REVISED RULES AND PROCEDURES GOVERNING THE ACQUISITION OF AGRICULTURAL LANDS SUBJECT OF VOLUNTARY OFFER TO SELL AND COMPULSORY ACQUISITION PURSUANT TO REPUBLIC ACT NO. 6657

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I. PREFATORY STATEMENT

In compliance with the Supreme Court Resolution dated 05 July 1996 in the cases of Land Bank of the Philippines (LBP) versus Court of Appeals (CA), Pedro L. Yap, et. al., (G.R. No. 118712) and Department of Agrarian Reform (DAR) versus CA, Pedro L. Yap, et. al., (G.R. No. 118745), the following rules and procedures are hereby promulgated.

II. COVERAGE

These Rules shall cover Voluntary Offer to Sell (VOS) and Compulsory Acquisition (CA) transactions involving lands enumerated under Section 7 of RA 6657, and those acquired under Executive Order No. 407 dated June 14, 1990, as amended.

A. Voluntary Offer to Sell (VOS)

All private agricultural lands voluntarily offered by landowners for sale to the government.

B. Compulsory Acquisition (CA)

All idle and/or abandoned agricultural lands regardless of size.

All other private agricultural lands falling under the coverage of the Compulsory Acquisition mode according to the schedule and priorities defined in Section 7 of RA 6657.

C. E.O. 407 Acquisition

All other agricultural lands transferred to the DAR pursuant to Executive Order No. 407 dated June 14, 1990, as amended.

III. POLICY

A. All landowners (LO) whose lands are subject for coverage under RA 6657 may voluntarily offer their lands for sale to the government. However, lands for which notices of coverage have already been sent by the government and received by the landowner shall no longer be considered as voluntarily offered lands.

B. If the land is tenanted, the ARBs shall continue to pay lease rentals based on existing guidelines on leasehold operations until such time that the landowner signs the Deed of Transfer, or the LBP deposits the compensation proceeds in the name of the landowner, as the case may be. In case there is any standing crop on the land at the time of acquisition, the landowner shall retain his share of the harvest thereof pursuant to Section 28 of RA 6657 and other related laws.

C. The compensation for the land shall be the amount agreed upon by the DAR, LBP and the landowner in accordance with the criteria provided for in Section 17 and 18, and other pertinent provisions of RA 6657 and existing guidelines, or the value set under summary administrative proceedings conducted by DAR pursuant to Section 16(d) of RA 6657 and the DAR Adjudication Board Revised Rules of Procedures, or as may be finally determined by a competent court.

D. Landowners, other than banks and financial institutions, who voluntarily offer their lands for sale shall be entitled to an additional five percent (5%) cash payment pursuant to Section 19 of RA 6657.

IV. OPERATING PROCEDURES

Steps Responsible
Agency/Unit Activity Forms/Documents
(Requirements)

A. Identification and Documentation

For VOS only

1 LO

DARMO Files Letter Offer together with the basic ownership documents in any DAR office. The DAR office which received the afore said documents forwards same to DAR Municipal Office where the subject property is located CARP Form No. 1 (Letter Offer) Certified copy of OCT/TCT Certified copy of Tax Declaration Copy of the approved survey plan of property

1.a DARMO Receives and reviews duly accomplished CARP Form No. 1 with the attached documents, gather documents required as maybe applicable to a particular situation. Refer to List of Documents Required Pursuant to RA 6657 under Different Situations (Annex “A”)

1.b DARMO Acknowledges receipt of documents, advises LO on specific procedures and to submit additional documents, if any, to include the surrender of the owner’s duplicate certificate of title to LBP as a requirement for payment; prepares corresponding claim folder (CF) of LO

For CA only

1. DARMO Gathers all appropriate documents similar to those enumerated under VOS and prepares corresponding CF of LO. Same as above

For EO 407 covered lands

1 LO Executes DOT in favor of RP and surrenders to DAR all appropriate documents. Owner’s duplicatecopy of title Tax Declaration and other necessary documents to effect the transfer of ownership

1.a DARPO Forwards duly executed DOT and appropriate documents to ROD for registration of same and requests for the issuance of title in the name of RP. Duly executed DOT Approved subdivision or segregation plan (ASP) with technical descriptions

1.b ROD Registers DOT and issues TCT in the name of RP and forwards owner’s duplicate certificate of title to PARO.

1.c DARPO Proceeds with the distribution of land.

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For VOS, CA and EO 407

2 DARMO Provides LBP thru PARO list of landholdings together with the certified copy of the title, tax declaration and approved survey plan or sketch plan of the property for scheduling of the ocular inspection. The list should contain the ff

- Name of LO
- Title/TD No.
- Area
- Location

3 DARMO Sends Notice to BARC, DENR, DA, LBP and prospective ARBs on the schedule of the field investigation at least two weeks in advance. Invites the LO to join the field investigation, to select his retention area and to submit his Statement of Production and Income. If LO cannot be contacted, notice shall be published in a newspaper of national circulation. CARP Form No. 2 (Notice to Conduct Field Investigation)

CARP Form No. 2.a (Invitation Letter to LO for the Field Investigation)

4 DARMO Conducts joint field investigation of the property with LBP, DENR, DA, LO, BARC and prospective ARBs

5 DARMO Prepares FIR and Land Use Map jointly with LBP and BARC. CARP Form No. 3 (Field Investigation Report)

6 DARMO Screens/selects qualified ARBs and causes the signing of the APFUs CARP Form No. 4 (Application to Purchase and Farmer’s Undertaking)

7 DARMO Sends LO the Notice of Coverage together with a copy of the FIR by personal delivery with proof of service or by registered mail with return card. CARP Form No. 5

(Notice of Coverage)

8 DARMO Posts a copy of the Notice of Coverage for seven (7) working days in the bulletin board of the barangay and municipal halls where the property is located and issues Certification of Posting Compliance CARP Form No. 6

(Certification of Posting Compliance)

9 DARMO Forwards claim folder to PARO CARP Form No. 7

(CF Transmittal Memorandum)

B. Review and Completion of Data/Documents

10 DARPO Receives claim folder and forwards to the DAR-LBP Pre-Processing Unit (PPU) for review/evaluation of documents. Gathers lacking documents, if any.

C. Land Survey

11 DARPO Expedites survey activities and ensures that segregation/sub division survey returns are completed and approved by the DENR-LMS pursuant to existing guidelines. Approved subdivision or segregation plan (ASP)

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with survey technical descriptions

12 DAR-LBP-PPU Forwards CF to LBP-LVLCO together with the ASP, if applicable. CARP Form No. 8

(Memorandum Request to Value the Land)

D. Land Valuation and Compensation

13 LBP-LVLCO Receives and evaluates the CF for completeness, consistency and document sufficiency. Gathers additional valuation documents.

14 LBP-LVLCO Determines land valuation based on valuation inputs Claims Valuation and Processing Form (CVPF)

Note: CFs where the land valuation amounts to more than P 3 million shall be forwarded to LBP-HO.

15 LBP-LVLCO Prepares and send Memo of Valuation, Claim Folder Profile and Valuation Summary (MOV-CFPVS) to PARO. CARP Form No. 9

(Memorandum of Valuation and Claim Folder Profile and Valuation Summary)

16 DARPO Receives LBP's MOV-CFPVS and ascertains the completeness of the data and information therein.

17 DARPO Sends Notice of Land Valuation and Acquisition to LO by personal delivery with proof of service or by registered mail with return card, attaching copy of MOV-CFPVS and inviting LO's attention to the submission of documents required for payment of claim. CARP Form No. 10

(Notice of Land Valuation and Acquisition)

18 DARPO Posts a copy of the Notice of Land Valuation and Acquisition (NLVA) for at least seven (7) working days on the bulletin board of the provincial capitol, municipal and barangay halls where the property is located and issues a Certification of Posting Compliance. CARP Form No.11

(Certification of Posting Compliance)

19 LO Replies to Notice of Land Valuation and Acquisition and submits documents required for payment of

compensation claim. CARP Form No. 10.a

(LO's Reply to NLVA)

If LO accepts, proceed to D.1

If LO rejects or fails to reply, proceed to D.2.

D.1 Where LO accepts the Land Valuation

20 DARPO Upon receipt of LO's Letter of Acceptance, sends Memorandum to LBP to prepare the Deed of Transfer and to Pay the LO. CARP Form No. 12

(Request to Pay)

21 LBP-LVLCO

LBP-HO Prepares DOT for LO to execute and deposits the compensation proceeds in the name of LO in cash and in bonds. The entire deposit may be withdrawn by the LO; however, the actual release of same shall only be

effected upon LO's submission of all documentary requirements. CARP Form No. 13

(Deed of Transfer)

22 LO Executes DOT and submits payment requirements to LBP within seven (7) working days. CARP Form No. 13

(Deed of Transfer)

Should the LO fail to submit the required documents within seven (7) working days from LBP receipt of the DAR Request to Pay, notifies DAR of such failure by LO and also issues to DAR the Certification of Deposit. CARP Form No. 16

(Notice of LO's Non-Compliance with Requirements)

CARP Form No. 17

(Certificate of Payment)

Thereafter, the DAR shall request ROD to transfer the Certificate of Title covering subject property in favor of the RP.
CARP Form No. 18

(Request to Issue TCT in the Name of RP)

23 LBP-LVLCO

LBP-HO Forwards DOT together with the owner's duplicate certificate of title and ASP(if applicable) to ROD for

registration. CARP Form No. 13

(Deed of Transfer) Certified copy of ASP and its technical description approved by DENR, if property is partially covered by CARP

24 ROD Registers DOT and issues TCT in the name of RP, then forwards owner's duplicate certificate of title to LBP.

25 LBP-LVLCO Prepares Payment Release Form upon LO's compliance with all the requirements for payment. In case the land is encumbered, pays the mortgagee bank/creditor upon LO's request and pays the balance of the proceeds to the LO. LBP Payment

Release Form

26 LBP-LVLCO

LBP-HO Surrenders the owner's duplicate certificate of title (RP) to PARO which will in turn transmit said copy to ROD to enable CLOA registration. Owner's duplicate

certificate of title (RP)

D.2 Where LO rejects the Land Valuation

20 DARPO If the LO rejects the offered price or fails to reply within thirty (30) days from receipt of the Notice of

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Land Valuation and Acquisition forwards to LBP the Request to Deposit the compensation proceeds in cash and in bonds in the name of the LO.

CARP Form No. 10.a

(LO's Reply to NLVA)

CARP Form No. 15

(Request to Deposit)

21 DARPO Requests the DARAB/ RARAD/PARAD to conduct administrative proceedings pursuant to DARAB guidelines, as the case maybe, furnishing therein a copy each of the LO's Letter of Rejection, Notice of Land Valuation

and Acquisition and LBP'sMemorandum of Valuation. CARP Form No. 14

(Advice to DARAB/RARAD/PARAD)

22 LBP-LVO

LBP-HO Deposits the compen sation proceeds in the name of LO and issues Certification of Deposit to DAR through the PARO, copy furnished the LO. CARP Form No. 17

(Certification of Deposit)

The entire deposit may be withdrawn by the LO; however, actual release of same shall be subject to LO's submission of all requirements for payment and execution of Confirmation of Coverage and Transfer. CARP Form No. 17.a

(Confirmation of Coverage and Transfer For Claims of Individual LOs - Still pending with DARAB)

CARP Form No. 17.b

(Confirmation of Coverage and Transfer for Claims of Corporate LOs - Still pending with DARAB)

23 DARPO Upon receipt of the Certification of Deposit from LBP, transmits the same to the Register of Deeds concerned, including the approved segregation/subdivision plan of subject property, if partially covered and simultaneously requests the ROD to issue TCT in the name of RP. CARP Form No. 18

(Request to Issue TCT in the Name of RP)

24 ROD Issues new TCT in the name of RP and forwards owner's duplicate certificate of title in the name of RP to LBP-LVO which furnishes the PARO a certified xerox copy of the same. New TCT in the name of RP and owner's duplicate copy of title in the name of RP

25 DARAB/

RARAD/

PARAD Simultaneously with Activity Nos. 22-24 above, the DARAB/ RARAD/PARAD conducts summary administrative proceedings; renders decision and informs parties concerned of the same.

26 DARPO Upon receipt of the Certificate of Finality of the DARAB Order, requests LBP to pay the LO in

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accordance

with the DARAB decision; requests LBP to prepare Confirmation of Coverage and Transfer for LO to accomplish. Thereafter, LBP follows Activity Nos. 25-26 under D.1. In case the LO still rejects DARAB decision, he may go to the Special Agrarian Court (SAC) for the final determination of just compensation. CARP Form No. 17.c

(Confirmation of Coverage and Transfer for Claims of Individual LOs Already decided by DARAB)

CARP Form No. 17.d

(Confirmation of Coverage and Transfer for Claims of Corporate LOs - Already decided by DARAB)

E. Land Distribution

27 DARPO Forwards to DARMO the certified copy of the TCT in the name of RP with the instruction to take over physical possession of the land and proceed with the distribution of the same in favor of qualified ARBs. Certified copy of TCT in the name of RP

V. REPORTING AND MONITORING

For monitoring and evaluation purposes, a provincial monthly report on the status of VOS/CA transactions shall be submitted to the Office of the Undersecretary for Field Operations through the Regional Office, copy furnished BLAD. All landowners concerned shall be periodically advised on the status of their claims.

VI. TRANSITORY PROVISIONS

All trust accounts issued pursuant to Administrative Order No. 1, S. 1993, covering landholdings not yet transferred in the name of the Republic of the Philippines as of July 5, 1996 shall immediately be converted to deposit accounts in the name of the landowners concerned.

All Provincial Agrarian Reform Officers and Regional Directors are directed to immediately inventory the claim folders referred to in the preceding paragraph, wherever they may be found and request the LBP to establish the requisite deposit under this Administrative Order and to issue a new certification to that effect. The original Certificate of Trust Deposit previously issued should be attached to the request of the DAR in order that the same may be replaced with a new one.

All previously established Trust Deposits which served as the basis for the transfer of the landowner’s title to the Republic of the Philippines shall likewise be converted to deposits in cash and in bonds. The Bureau of Land Acquisition and Distribution shall coordinate with the LBP for this purpose.

VII. REPEALING CLAUSE

All Orders, Circulars and other issuances inconsistent herewith are deemed repealed, amended and/or modified accordingly.

VIII. EFFECTIVITY

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

Adopted: 06 Aug. 1996

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(SGD.) ERNESTO D. GARILAO
Secretary

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