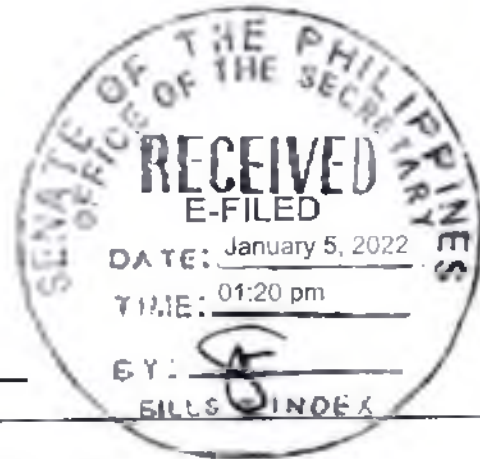


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



SENATE

S. No. 2472

Introduced by Senator Manuel "Lito" M. Lapid

**AN ACT
TO PROMOTE INVESTMENTS IN AGRICULTURE BY
EASING FARMLAND LANDHOLDING RESTRICTIONS AND
RATIONALIZING LAND TRANSACTION PROCESSES**

EXPLANATORY NOTE

Our agricultural sector suffers from inefficiency and productivity issues. These issues are present not because our farmers are lazy but rather because of the restrictions on farmlands as provided under the Comprehensive Agrarian Reform Law (*Republic Act No. 6657*) which impede the growth and development in the said sector. According to a study in 2019 by economists Tasso Adamopoulos and Diego Restuccia, our agrarian reform program resulted in land fragmentation, which reduced the productivity in agriculture by 17% and the share of landless individuals by 20%. These restrictions include the five-hectare retention limit (*Section 6*), non-transferability of the land within ten (10) years of issuance (*Section 7*), and thirty (30) annual amortizations by the beneficiaries (*Section 26*). The mentioned restrictions hinder land market operations as well as the introduction of new and alternative technologies and farming systems, reduce farmers' incentive to invest in land improvements, limit choice of contractual arrangements, and discourage younger generation of Filipinos to pursue farming or choose to work in the agricultural sector. Thus, the need to lift the same for a more efficient and productive use of the land.

Pursuant to the declared policy of the state to promote investments in agriculture and to encourage the establishment of economically viable enterprises in

the countryside, this bill seeks to (a) ease the restrictions on farm size and on agricultural land transactions (b) rationalize land transaction processes by upgrading of paper titles to electronic titles free of charge, which will remove bureaucratic delays created from the need for Department of Agrarian Reform (DAR) clearances in land transfers and (c) condone all unpaid land amortizations of agrarian reform beneficiaries and other charges.

In view of this, early passage of this bill is sought.



MANUEL "LITO" M. LAPID
Senator

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*Be it enacted by the Senate and the House of Representatives of the Philippines
in Congress assembled:*

1 Section 1. *Short Title.* – This Act may also be referred to as the "*Agricultural*
2 *Lands Easing Act of 2022*".

3
4 Section 2. *Declaration of Principles.* – It is hereby declared the policy of the
5 State to promote investments in agriculture and to encourage the establishment of
6 economically viable enterprises in the countryside by easing farmland restrictions and
7 rationalizing processes and procedures.

8
9 Section 3. *Fee Simple Title.* – Lands acquired by farmer-beneficiaries under any
10 of the agrarian reform laws shall be considered as lands with fee simple title and thus
11 may be sold, transferred, conveyed, mortgaged, leased, or entered into a partnership
12 or usufruct agreements, at any time, with any person, natural or juridical, qualified to
13 own or possess lands in the Philippines in accordance with existing laws.

14

1 Section 4. *Upgrading to Electronic Titles.* – The Department of Agrarian Reform
2 (DAR) and the Land Registration Authority (LRA) shall implement a program for the
3 upgrading of paper titles held by farmer-beneficiaries to electronic titles, free of
4 charge. The appropriations necessary for the implementation of this Section shall be
5 charged initially to existing funds of the DAR, and subsequently to the General
6 Appropriations Act (GAA).

7
8 Section 5. *Landholdings' Ceiling Requirement.* – Any sale, transfer or
9 conveyance of agricultural lands shall be valid as long as the resulting total agricultural
10 landholdings by the transferee do not exceed twenty-four (24) hectares.

11
12 Section 6. *Condonation of Unpaid Amortizations and Other Charges.* – The State
13 hereby condones all unpaid amortizations, interests thereon, penalties and surcharges
14 owing or due to the government, obtained from the acquisition of lands awarded
15 under the Comprehensive Agrarian Reform Law and other land reform legislations. All
16 liens and encumbrances associated with agrarian reform land acquisition that are
17 annotated in the Certificates of Title issued to farmer beneficiaries and its derivative
18 titles are all cancelled by operation of law. It shall not be necessary for titles to be
19 presented to the Registry of Deeds. No further action shall be required from farmer
20 beneficiaries for the cancellation of such annotations.

21
22 Section 7. *Removal of DAR Clearances on Transfers of Ownership of Agricultural*
23 *Lands.* – Transferees of ownership of agricultural lands shall furnish the appropriate
24 Registry of Deeds an affidavit attesting to the fact that his/her total agricultural
25 landholdings, as a result of the said transfer, do not exceed twenty-four (24) hectares.
26 Such transfers shall not require any clearance from the Department of Agrarian
27 Reform (DAR) as a prerequisite for registration of transaction with the Register of
28 Deeds. The transfer of ownership shall be immediately registered by the Registrar of
29 Deeds if the resulting agricultural landholdings of the transferee, based on the
30 electronic database of the Land Registration Authority (LRA), do not exceed 24
31 hectares. If from the electronic records of the LRA, it appears that the transferee's
32 landholdings exceed 24 hectares, his/her registration shall be denied and the

1 transferee shall be notified of said fact and shall be provided with the list of the
2 properties that is registered in his/her name. If the transferee claims that the person
3 who has a landholding in excess of 24 hectares is only a namesake, the transferee
4 shall be required to submit additional evidence with the Register of Deeds for
5 verification of the transferee's identify within the prescribed processing time as may
6 be provided in the implementing rules under Section 9 of this Act.

7
8 Section 8. *Bank Mortgages.* – Banks and non-bank financial institutions duly
9 registered with the Bangko Sentral ng Pilipinas (BSP) and allowed by law to hold
10 mortgage rights or security interests in agricultural lands to secure loans and other
11 obligations of borrowers, may acquire title to these mortgaged properties upon
12 foreclosure, subject to existing banking laws. These financial institutions shall not be
13 subject to the landholding ceiling requirement under the preceding section subject to
14 the provision of Section 52 of Republic Act No. 8791 or the General Banking Law on
15 disposition of acquired asset within a period of five (5) years.

16
17 Section 9. *Repurchase.* – In case of mortgage foreclosure, the farmer-
18 beneficiary or his/her heirs who are in actual occupation and cultivation of the land
19 mortgaged shall have the right to repurchase within a period of two (2) years, after
20 which said property acquired from any agrarian reform beneficiary may be transferred
21 to any person, both natural and juridical, subject to the limitations of law.

22
23 Section 10. *Farmer-beneficiary Information Campaign.* – For the full
24 dissemination of the features of this Act, as well as to allow farmer beneficiaries to
25 avail of the services provided herein, the Department of Agrarian Reform (DAR) and
26 local agrarian reform offices, in coordination with the Philippine Information Agency
27 (PIA) and other appropriate government offices, shall conduct an information
28 campaign to explain the provisions of this Act to farmer-beneficiaries.

29
30 Section 11. *Penalties.* – Any person who knowingly or willfully violated the
31 provision of this Act shall be punished by imprisonment of not less than one (1) month
32 to not more than three (3) years. If the offender is a corporation or association, the

1 officer responsible therefore shall be criminally liable.

2
3 Section 12. *Existing Notice of Coverage.* – All existing Notice of Coverage upon
4 the effectivity of this Act shall be respected and shall remain in full force and effect.

5
6 Section 13. *Implementing Rules and Regulations.* – The Department of Justice,
7 through the Land Registration Authority (LRA), and the Department of Agrarian
8 Reform (DAR), in coordination with Bangko Sentral ng Pilipinas (BSP) and the Land
9 Bank of the Philippines (LBP) shall promulgate the necessary implementing rules and
10 regulations within one hundred twenty (120) days upon the effectivity of this Act.

11
12 Section 14. *Repealing Clause.* – Sections 6, 27, and 70 of RA No. 6657. All laws,
13 decrees, orders, rules and regulations or parts thereof inconsistent with any provision
14 of this Act, are hereby repealed, amended or modified accordingly.

15
16 Section 15. *Separability Clause.* – If, for any reason, any provision of this Act
17 or any part thereof be declared unconstitutional and invalid, the other parts or
18 provisions of this Act not affected thereby shall remain in full force and effect.

19
20 Section 16. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after
21 its complete publication in the *Official Gazette* or in at least two (2) newspapers of
22 general circulation.

23
24 *Approved,*