



Republic of the Philippines  
**DEPARTMENT of AGRARIAN REFORM**  
ELLIPTICAL ROAD, DILIMAN, QUEZON CITY • TELS. 928-7031 TO 39

**ADMINISTRATIVE ORDER**

NO. 08

Series of 2011

**SUBJECT: RULES FOR THE COVERAGE OF CARP-COVERED LANDS  
SUBJECT TO UNAUTHORIZED TRANSFERS OR  
CONVEYANCES.**

Pursuant to Sections 49 and 50 of Republic Act (R.A.) No. 6657, as amended, and in order to address the issues encountered by field implementers in the coverage of unauthorized transfers or conveyances, commonly referred to as "chop-chop", of lands covered by the Comprehensive Agrarian Reform Program (CARP), there is an urgent need to clarify the procedure for the acquisition and distribution of such lands.

This Administrative Order (A.O.) is issued in order to undertake, in a more efficient manner, the implementation of the CARP over lands that were subjected to unauthorized transfers or conveyances. These Rules are intended to be a remedial measure for those landholdings which were already subjected to this malpractice and by no means is condoning the said unlawful action.

**SECTION 1. Policy Statement.** – The field implementers, in pursuing land acquisition and distribution of agricultural lands subject to transfers or conveyances, shall be guided by the following policies provided for by law:

- A. Section 6, paragraph (4) of R.A. No. 6657 states: "Upon the effectivity of this Act, any sale, disposition, lease, management contract or transfer of possession of private lands executed by the original landowner in violation of this Act shall be null and void: provided, however, that those executed prior to this Act shall be valid only when registered with the Register of Deeds within a period of three (3) months after the effectivity of this Act. Thereafter, all Registers of Deeds shall inform the Department of Agrarian Reform (DAR) within thirty (30) days of any transaction involving agricultural lands in excess of five (5) hectares."
- B. In turn, Section 16 paragraph (e) of R.A. No. 6657 states: "Upon receipt by the landowner of the corresponding payment or, in case of rejection or no response from the landowner, upon the deposit with an accessible bank designated by the DAR of the compensation in cash or in IBP bonds in accordance with this Act, the DAR shall take immediate possession of the land and shall request the proper Register of Deeds to issue a Transfer Certificate of Title (TCT) in the name of the Republic of the Philippines. The

DAR shall thereafter proceed with the redistribution of the land to the qualified beneficiaries.”

- C. Finally, Section 24 of R.A. No. 6657, as amended states: “It is the ministerial duty of the Registry of Deeds to register the title of the land in the name of the Republic of the Philippines, after the Land Bank of the Philippines (LBP) has certified that the necessary deposit in the name of the landowner constituting full payment in cash or in bond with due notice to the landowner and the registration of the certificate of land ownership award issued to the beneficiaries, and to cancel previous titles pertaining thereto.”

**SECTION 2. Unauthorized Land Transfers Defined.** – For the purposes of this Administrative Order (A.O.), an unauthorized transfer shall be defined as any sale, disposition, or transfer of possession to any private entity on or after 15 June 1988 by a landowner who owns one or more agricultural lands with an aggregate size of more than five (5) hectares, the transfer of which involves the said landholdings or a portion thereof. However, the sale, disposition, or transfer of possession of the first five (5) hectares of the landholding of a landowner who has never exercised his/her/its retention rights shall not be deemed unauthorized for the purposes of this A.O., provided, that if the transfer of the first five (5) hectares was made after the NOC was validly issued and duly served to the landowner and the latter failed to exercise his/her/its retention rights within the period prescribed by the appropriate A.O., the said transfer shall still be deemed unauthorized. The aforementioned definition shall also include those transfers made prior to 15 June 1988 if the said transfers were not registered within three (3) months after 15 June 1988, or on or before 13 September 1988.

The definition notwithstanding, the following transfers shall not be deemed as unauthorized for the purposes of this A.O.:

- (1) those made through hereditary succession;
- (2) consolidation by banks to its name of foreclosed agricultural landholdings, provided that the mortgage, foreclosure, and consolidation was done in accordance with its ordinary course of business; and
- (3) sale or disposition by banks of agricultural landholdings that it has foreclosed and consolidated in its name.

**SECTION 3. Scope.** – Upon the certification by the Provincial Agrarian Reform Officer (PARO) concerned that the land transfer is unauthorized, the rules prescribed herein shall apply. The other pertinent rules or circulars shall apply suppletorily.

**SECTION 4. Issuance of Notice of Coverage.** – In covering under the CARP an agricultural landholding which was a subject of an unauthorized land transfer, as defined in Section 2 of this A.O., the PARO shall issue the Notice of Coverage to the person or entity registered as the said landholding’s owner as of 15 June 1988 (hereafter referred to as “the original landowner”). The PARO shall ensure, however, that the person or entity to whom

the landholding is registered at the time the NOC was issued is furnished a copy of the NOC.

**SECTION 5. Farmer Beneficiary Identification.** – The agricultural lessees, tenants and farmworkers of both the original landowner and the currently registered landowner/s are qualified to be farmer beneficiaries of the subject landholding. In this regard, the currently registered landowner may also submit a duly attested list of his/her/its agricultural lessees, tenants, and regular farmworkers within the period given to the original landowner to submit the same.

The potential beneficiaries of the currently registered landowner may also apply on their own, using the procedures and within the periods prescribed by the pertinent A.O., to qualify as a beneficiary.

**SECTION 6. Certificate of Deposit (COD) to Include Subsequent Transferees And Who May Claim The Proceeds.** – Notwithstanding the fact that there is only one Claim Folder for the subject land of the original landowner as of 15 June 1988, there shall be as many Certificates of Deposit (CODs) as there are currently registered Transfer Certificates of Title (TCTs) covering the entire subject land, each COD pertaining only to the value covering the portion of the transferee. In case there are more than one currently registered TCT covering the entire subject land, the Memorandum of Valuation shall state the value of the entire subject land and the proportion each currently registered landowner has the right to with respect to the just compensation.

The COD/s shall name as payee both the original landowner and the person or entity to whom the land is registered at the time the COD was issued.

If a COD has already been issued, and the payee named is only the person or entity registered as the land's owner as of 15 June 1988, the PARO shall immediately notify in writing the currently registered landowner that the subject landholding is covered by CARP and is in the process of being acquired by the government for distribution to qualified farmer beneficiaries. Thereafter, the PARO shall request the Land Bank of the Philippines (LBP) to amend the COD by including as a payee (using a slash or bar) the name of the currently registered landowner. The PARO shall then submit, within a reasonable time to the ROD concerned, the request for transfer of the title to the Republic of the Philippines attaching thereto copies of the amended COD/s.

Despite the fact that the COD/s names two persons as payees, the LBP shall only release the just compensation proceeds covering the portion of the landholding subject of unauthorized transfer to the person or entity who is registered as the landowner at the time the COD was issued.

**SECTION 7. Notification to the Landowner.** – The Notice of Land Valuation and Acquisition (NLVA) shall still be issued to the original landowner. The NLVA shall, however, state that the LBP shall only release the just compensation proceeds covering the portion of the landholding subject of unauthorized transfer to the person or entity who is registered as the landowner at the time the COD was issued.



Certified true copies of the NLVA shall be furnished to the person/s or entity/ies who is/are registered as the landowner at the time the COD was issued.

**SECTION 8. Documentation of the Case Folder for Unauthorized Transfers.** – If the COD has yet to be issued at the time the PARO discovered the unauthorized transfers:

- a. he shall amend the information pertaining to the land owner to include the subsequent transferees as “alternate land owners and payees”, if he/she has not yet transmitted the Claim Folder (CF) to the LBP; or
- b. he shall inform the LBP of such unauthorized transfer so that it may be included in the valuation process of the LBP, if he has already transmitted the said CF.

There shall be no need to conduct a redocumentation of the CF.

**SECTION 9. Special Rules by the Secretary.** – The Secretary may prescribe special rules to govern special cases of landholdings subject of unauthorized transfers.

**SECTION 10. Penalties Under Other A.O.s Still Applies.** – Penalties provided by other A.O.s of the DAR against the transfer of agricultural lands made without prior clearance from the DAR shall still apply in spite of the provisions of this A.O.

**SECTION 11. A.O. on LAD.** – The Revised Rules and Procedures Governing the Acquisition and Distribution of Private Agricultural Lands Under R.A. No. 6657, as Amended shall govern the other procedures of the land acquisition and distribution process not covered by this A.O.

**SECTION 12. Repealing Clause.** – This Order modifies or repeals all issuances or portions thereof that are inconsistent herewith.

**SECTION 13. Separability Clause.** – Any judicial pronouncement declaring as unconstitutional any provision of this Order shall not affect the validity of the other provisions herein.

**SECTION 14. Effectivity Clause.** – This Order shall take effect ten (10) days after its publication in two (2) national newspapers of general circulation.

Diliman, Quezon City, 30 SEPT 2011

Published in two (2) National Newspapers  
of general Circulations:  
1. Philippine Daily Inquirer  
2. Manila Standard Today  
Date of Publication – October 6, 2011

  
VIRGILIO R. DE LOS REYES  
Secretary

Department of Agrarian Reform  
Office of the Secretary



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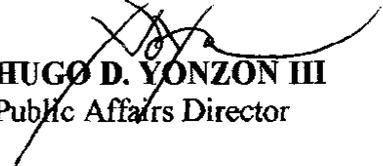


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**CERTIFICATION**

This is to certify that DAR Administrative Order No. 8, Series of 2011 entitled **“RULES FOR THE COVERAGE OF CARP-COVERED LANDS SUBJECT TO UNAUTHORIZED TRANSFERS OR CONVEYANCES”** is published today, Thursday, 06 October 2011 at Philippine Daily Inquirer and Manila Standard Today newspapers.

Issued this 6<sup>th</sup> day of October 2011 for whatever purpose it may serve.

  
**HUGO D. YONZON III**  
Public Affairs Director