

**[ DAR ADMINISTRATIVE ORDER NO. 11, September 13, 1994 ]**

**REVISING THE RULES AND REGULATIONS COVERING THE VALUATION OF LANDS  
VOLUNTARILY OFFERED OR COMPULSORILY ACQUIRED AS EMBODIED IN  
ADMINISTRATIVE ORDER NO. 06, SERIES OF 1992**

In order to effectively carry out the intents and purposes of Republic Act No. 6657, otherwise known as the Comprehensive Agrarian Reform Law, the following revisions on the Rules and Regulations covering the valuation of lands Voluntarily Offered or Compulsorily Acquired provided for under Administrative Order No. 06, Series of 1992, are hereby promulgated.

1. Item II.A.A.3 is hereby amended to read as follows:

"A.3. When both the CS and CNI are not present and only MV is applicable, the formula shall be:

$$LV = MV \times 2$$

In no case shall the value of idle land using the formula  $MV \times 2$  exceed the lowest value of land within the same estate under consideration or within the same barangay or municipality (in that order) approved by LBP within one (1) year from receipt of claimfolder."

2. Item II A.A.4 is hereby amended to read as follows:

"A.4. In all of the above, the computed value using the applicable formula shall in no case exceed the LO's offer in case of VOS.

"The LO's offer shall be grossed up from the date of the offer up to the date of receipt of claimfolder by LBP for processing."

3. Hereby added after Item II.A.A.4. are Items II.A.A.5. and II.A.A.6, to read as follows:

"A.5 For purposes of this Administrative Order, the date of receipt of claimfolder by LBP from DAR shall mean the date when the claimfolder is determined by the LBP to be complete with all the required documents and valuation inputs duly verified and validated, and is ready for final computation/processing."

Should LBP need any of the documents listed under Paragraph C, Annex BO of DAR Administrative Order No. 1, Series of 1993 to facilitate processing under Paragraph IV, Step 14 to 17, of the same Order, the DAR shall assist the LBP in securing the same."

"A.6. The basic formula in the grossing-up of valuation inputs such as LO's Offer, Sales Transaction (ST), Acquisition Cost (AC), Market Value Based on Mortgage (MVM) and Market Value per Tax Declaration (MV) shall be:

$$\begin{array}{lcl} \text{Grossed-up} & & \text{Valuation Input} \times \text{Regional} \\ \text{Valuation} & = & \text{Consumer Price Index} \\ \text{input} & & (\text{RCPI}) \text{ Adjustment Factor} \end{array}$$

The RCPI Adjustment Factor shall refer to the ratio of RCPI for the month issued by the National Statistics Office as of the date when the claimfolder (CF) was received by LBP from DAR for processing or, in its absence, the most recent available RCPI for the month issued prior to the date of receipt of CF from DAR and the RCPI for the month as of the date/effectivity/registration of the valuation input. Expressed in equation form:

$$\begin{array}{lcl} \text{RCPI} & & \\ \text{Adjustment} & = & \text{RCPI for the Month as of Date of Receipt of Claimfolder by LBP from DAR or} \\ \text{Factor} & & \text{the Most Recent RCPI for the Month Issued Prior to the Date of Receipt of CF} \\ & & \hline & & \text{RCPI for the Month Issued as of the Date/Effectivity/Registration of the} \\ & & \text{Valuation Input"} \end{array}$$

4. The definition of AGP and SP under Item II.B. are hereby amended to read as follows: