

**[DAR ADMINISTRATIVE ORDER NO. 1, January
03, 1989]**

RULES AND PROCEDURES GOVERNING LAND TRANSACTION

I

Legal Mandate

A. *Registration of Deeds* — Upon the effectivity of Republic Act No. 6657, 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 three (3) months after the effectivity of this Act. Thereafter, all Registers of Deeds shall inform the DAR within thirty (30) days of any transaction involving agricultural lands in excess of five (5) hectares.

B. *Disposition of Private Agricultural Lands* — The sale or disposition of agricultural lands retained by a landowner as a consequence of Section 6 of R.A. 6657 shall be valid as long as the total landholding that shall be owned by the transferee thereof inclusive of the land to be acquired shall not exceed the landholding ceilings provided in R.A. 6657.

Transferees of agricultural lands shall furnish the appropriate Register of Deeds and the BARC an affidavit attesting that their respective total landholdings as a result of the said acquisition do not exceed the landholding ceiling. The Register of Deeds shall not register the transfer of any agricultural land without the submission of such sworn statement together with proof of service of a copy thereof to the BARC.

C. *Transfer and Conversion of Lands Outside Urban Centers Prohibited* — The sale, transfer, conveyance or change of the nature of lands outside the urban centers and city limits either in whole or in part after the effectivity of R.A 6657 is prohibited except as provided for under DAR Administrative Order No. 15, Series of 1988. The date of the registration of the deed of conveyance with the Register of Deeds with respect to titled lands and the date of the issuance of the Tax Declaration to the transferee of the property with respect to unregistered lands, as the case maybe, shall be conclusive for the purpose of the aforesaid act.

Likewise prohibited is the sale, transfer, or conveyance by the beneficiary of the right to use or any other usufructuary right over the land he acquired by virtue of being a beneficiary, in order to circumvent the provisions of R.A 6657.

D. *Transferability of Awarded Lands* — Lands acquired by beneficiaries under R.A. 6657 may not be sold transferred or conveyed within a period

of ten (10) years except through hereditary succession, or to the DAR or LBP, or to other qualified beneficiaries; Provided, however, that the children or the spouse of the transferor shall have a right to repurchase the land from the DAR or LBP within a period of two (2) years. Due notice of the availability of the land shall be given by the LBP to the BARC of the Barangay where the land is located. The Provincial Agrarian Reform Coordinating Committee (PARCCOM), as provided by law, shall, in turn, be given due notice thereof by the BARC.

If the land has not yet been fully paid by the beneficiary, the rights to the land may be transferred or conveyed. with prior approval of the DAR, to any heir of the beneficiary or to any other beneficiary who, as a condition ;or such transfer or conveyance, shall cultivate the land himself. Failing compliance herewith, the land shall be transferred to the LBP which shall give due notice of the availability of the land in the manner specified in the immediately preceding paragraph.

In the event of such transfer to the LBP, the latter shall compensate the beneficiary in one lump sum for the amounts the latter has already paid, together with the value of improvements he has made on the land.

E. Bank Mortgages — Banks and other financial institutions allowed by law to hold mortgage right or security interests in agricultural lands to secure loans and other obligations of borrowers may acquire title to these mortgaged, properties, regardless of areas, subject to existing laws on compulsory transfer of foreclosed assets and acquisitions as prescribed under Section 16 of R.A 6657.

II

Rules on Validity of Land Transactions

A. The following transactions are valid:

1. Those executed by the original landowner in favor of a qualified beneficiary from among those certified by DAR.
2. Those in favor of the government, DAR or the Land Bank of the Philippines.
3. Those covering lands retained by the landowner under Section 6 of R.A. 6657 duly certified by the designated DAR Provincial Agrarian Reform Officer (PARO) as a retention area, executed in favor of transferees whose total landholdings inclusive of the land to be acquired do not exceed five (5) hectares; subject, however, to the right of preemption and/or redemption of tenant/lessee under Sections 11 and 12 of R.A. 3844 as amended.

Retention area will refer to the parcel of land, or portion thereof, selected by the landowner as his retained area to remain under his full ownership and control after his landholding has been acquired by the government or covered by CARP and distributed to the beneficiaries, as evidenced by a Certificate of Retention issued by the PARO.