

**CONVERSION CLEARANCE; NOT NECESSARY FOR LANDS EXEMPTED FROM CARP COVERAGE BY REASON OF RECLASSIFICATION BEFORE 15 JUNE 1988**

- *“Section 3. Applicability of Rules – These guidelines shall apply to all applications for conversion, from agricultural to non-agricultural uses, such as:*

*x x x x x*

*x x x x x*

*x x x x x*

- 3.4. *Conversion of agricultural lands or areas that have been reclassified by the LGU or by way of a Presidential Proclamation, to residential, commercial, industrial, or other non-agricultural uses on or after the effectivity of RA 6657 on 15 June 1988, pursuant to Section 20 of RA 7160, and other pertinent laws and regulations, and are to be converted to such uses. However, for those reclassified prior to 15 June 1988, the guidelines in securing an exemption clearance from the DAR shall apply.”*

- It can be clearly inferred from the above provisions that DAR Conversion Clearance is no longer necessary for lands exempted from CARP Coverage by reason of its reclassification as commercial, residential or industrial before 15 June 1988 and, that, only an exemption clearance is required. However, in your case, conversion clearance is necessary before any development on the land may be introduced because as per HLURB Certificate dated 28 August 2006 issued by Director Pilar J. Jamandre of HLURB Region VI, the subject landholdings are reclassified after June 15, 1988.

DAR Opinion No. 06, s. 2007  
February 07, 2007

**CONVERSION; PROOF OF RECEIPT OF PAYMENT OF DISTURBANCE COMPENSATION AS ONE OF THE REQUIREMENTS FOR THE APPROVAL; PROPERTY COVERED BY CONVERSION ORDER NO LONGER SUBJECT TO LEASEHOLD CONTRACT**

- Please be informed that under 8.0 of Memorandum Circular No. 9, Series of 1999 (**Internal/Clarificatory Guidelines for the Processing of Land Use Conversion Applications Pursuant to Administrative Order No. 1, Series of 1999 entitled “Revised Rules and Regulations on the Conversion of Agricultural to Non-agricultural Uses”**), provides that the approval of conversion application shall be subject to conditions, among which, is a disturbance compensation to affected tenants, and Administrative Order No. 04, Series of 2003 [**2003 Rules on Exemption of Lands from CARP Coverage under Section 3 (c) of Republic Act No. 6657 and Department of Justice (DOJ) Opinion No. 44, Series of 1990**] which listed as a requirement proof of receipt of payment of disturbance compensation or a valid agreement to pay or waive payment of disturbance compensation.
- Applying the above provisions of the aforementioned administrative orders to your query, it is clear that the property covered by a conversion order with certificate of finality can no longer be subjected to a leasehold contract considering that tenancy relationship is terminated from the moment the required disturbance compensation have finally been settled, it being a condition for the approval of the application for conversion. Hence, in effect, a leasehold contract is no longer possible.