

**[DAR ADMINISTRATIVE ORDER NO. 4 S. 1991,
April 26, 1991]**

**SUPPLEMENTAL GUIDELINES GOVERNING THE EXERCISE OF
RETENTION RIGHTS BY LANDOWNERS UNDER PRESIDENTIAL
DECREE NO. 27**

A

Prefatory Statement

In the case *Association of Small Landowners in the Philippines, Inc., et al. versus Honorable Secretary of Agrarian Reform* (G.R. No. 78742, 14 July 1989), the Supreme Court ruled:

"Landowners who were unable to exercise their rights of retention under P.D. No. 27 shall enjoy the retention rights granted by R.A. No. 6657 under the conditions therein prescribed."

Moreover, in the resolution of the motion for reconsideration filed by the petitioners on the same case, the Supreme Court ruled:

"x x x landowners who, prior to the promulgation of the CARL, complied with the requirement under LOI Nos. 41, 45 and 52 regarding registration of their landholding, shall be allowed to enjoy the seven hectare retention limit provided in P.D. 27. x x x As for the other landowners who continuously refused to comply with the registration requirement, they cannot, in view of the CARL, demand that their retention limit be determined in accordance with P.D. 27."

Pursuant to these Supreme Court rulings, the following guidelines are hereby prescribed.

B

Policy Statements

1. Landowners covered by PD 27 are entitled to retain seven hectares, except those whose entire tenanted rice and corn lands are subject of acquisition and distribution under Operation Land Transfer (OLT). An owner of tenanted rice and corn lands may not retain these lands under the following cases:

- a. If he as of 21 October 1972 owned more than 24 hectares of tenanted rice or corn lands; or
- b. By virtue of LOI 474, if he as of 21 October 1976 owned less than 24 hectares of tenanted rice or corn lands but additionally owned the following:
 - Other agricultural lands of more than seven hectares, whether tenanted or not, whether cultivated or not, and regardless of the

income derived therefrom; or

- Lands used for residential, commercial, industrial, or other urban purposes, from which he derives adequate income to support himself and his family.

2. Landowners who filed their applications for retention before 27 August 1985, the deadline set by Administrative Order No. 1, series of 1985, may retain not more than seven hectares of their landholdings covered by PD 27 regardless of whether or not they complied with LOI Nos. 41, 45, and 52.

Landowners who filed their applications for retention after 27 August 1985 but complied with the requirements of LOI Nos. 41, 45 and 52 shall likewise be entitled to such a seven-hectare retention area.

However, landowners who filed their applications for retention after the 27 August 1985 deadline and did not comply with the requirements of LOI Nos. 41, 45, and 52 shall only be entitled to a maximum of five hectares as retention area.

3. A landowner who has died must have manifested during his lifetime his intention to exercise his right of retention prior to 23 August 1990 (the finality of the Supreme Court decision in the case *Association of Small Landowners of the Philippines, Inc. et al. versus Honorable Secretary of Agrarian Reform*) to allow his heirs to now exercise such right under these guidelines. Said heirs must show proof of the original landowner's intention.

The heirs may also exercise the original landowner's right of retention if they can prove that the decedent had no knowledge of OLT coverage over the subject property.

4. A landowner is deemed to have waived his right of retention over a parcel of land by the performance of any of the following acts:

- a. Signing of the Landowner-Tenant Production Agreement and Farmer's Undertaking (LTPA-FU) covering the subject property;
- b. Entering into a direct-payment scheme agreement as evidenced by a Deed of Transfer over the subject property; and
- c. Signing/submission of other documents indicating consent to have the subject property covered, such as the form letter of the Land Bank of the Philippines (LBP) on the disposition of the cash and bond portions of a land transfer claim for payment, and the Deed of Assignment, Warranties and Undertaking executed in favor of the LBP.

5. All rights previously acquired by the tenant-farmers under PD 27 are retained and recognized. Section II(d), (e), (h) and (i) of Administrative Order No. 11, series of 1990 entitled "Rules and Procedures Governing the Exercise of Retention Rights by Landowners and Award to Children Under Section 6 of RA 6657," shall be applied.

6. A landowner who owns lands other than rice and corn shall be persuaded to select the area he will retain from these "other lands" to prevent or minimize the possible dislocation of farmer-beneficiaries who have been issued Certificates of