

**[DAR ADMINISTRATIVE ORDER NO. 11, August
16, 1988]**

**GUIDELINES AND PROCEDURES GOVERNING MULTINATIONAL
CORPORATION UNDER SECTION 8 OF REPUBLIC ACT NO. 6657
OTHERWISE KNOWN AS THE COMPREHENSIVE AGRARIAN
REFORM LAW OF 1988**

Implementing Section 8 of Republic Act No. 6657, the following Guidelines and Procedures are hereby promulgated for the guidance of all concerned:

SECTION 1. Definition Of Terms —

Multinational Corporation (MNC) — an international or transnational corporation with headquarters in one country but which has branch offices in a wide range of both developed and developing countries. Examples: Dole Del Monte, General Motors, Coca-Cola, Firestone, Philips, Renault, British Petroleum, etc.

Government Lands — includes both public lands and other lands of the government already reserved for or devoted to public use or subject to private rights.

Public Domain — lands to which the government has proprietary rights.

Private Agricultural Lands — lands devoted to agricultural activities and which are under the effective control and disposition of natural or juridical persons.

Agri-Business — the sum total of all operations involved in the manufacture and distribution of farm supplies; production activities on the farm; and the storage, processing and distribution of farm commodities and items made from them. Agri-business, therefore, includes all activities involved in growing agricultural produce and making them readily usable by consumers.

Agro-industrial Enterprises — covers enterprises that process farm products into final consumer goods (such as food and clothing) and into industrial raw materials.

SECTION 2. Coverage. — These Guidelines and Procedures cover all multinational corporations or associations with lease, management, grower or service contracts:

A. on lands of the public domain and other lands owned by the government or by government-owned or government-controlled corporations devoted to existing and operational agri-business, agro-industrial, and agricultural enterprises; and

B. on lands owned by private non-governmental corporations, associations, institutions, entities and citizens of the Philippines devoted to agricultural activities.

SECTION 3. Schedule For Acquisition and Distribution. — The DAR shall plan and program the acquisition and distribution of lands leased, held or possessed by multinational corporations or associations in accordance with the following schedule:

Schedule One: All lands of the public domain and other lands owned by the government or by government owned or controlled corporations, associations, institutions or entities leased or held by multinational corporations or associations or foreign individuals shall be acquired and distributed immediately upon the effectivity of R.A. 6657, with the implementation to be completed within three (3) years;

Schedule Two: Lands owned by private individuals and private non-governmental corporations, associations, institutions and entities shall be subject to immediate compulsory acquisition and distribution upon the expiration of their lease, management or grower or service contracts or starting August 29, 1992, whichever comes sooner subject to the phasing mentioned in Section 7 of R.A. 6657. However, the government, during the effectivity of the lease contracts, shall take steps for the eventual acquisition and distribution of the lands.

SECTION 4. Effectivity of Contracts. — Lease, management, grower or service contracts on lands covered by Section 2 hereof shall be treated as follows:

A. Contracts on lands of the public domain and other lands owned by the government or by government owned or controlled corporations, associations, institutions or entities covering an aggregate area in excess of 1,000 hectares, or 500 hectares in the case of foreign individuals, are ipso facto terminated as of June 15, 1988.

B. Contracts on lands mentioned in the preceding paragraph covering an area of 1,000 hectares and below and 500 hectares and below, as the case may be, shall be allowed to continue but not beyond August 29, 1992, or upon their valid termination, whichever comes sooner.

The agreements on these lands may continue even after the lands have been transferred to beneficiaries or awardees. The