 ture as defined in this Act not exceeding five (5) hectares
7 which may be a compact or contiguous area selected by the
8 owner: *Provided*, That landowners whose lands have
9 already been subject of land reform under Presidential
10 Decree No. 27 shall retain the seven (7) hectares as
11 provided therein: and *Provided, further*, That original
12 homestead grantees or their direct compulsory heirs who
13 still own the original homestead at the time of the approval
14 of this Act shall retain the same areas as long as they
15 continue to cultivate said homestead.

16 The security of tenure of the farmer/farmworkers on
17 the land prior to the approval of this Act shall be respected.

18 SEC. 6. *Commercial Farms.*—Private agricultural lands
19 devoted to commercial livestock, poultry and swine raising,
20 and aquaculture including saltbeds, fishponds and prawn
21 ponds, fruit farms, cacao, coffee and rubber plantations shall
22 be subject to immediate compulsory acquisition and distri-
23 bution after ten (10) years following the effectivity of
24 this Act; however, during the said ten-year period, the

1 Government shall take steps to acquire these lands for
2 collective distribution thereafter, to the workers upon
3 payment of just compensation for the land and the im-
4 provements thereon preferably in favor of organized coop-
5 eratives or associations, which shall thereafter manage
6 the said lands for the beneficiaries.

7 *SEC. 7. Areas of Autonomy and Ancestral Lands.—(1)*

8 Any provision of law to the contrary notwithstanding, the
9 Presidential Agrarian Reform Council (PARC) may sus-
10 pend the implementation of this Act with respect
11 to ancestral lands for the purpose of identifying and
12 delineating such lands: *Provided*, That said ancestral
13 lands as may be defined by law shall be exempt from the
14 CARP after said lands have been determined and delineated
15 by the PARC within the program period: *Provided, further*,
16 That in the autonomous regions, the respective legis-
17 latures may enact their own agrarian reform law covering
18 ancestral lands consistent with the principles enunciated
19 in this Act.

20 (2) The Department of Agrarian Reform shall expro-
21 priate, transfer and convey to the indigenous communities
22 such lands that may have been titled, transferred, dis-
23 tributed, granted or otherwise disposed of under this Act
24 in the event that said lands are judicially established and

1 declared as part of ancestral lands to be used collectively
2 according to tribal laws, customs and traditions.

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CHAPTER III

4

IMPROVEMENT OF TENURIAL AND LABOR

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RELATIONS

6 SEC. 8. *Share of Tenant and Lease Rental.*—Immediately
7 upon the approval of this Act, the share of the tenant shall
8 be eighty-five percent (85%) of the gross harvest in cash
9 or in kind while the rent paid by agricultural leaseholders
10 shall be fifteen percent (15%) in cash or in kind of the
11 average gross harvest for the last three (3) normal crop
12 years.

13 SEC. 9. *Production sharing.*—Any enterprise adopting
14 the scheme provided for in Subsection 2 of Section 28 or
15 operating under production venture, lease, management
16 contract or other similar arrangement and any farm
17 covered by Section 6 hereof is hereby mandated to execute
18 within forty-five (45) days from the effectivity of this Act
19 a production sharing plan whereby at least five percent
20 (5%) of the gross revenue from the production and/or
21 cultivation of the land is distributed at least every year
22 to employees-beneficiaries who shall remain as regular or
23 other farmworkers, over and above the compensation they
24 currently receive or to the workers cooperative or asso-
25 ciation as the case may be: *Provided, however, That in*

1 the situation contemplated under Section 28, the production
 2 sharing plan shall cease to be effective as soon as the
 3 lease/grower agreement shall have been entered into by
 4 and between the parties, and with respect to the situation
 5 contemplated under Section 6, the production sharing plan
 6 shall cease to be effective upon the transfer of the land
 7 to the workers-beneficiaries.

8 Nothing herein shall be construed to sanction the dimi-
 9 nution of any benefits such as salaries, bonuses, leaves and
 10 working conditions granted to the employees-beneficiaries
 11 under existing laws, agreements, and voluntary practice by
 12 the enterprise, nor shall the enterprise and its employees-
 13 beneficiaries be prevented from entering into any agree-
 14 ment with terms more favorable to the latter.

15 SEC. 10. *Representation in Management.*—The parties
 16 covered by Section 6 shall set up a system to protect the
 17 rights of the workers-beneficiaries by giving them adequate
 18 representation in management and at least one (1) seat
 19 in the board of directors, as well as in a management or
 20 executive committee, if one exists or is created.

21 CHAPTER IV

22 LAND ACQUISITION

23 SEC. 11. *Lands to be Acquired.*—1) All lands covered by
 24 the CARP in excess of the retention limit shall be acquired
 25 by the government for distribution to qualified beneficiaries.

1 2) If so required for the implementation of this Act,
2 the Government shall purchase all agricultural lands it
3 deems productive and suitable for farm cultivation which
4 are voluntarily offered for sale to it at a valuation to be
5 determined in accordance with this Act.

6 SEC. 12. *Registration of Landowners.*—Within one hun-
7 dred eighty (180) days from the effectivity of this Act,
8 all persons, natural or juridical, including government
9 entities, that own or claim to own agricultural lands, whe-
10 ther in their names or in the name of others, shall file a
11 sworn statement in the proper assessor's office in the form
12 to be prescribed by the Department of Agrarian Reform,
13 otherwise referred to as the DAR, stating the following
14 information:

- 15 (a) the description and area of the property;
16 (b) the average gross income from the property for at
17 least three (3) years;
18 (c) the names of all tenants and farmworkers therein;
19 (d) the crop(s) planted in the property and the area
20 covered by each crop as of June 1, 1987;
21 (e) the terms of mortgages, leases, and management
22 contracts subsisting as of June 1, 1987; and
23 (f) the latest declared market value of the land as
24 determined by the city/provincial assessor.

1 SEC. 13. *Registration of Beneficiaries.*—The DAR in
2 coordination with the Barangay Agrarian Reform Commit-
3 tee (BARC) as organized in this Act, shall register all agri-
4 cultural lessees, tenants and farmworkers who are qualified
5 to be beneficiaries of the CARP. These potential benefi-
6 ciaries with the assistance of the BARC and the DAR shall
7 provide the following data:

- 8 a) names and members of their immediate farm house-
9 hold;
- 10 b) owners/administrators of the land(s) they work on
11 and the length of tenurial relationship;
- 12 c) location and area of the land they work;
- 13 d) crops planted; and
- 14 e) their share in the harvest and/or amount of rental
15 paid or wages received.

16 A copy of the registry or list of all potential CARP
17 beneficiaries in the barangay shall be posted in the barangay
18 hall, school or other public buildings in the barangay where
19 it shall be open to inspection by the public at all reasonable
20 hours.

21 SEC. 14. *Procedure for Acquisition of Private Lands.*—
22 For purposes of acquisition of private lands, the following
23 procedure shall be followed:

1 (a) A notice of the decision of the DAR to acquire the
2 land shall be sent to the landowner by personal delivery
3 or registered mail and posted in a conspicuous place in the
4 municipal building and barangay hall of the place where
5 the property is located. Such notice shall contain an offer
6 to buy the land at a specified price.

7 (b) Within thirty (30) days from the date of receipt
8 of written notice by personal delivery or registered mail,
9 the landowner, his administrator, or representative shall
10 inform the DAR in writing of his acceptance or rejection
11 of the offer.

12 (c) In case of acceptance, the landowner shall execute
13 and deliver a deed of transfer in favor of the Government,
14 together with the certificates of title and the tax declaration
15 of the land.

16 (d) Within thirty (30) days from the execution and
17 delivery of the deed of transfer, the Land Bank of the
18 Philippines (LBP) shall pay the landowner the correspond-
19 ing compensation.

20 (e) Upon receipt by the landowner of the corresponding
21 payment or in case of rejection, upon the deposit of the
22 downpayment mentioned in subparagraph (g) hereof, the
23 DAR shall take immediate possession of the land and shall
24 request the proper Register of Deeds to issue a Transfer

1 Certificate of Title (TCT) in the name of the Republic of
2 the Philippines. The DAR shall thereafter proceed with
3 the redistribution of the land to the qualified beneficiaries.

4 (f) In case of rejection or failure of the landowner to
5 respond, the DAR shall file a petition before the Special
6 Agrarian Court, designated by the Supreme Court in accord-
7 ance with Section 45 of this Act to hear and determine in
8 a summary and expeditious manner, the just compensation
9 for the land. In determining just compensation, the Court
10 shall consider the factors enumerated in Section 17 of
11 this Act.

12 (g) Upon the deposit with a bank designated by the
13 Court of the compensation in cash or in LBP bonds in
14 accordance with this Act offered by the DAR, on its motion
15 and upon notice to the landowner, a writ of possession
16 shall be immediately issued by the Court. The DAR shall
17 henceforth have the right to distribute the land to qualified
18 beneficiaries.

19 SEC. 15. *Lands Voluntarily Offered for Sale Prior to*
20 *this Act.*—Landowners who voluntarily offered their lands
21 for sale before the passage of this Act in accordance with
22 Executive Order No. 229, Series of 1987 shall be entitled
23 to the same benefits as in Section 58 hereof, and shall be
24 entitled to twenty-five percent (25%) cash downpayment.

25 SEC. 16. *Voluntary Land Transfer.*—Landowners of agri-

1 cultural lands subject to acquisition under this Act may
2 enter into a voluntary arrangement for direct transfer of
3 their lands to qualified beneficiaries subject to the following
4 guidelines:

5 (a) All notices for voluntary land transfer must be
6 submitted to the DAR within the first year of the imple-
7 mentation of the CARP. Negotiations between the land-
8 owners and qualified beneficiaries covering any voluntary
9 land transfer which remain unresolved after two (2) years
10 shall not be recognized and such land shall instead be
11 acquired by the government and transferred pursuant to
12 this Act.

13 (b) The beneficiaries are those duly listed by the DAR
14 with preference to those who are actually working on the
15 land.

16 (c) The terms and conditions of such transfer shall not
17 be less favorable to the transferee than those of the
18 Government's standing offer to purchase from the land-
19 owner and standing offer to resell to the beneficiaries if
20 such offers have been made and are fully known to both
21 parties.

22 (d) The voluntary agreement shall include sanctions for
23 non-compliance by either party and shall be duly recorded
24 and its implementation monitored by the DAR.

CHAPTER V

JUST COMPENSATION

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3 SEC. 17. *Determination of Just Compensation.*—In deter-
4 mining just compensation, the cost of acquisition of the
5 land, the current value of like properties, its nature, actual
6 use and income, the sworn valuation by the owner, the tax
7 declarations, and the assessment made by govern-
8 ment assessors shall be considered. The social and eco-
9 nomic benefits contributed by the farmers and the
10 farmworkers and by the Government to the property as
11 well as the non-payment of taxes or loans secured from
12 any government financing institution on the said land shall
13 be considered as factors to reduce its valuation.

14 SEC. 18. *Payment of Compensation by LBP.*—Payment
15 of compensation to landowners by the Land Bank of the
16 Philippines (LBP) shall be made in the following manner:

17 (a) For lands above fifty (50) hectares, ten percent
18 (10%) cash downpayment;

19 (b) For lands between twenty-four (24) to fifty (50)
20 hectares, fifteen percent (15%) cash downpayment;

21 (c) For lands less than twenty-four (24) hectares,
22 twenty percent (20%) cash downpayment; and

23 (d) For lands voluntarily offered for sale, at least
24 twenty-five percent (25%) cash downpayment.

1 Subject to fiscal and monetary constraints, the PARC
2 may allow from time to time or on an annual basis, a
3 percentage of the cash downpayment higher or, at the
4 request or with the consent of any landowner, lower than
5 those fixed under subparagraphs a, b, and c hereof.

6 In the case of landowners with investment programs
7 approved by the PARC, the downpayment in cash may be
8 allowed at a percentage higher than those fixed under
9 subparagraph (d) of this section, provided the investment
10 program is to be carried out in the region or province
11 where the land is situated.

12 The balance shall be paid in the form of LBP bonds.

13 SEC. 19. *LBP Bonds*.—The LBP bonds shall bear market
14 rates of interest that are aligned with 91-day treasury
15 bill rates. Ten percent (10%) of the face value of the
16 bonds shall mature every year from the date of issuance
17 until the tenth (10th) year: *Provided*, That should the land-
18 owner choose to forego the cash portion whether in full or in
19 part, he shall be paid correspondingly in LBP bonds.

20 Said LBP bonds shall be transferable or negotiable and
21 may be used by the landowner, his successors in interest
22 or assigns, up to the amount of their face value for any
23 of the following:

1 (a) Payment for land or other real properties purchased
2 from the Government including assets purchased under
3 the Asset Privatization Program, and other assets fore-
4 closed by government financial institutions in the same
5 province or region where the lands for which the bonds
6 were paid are situated;

7 (b) Payment for the purchase of shares of stock of
8 government-owned or controlled corporations or shares of
9 stock owned by the Government in private corporations;

10 (c) Surety or bail bonds for the provisional release of
11 accused persons or performance bonds in all cases where
12 the Government may require or accept real property as
13 bonds;

14 (d) Security for loans with any government financial
15 institution, provided the proceeds of the loans shall be
16 invested in an economic enterprise, preferably small and
17 medium-scale industry, in the same province or region as
18 the land for which the bonds were paid;

19 (e) Such other uses as the PARC may from time to
20 time allow.

21 SEC. 20. *Replacements of Bonds Issued Under Pres-*
22 *idential Decree No. 27 as Amended.*—The compensation
23 paid or to be paid for lands acquired under Presidential

1 Decree No. 27 as amended, by the DAR before the effect-
2 ivity of this Act shall be readjusted in the following
3 manner:

4 (1) their valuation at the time of their acquisition by
5 the DAR shall remain;

6 (2) the bonds issued or to be issued by the LBP
7 in replacement of the original bonds shall include the same
8 terms, rights and privileges as provided in the preceding
9 section.

10 SEC. 21. *Payment of Compensation by Beneficiaries in*
11 *Voluntary Land Transfer.*—(1) Direct payment in cash
12 or in kind may be made by the farmer beneficiary to the
13 landowner under terms to be mutually agreed upon by
14 both parties, which shall be binding upon them, upon
15 registration with and approval by the DAR. Said approval
16 shall be considered given, unless notice of disapproval is
17 received by the farmer beneficiary within thirty (30) days
18 from the date of registration.

19 In the event they cannot agree on the price of land, the
20 procedure for compulsory acquisition as provided in para-
21 graph (f), Section 14 hereof shall apply.

22 The LBP shall extend financing to the beneficiary for
23 purposes of acquiring the land.

1 (2) Where payment is made by the Government, the
2 Land Bank of the Philippines shall compensate the land-
3 owner. In the event that no agreement is reached between
4 the landowner and the DAR on the compensation to be
5 paid, the same procedure set forth in the preceding sub-
6 section shall be observed.

7 CHAPTER VI

8 LAND DISTRIBUTION

9 SEC. 22. *Award to Beneficiaries.*—The rights and respon-
10 sibilities of the beneficiary shall commence from the time
11 the DAR makes an award of the land to him, which award
12 shall be completed within one hundred eighty (180) days
13 from the time the downpayment under subparagraph (g)
14 of Section 14 was made. Ownership of the beneficiary
15 shall be evidenced by a Certificate of Land Ownership
16 Award, which shall contain the provisos stated in Section 27
17 hereof, and shall be annotated on the corresponding
18 Transfer Certificate of Title.

19 SEC. 23. *Qualification of Beneficiaries.*—The basic qualifi-
20 cation of a beneficiary shall be his willingness, aptitude and
21 ability to cultivate and make the land as productive as
22 possible. The Government, principally through the PARC
23 and the DAR, shall adopt a system of monitoring the
24 performance of each beneficiary, to the end that any

1 beneficiary guilty of negligence or misuse of the land or
2 of any support extended to him shall forfeit his right to
3 continue as such beneficiary.

4 SEC. 24. *Priority among Beneficiaries.*—(1) Lands
5 available for distribution under this Act shall be given to
6 qualified landless persons falling under any of the follow-
7 ing categories, with those first enumerated having first
8 priority:

9 (a) Tenants or lessees of agricultural lands actually
10 tilling or working on the lands subject to distribution;

11 (b) Tenants or lessees of agricultural lands within the
12 areas retained by a landowner;

13 (c) Regular or casual farmworkers;

14 (d) Other farmworkers;

15 (e) Cooperative or other forms of collective organiza-
16 tions of the workers-beneficiaries;

17 (2) Subject to the landowner's retention right, each
18 beneficiary in the first category above shall have first
19 entitlement to ownership of the parcel of land he is
20 cultivating, or such portion thereof not exceeding the award
21 ceiling fixed in this Act. The beneficiaries in the second
22 category shall be entitled to ownership of any areas left
23 over thereafter, in parcels not exceeding the award ceiling.

1 After awarding lands to the beneficiaries in the first and
 2 second categories, then any other available areas of the
 3 land may be awarded to beneficiaries in the third category,
 4 giving higher priority to regular farmworkers, and subject
 5 to the award ceiling.

6 (3) If, due to the landowner's retention rights or to
 7 the number of tenants, lessees, or workers on the land,
 8 there is not enough land to accommodate any or some of
 9 them, they may be granted ownership of other lands avail-
 10 able for distribution under this Act, at the option of the
 11 beneficiaries.

12 (4) Farmers already in place and those not accom-
 13 modated in the distribution of privately-owned lands will
 14 be given preferential rights in the distribution of lands
 15 from the public domain.

16 SEC. 25. *Award Ceilings for Beneficiaries.*—(1) Indivi-
 17 duals who are qualified beneficiaries of agricultural lands
 18 subject to distribution under this Act may be awarded an
 19 area not exceeding three (3) hectares, which may cover a
 20 contiguous tract of land or several parcels of land cumu-
 21 lated up to the prescribed maximum award limits.

22 (2) The beneficiaries may opt for collective ownership,
 23 such as co-ownership or farmers cooperative or some
 24 other form of collective organization: *Provided*, That the

1 total area that may be awarded shall not exceed the total
2 number of co-owners or members of the cooperative or
3 collective organization multiplied by the award limit above
4 prescribed, except as provided under Sections 6 and 28
5 hereof. Title to the property shall be issued in the name
6 of the co-owners or the cooperative or collective organiza-
7 tion as the case may be.

8 SEC. 26. *Payment by Beneficiaries.*—(1) Lands awarded
9 pursuant to this Act shall be paid for by the beneficiaries
10 to the Land Bank of the Philippines (LBP) in thirty (30)
11 annual amortizations at six percent (6%) interest per an-
12 num. The payments for the first three (3) years after
13 the award shall be at reduced amounts as established by
14 the PARC: *Provided*, That the first five (5) annual pay-
15 ments shall not be more than five percent (5%) of the
16 value of the annual gross production as established by
17 the DAR. Should the scheduled annual payments after
18 the fifth year exceed ten percent (10%) of the annual gross
19 production and the failure to produce accordingly is not
20 due to the beneficiary's fault, the LBP shall reduce the
21 interest rate and/or reduce the principal obligation to make
22 the payment affordable. A two percent (2%) interest
23 rebate for prompt payment shall be granted.

1 (2) The LBP shall have a lien by way of mortgage on
2 the land awarded to the beneficiary. The mortgage
3 may be foreclosed by the LBP for non-payment of an
4 aggregate of three (3) regular annual amortizations. The
5 LBP shall advise the DAR of such proceedings and the
6 latter shall subsequently award the foreclosed landholding
7 to other qualified beneficiaries. A beneficiary whose land,
8 as provided herein, has been foreclosed shall thereafter be
9 permanently disqualified from becoming a beneficiary
10 under this Act and any other land reform law.

11 (3) In the case of voluntary land transfers, payment
12 shall be made by the beneficiary directly to the landowner
13 as provided for in Section 21 of this Act.

14 SEC. 27. *Transferability of Awarded Lands.*—(1) Except
15 through hereditary succession, the lands acquired by bene-
16 ficiaries under this Act may not be sold, transferred or
17 conveyed to any person other than to qualified beneficiaries
18 as provided in this Act, or to the Land Bank. Due notice
19 of the availability of the land shall be given by the
20 Land Bank to the Barangay Agrarian Reform Committee
21 of the barangay where the land is situated. The Provincial
22 Agrarian Reform Coordinating Committee (PARCCOM),
23 as herein provided, shall, in turn, be given due notice
24 thereof by the BARC.

1 (2) If the land has not yet been fully--paid by the
 2 beneficiary, the rights to the land may be transferred
 3 or conveyed with prior approval of the duly authorized
 4 representative of the PARC in the province to any heir of
 5 the beneficiary or to any other beneficiary who, as a
 6 condition for such transfer or conveyance, shall cultivate
 7 the land himself; failing compliance, the land shall be
 8 transferred to the Land Bank which shall give due notice
 9 of the availability of the land in the manner specified
 10 in the immediately preceding paragraph.

11 (3) In the event of such transfer to the Land Bank,
 12 the latter shall compensate the beneficiary in one lump
 13 sum for the amounts the latter has already paid, together
 14 with the value of improvements he has made on the
 15 land, plus applicable interests on these amounts at the
 16 same interest rates applicable on the LBP bonds.

17 SEC. 28. *Farms Owned and/or Operated by Corporations*
 18 *or Other Business Associations.*—In the case of farms
 19 owned and/or operated by corporations or other business
 20 associations, the following rules shall be observed by the
 21 PARC:

22 (1) In general, lands shall be distributed directly to
 23 the individual workers-beneficiaries.

1 (2) In case it is not economically feasible and sound
2 to divide the land, then it shall be owned collectively by
3 the workers-beneficiaries who shall form a workers co-
4 operative or association which will deal with the corporation
5 or business association for the purpose of entering into
6 a lease/growers agreement and for all other legitimate
7 purposes. Until a new agreement is entered into by and
8 between the workers cooperative or association and the
9 corporation or business association, any agreement exist-
10 ing at the time this Act takes effect between the former
11 and the previous landowner(s) shall be respected by both
12 the workers cooperative or association and the corporation
13 or business association.

14 SEC. 29. *Payment of Shares of Stock of Cooperative or*
15 *Association.*—Shares of stock of a cooperative or associa-
16 tion acquired by farmers-beneficiaries or workers-benefi-
17 ciaries pursuant to Subsection (2), Section 28 hereof, shall
18 be fully paid for in an amount corresponding to the
19 valuation as determined in Section 30 hereof. The land
20 owner-management and the Land Bank shall assist the
21 farmers-beneficiaries and workers-beneficiaries in the pay-
22 ment for said shares by providing credit financing schemes
23 in consonance with the interest and purposes of this Act.

1 SEC. 30. *Valuation of Lands.*—A valuation scheme for
2 the land shall be formulated by the PARC, taking into
3 account the factors enumerated in Section 17, in addition
4 to the need to stimulate the growth of cooperatives and
5 the objective of fostering responsible participation of the
6 workers-beneficiaries in the creation of wealth.

7 In the determination of a price that is just not only to
8 the individual but to the society as well, the PARC shall
9 consult closely with the owner-management and the
10 workers-beneficiaries.

11 In case of disagreement, the price so determined by the
12 PARC, if accepted by the workers-beneficiaries, shall be
13 followed, without prejudice to the owner-management's
14 right to petition the Special Agrarian Court to resolve
15 the issue of valuation in accordance with the procedure
16 outlined in paragraph (f) of Section 14 of this Act.

17 SEC. 31. *Lease, Management, Grower or Service Con-*
18 *tracts, Mortgages and Other Claims.*—Lands covered by
19 this Act under lease, management, grower or service
20 contracts, and the like shall be disposed of as follows:

21 (a) Lease, management, grower, or service contracts
22 covering government lands, and other lands of the public
23 domain devoted to existing and operational agri-business

1 or agro-industrial enterprises operated by domestic or
2 foreign or multinational corporations, covering an aggre-
3 gate area in excess of 1,000 hectares, are deemed termina-
4 ted and inoperative as to such excess as of February 2,
5 1987, and such area shall be the subject of reversion
6 proceedings three years following the effectivity of this
7 Act by the State or renegotiations among the parties
8 concerned, subject to the monitoring and approval by
9 the PARC, in accordance with this Act.

10 (b) Contracts covering areas not in excess of 1,000
11 hectares shall be allowed to continue under their original
12 terms and conditions but not beyond August 8, 1992, or
13 their valid termination whichever comes sooner, after
14 which such agreements shall continue only when con-
15 firmed by the appropriate government agency. Such
16 contracts shall likewise continue even after the land has
17 been transferred to beneficiaries and/or awardees there-
18 of under the agrarian reform program, which transfer
19 will be implemented immediately upon the effectivity
20 hereof and which shall be fully completed within a period
21 of three (3) years.

22 (c) In no case will such leases and other agreements
23 now being implemented extend beyond the end of year 1992
24 when all lands subject hereof shall have been distributed

1 completely to qualified beneficiaries and/or awardees, and
2 can only continue thereafter under a totally new agree-
3 ment between the government and/or qualified beneficiaries
4 and/or awardees, on the one hand, and said enterprises,
5 on the other.

6 (d) Lease, management, grower or service contracts
7 covering private lands may continue under their original
8 terms and conditions until the expiration of the same
9 even if such land has, in the meantime, been transferred
10 to qualified beneficiaries.

11 (e) During the transition periods, the new owners shall
12 be assisted in their efforts to learn modern technology
13 in production to prepare them for new and bigger respon-
14 sibilities in the future. Enterprises which show a willing-
15 ness and commitment and good-faith efforts to impart
16 voluntarily such advanced technology will be given pre-
17 ferential treatment but the interests of the Filipino people
18 will always be taken into account over those of foreign
19 or absentee control.

20 (f) Mortgages and other claims registered with the
21 Register of Deeds will be assumed by the government
22 up to an amount equivalent to the landowner's compensa-
23 tion value as provided herein.

CHAPTER VII

PROGRAM IMPLEMENTATION

SEC. 32. *The Presidential Agrarian Reform Council.*—

The Presidential Agrarian Reform Council, composed of 27 members is hereby created with the President of the Philippines as Chairman, the Secretary of Agrarian Reform as Vice-Chairman and the following as members: Secretaries of the Departments of Agriculture; Environment and Natural Resources; Budget and Management; Local Government; Public Works and Highways; Trade and Industry; Finance; Labor and Employment; Director-General of the National Economic and Development Authority; President, Land Bank of the Philippines; Chairman, Philippine Coconut Authority; Administrator, National Irrigation Administration; Secretary-General, PARC Secretariat; and three (3) representatives of affected landowners to represent Luzon, Visayas and Mindanao, nine (9) representatives of agrarian reform beneficiaries, three (3) each from Luzon, Visayas and Mindanao, provided that one of them shall be from the cultural communities, provided further, that they shall be selected at large from among the members of duly accredited national organizations.

1 SEC. 33. *Duties and functions of the PARC.*—In addition
2 to those mentioned elsewhere in this Act, the PARC shall:

3 (1) Formulate, develop and adopt a national plan and
4 strategy for the implementation of the Comprehensive Ag-
5 rarian Reform Program (CARP);

6 (2) Promulgate the rules and regulations for the ef-
7 fective and efficient implementation of the various program
8 components, specially those relating to the schedule and
9 priorities for acquisition and distribution;

10 (3) Coordinate the various activities and plans of the
11 government agencies involved in this program, including
12 lending programs of government financial institutions;

13 (4) Identify and generate other sources of technical
14 and financial assistance for the various CARP component
15 programs and projects;

16 (5) Call upon all government departments, bureaus,
17 offices, agencies and instrumentalities, national or local,
18 and all government lending institutions as may be neces-
19 sary to operationalize and provide support services es-
20 sential to the CARP, and require said agencies and ins-
21 trumentalities to align their policies, programs, rules and
22 regulations with the objectives of the CARP.

23 SEC. 34. *Meetings and Quorum.*—The PARC shall meet
24 regularly and the presence of a majority of the members

1 shall constitute a *quorum*.. A decision made by the ma-
2 jority of those present in a meeting duly assembled there
3 being a *quorum*, shall be deemed a decision of the PARC.

4 SEC. 35. *Compensation*.—The Chairman and members of
5 the PARC shall not receive any compensation, but shall
6 be entitled to reasonable travel and representation allow-
7 ances in connection with their attendance at meetings and
8 other official business of the PARC, chargeable against
9 the Agrarian Reform Fund herein provided.

10 SEC. 36. *Executive Committee*.—There shall be an Execu-
11 tive Committee (EXCOM) of the PARC composed of the
12 Secretary of the DAR as Chairman, and such other mem-
13 bers as the President may designate, taking into account
14 Article XIII, Sec. 5, of the Constitution. The EXCOM
15 may meet and decide on matters in between meetings of
16 the PARC: *Provided, however*, That its decision shall be
17 subject to confirmation by the PARC.

18 SEC. 37. *Secretariat*.—(1) A PARC Secretariat is hereby
19 established to provide general support and coordinative
20 services such as inter-agency linkages; program and project
21 appraisal and evaluation and general operations monitoring
22 for the PARC.

23 (2) The Secretariat shall be headed by a Secretary-
24 General with the rank of Undersecretary to be appointed

1 by the President and shall be supported by a staff whose
2 composition shall be determined by the PARC Executive
3 Committee and whose compensation shall be chargeable
4 against the Agrarian Reform Fund. All subordinate offi-
5 cers and employees of the Secretariat shall be appointed
6 by the Secretary-General who shall be under the supervision
7 of the DAR.

8 *SEC. 38. Plans and Programs for Acquisition and Distri-*
9 *bution of Lands.*—(1) The PARC in coordination with the
10 Department of Agrarian Reform (DAR) shall plan and
11 program the acquisition and distribution of all agricultural
12 lands through a period of ten (10) years from the effec-
13 tivity of this Act taking into account the following con-
14 siderations:

15 (a) Alienable and disposable lands of the public domain
16 which are and may be found to be suitable for agriculture
17 shall be distributed to landless farmers, seasonal and other
18 farm workers at the earliest practicable time after the
19 approval of this Act.

20 (b) Rice and corn areas under Presidential Decree No.
21 27; all arable agricultural lands offered for voluntary land
22 acquisition and transfer and those voluntarily offered for
23 sale; abandoned or idle lands; those lands expropriated;
24 those foreclosed by government financial institutions; those

1 agricultural lands which form part of the ill-gotten wealth
2 sequestered and recovered by the Presidential Commission
3 on Good Government and are within the disposition of the
4 Government; and those lands held or possessed by multi-
5 nationals shall be programmed for acquisition and distribu-
6 tion immediately upon the approval of this Act within a
7 period of not more than three (3) years.

8 (c) Landholdings fifty (50) hectares and above shall be
9 acquired and transferred to qualified beneficiaries not later
10 than the second year of the effectivity of this Act and shall
11 be completed within three (3) years.

12 (d) Landholdings above twenty-four (24) hectares but
13 below fifty (50) hectares shall be acquired and transferred
14 to qualified beneficiaries not later than the fourth year of
15 the effectivity of this Act and shall be completed within
16 three (3) years.

17 (e) Landholdings below twenty-four (24) hectares and
18 above the retention limit shall be acquired and transferred
19 to qualified beneficiaries not later than the sixth year of
20 the effectivity of this Act.

21 2) In effecting the transfer within these guidelines,
22 priority must be given to lands that are tenanted.

23 3) Adequate support services of the program shall be
24 extended to the transferees, the same to be monitored by

1 the Department of Agrarian Reform and reported to Con-
2 gress every year.

3 SEC. 39. *Guidelines to Implement Priorities.*—The PARC
4 shall establish guidelines to implement the above priorities
5 and distribution scheme, including the determination of
6 who are qualified as beneficiaries: *Provided*, That an owner-
7 tiller may be a beneficiary of the land he does not own but
8 is actually cultivating to the extent of the difference bet-
9 ween the area of the land he owns and the award ceiling.

10 SEC. 40. *Provincial Agrarian Reform Coordinating Com-*
11 *mittee (PARCCOM).*—(1) A Provincial Agrarian Reform
12 Coordinating Committee (PARCCOM) is hereby created
13 in each province, composed of a Chairman, who shall be
14 appointed by the President upon the recommendation of
15 the EXCOM, the Provincial Agrarian Reform Officer as
16 Executive Officer, and one representative each from the
17 Departments of Agriculture, Environment and Natural
18 Resources and from the Land Bank of the Philippines;
19 one representative each from existing farmers organiza-
20 tions, agricultural cooperatives and non-governmental
21 organizations in the province; two representatives from
22 landowners, and two representatives from farmer and
23 farmworker beneficiaries in the province, as members.
24 Representatives from the private sector shall be selected

1 in accordance with the guidelines to be promulgated by
2 the DAR.

3 (2) The term of office of the private sector members
4 of the committee shall be two (2) years.

5 (3) The PARCCOM shall coordinate and monitor the
6 implementation of the CARP in the province. It shall
7 provide information to concerned citizens and responsible
8 organizations on the provisions of the CARP, guidelines
9 issued by the PARC and on the progress of the CARP
10 in the province.

11 (4) The PARCCOM shall hold office at the Provincial
12 Agrarian Reform Office.

13 SEC. 41. *Province-to-Province Implementation.*—(1) The
14 PARCCOM shall establish the schedule for implementation
15 of the Agrarian Reform Program for the province in
16 accordance with the guidelines set forth under Section 39
17 hereof, the annual level of operations determined by the
18 PARC, and the following additional guidelines:

19 (a) Public lands shall be distributed immediately to
20 the beneficiaries already occupying such lands;

21 (b) The year-to-year program of acquisition and dis-
22 tribution of private lands shall be established in the fol-
23 lowing manner:

24 (i) The total area of private lands in the province
25 subject to agrarian reform shall be determined;

1 (ii) Approximately ten percent (10%) of the total area
2 of private lands shall be acquired and distributed in each
3 year of the ten-year program;

4 (iii) The larger parcels of private lands shall be dis-
5 tributed ahead of the smaller parcels:

6 (2) After the beneficiaries of the private lands and
7 the approximate area to be awarded to each beneficiary
8 have been determined, the idle and abandoned lands and
9 undistributed public lands shall be allocated to beneficiaries
10 in the order of their established priorities. The distri-
11 bution of these lands shall be carried out and completed
12 within a five-year period according to a schedule to be fixed
13 by the PARC.

14 (3) The ten-year program of distribution of private
15 lands shall be adjusted from year to year by the PARCCOM
16 depending on the level of operations established by the
17 PARC and ensuring that adequate support services are
18 available before actual distribution is effected.

19 SEC. 42. *Barangay Agrarian Reform Committee (BARC)*.

20 —(1) There shall be constituted every two (2) years a
21 Barangay Agrarian Reform Committee (BARC) in every
22 barangay to be composed of the following:

23 (a) Barangay Captain or Chairman, who shall act as
24 Chairman of the BARC without the right to vote;

1 (b) Two (2) representatives of qualified beneficiaries
2 tilling lands within the barangay;

3 (c) Two (2) owners of lands located within the barangay;

4 (d) One representative of the LBP;

5 (e) One (1) representative from the DAR who shall be
6 the most ranking DAR official or employee assigned to
7 the municipality where the barangay is located;

8 (2) Within thirty (30) days from the effectivity hereof,
9 the DAR representative shall initiate the organization of
10 the BARC by posting a notice to constitute the same
11 which shall include a list of the names of members chosen
12 by the various sectors to be represented in the BARC and
13 who have expressed their willingness to serve therein.
14 Such notice shall be posted in three (3) conspicuous places
15 in the barangay continuously for a period of not less
16 than three (3) weeks.

17 (3) Once constituted, the Chairman of the BARC shall
18 post the list of members in three (3) conspicuous places
19 in the barangay and transmit the same to the DAR.

20 (4) The DAR representative shall be *ex-officio* secretary
21 of the BARC. He shall keep the minutes of meetings,
22 note the various proceedings and activities and submit
23 reports thereon to the DAR annually or as may be required
24 from time to time.

1 (5) The members of the BARC shall be deemed persons
 2 in authority, within the meaning of the Revised Penal
 3 Code. In addition, they shall, in the exercise of their
 4 mandated functions be deemed public officers and as such
 5 they shall be covered by the Anti-Graft and Corrupt Prac-
 6 tices Act.

7 (6) The members of the BARC shall be allowed reason-
 8 able allowances chargeable against the Agrarian Reform
 9 Fund. In addition, such service by any member of the
 10 BARC, whether he be in public or private employment,
 11 shall be deemed to be on official time and no such member
 12 shall suffer any diminution in compensation or allowances
 13 by reason thereof.

14 SEC. 43. *Functions of the BARC.*—(1) The BARC shall
 15 have the following functions:

16 (a) Mediate/conciliate between parties involved in an
 17 agrarian dispute including matters relating to dispute on
 18 tenurial and financial arrangements;

19 (b) Assist in the identification of qualified beneficiaries
 20 and landowners within the barangay;

21 (c) Attest to the accuracy of the initial parcellary map-
 22 ping on the beneficiary's tillage;

23 (d) Assist qualified beneficiaries in obtaining benefits
 24 of government lending operations;

1 (5) The members of the BARC shall be deemed persons
 2 in authority, within the meaning of the Revised Penal
 3 Code. In addition, they shall, in the exercise of their
 4 mandated functions be deemed public officers and as such
 5 they shall be covered by the Anti-Graft and Corrupt Prac-
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 18 tenurial and financial arrangements;

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 20 and landowners within the barangay;

21 (c) Attest to the accuracy of the initial parcellary map-
 22 ping on the beneficiary's tillage;

23 (d) Assist qualified beneficiaries in obtaining benefits
 24 of government lending operations;

1 (e) Determine initially the value of the land to be
2 offered as purchase price to landowners under Section
3 14;

4 (f) Assist the DAR Representative in the preparation
5 of periodic reports on the CARP implementation for sub-
6 mission to the DAR;

7 (g) Coordinate the delivery of support services to
8 beneficiaries;

9 (h) Perform such other tasks/functions as may be
10 assigned by the DAR.

11 (2) The BARC shall endeavor to mediate/conciliate
12 and settle agrarian disputes lodged before it within thirty
13 (30) days from its taking cognizance thereof. If after
14 the lapse of the thirty-day period, it is unable to settle
15 the dispute, it shall issue a certification of its proceed-
16 ings and shall furnish a copy thereof to the parties
17 within seven (7) days after the expiration of the thirty-
18 day period.

19 SEC. 44. *Legal Advisory Services.*—The BARC or any
20 member thereof may, whenever necessary in the ex-
21 ercise of any of its functions hereunder, seek the legal
22 assistance of the DAR and the provincial/city/municipal
23 government.

CHAPTER VIII

SPECIAL AGRARIAN COURT

1 SEC. 45. *Designation of Special Agrarian Court.*—The
2
3 Supreme Court shall designate at least one (1) branch
4
5 of the Regional Trial Courts (RTC) within each province
6
7 to act as Special Agrarian Court.

8 The Supreme Court may designate more branches
9
10 to constitute such additional Special Agrarian Courts as
11
12 may be necessary to cope with the number of agrarian
13
14 disputes in each province. In the designation, the
15
16 Supreme Court shall give preference to the branches of the
17
18 Regional Trial Courts (RTC) which have been assigned
19
20 to handle agrarian cases and/or whose presiding judges
21
22 were former judges of the defunct Court of Agrarian
23
24 Relations.

 The RTC judges assigned to said Court shall exercise
said jurisdiction in addition to the regular jurisdiction of
their respective salas.

 SEC. 46. *Special Jurisdiction.*—The Special Agrarian
Court shall have jurisdiction over issues involving just
compensation of land and over criminal violations of this
Act.

 All disputes involving the administrative implementa-
tion of the CARP shall be resolved by the DAR through

1 the DARAB or any of its instrumentalities from which no
2 order shall be appealed until the hearing has been ter-
3 minated and the case decided on the merits. Appeals on
4 any decision or resolution of the DAR, DARAB or any
5 of its instrumentalities shall be appealable to the Court of
6 Appeals by certiorari.

7 SEC. 47. *Jurisdictional Requirement in Agrarian Dis-*
8 *putes.*—The Special Agrarian Court shall take cognizance
9 of an agrarian case only upon presentation by the petitioner
10 of a certification from the BARC that the dispute has
11 been submitted for mediation and conciliation without any
12 success of settlement.

13 SEC. 48. *Appointment of Commissioner.*—The Special
14 Agrarian Court, upon its own initiative or at the instance
15 of any of the parties, may appoint one or more com-
16 missioners for the purpose of examination, investigation
17 and ascertainment of facts relevant to the valuation of
18 properties.

19 SEC. 49. *Procedure in the Special Agrarian Court.*—(1)
20 The Rules of Court governing proceedings in Court shall
21 not apply to cases of agrarian disputes and the Special
22 Agrarian Court shall not be bound by the rules and tech-
23 nicalities of procedure. To expedite its proceedings, it shall
24 however, be guided by the Rules on Summary Procedure

1 promulgated by the Supreme Court *en banc* on 1 August
2 1983. The Special Agrarian Courts designated by the
3 Supreme Court shall decide cases brought before it within
4 thirty (30) days from its submission. The judgment of
5 the Court shall be appealable to the Court of Appeals only
6 by way of petition for review by certiorari.

7 (2) No order of the Special Agrarian Court on any
8 issue, question, matter or incident raised before it shall
9 be elevated to the appellate courts until the hearing shall
10 have been terminated and the case decided on the merits.

11 SEC. 50. *Appeals*.—An appeal may be taken from the
12 decision of the Special Agrarian Court by filing a petition
13 for review by certiorari with the Court of Appeals within
14 ten (10) days from receipt of notice of the decision.
15 Otherwise, the decision shall become final.

16 SEC. 51. *Special Division(s) in the Court of Appeals*.—
17 The Court of Appeals shall designate one or more of its
18 divisions to exclusively handle all decisions appealed from
19 the Special Agrarian Courts.

20 SEC. 52. *Review by the Supreme Court*.—Findings of
21 facts by the Court of Appeals shall be conclusive. Its
22 decisions may be appealed to the Supreme Court by peti-
23 tion for review on certiorari only on question of law,
24 within a non-extendible period of fifteen (15) days from
25 receipt of a copy thereof.

CHAPTER IX

GENERAL PROVISIONS

1
2
3 SEC. 53. *Agrarian Reform Fund*.—(1) There is hereby
4 created a special fund to be known as the Agrarian Reform
5 Fund with an initial amount of fifty billion pesos
6 (P50,000,000,000) which is authorized to be appropriated
7 from proceeds of the sales of the Asset Privatization Trust,
8 all receipts from assets recovered and from all sales of
9 ill-gotten wealth recovered through the Presidential Com-
10 mission on Good Government, and from the proceeds of the
11 disposition of the properties of the Government in foreign
12 countries if the same be sold: *Provided*, That the amount
13 of annual allocations from said special fund shall be
14 appropriated under the General Appropriations Act: *Pro-*
15 *vided, further*, That the amount of seven billion pesos
16 (P7,000,000,000) is authorized to be automatically appro-
17 priated annually beginning this year, for a period of ten
18 (10) years from said special fund, general fund, and other
19 sources to be used exclusively for the payment to land-
20 owners: *Provided, finally*, That should the abovementioned
21 amounts be inadequate to support the program require-
22 ments, additional funding may be appropriated from the
23 general fund and other sources.

1 **SEC. 54. Support Services to the Beneficiaries.**—(1) The
2 **PARC** shall ensure that support services to farmer-
3 beneficiaries are provided, such as:

4 (a) Land surveys and titling;

5 (b) Liberalized terms on credit facilities and production
6 loans;

7 (c) Extension services by way of planting, cropping,
8 production and post harvest technology transfer, as well
9 as marketing and management assistance and support to
10 cooperatives and farmer organizations;

11 (d) Infrastructure such as access trails, mini-dams,
12 public utilities, marketing and storage facilities; and

13 (e) Research, production and use of organic fertilizers
14 and other local substances necessary to farming and
15 cultivation.

16 The **PARC** shall insure that support services to farmer-
17 beneficiaries shall be provided at all stages of land reform.
18 In particular, these services shall aim at reducing the role
19 of usurers and middlemen and dependence on imported
20 farm inputs thus enabling farmers and farmer groups
21 to be self-reliant.

22 (2) For the foregoing purposes, the loan portfolio of
23 the **Kilusang Kabuhayan at Kaunlaran (KKK)**, including

1 all its applicable and existing funds, properties, equipment
2 and records are hereby appropriated to serve as financial
3 support therefor and transferred to the LBP for adminis-
4 tration.

5 (3) Misuse or diversion of the financial and support
6 services herein provided shall ~~result in sanctions~~ against
7 the beneficiary guilty thereof, including the forfeiture of
8 the land transferred to him or lesser sanctions as may
9 be provided by the PARC, without prejudice to criminal
10 prosecution.

11 *SEC. 55. Support Services to Landowners.*—(1) The
12 PARC with the assistance of other government agencies
13 and instrumentalities it may direct shall provide land-
14 owners affected by the CARP and prior agrarian reform
15 programs with the following services:

16 (a) Investment information and counselling assistance;

17 (b) Facilities, programs and schemes for the conversion
18 or exchange of bonds issued for payment of the lands
19 acquired with stocks and bonds issued by the National
20 Government, the Central Bank and other government
21 institutions and instrumentalities;

22 (c) Marketing of LBP bonds, as well as promoting the
23 saleability/marketability of said bonds in traditional and
24 non-traditional financial markets and stock exchanges;

1 (d) Other services designed to productively utilize the
2 proceeds of the sale of such lands towards rural indus-
3 trialization;

4 (2) A landowner who invests the proceeds from the
5 transfer of his land to rural-based industries shall be
6 entitled to the incentives granted to a registered enterprise
7 engaged in a preferred area of investment as provided for
8 in the Omnibus Investment Code of 1987.

9 *SEC. 56. Standing Crops at the Time of Acquisition.—*

10 The landowner shall retain his share of any standing crops
11 unharvested at the time the DAR shall take possession of
12 the land under Section 14 subparagraphs (e) or (f)
13 hereof, and shall be given a reasonable time to harvest the
14 same.

15 *SEC. 57. Disposition of Agricultural Lands.—*(1) The
16 sale and/or disposition of agricultural lands retained by a
17 landowner as a consequence of Section 5 hereof after the
18 effectivity of this Act shall be valid as long as the total
19 landholdings that shall be owned by the transferee thereof
20 inclusive of the land to be acquired shall not exceed the
21 landholding ceiling as provided for in Section 5 of this Act.

22 (2) Any sale or disposition of agricultural lands after
23 the effectivity of this Act found to be contrary to the
24 provisions hereof shall be null and void.

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

9 (4) Banks and other financial institutions allowed by
10 law to hold mortgage rights or security interests in agri-
11 cultural lands to secure loans and other obligations of
12 borrowers, may acquire title to these mortgage properties
13 regardless of area subject to existing laws on compulsory
14 transfer of foreclosed assets and acquisition as prescribed
15 under Section 14 of this Act.

16 SEC. 58. *Exemptions from Taxes and Fees of Land*
17 *Transfers.*—Transactions involving transfer of ownership
18 under this Act shall be exempt from the payment of
19 capital gains tax, registration fees, and other taxes and
20 fees for the conveyance or transfer thereof: *Provided,*
21 *That all arrearages in real property taxes, without penalty*
22 *or interest, shall be deductible from the compensation to*
23 *which the owner may be entitled.*

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

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10 law to hold mortgage rights or security interests in agri-
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20 fees for the conveyance or transfer thereof: *Provided,*
21 That all arrearages in real property taxes, without penalty
22 or interest, shall be deductible from the compensation to
23 which the owner may be entitled.

1 **SEC. 59. Conversion of Lands.**—After the lapse of five
2 (5) years from its award, when the land ceases to be
3 economically feasible and sound for agricultural purposes,
4 or the locality has become urbanized and the land will have
5 a greater economic value for residential, commercial or
6 industrial purposes, the PARC, through its duly authorized
7 representative at the provincial or city level and upon
8 application of the beneficiary or the landowner, with due
9 notice to the affected parties, and subject to existing laws
10 may authorize the reclassification or conversion of the land
11 and its disposition: *Provided*, That the beneficiary shall
12 have fully paid his obligation.

13 **SEC. 60. Prohibited Acts and Omissions.**—The following
14 are prohibited:

15 (a) The ownership or possession, for the purpose of
16 circumventing the provisions of this Act, of agricultural
17 lands in excess of the total retention limits/award ceilings
18 by any person, natural or juridical, except those under
19 collective ownership by farmers beneficiaries.

20 (b) The forcible entry or illegal detainer by persons who
21 are not qualified beneficiaries under this Act to avail
22 themselves of the rights and benefits of the Agrarian
23 Reform Program;

1 (c) The conversion by any landowner of his agricultural
2 land into any non-agricultural use with intent to avoid the
3 application of this Act and other land reform laws or
4 decrees to his landholdings and to dispossess his tenant
5 farmers of the land tilled by them;

6 (d) The willful prevention or obstruction by any person,
7 association or entity of the implementation of the CARP.

8 (e) The sale, transfer, conveyance or change of the
9 nature of lands outside of urban centers and city limits
10 either in whole or in part after the effectivity of this Act.
11 The date of the registration of the deed of conveyance in
12 the Register of Deeds with respect to titled lands and the
13 date of the issuance of the tax declaration to the transferee
14 of the property with respect to unregistered lands, as the
15 case may be, shall be conclusive for the purpose of this Act.

16 **SEC. 61. Penalties.**—The following penalties shall be im-
17 posed upon those convicted of the commission of any of
18 the prohibited acts or omissions:

19 (a) Imprisonment for a period of not less than one (1)
20 month and one (1) day but not exceeding six (6) months
21 of *arresto mayor* and/or a fine ranging from one thousand
22 pesos (P1,000) to five thousand pesos (P5,000) shall be
23 imposed for the commission of the prohibited acts or

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1 omissions specified in paragraphs (a), (b) and (c) of the
2 immediately preceding section.

3 (b) Imprisonment for a period of not less than six (6)
4 months and one (1) day but not more than three (3)
5 years of *prision correccional* and/or a fine ranging from
6 three thousand pesos (P3,000) to ten thousand pesos
7 (P10,000) shall be imposed for the commission of the pro-
8 hibited acts or omission specified in paragraphs (d) and
9 (e) of the immediately preceding section.

10 Provided that, if the prohibited act or omission is
11 committed by a corporation, the President of the said
12 corporation shall be liable.

13 *SEC. 62. Suppletory Application of Existing Legislation.*

14 —The provisions of Republic Act 3844 as amended, Pre-
15 sidential Decree Nos. 27 and 266 as amended, Executive
16 Order No. 228, Proclamation No. 131, and other laws not
17 inconsistent with this Act shall have suppletory effect.

18 *SEC. 63. Separability Clause.*—If, for any reason, any
19 section or provision of this Act is declared null and void,
20 no other section or provision hereof shall be affected and
21 the same shall remain in full force and effect.

22 *SEC. 64. Repealing Clause.*—Executive Order No. 229,
23 Presidential Decree No. 316, the last two paragraphs of

1 Section 12 of Presidential Decree No. 946, Section 6 of
2 Presidential Decree No. 1038, Series of 1987, and all other
3 laws, decrees, executive orders, rules and regulations,
4 issuances or any part thereof inconsistent with the pro-
5 visions of this Act are hereby repealed or amended
6 accordingly.

7 SEC. 65. *Effectivity Clause.*—This Act shall take effect
8 fifteen (15) days from the date of its publication in at
9 least two (2) newspapers of general circulation.

Approved,

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