

# [ **PRESIDENTIAL DECREE NO. 1040, October 21, 1976** ]

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

**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,