

**[ DAR ADMINISTRATIVE ORDER NO. 13, October  
27, 1994 ]**

**RULES AND REGULATIONS GOVERNING THE GRANT OF  
INCREMENT OF SIX PERCENT (6%) YEARLY INTEREST  
COMPOUNDED ANNUALLY ON LANDS COVERED BY  
PRESIDENTIAL DECREE NO. 27 AND EXECUTIVE ORDER NO. 228**

**I**

**Prefatory Statement**

Presidential Decree No. 27 issued on 21 October 1972 and Executive Order No. 228 dated 17 August 1987, declared the actual tenant-tillers as deemed full owners of the land they till, thereby resulting in the effective dispossession of the landowners of their lands. A number of these landholdings remain unpaid in view of the non-acceptance by the landowners of the compensation due to low valuation. Had the landowner been paid from the time of taking his land and the money deposited in a bank, the money would have earned the same interest rate compounded annually as authorized under the banking laws, rules and regulations.

To address these problems, the Presidential Agrarian Reform Council (PARC), in its resolution dated 25 October 1994, approved the grant of an increment of six percent (6%) yearly interest compounded annually based on the land value as determined under existing valuation formula.

**II**

**Coverage**

These rules and regulations shall apply to landowners:

1. Whose lands are actually tenanted as of 21 October 1972 or thereafter and covered by OLT;
2. Who opted for Government financing through Land Bank of the Philippines as the mode of compensation; and
3. Who have not yet been paid for the value of their land.

**III**

**Policy Statements**

1. Qualified landowners, as defined under Item II above shall, in addition to the compensable value of the land as determined under present policies be entitled to receive the increment of six percent (6%) yearly interest compounded annually.
2. In the case of landowners who were partially paid, the yearly interest of six percent compounded annually shall be applied to the unpaid balance.