

REITERATING THE PROHIBITION AGAINST AGRICULTURAL SHARE TENANCY IN ALL AGRICULTURAL LANDS AND PROVIDING PENALTIES THEREFOR

PRESIDENTIAL DECREE NO. 1040, October 21, 1976

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WHEREAS, under the provisions of the Code of Agrarian Reforms, agricultural share tenancy in private agricultural lands covered by Presidential Decree No. 27 with the exceptions and/or qualifications provided for therein, has been declared contrary to public policy and automatically converted into agricultural leasehold;

WHEREAS, Presidential Decree No. 2 proclaimed the whole country as a land reform area;

WHEREAS, notwithstanding such provisions in the Code of Agrarian Reforms and Presidential Decree No. 2, many landowners landholders, civil law lessees, legal possessors, usufructuaries of tenanted private agricultural lands, including persons acting for and in their behalf still insist that the cropsharing system govern the tenancy relationship between them and their tenants;

WHEREAS, the penal provisions of the Code of Agrarian Reforms are inadequate to enforce full compliance with the declared policy on leasehold, and therefore, it is imperative to strengthen said penal provisions by including therein, landholders, civil law lessees, legal possessors, usufructuaries, or persons acting for and in their behalf, and by imposing stiffer penalties;

WHEREAS, the continuation of the feudal agricultural share tenancy system adversely impedes and obstructs the implementation of the Agrarian Reform Program of the New Society.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order the following:

SECTION 1. The leasehold system shall govern the relation between the landowner, landholder, civil law lessee, legal possessor, usufructuary, or any person acting for and in behalf, and the tenant-farmer in all tenanted private agricultural lands that have come under or are covered by and subject to the provisions of Presidential Decree No. 27.

SECTION 2. In all cases covered by Section 1 hereof, the existence of an actual sharing arrangement between the landowner, landholder, civil law lessee, legal possessor, usufructuary, or any person acting for and in his behalf, and his tenants shall give rise to the presumption that such landowner, landholder, civil law lessee, legal possessor, usufructuary or person has continued and maintained, or has entered into a share tenancy contract or relationship with the tenant.

SECTION 3. The landowner, landholder, civil law lessee, legal possessor, usufructuary, or any person acting for and in his behalf, shall be given one agricultural year from the promulgation of this Decree before the penal provisions hereof shall operate against him. In case the tenant is alleged to be unwilling to accept leasehold, then the landowner, landholder, civil law lessee, legal possessor, usufructuary or any person acting for and in his behalf, shall report the matter to the Department of Agrarian Reform which shall immediately give effect to the

provisions of all laws governing tenancy, making them retroactive whenever necessary and proper to comply with said laws.

SECTION 4. The Department of Agrarian Reform is hereby empowered to promulgate rules and regulations to implement this Decree.

SECTION 5. The Secretary of National Defense shall assist the Secretary of Agrarian Reform in the implementation of this Decree.

SECTION 6. Any landowner, landholder, civil law lessee, legal possessor, usufructuary, or any person acting for and in behalf, who shall violate Section 1 of this Decree by continuing and maintaining the share tenancy system, or by entering into a share tenancy contract or relationship with another, as tenant, shall, upon conviction, suffer the penalty of prision mayor or a fine ranging from P5,000 to P10,000, or both, in the discretion of the court. In the case of juridical persons, the manager or the person who has charge of the management or administration of the property, or in his absence the person acting in his stead, shall be liable under this Section.

SECTION 7. Violations of the penal provision of this Decree shall exclusively be cognizable by the Courts of Agrarian Relations.

SECTION 8. All provisions of existing laws, decrees, orders, and rules and regulations inconsistent herewith are hereby repealed or modified accordingly.

SECTION 9. This Decree shall take effect immediately.

DONE in the City of Manila, this 21st day of October, in the year of Our Lord, Nineteen Hundred and Seventy-Six.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Executive Assistant

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