

**[DAR ADMINISTRATIVE ORDER NO. 02, s. 1995,
May 10, 1995]**

**REVISED RULES AND PROCEDURES GOVERNING THE
ACQUISITION OF PRIVATE AGRICULTURAL LANDS SUBJECT OF
VOLUNTARY LAND TRANSFER OR A DIRECT PAYMENT SCHEME
(VLT/DPS) PURSUANT TO R.A. NO. 6657**

A. PREFATORY STATEMENT

Under Section 20 of R.A. NO. 6657, landowners of agricultural lands subject to acquisition under CARP may enter into a voluntary arrangement for the direct transfer of their lands to qualified beneficiaries. Section 21 of the same Act provides that direct payment may be made in cash or in kind by the agrarian reform beneficiary (ARB) to the landowner under terms to be mutually agreed upon by both parties and which shall be binding upon registration with and approval by the DAR.

Section 44 of R.A. No. 6657, as amended by R.A. No. 7905 provides that the PARCCOM shall recommend to the PARC the adoption of a direct payment scheme between the landowner and the farmer or farmworker.

Moreover, in the meeting of the PARC Executive Committee on 10 April 1995, a resolution was passed in the following tenor:

“RESOLVED, that the Revised Rules and Procedures Governing the Acquisition of Private Agricultural Lands Subject of Voluntary Land Transfer or Direct Payment Scheme (VLT/DPS) pursuant to R.A. No. 6657 be approved.”

These Rules and Regulations are being issued pursuant to the mandate of R.A. No. 6657, as amended by R.A. No. 7905 and the PARC Executive Committee Resolution No. 95-57-2 dated 19 April 1995.

B. POLICY STATEMENTS

1. The general policies for VLT/DPS are as follows:

a. the beneficiaries are determined by DAR to be the same individuals who would be eligible to purchase the land in case the government, through Compulsory Acquisition (CA) or Voluntary Offer to Sell (VOS), acquired the land for sale;

b. the area of land to be transferred to the ARBs should not be less than the area which the government, through CA, would otherwise acquire for redistribution;

c. the terms and conditions of VLT/DPS should include the immediate transfer of

possession and ownership of the land in favor of the identified beneficiaries; Certificates of Land Ownership Award (CLOAs) shall be issued to the ARBs with proper annotations;

d. the terms and conditions of the VLT/DPS shall not be less favorable to the ARB than those of the government's standing offer to purchase from the landowner and to sell to the beneficiary, if such offers have been made and are fully known to both parties; it is incumbent upon DAR to ensure that the ARBs are made fully aware of and understand the options available to them in land redistribution;

e. direct payment in cash or in kind may be made by the ARB to the landowner under terms to be mutually agreed upon by them and which shall be binding upon registration and approval by the DAR; said approval shall be presumed unless a notice of disapproval is received by the ARB within thirty (30) days from the date of registration; and

f. the VLT/DPS agreement shall include sanctions for non-compliance by either party and shall be duly recorded and its implementation monitored by the DAR.

2. A landowner whose land is subject to acquisition under R.A. No. 6657 may, with the concurrence of his qualified ARBs, voluntarily transfer his land directly to them. Negotiations for VLT/DPS between the landowner and his qualified beneficiaries must be completed and the agreement arrived at must be submitted within one (1) year from the date of receipt by the DAR of the Notice of Application for VLT/DPS. Otherwise, the land shall be acquired by the government and transferred to qualified ARBs pursuant to R.A. No. 6657.

All VLT/DPS agreements/negotiations already resolved but are still pending at the DAR for completion of some requirements shall be considered enforceable and shall continue to be processed.

3. Should the beneficiary, for reasons other than those brought about by force majeure or fortuitous events, default in his obligations for three (3) consecutive installments to pay the land amortizations provided in the agreement shall, pursuant to R.A. No. 3844, as amended by R.A. 6389, of Paragraphs 7 and 8, he /she shall be replaced as beneficiary and shall be permanently disqualified from becoming a beneficiary under the CARP. The CLOA issued to him/her shall be cancelled accordingly and the land shall either be:

a. Awarded to a qualified heir of the beneficiary who will assume the balance of the value of the land; or

b. In the absence of a qualified heir, awarded to a new qualified beneficiary who, as a condition for such transfer or conveyance, is willing to abide by the terms of the existing VLT/DPS agreement and who will pay for the entire value of the land.

In the event of such a substitution, the landowner shall refund the previous beneficiary, in one lump sum or on installment basis, for the amounts already paid and for the improvements made by the latter, less the computed lease rental for the duration of the previous beneficiary's use of the land and the other charges provided by law.

The grace period for each payment and the provisions on the declaration of default shall be included in the VLT/DPS agreement.

4. All payments made by a beneficiary pursuant to a VLT/DPS agreement must be covered by receipts that will be issued by the landowner. Upon full payment of the land, a certification to this effect shall be issued by the landowner to the beneficiary, copy furnished the Municipal Agrarian Reform Officer (MARO). The annotation on the CLOA shall be cancelled at the instance of the ARB.

5. Lands acquired under the VLT/DPS scheme may not be sold, transferred or conveyed except through hereditary succession or the Government, or to other qualified beneficiaries for the period of ten (10) years, provided, however, that the children or the spouse of the transferor shall have a right to redeem the land from the Government within a period of two (2) years from the date of transfer.

6. Land titles with existing liens and encumbrances shall not be covered under the VLT/DPS scheme.

7. The agreement on VLT/DPS shall be adequately explained by the MARO to the parties in the local dialect prior to its signature.

C. DOCUMENTATION

A Deed of Voluntary Land Transfer (VLT/DPS Form No. 7) shall be executed as proof of the transaction between the parties. Such a Deed must be supported by the following documents:

1. For titled properties:

- a. Owner's copy of the title;
- b. Copy of the latest Tax Declaration;
- c. Approved segregation or subdivision plan;
- d. Real estate tax clearance or statement of tax delinquency; and
- e. Certification from the Office of the Register of Deeds concerned that the property/ies as appearing in the title is/are free from all liens and encumbrances.

2. For untitled properties:

- a. Copy of the latest Tax Declaration;
- b. Survey Plan and technical description of the property duly approved by the Land Management Sector of the Department of Environment and Natural Resources;
- c. Real estate tax clearance or statement of tax delinquency;