

RLA BILL NO. 69

Republic of the Philippines
REGIONAL LEGISLATIVE ASSEMBLY
Autonomous Region in Muslim Mindanao
Cotabato City

SECOND LEGISLATIVE ASSEMBLY
(THIRD REGULAR SESSION)

Begun and held in Cotabato City, on Monday, the
twenty-fourth day of April, Nineteen Hundred and Ninety
Five.

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[MUSLIM MINDANAO AUTONOMY ACT NO. 43]

AN ACT PROVIDING FOR A REGIONAL AGRARIAN
REFORM PROGRAM FOR THE AUTONOMOUS
REGION IN MUSLIM MINDANAO, CREATING
THE DEPARTMENT OF AGRARIAN REFORM FOR
THE PURPOSE, AND APPROPRIATING FUNDS
THEREFOR.

Be it enacted by the Regional Legislative Assembly
in session assembled:

CHAPTER I

Preliminary Provisions

Section 1. Short Title. - This Act shall be known
as the "Agrarian Reform Program of the Autonomous
Region in Muslim Mindanao".

Sec. 2. Declaration of Policies. - It is the declared policy of the Autonomous Region in Muslim Mindanao to pursue a regional agrarian reform program suitable to the special circumstances prevailing in the area of autonomy, in accordance with the Constitution, Republic Act No. 6734, and other existing national laws and policies. The welfare of landless farmers and farmworkers will receive the highest consideration to promote social justice and to move the region towards sound rural development and industrialization and the establishment of owner cultivatorship of family economic-size farm as the basis for the region's agriculture.

To this end, a more systematic equitable distribution and ownership of land, with due regard to the rights of the landowners to just compensation is essential. The need to preserve ecological balance in the region shall be given serious consideration to provide farmers and farmworkers the opportunities to enhance their dignity and improve the quality of their lives through greater productivity in agriculture. The agrarian reform program is founded on the rights of landless farmers and farmworkers to own directly or collectively the land they till or in case of other farmworkers, to receive a just share of the fruits thereof.

The Autonomous Regional Government shall facilitate and accelerate the equitable distribution of all alienable and disposable lands and other government agricultural lands that are in excess to what are really needed for development for public use, subject to the priorities and limitations set forth in this Act.

The Autonomous Regional Government shall undertake measures to protect the ancestral domain and ancestral lands of the indigenous cultural communities.

The Autonomous Regional Government shall respect the rights of small landowners and shall provide incentives for voluntary offered land for sale/distribution in accordance with the provision of law on just compensation.

The autonomous government shall be guided by the principle that it is its concern and responsibility to lift the economic and social status of the landless farmers and farmworkers. Likewise, it shall also be guided by the principle that land has a social function and landownership has corresponding social obligations and responsibilities.

Landowners are encouraged not to leave their lands idle and abandoned but instead make them available for productive purposes to benefit not only themselves but others who need to use them, thereby helping the less fortunate segments of society to become self-reliant and self-sufficient in life.

The autonomous government shall apply the principle on collective ownership and/or stewardship, whenever applicable in accordance with law in the disposition and utilization of other natural resources, including lands of the public domain, under lease or concession, suitable to agricultural production, subject to the prior rights, homestead rights of small settlers and the ancestral rights of the indigenous cultural communities.

The autonomous government shall recognize the rights of farmers, farmworkers, and landowners as well as cooperatives and other independent farmers' organizations, to participate in the planning, organization and management of the program and shall provide support to agriculture through the provision of appropriate and adaptable technology transfer as a result of intensive research and adequate financial assistance for production, marketing and other support services.

The autonomous government may resettle landless farmers and farmworkers belonging to the indigenous cultural communities and other groups living and residing in the area of autonomy, in its own agricultural land/estate, proclaim resettlement areas and or resettlement reservations which shall be distributed to them in a manner provided by law and to rehabilitate and develop such areas to become better communities that are peaceful and conducive for living. By means of appropriate incentive, the autonomous government shall encourage the formation and maintenance of economic family-size farm to be constituted by individual beneficiaries and small landowners.

The autonomous government shall protect the rights of subsistence fishermen found in the local communities in their preferential use of communal marine and fishing resources, both inland and offshore. It shall provide support to such fishermen through appropriate technology and research, adequate financial assistance for production and marketing and for other basic services necessary for their development.

The autonomous government shall protect, develop and conserve such resources for continuous utilization by its people and shall also protect offshore fishing grounds of subsistence fishermen against intrusions. Fishworkers shall receive a just share from their labor in the utilization of marine and fishing resources.

The autonomous government shall provide incentives to landowners affected by the program to invest the proceeds of their landholdings to promote and accelerate industrialization, employment and privatization of public sector enterprises. Financial instruments used as payment of land shall contain features that shall enhance negotiability and acceptability in the market place. The autonomous government may lease undeveloped lands of

the public domain, and/or all acquired, sequestered or foreclosed properties to qualified entities for the development of capital intensive farms and traditional and pioneering crop production especially those for export subject to the prior rights of the beneficiaries under this Act.

Sec. 3. Definition of Terms. - As used in this Act, the meaning of every term enumerated hereunder is provided:

- a) Agrarian Reform - means the redistribution of lands to farmers, farmworkers and subsistence fishermen who are landless, irrespective of tenurial arrangement, to include the totality of factors and support services designed to uplift the economic status of the beneficiaries and all other arrangement vis-a-vis physical redistribution of lands, such as production and profit sharing scheme, labor administration and the distribution of shares of stocks under the corporate stock sharing scheme which allows beneficiaries to receive a just share of the fruit of their labor.
- b) Agriculture, Agricultural Enterprise or Agricultural Activity - means cultivation of soil, planting of crops, growing of fruit trees, raising of livestock, poultry or fish including the harvesting of such farm products and other farm activities and practices performed by a farmer in conjunction with such farming operations done by a person whether natural or juridical.
- c) Agricultural Lands - refer to the lands devoted to agricultural activity as defined in this Act and not classified as minerals,

forest, residential, commercial and/or industrial.

- d) **Agrarian Dispute** - refers to any controversy relating to tenurial arrangement whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture, including disputes concerning farmers, farmworkers, landowners, farmer/farmworkers' associations or any representation of persons in negotiating, fixing, maintaining, changing or seeking to arrange terms or conditions of such tenurial arrangement.

It includes any controversy relating to compensation of lands acquired under this Act and other terms and considerations of transfer of ownership from landowners to farmers, farmworkers, tenants and other agrarian reform beneficiaries, whether the disputants stand in the proximate relations of farm operator and beneficiary, landowner and tenant, or lessor and lessee.

- e) **Idle or Abandoned Land** - refers to any agricultural lands left behind unattended, not cultivated, tilled or developed to produce any crop not devoted to any specific economic purpose continuously from the time the property was acquired not due to any force majeure or any man-made calamity immediately prior to the receipt of Notice of Acquisition by the Autonomous Government as provided under this Act, but does not include lands which have become permanently or regularly devoted to non-agricultural purposes.
- f) **Farmer** - refers to any person whose primary livelihood is cultivation of lands or the production of agricultural crops either by

himself or primarily with the assistance of his immediate farm household, whether the land is owned by him or by another person under a leasehold or share of tenancy agreement or any arrangement with the owner thereof.

- g) **Farmworker** - is a natural person who renders services for value as an employee or laborer in an agricultural enterprise or farm regardless of whether his compensation is paid on a daily, weekly, monthly or "pakyaw" basis. The term includes an individual whose work has ceased as a consequence of, or in connection with a pending agrarian dispute and who has not obtained a substantially equivalent and regular farm employment.
- h) **Regular Farmworker** - is a natural person who is employed on a permanent basis by an agricultural enterprise or farm.
- i) **Seasonal Farmworker** - is a natural person who is employed on a recurrent, periodic or intermittent or non-permanent laborer, such as "dumaan", sacada and the like.
- j) **Other Farmworkers** - refer to farmworkers who do not fall under letters g, h and i respectively.
- k) **Cooperatives** - refer to organizations composed primarily of small agricultural producers, farmers, farmworkers, subsistence fishermen or other agrarian reform beneficiaries who voluntarily organize themselves for the purpose of pooling land, human, technological, financial or other economic resources and operate on the principle of one's rights and duties as a juridical person. Said

cooperatives must be registered with the Autonomous Region in Muslim Mindanao.

- m) **Indigenous Cultural Communities** - refer to a homogenous society identified by self-ascription and ascription by others, who have continuously lived as community on communally bounded and defined territory, sharing common bonds of language, customs, traditions and other distinctive cultural traits, and who, through resistance to the political, social and cultural inroads of colonization, became historically differentiated from the majority of Filipinos such as, but not limited to, the Maguindanaons, Iranons, Maranaos, Tausogs, Yakans, Samals, Badjaos, Tirurays, Bilaans, Bagobos, Manobos and other tribal groups covered by the definition of the Bangsa Moro defined in Republic Act Number 6734.

CHAPTER II

Coverage

Sec. 4. Scope. - The Agrarian Reform Law of the Autonomous Region in Muslim Mindanao shall cover, regardless of tenurial arrangement and commodity produced, all public and private agricultural lands including other lands of public domain, ancestral domain and ancestral lands suitable for agricultural productions within the area of the autonomy. More specifically, the following lands are covered by the Autonomous Regional Agrarian Reform program, to wit:

- a) All alienable and disposable lands of the public domain devoted or suitable for agriculture. No reclassification of forest or mineral lands shall be undertaken after the approval of this Act until the Regional Legislative Assembly, taking into account ecological, environmental development and

equity considerations, shall have determined by law the specific limits of the public domain;

- b) All lands of public domain in excess of the specific limits as may be determined by the Regional Legislative Assembly in the preceding paragraph;
- c) All other lands owned by the Regional Government devoted to or suitable for agriculture;
- d) All lands of ancestral domain devoted to or suitable for agriculture subject to the provisions on ancestral rights set forth in this Act; and
- e) All private lands devoted to or suitable for agriculture regardless of the agricultural products raised or that can be raised thereon.

Sec. 5. Schedule of Implementation. - The identification and distribution of lands covered by this Act shall be implemented immediately and to be completed within the period of fifteen (15) years thereof, subject to the provisions of the succeeding sections of this Act.

Sec. 6. Retention Limits. - Except as otherwise provided in this Act, no person may own or retain, directly or indirectly, any public or private agricultural lands, the size of which shall vary according to factors governing arable family size farm such as commodity produced, terrain, infrastructure and soil fertility as determined by the Regional Agrarian Reform Council (RARC) created hereunder, but in no case shall retention by landowner exceed seven (7) hectares. Five (5) hectares may be awarded to each child of the landowner subject to the following conditions:

- 1) That he is at least fifteen (15) years of age; and
- 2) That he is actually tilling the land or directly managing the farm; Provided, that landowners under Presidential Decree No. 27 and other pertinent agrarian reform laws promulgated by the national government shall be allowed to keep the area originally retained by them thereunder.

The original homestead grantees or direct compulsory heirs who still own the original homestead at the time of the approval of this Act shall retain same areas as long as they continue to cultivate and/or manage the said homestead.

The right to choose the area to be retained, which shall be compact and contiguous, shall pertain to the landowner; Provided, however, that in case the area selected for retention by the landowner is tenanted, the tenant shall have the option to choose whether to remain therein as tenant or be a beneficiary in the same or another agricultural land with similar or comparable features. In case the tenant choose to remain in the retained area, he shall be considered a leaseholder and shall lose his right as an owner-cultivator under this Act. In case the tenant chooses to be a beneficiary in another agricultural land, he loses his right as a leaseholder to the retained area of the landowner. The tenant must exercise his option within a period of one (1) year from the time the landowner manifests his choice of the area for retention. In all cases, the security of tenure of the farmers and farmworkers on the land prior to the approval of this Act, shall be respected.

Upon effectivity of this Act, any sale, disposition, lease, management contract or transfer of possessions of private lands executed by the original landowners in violation of this Act shall be null and void; Provided, however, That those executed prior to

this Act shall be valid only when registered with the Register of Deeds within the period of three (3) months after the effectivity of this Act. Thereafter, all Register of Deeds shall inform the Regional Department of Agrarian Reform in Muslim Mindanao within thirty (30) days of any transaction involving agricultural land in excess of seven (7) hectares.

Sec. 7. Priorities. - The Regional Department of Agrarian Reform in Muslim Mindanao (RDARMM) as herein created, in coordination with the Regional Agrarian Reform Council (RARC), shall plan and program the acquisition and distribution of all agricultural land and ancestral land suitable for agriculture within a period of fifteen (15) years upon the effectivity of this Act. Lands shall be acquired and distributed as follows:

PHASE I - All alienable and disposable public agricultural lands, all arable public lands under agro-forest, pasture and agricultural leases already cultivated and planted to crops in accordance with Section 6, Article XIII of the Constitution; all public agricultural lands which are to be opened for new development and resettlement and all private agricultural lands in excess of fifty (50) hectares, in so far as the excess hectareage is concerned, to implement principally the rights of the farmers and farmworkers who are actually tillers of the land but landless, to own directly or collectively the lands they till. They shall be distributed immediately upon the effectivity of this Act, with the implementation to be completed within the period of four (4) years.

PHASE II - Rice and corn lands under Presidential Decree No. 27 and all private lands voluntarily offered by the owners for agrarian reform; all lands foreclosed by

government financial institutions, and all lands acquired and sequestered by the Presidential Commission on Good Government (PCGG) within the area of autonomy; all lands classified as idle and abandoned areas and all other lands owned by the government that are arable and suited for agricultural production which shall be acquired and distributed upon the effectivity of this Act, the implementation of which shall be completed within a period of not more than four (4) years.

PHASE III- All other private agricultural lands commencing with large landholdings under the following schedule:

- a) Landholdings above twenty-four (24) hectares up to fifty (50) hectares to begin from the effectivity of this Act and to be completed within three (3) years; and
- b) Landholdings from the retention limit up to twenty-four (24) hectares, to begin from the effectivity of this Act and to be completed within four (4) years.

PHASE IV - All ancestral domain and ancestral lands suitable for agriculture subject to the provision on ancestral rights set forth in this Act.

The schedule of acquisition and redistribution of all ancestral agricultural lands covered by this program shall be made in accordance with the above order of priority, which shall be provided in the implementing guidelines/rules to be prepared by the Regional Agrarian Reform Council (RARC), taking into consideration the following: the need to distribute lands to the tillers at the earliest practicable time;

the need to enhance agricultural productivity to hasten economic recovery; and the availability of funds and resources to implement and support the program.

In any case, the RARC, upon the recommendation of the Provincial Agrarian Reform Coordinating Committee (PARCCOM), may declare certain provinces or municipalities as priority land reform areas, in which case the acquisition and distribution of private agricultural lands therein may be implemented ahead of the above schedules.

In effecting the transfer within these guidelines, priority must be given to lands that are within Phase I and Phase II and subsequently, Phase III and Phase IV should come next in that order of priorities.

The RARC shall establish guidelines to implement the above order of priorities and distribution scheme, including the determination of who are qualified beneficiaries; Provided, that an owner-tiller may be beneficiary of the land he does not own but is actually cultivating as long as the total number of his landholdings does not exceed five (5) hectares.

SEC. 8. - Multinational Corporations. - All lands of the public domain leased, held or possessed by multinational corporations or associations and other lands owned by government or by government-owned and controlled corporations, associations, institutions or entities, devoted to existing and operational agribusiness or agro-industrial enterprises, operated by multinational corporations and associations shall be programmed for acquisition and distribution immediately upon the effectivity of this Act with implementation to be completed within three (3) years unless a new contract is entered into by and between the Autonomous

Regional Government with the concurrence of the majority of the affected program beneficiaries and/or qualified beneficiaries in such corporation, association or entities.

Lands covered by the immediately preceding paragraph under lease, management, grower or service contracts and the like shall be disposed of as follows:

- a) Lease, management, grower or service contracts covering an aggregate area in excess of one thousand (1000) hectares, leased or held by foreign individual in excess of five hundred (500) hectares are deemed amended to conform with the limits set forth in Section 3 of Article XII of the Constitution.
- b) Contracts covering areas not in excess of one thousand (1000) hectares in the case of such corporations and associations and five hundred (500) hectares in the case of such individual shall be allowed to continue under their original terms and conditions but not beyond December 31, 2000 or their valid termination, whichever comes sooner, after which such agreement shall continue only when confirmed by the Autonomous Government and/or concerned parties. Such contracts shall likewise continue even after the land has been transferred to beneficiaries or awardees thereof, the transfer of which shall be immediately started or implemented and completed within the period of three (3) years mentioned in paragraph 1 hereof.
- c) In no case will such leases and other agreement now being implemented extend beyond December 31, 2000 when all lands subject hereof shall have been distributed completely to qualified beneficiaries or awardees.

Land under leased, held or possessed by multinational corporations owned by private individuals and private non-governmental corporations, associations, institutions and entities, shall be subjected to immediate compulsory acquisition and distribution upon expiration of the applicable lease, management, grower or service contracts in effect as of January 1, 1996 or otherwise upon its termination, whichever comes sooner, but not later than fifteen (15) years following the effectivity of this Act, subject to vested rights;

However, during the said period of effectivity, the Autonomous Government shall take steps to acquire these lands for immediate distribution thereafter.

In general, lands shall be distributed directly to the individual worker-beneficiaries. In case it is not economically feasible and sound to divide the land, then they shall form a workers cooperative or association which shall deal with the corporation or business association or any other proper party for the purpose of entering into a lease or growers agreement and for all other legitimate purposes. Until a new agreement is entered into by and between the workers cooperative or association and the corporation or business corporation or any other proper party, any agreement existing at the time this Act takes effect between the former and the previous landowner shall be respected by both the workers' cooperative or association and the corporation, business association or such other party. In no case shall the implementation or application of this Act

justify or result in the reduction of status or diminution of any benefits received or enjoyed by the worker beneficiaries or in which they may have vested rights at the time this Act becomes effective.

The provisions of Section 42 of this Act, as regards to production and profit sharing and corporate stock distribution option sharing apply to farms operated by multinational corporations.

During the transition period, the new owners shall be assisted in their effort to learn modern technology in production. Enterprises which show willingness and commitment in good faith in exerting effort to impart voluntarily such advanced technology will be given preferential treatment where feasible, but in no case shall a foreign corporation, association, entity or individual enjoy any right or privilege better than those enjoyed by a domestic corporation, association, entity or individual.

Sec. 9. Exemption and Exclusion. - Lands actually, directly and exclusively used and found to be necessary for parks, wildlife, forest reserves, reforestation, fish sanctuaries and breeding ground, watershed and mangroves, national defense, school sites, and campuses including experimental farm stations operated by public or private schools for educational purposes, seeds and seedlings research and pilot production centers, church sites and convents, mosque sites and Islamic Centers appurtenant thereto, communal burial grounds and cemeteries, penal colonies and penal farms actually worked by the inmates, government and private research and quarantine centers and all lands with eighteen percent (18%) slope and over shall be exempted from the operation of this Act.

Sec. 10. Commercial Farming. - Commercial farms which are private agricultural lands devoted to commercial livestock, poultry and aquaculture including saltbeds, fishponds and prawn ponds, fruit farms, orchards, vegetables and cut-flowers farms and cacao, coffee, coconut and rubber plantations shall be subjected to immediate compulsory acquisition and distribution within fifteen (15) years from the effectivity of this Act. In case of the new farms, the fifteen (15) year period shall begin from the first year of commercial farming/production and operations as determined by the Regional Department of Agrarian Reform (RDARMM). During the 15th year period, the Autonomous Government shall initiate the steps necessary to acquire these lands upon the payment of just compensation for the land and improvement thereon, preferably in favor of organized cooperatives or associations which shall thereafter, manage the said lands for the workers beneficiaries.

The provision of Section 42 of this Act, with regards to production and profit sharing and corporate stock distribution option sharing shall apply to commercial farms.

CHAPTER III

Ancestral Domain, Ancestral Lands and Indigenous Cultural Communities

Sec. 11. Definition of Terms. - As used in this Act, the meaning of every term enumerated hereunder is provided:

- a) Ancestral Domain - refers to all lands and natural resources owned, occupied or possessed by indigenous cultural communities, by themselves or through their ancestors, communally or individually, in accordance with their customs and

traditions since time immemorial continuously to the present except when interrupted by war, force majeure, or displacement by force or deceit, which shall include pasture, residential, agricultural and other lands individually-owned, whether alienable/disposable or otherwise, hunting grounds, worship area, burial grounds, bodies of water, air space, mineral and other natural resources defined in paragraph 2, Section 1, Article XI of R.A. No. 6734.

- b) **Ancestral Lands** - refer to those real properties within the ancestral domain which are communally-owned either by the whole community or by a clan/group thereof and to lands inherited by members of the indigenous cultural communities who are in actual, open, notorious and uninterrupted possession and occupation therein by themselves or their predecessors for at least thirty (30) years.
- c) **Customary/Indigenous Laws** - refer to a body of customs, traditions, practices, and usages traditionally observed, accepted, and recognized by the indigenous cultural communities.
- d) **Time Immemorial** - refers to a period of time, as far back as memory can reach where members of indigenous cultural communities are known to have occupied, possessed and utilized a definite territory inherited from their ancestors in accordance with their customs and traditions.

Sec. 12. All ancestral domain and ancestral lands of the indigenous cultural communities shall not be alienated and disposed of to non-members of the indigenous cultural communities.

Sec. 13. All public lands within the Autonomous Region are deemed part of the ancestral domain and shall be programmed for acquisition and disposition within the period of fifteen (15) years from the effectivity of this Act. However, in no case shall qualified indigenous cultural community be given or awarded such land in excess of five (5) hectares.

Sec. 14. Ancestral Domain and ancestral lands shall retain its original status irrespective of the manner of its acquisition and disposition. Any title hereto acquired by the effectivity of R.A. No. 6734 or in violation of this Act shall be null and void without prejudice to his rights to recover the reasonable amount legally paid thereto and or the reasonable value or just compensation of the improvements introduced therein.

Sec. 15. All private lands suitable for agricultural purposes titled or owned by members of indigenous cultural communities may be disposed of by its owner only to the members of the indigenous cultural community or to the Autonomous Regional Government in Muslim Mindanao.

Sec. 16. Members of the indigenous cultural communities may own or retain directly or indirectly any of their ancestral lands, irrespective of crops or fruits produced therein but in no case retention by the owner shall exceed seven (7) hectares. Five (5) hectares may be awarded to each child of the landowner provided he meets the conditions set forth under Section 6, Chapter II of this Act.

Sec. 17. No portion of the ancestral domain shall be opened to resettlement of non-members of the indigenous cultural communities.

Sec. 18. Ancestral lands that remained idle and abandoned, the causes of which are not due to force majeure and man made calamities shall be acquired and distributed to the landless members of said cultural

communities upon proper application with the RDARMM which shall provide guidelines herein and supervise its implementation.

Sec. 19. Unless authorized by the Regional Assembly, lands of ancestral domain titled to or owned by an indigenous cultural community shall not be disposed of to non-members thereof.

Sec. 20. In line with the principles of self-determination and autonomy, the system of landownership, land use and the mode of threshing out land disputes among the indigenous cultural communities not inconsistent with this Act shall be recognized and respected.

Sec. 21. The RDARMM in close coordination with the DENR-ARMM and the LGUs affected by the program shall completely identify and delineate the ancestral domain and ancestral lands within the period of fifteen (15) years from the effectivity of this Act.

CHAPTER IV

Improvement of Tenurial and Labor Relations

Sec. 22. Determination of Lease Rentals. - In order to protect and improve the tenurial and economic status of the farmers in the tenanted lands under the retention limit and lands not yet acquired under this Act, the RDARMM, is mandated to determine and fix immediately the lease rentals thereof which shall not be more than twenty-five percent (25%) of the normal harvest during the three (3) agricultural years immediately preceding the established date of the leasehold after deducting the amount used for the seeds and the harvesting, threshing, hauling and processing which ever are applicable, Provided, that if the land has been cultivated for the period of three (3) years, the initial consideration shall be based on the average

normal harvest during the preceding years when the land was actually cultivated, or on the harvest of the first year in case of newly cultivated lands if the harvest of the first year is normal. Provided, further, That after the lapse of the first three (3) normal harvests, the final consideration shall be based on the average normal harvest during these preceding agricultural years. Provided, finally, that in the absence of any agreement between the parties as to rentals, the RDARMM shall fix the rental, taking into consideration the practices observed in the community whichever is acceptable and adaptable, in accordance, if possible, with Islamic concept.

Sec. 23. Production Sharing Plan. - An enterprise adopting the scheme provided for in Section 42 or operating under a production venture, lease, management contract or another similar arrangement and any form covered by Sections 8 and 10 hereof is hereby mandated to be executed within thirty (30) days from the effectivity of this Act, under a production-sharing plan prescribed by the appropriate government agency.

Nothing herein shall be construed to sanction the diminution of whatever benefits such as salaries, bonuses, leaves and working condition granted to the employee-beneficiaries under existing laws, agreement and voluntary practices by the enterprise, nor shall the enterprise and its employee-beneficiaries be prevented from entering into any agreement with terms more favorable to the latter.

CHAPTER V

Registration

Sec. 24. Within one hundred eighty (180) days from the effectivity of this Act, all persons, natural or juridical, including government entities that own or claim to own agricultural lands/ancestral

domain/ancestral lands whether in their names or in the name of others, shall file a sworn statement in the Provincial/Municipal Assessors Office within the area of autonomy in the form to be prescribed by the RDARMM stating the following information:

- a) The description and area of the property;
- b) The average gross income from the property for at least three (3) years;
- c) The names of all tenants and farmworkers therein;
- d) The crops planted in the property and the area covered by each crops as of the effectivity of this Act;
- e) The terms, mortgages, leases and management contracts as of the effectivity of this Act; and
- f) The latest declared market value of the land as determined by the City or Provincial/Municipal Assessor;
- g) Cultivated or idle land.

Sec. 25. Registration of Beneficiaries. - The RDARMM in coordination with the Barangay Agrarian Reform Committee (BARC) as organized in this Act, shall register all agricultural lessees, tenants, and farmworkers who are qualified to be beneficiaries of the Regional Agrarian Reform Program (RARP). These potential beneficiaries, with the assistance of the Barangay Agrarian Reform Committee and the RDARMM shall provide the following data:

- a) Names and members of their immediate farm household;

- b) Owners or administrator of the lands they work on and the length of tenurial relationship;
- c) Crops planted; and
- d) Their share in the harvest or amount of rental paid or wages received.

A copy of the registry list of all potential RARP beneficiaries in the barangay shall be posted in the municipal hall or barangay hall, school or other public buildings in the barangay where it shall be open to the public for inspection at any reasonable time.

CHAPTER VI

Land Acquisition

Sec. 26. Procedures for Acquisition of Private Lands. - For purposes of acquisition of private lands, the following procedure shall be followed:

- a) After having identified the land, the landowners and the beneficiaries, the RDARMM shall send its notice to acquire the land to the landowner thereof, by personal delivery, and post the same in a conspicuous place in the municipal building and barangay hall of the place where the property is located. Said notice shall contain the offer of the RDARMM to pay a corresponding value in accordance with valuation set forth in Sections 27 and 28 and other pertinent provisions hereof.
- b) Within thirty (30) days from the date of receipt of written notice by personal delivery, the landowner and or his administrator or representative shall inform

the RDARMM of his acceptance or rejection of the offer.

- c) If the landowner accepts the offer of the RDARMM, the Land Bank of the Philippines (LBP) shall pay the landowner of the purchase price of the land within thirty (30) days after the execution of the deed of conveyance and delivers a deed of transfer in favor of the Autonomous Regional Government and surrenders the Certificate of Title and other documents evidencing title thereto.
- d) In case of rejection or failure to reply, the RDARMM shall conduct summary administrative proceedings to determine the compensation for the land by requiring the landowner, the Land Bank of the Philippines and other interested parties to submit evidence as to the just compensation for the land, within fifteen (15) days from the receipt of the notice. After the expiration of the above period, the matter is deemed submitted for decision. The RDARMM shall decide the case within thirty (30) days after it is submitted for decision, expressing therein clearly and distinctly the facts and the law on which it is based.
- e) Upon receipt by the landowner of the corresponding payment or, in case of rejection or no response from the landowner, the corresponding payment shall be deposited with an accessible bank designated by the RDARMM of the compensation in cash or in bonds in accordance with this Act, and the RDARMM shall take immediate possession of the land and shall request the proper Register of Deeds to issue a Transfer Certificate of Title (TCT) in the name of the Autonomous Regional Government in Muslim Mindanao. The

RDARMM shall thereafter proceed with the redistribution of the land to the qualified beneficiaries.

- f) Any party who disagrees with the decision may bring the matter to the court of proper jurisdiction for final determination of just compensation.

ARTICLE VII

Compensation

Sec. 27. Determination of Just Compensation. - In determining the just compensation, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, the sworn valuation of the landowner, the tax declaration, and the assessment made by the government assessors shall be considered; the social and economic benefits contributed by the farmer and farmworkers and by the government to the property as well as the non-payment of taxes or loans secured from any government financing institutions on the said land shall be considered as additional factors to determine its valuation.

Sec. 28. Valuation and Mode of Compensation. - The Land Bank of the Philippines shall compensate the landowner in such amount as may be agreed upon by the landowner, the RDARMM and the LBP in accordance with the criteria provided for in Sections 26 and 27 and other pertinent provision hereof, or as may be finally determined by the court as just compensation for the land.

The compensation shall be paid in one of the following modes, at the option of the landowners:

- 1) Cash payment under the following terms and conditions:
 - a) For lands above fifty (50)---Twenty-five (25%) percent hectares, insofar as cash, the balance to be the excess hectarage paid in government financial instrument is concerned: negotiable at any time.
 - b) For lands above twenty four (24) hectares and up to fifty (50) hectares. Thirty percent (30%) cash, the balance to be paid in government financial instruments negotiable at any time.
 - c) For lands twenty four (24) hectares and below. Thirty five (35%) percent cash, the balance to be paid in government financial instrument negotiable at any time.
- 2) Shares of Stock in government-owned or controlled corporations, Land Bank of the Philippines (LBP) preferred shares, physical assets or other qualified investment in accordance with guidelines set by the Regional Agrarian Reform Council (RARC);
- 3) Tax credits which can be used against any tax liability;
- 4) Land Bank bonds which shall have the following features:
 - a) Market interest rates aligned with 91-day treasury bill rates. Ten (10%) percent of the face value of the bonds shall mature every year from the date of issuance until the tenth (10th) year. Provided, that, should the landowner choose to forego the cash portion, whether in full or in part, he shall be paid correspondingly in LBP bonds;

b) Transferability and negotiability. Such LBP bonds may be used by the landowner, his successors in interest or his assignees, up to the amount of their face value, for any of the following:

1) Acquisition of land or other real properties of the government including assets under the Assets Privatization Program and other foreclosed properties by the government financial institutions in the same province or municipalities where the lands for which the bonds were paid are situated;

2) Acquisition of shares of stock of government-owned or controlled corporations or shares owned by the government in private corporations;

3) Substitutions for surety or bail bonds for the provisional release of accused persons, or for performance bonds;

4) Security for loans with any government financial institutions: Provided, That the proceeds of the loans shall be invested in an economic enterprise, preferably in a small and medium scale industry, in the province and municipality where the land is located for which the bonds are paid;

5) Payment for various taxes and fees to government: Provided, That the use of these bonds for these purposes will be limited to a certain percentage of the outstanding balance of the financial instruments: Provided, further, That the RARC shall determine the percentage mentioned above;

6) Payment for tuition fees of the immediate family members of the original bondholder in government universities,

colleges, trade schools and other institutions;

7) Payment for fee of the immediate member of the family of the original bondholder in government hospitals; and

8) Such other uses as the RARC may from time to time allow. In case of extraordinary inflation, the RARC shall take appropriate measures to protect the economy.

Sec. 29. Incentives for Voluntary Offer for Sale. - Landowners, other than banks and other financial institutions, who voluntarily offer their lands for sale shall be entitled to an additional five percent (5%) cash payment.

Sec. 30. Voluntary Land Transfer. - Landowners of agricultural lands subject to acquisition under this Act may enter into a voluntary arrangement for direct transfer of their lands to qualified beneficiaries, subject to the following guidelines:

- a) All notices for voluntary land transfer must be submitted to the RDARMM within the first year of implementation of the RARP. Negotiations between the landowners and qualified beneficiaries covering any voluntary land transfer which remain unresolved after one (1) year shall not be recognized and such shall instead be acquired by the Autonomous Regional Government and transferred pursuant to this Act.
- b) The terms and conditions of such transfer shall not be less favorable to the transferee than those of the government's standing offer to purchase from the landowner and to resell to the beneficiaries, if such offer have been made and are fully known to both parties.

- c) The voluntary agreement shall include sanctions for non-compliance by either party and be duly recorded and its implementation monitored by the RDARMM.

Sec. 31. Payment of Compensation by the Beneficiaries under Voluntary Land Transfer. - Direct payment in cash or in kind may be made by the farmer beneficiaries to the landowner under a term to be mutually agreed upon by both parties which shall be binding upon them, upon registration with and approval by the RDARMM. Said approval shall be considered given, unless notice of disapproval is received by the farmer-beneficiaries within thirty (30) days from the date of registration.

In the event they cannot agree on the price of the land, the procedure for land acquisition as provided in Section 26 shall apply. The LBP shall extend financial assistance to the beneficiaries for purposes of acquiring the land.

CHAPTER VIII

Land Distribution

Sec. 32. Qualified Beneficiaries. - The lands covered by the Regional Agrarian Reform Program (RARP) shall be distributed as much as possible to landless residents of the same barangay, or in the absence thereof, landless residents of the same municipality in the following order of priority:

- a) Agricultural lessees and share tenants;
- b) Regular farmworkers;
- c) Seasonal farmworkers;
- d) Other farmworkers;

- e) Actual tillers or occupants of public lands;
- f) Collective organizations or cooperatives of the above beneficiaries; and
- g) Others directly working on the land.

Provided, however, That the children of landowners who are qualified under Section 6 of this Act shall be given preference in the distribution of the land of their parents. And Provided, further, That actual tenant-tillers in the landholding shall not be ejected or removed without just cause to be determined by the RARC.

Beneficiaries under Presidential Decree No. 27 who culpably sold, disposed of, or abandoned their land are disqualified to become beneficiaries under this program.

A basic qualification of a beneficiary shall be his willingness, attitude and ability to cultivate and make the land as productive as possible. The RDARMM shall adopt a system of monitoring the record or performance of each beneficiary, so that any beneficiary guilty of negligence or misuse of the land or any support extended to him shall forfeit his right to continue as such beneficiary. The RDARMM shall submit periodic reports on the performance of the beneficiaries to the RARC.

If, due to the landowner retention rights or to the number of tenants, lessees or workers on the land, there is no enough land to accommodate any or some of them, they may be granted ownership of other lands available for distribution under this Act, at the option of the beneficiaries.

Farmers already in place and those not accommodated in the distribution of privately owned lands will be given preferential rights in the distribution of lands from the public domain.

Sec. 33. Distribution Limit. - No qualified beneficiary may own more than five (5) hectares of agricultural upland and more than three (3) hectares of irrigated lowland.

Sec. 34. Award to Beneficiaries. - The rights and responsibilities of the beneficiary shall commence from the time the RDARMM makes an award of the land to him, which award shall be completed within one hundred eighty (180) days from the time the RDARMM take actual possession of the land. Ownership of the beneficiary shall be evidenced by a Certificate of Land Ownership Award (CLOA) and Certificate of Ancestral Landownership (CALO) in the case of ownership of ancestral domain/ancestral lands which shall contain the restrictions and conditions provided for in this Act and shall be recorded in the Register of Deeds concerned and annotated on the Certificate of Title.

Sec. 35. Award Ceiling for Beneficiaries. - Beneficiaries shall be awarded an area not exceeding five (5) hectares which cover a contiguous tract of land or several parcels of land cumulated up to the prescribed award limits.

For purposes of this Act, a landless beneficiary is one who owns less than three (3) hectares of agricultural land.

The beneficiaries may opt for collective ownership such as co-ownership or farmers cooperatives or some other form of collective organization: Provided, That the total area that may be awarded shall not exceed the total number of co-owners or members of the cooperatives or collective organization multiplied by the award limit above prescribed, except in meritorious cases as determined by the RARC. Title to the property shall be issued in the name of the co-owners of the cooperatives or collective organization as the case may be.

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Sec. 36. Payment of Beneficiaries. - Lands awarded pursuant to this Act shall be paid for by the beneficiaries to the Land Bank of the Philippines (LBP) in thirty (30) annual amortizations at six percent (6%) service fee per annum. The payments for the first three (3) years after the award, may be at a reduced amount as established by the RARC, provided, that the first five (5) annual gross production payment for the first three (3) years payment may be more than the five (5) percent of the value of the annual gross production as established by the RDARMM. Should the scheduled annual payments after the fifth (5th) year exceed ten (10%) percent of the annual gross production and the failure to produce accordingly is not due to beneficiary's fault, the Land Bank of the Philippines may reduce the service fee rate or reduce the principal obligation to make the payment affordable.

The Land Bank of the Philippines (LBP) shall have a lien by way of mortgage on the land awarded to the beneficiary; and this mortgage may be foreclosed by the LBP for non-payment of an aggregate of three (3) annual amortizations. The LBP shall advise the RDARMM of such proceedings and the latter shall subsequently award the forfeited landholding to other qualified beneficiaries. A beneficiary whose land, as provided herein, has been foreclosed shall thereafter be permanently disqualified from becoming a beneficiary under this Act.


Sec. 37. Transferability of Awarded Lands. - Lands acquired by beneficiaries under this Act may not be sold, transferred or conveyed except through hereditary succession or to the Autonomous Regional Government or to the Land Bank of the Philippines or to other qualified beneficiaries for a period of ten (10) years. In the event of repossession of the land be made, preferential rights shall be given to members of the indigenous cultural communities. Provided, however, That the children or the spouse of the transferor shall have the right to redeem or

repurchase the land from the Autonomous Regional Government or from the Land Bank of the Philippines, within the period of five (5) years: Provided, further, that if the same is transferred, sold or conveyed, it shall not be disposed again to non-members of the indigenous cultural community. Due notice of the availability of the land shall be given by the LBP to the BARC of the barangay where the land is situated. The Provincial Agrarian Reform Coordinating Committee (PARCCOM) as herein provided shall in return, be given due notice thereof by the BARC.

If the land has not yet been fully paid by the beneficiary, the rights to the land may be transferred or conveyed with prior approval of the RDARMM, to any heirs of the beneficiary or to any other beneficiary who, as a condition for such transfer or conveyance, shall cultivate the land himself. For non-compliance herewith, the land shall be transferred to the LBP which shall give due notice of the availability of the land in the manner specified in the immediate preceding paragraph.

In the event of such transfer to the LBP, the latter shall compensate the beneficiary in one lump sum for the amount the latter has already paid, together with the just compensation of the improvement he has made on the land.

Sec. 38. Standing Crops at the Time of Acquisition. - The landowner shall retain his share of any standing crop unharvested at the time the RDARMM shall take possession of the land under Section 26 of this Act, and shall be given a reasonable time to harvest the same.



CHAPTER IX

Corporate Farms

Sec. 39. Farms Owned or Operated by Corporation or other Business Association. - In the case of farms owned by corporations or other business associations, the following rules shall be observed by the RARC:

In general, lands shall be distributed directly to the individual worker-beneficiaries.

In case it is not economically feasible and sound to divide the land, then it shall be owned collectively by the worker-beneficiaries who shall form a workers' cooperative or association which will deal with the corporation or business association. If new agreement is existing at the time this Act takes effect between the former and the previous landowner, the same shall be respected by both the workers' cooperative or association and the corporation or business association.

Sec. 40. Homelots and Farmlots for Members of Cooperative. - Members of the cooperative or corporation mentioned in the preceding Section shall be provided with homelots and small farmlots for their family use, to be taken from the land owned by the cooperative or corporation.

Sec. 41. Corporate Landowners. - Corporate landowners may voluntarily transfer ownership over their agricultural landholdings to the Autonomous Government pursuant to Section 30 hereof or to qualified beneficiaries, who are members of the indigenous cultural communities under such terms and conditions consistent with this Act, as they may agree upon, subject to confirmation by the RDARMM, Provided, that in case such transfer is made to the Autonomous Regional Government, it can only be disposed again to members of the indigenous cultural communities.

Upon certification of the RDARMM, corporations owning agricultural lands may give their qualified beneficiaries who are members of the indigenous cultural community, the right to purchase such proportion of the capital stock of the corporation that the agricultural land, actually devoted to agricultural activities, bears in relation to the company's total assets, under such terms and conditions as may be agreed upon by them. In no case shall the compensation received by the workers at the time shares of stocks are distributed be reduced. The same principles shall be applied to associations, with respect to their equity or participation.

Corporations or associations which voluntarily divest proportion of their capital stock or equity in favor of their workers or other qualified beneficiaries under this Section shall be deemed to have complied with the provisions of this Act, Provided, that the following conditions are complied with:

- a) In order to safeguard the right of beneficiaries who own shares of stocks and dividend and other financial benefits, the books of the corporations or associations shall be subjected to periodic audit by certified public accountants chosen by the beneficiaries.
- b) Irrespective of the value of their equity in the corporation or association, the beneficiaries shall be assured of at least one (1) representative in the board of directors, or in management or executive committee, if one exist, of the corporation or association;
- c) Any shares acquired by the workers and beneficiaries shall have the same rights and features as all other shares; and

- d) Any transfer of shares of stock by the original beneficiaries shall be void "ab initio" unless said transaction is in favor of a qualified and registered beneficiary within the same corporation.

If within two (2) years from the approval of this Act, the land or stock transfer envisioned above is not made or realized or the plan for such stock distribution is not approved by the RARC within the same period, the agricultural land of the corporate owners or corporation shall be subjected to the compulsory coverage of this Act.

Sec. 42. Production-Sharing. - Pending final land transfer, individuals or entities operating under lease or management contract are hereby mandated to execute a production sharing plan based on the profit or loss sharing system or any other system not contrary to Islamic Law to be computed every agricultural year.

Sec. 43. Payment of Shares of Cooperatives or Associations. - Shares of the cooperatives or associations acquired by farmer beneficiaries or worker-beneficiaries shall be fully paid in an amount corresponding to the valuation as determined in the succeeding Section. The landowner and the LBP shall assist the farmer-beneficiaries and worker-beneficiaries in the payment for said share by providing credit-financing.

Sec. 44. Valuation of Lands. - A valuation scheme for the land shall be formulated by the RARC, taking into account the factors enumerated in Section 27, in addition to the need to stimulate the growth of cooperatives and the objectives of fostering responsible participation of the worker-beneficiaries in the creation of wealth.

In the determination of price that is just, not only to the individual but to society as well, the RARC

shall consult closely with the landowner and the worker-beneficiaries.

In case of disagreement, the price as determined by the RARC, if accepted by the workers-beneficiaries, shall be followed without prejudice to the landowner's right to petition the Special Agrarian Court to resolve the issue of valuation.

CHAPTER X

Regional Department of Agrarian Reform

Sec. 45. Creation. - In order to implement this Regional Agrarian Reform Law in the Autonomous Region, there is hereby created a Regional Department of Agrarian Reform in Muslim Mindanao hereinafter referred to as the RDARMM.

This Department shall have the following powers, functions and responsibilities:

- 1) Implement all agrarian laws and for this purpose, issue subpoena, subpoena duces tecum, writ of execution of its decision, cite any person for contempt under penalty of law, such other legal processes as may be necessary to ensure the success and expeditious implementation of the Agrarian Reform Program;
- 2) Undertake measures to protect and support the ancestral lands of the indigenous cultural communities;
- 3) Declare all lands and natural resources that have been possessed or occupied by the indigenous cultural communities since time immemorial as a part of the ancestral domain, subject to the exemption under R.A. No. 6734;

- 4) Formulate and promulgate operational guidelines, rules and regulations, priorities for Agrarian Reform Program suitable to the special circumstances prevailing in the area of autonomy;
- 5) Coordinate program implementation with the Land Bank of the Philippines, and other agencies, including the military, to hasten the implementation of the Agrarian Reform Program;
- 6) Acquire, administer, distribute and develop agricultural land for the Agrarian Reform Program;
- 7) Undertake surveys of lands covered by the Agrarian Reform Program;
- 8) Issue emancipation patents to farmers and farmworkers covered by the Agrarian Reform for both private and public lands, and when necessary, make administrative corrections of the same;
- 9) Where applicable, implement the principle of stewardship and set retention limits for lands owned and acquired by any individual in excess of what is allowed under the law;
- 10) Provide legal service to Agrarian Reform beneficiaries and resolve agrarian conflicts;
- 11) Declare land in the actual, open, and uninterrupted possession and occupation by the indigenous cultural communities for at least thirty (30) years as ancestral lands;
- 12) Conduct continuing education and promotion programs of the Agrarian Reform beneficiaries, landowners and Agrarian Reform advocates, government personnel, and the general public;
- 13) Institutionalize the participation of farmers, farmworkers, farmers' cooperatives and farmers'

associations in Agrarian Reforms policy formulation and program implementation;

- 14) Exercise exclusive authority to approve and disapprove conversion of agricultural lands into residential, commercial and industrial purposes;
- 15) Promote and protect the rights of farmers, farmworkers and farmers' cooperatives and other association of farmers and Agrarian Reform beneficiaries; and
- 16) Call upon agencies of the government to extend full assistance, support and cooperation for the success of the Agrarian Reform Programs.
- 17) Perform such other functions as may be provided by law.

The Department shall be headed by a Regional Secretary who shall be appointed by the Regional Governor subject to confirmation by the Regional Commission on Appointments. He shall be assisted by one (1) Regional Assistant Secretary.

The Regional Secretary, shall act as the chief executive of the Department, who shall exercise all the basic powers and authority inherent to his office and responsibility, including appointment of personnel below Director level, suspension or removal of personnel for cause, approval of disbursement as well as administration of personnel and fiscal policies, and such other matters related to the functions of the Department.

He shall serve as a member of the Cabinet with portfolio and his term of office shall be at the pleasure of the Regional Governor.

No person may be appointed as Regional Secretary or Regional Assistant Secretary, unless he be of good moral character and unquestionable integrity, a holder

of at least a bachelor degree with recognized competence in management and administration, a native resident and registered voter in the Autonomous Region in Muslim Mindanao for at least five (5) years immediately preceding his appointment.

The appointment of the Regional Assistant Secretary shall be in accordance with civil service rules and regulations.

Sec. 46. Salary and Other Benefits. - The Regional Secretary and the Regional Assistant Secretary shall receive compensation and such other allowances as may be authorized by law according to their respective levels.

Sec. 47. Agrarian Reform Adjudication Board. - The Department shall have an Agrarian Reform Adjudication Board, which shall serve as a special body with functions similar to its national counterpart. The Board shall be organized and constituted by the Regional Secretary for the purpose of adjudicating agrarian reform cases.

Sec. 48. Bureaus. - The Department shall be supported and assisted by four (4) bureaus: (a) Bureau of Land Acquisition, Distribution and Development; (b) Bureau of Agrarian Legal Assistance; (c) Bureau of Planning, Policy, Research and Management Information; and (d) Bureau of Beneficiaries, Education and Community Development.

Each of these bureaus shall be headed by a Director who shall be appointed by the Regional Governor according to Civil Service Law.

The Department and its bureaus shall be provided with appropriate personnel relevant to their functions and responsibilities with a staffing pattern and plantilla of personnel, which shall be appropriated with funds in the annual appropriations of the Department.

The Department shall be provided with administrative support services, such as the Administrative Management Office and Finance, Budget and Management Office, and such technical offices as may be necessary to include its provincial and municipal offices to carry out its functions and responsibilities. The provincial and municipal offices shall be headed by provincial agrarian reform officers and municipal agrarian reform officers respectively.

The bureaus and provincial offices shall be provided with necessary staff support services as may be required to efficiently and effectively discharge their functions and responsibilities.

Sec. 49. Within thirty (30) days after the approval of this Act, the organization of the Department shall be instituted, complete with a staffing pattern and plantilla of personnel, which shall be approved by the appropriate office of the Department of Budget and Management.

Sec. 50. Appointment of Personnel. - All appointments in the career service of the Department shall be attested by the Civil Service Commission.

Sec. 51. Status of Personnel of the Interim Department. - All personnel appointed to career positions during the Interim Department of Agrarian Reforms, or its equivalent, shall be accorded with security of tenure and shall be given priority for promotion to new positions in the new department subject to Civil Service Law.

Sec. 52. Audit. - The financial account of expenditures of the Department shall be audited by the Commission on Audit.



CHAPTER XI

Support Services

Sec. 53. Creation of Support Services Office. - There is hereby created the office of Support Services which shall provide general support and coordinative services in the implementation of the program, particularly in carrying out the provision of the following services to farmer-beneficiaries and affected landowners:

- 1) Irrigation facilities, especially second crop or dry season irrigation facilities;
- 2) Infrastructure development and public works projects in areas and settlements that come under agrarian reform, and for this purpose, the preparation of the physical development plan of such settlement providing suitable barangay sites, potable water and power resources, irrigation systems and other facilities for sound agricultural development plan;
- 3) Government subsidies for the use of irrigation facilities;
- 4) Price support and guarantee for all agricultural produce;
- 5) Extending to small landowners, farmers and farmworkers organizations the necessary credit, like concessional and collateral free loans, for agro-industrialization based on social collaterals like the guarantee of farmers organizations;
- 6) Promoting, developing and extending financial assistance to small medium scale industries in agrarian reform areas;

- 7) Assigning sufficient numbers of agricultural extension workers to farmer's organizations;
- 8) Undertake research, development and dissemination of information on agrarian reform and low cost and ecologically sound farm inputs and technologies to minimize reliance on expensive and imported agricultural inputs;
- 9) Development of cooperatives management skills through intensive trainings;
- 10) Assistance in the identification of ready markets for agricultural produce and training in other various aspects of marketing; and
- 11) Administration, operation management and funding of support services programs and projects including pilot projects and models related to agrarian reform as developed by the RDARMM.

Sec. 54. Funding for Support Services. - In order to cover expenses and the cost of support services, at least twenty-five percent (25%) of all appropriations for agrarian reform shall be immediately set aside and made available for this purpose. In addition, the RDARMM shall be authorized to package proposals and receive grants, aid and other forms of financial assistance from any source.

Sec. 55. Support Services to Beneficiaries. - The RARC shall ensure that support services to farmer beneficiaries are provided, such as:

- a) Land surveys and titlings;
- b) Liberalized terms on credit facilities and production loans;

- c) Extension services by way of planting, cropping, production and post harvest technology transfer, as well as marketing and management assistance and support to cooperatives and farmers' organizations;
- d) Infrastructures such as access trail, mini-dams, public utilities, marketing and storage facilities; and
- e) Research, production and use of organic fertilizers and other local substances necessary in farming and cultivation.

The RARC shall formulate policies to ensure that support services to farmer beneficiaries shall be provided at all stages of land reform.

Misuse or diversion of the financial and support services herein provided shall result to sanction against the beneficiaries guilty thereof, including the forfeiture of the land transferred to him or lesser sanctions as may be provided by the RARC, without prejudice to criminal prosecution.

Sec. 56. Support Services to the Landowners. -
The RARC, with the assistance of such other government agencies and instrumentalities as it may direct, shall provide the affected landowners of the agrarian reform program with the following services:

- a) Investment, information, financial and counselling assistance;
- b) Facilities, program and schemes for the conversion or exchange of bonds issued for payment of the land acquired with stocks and bonds issued by the Autonomous Government, the LBP and other government institutions and instrumentalities;

- c) Marketing of LBP bonds, as well as promoting the marketability of said bonds in traditional and non-traditional financial market, and stock exchanges; and
- d) Other services designated to utilize productivity of the proceeds of the sale of such market for rural industrialization.

A landowner who invests in rural-based industries shall be entitled to the incentives granted to a registered enterprise engaged in a pioneer or preferred area of investment as provided in the Omnibus Investment Code of 1987, or to such other incentives as the RARC, the LBP, or other government financial institutions may provide.

The LBP shall redeem a landowner's LBP bonds at face value, provided that the proceeds thereof shall be invested in RBOI-ARMM registered company or in any agri-business or agro-industrial enterprise in the region where the landowner has previously made investments, to the extent of thirty percent (30%) of the face value of said LBP bonds, subject to the guidelines that shall be issued by the LBP.

Sec. 57. Land Consolidation. - The RDARMM shall carry out land consolidation project to promote equal distribution of landholding, to provide the needed infrastructure in agriculture, and to conserve soil fertility and prevent erosion.

CHAPTER XII

Special Areas of Concerns and External Affairs

Sec. 58. Special Areas of Concerns and External Affairs. - As an integral part of the Regional Agrarian Reform Program (RARP), the following principles in these special areas of concern and external affairs shall be observed:

- a) Subsistence Fishing - Small fisherfolks, including seaweed farmers, shall be assured of greater access to the utilization of water resources.
- b) Logging and Mining Concessions - Subject to the requirement of a balance ecology and conservation of water resources, suitable areas as determined by the Regional Department of Environment and Natural Resources (RDENR), in logging, mining and pasture areas, shall be opened up for agrarian settlements of the members of the indigeneous cultural communities, Provided, however, that beneficiaries shall be required to undertake production methods in areas where lands are fitted for crop production.

Subject to existing laws, rules and regulations, the indigenous cultural communities shall be given privileges to enjoy and exploit the products of the forest other than timber especially within the logging concessions.

- c) Sparsely Occupied Public Agricultural Lands - Sparsely occupied agricultural lands of the public domain shall be surveyed, proclaimed and be developed as farm settlements for qualified landless member of the indigenous cultural communities based on an organized program to ensure their orderly and early development. Agricultural land allocations shall be made for ideal family size farm as determined by the RARC. The indigenous cultural communities shall be given preference in this respect.

Subject to the prior rights of qualified beneficiaries cultivating lands of the public

domain, the same shall be made available on a lease basis to interested and qualified parties, belonging to the indigenous cultural communities. Parties who will engage in the development of capital intensive, traditional or pioneering crops shall be given priority.

The lease period, which shall not be more than a total of fifty (50) years shall be proportionate to the amount of investment and production goals of the lessee. A system of evaluation and audit shall be instituted.

- d) **Idle, Abandoned, Foreclosed and Sequestered Lands** - Idle, abandoned, foreclosed and sequestered lands shall be planned for distribution as homelots and family-sized farmlots to actual occupants. If land area permits, other landless families shall be accommodated in these lands.
- e) **Rural Women** - All qualified women members of the agricultural labor force must be guaranteed and assured equal rights to ownership of the land, equal shares of the farms produced and representation in advisory or appropriate decision-making bodies.
- f) **Veterans and Retirees** - Landless war veterans and veterans of military campaigns, their surviving spouses and orphans, retirees of the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP), returnees, surrenderees and similar beneficiaries who are members of the Bangsamoro Mujahideen shall be given preference in the disposition of agricultural lands of the public domain.
- g) **Agricultural Graduates** - Graduates of agricultural schools who are landless and

native inhabitants of the area of autonomy shall be assisted by the Autonomous Government through the RDARMM in their desire to own and till the agricultural lands.

CHAPTER XIII

Program Implementation

Sec. 59. The Regional Agrarian Reform Council (RARC). - The Regional Agrarian Reform Council created by virtue of Executive Order No. 1, Series of 1994 issued by the Regional Governor is composed of the Regional Governor as Chairman; the Regional Secretaries of Agrarian Reform, Agriculture and Fisheries and Environment and Natural Resources as Vice-Chairmen; and the Executive Secretary, Cabinet Secretary, Regional Secretaries of Labor and Employment, Interior and Local Government, Public Works and Highways, Trade and Industry, and the Executive Directors of Regional Planning and Development Office of Southern Cultural Communities, and of Housing Land Use and Regulatory Board, as members.

The different agencies found in the ARMM whose membership are very vital in the effective performance of the Regional Agrarian Reform Council (RARC), and those whose membership are properly represented in the RARC such as the Secretary of Budget and Management, the Director - General of National Economic and Development Authority and the President of the Land Bank of the Philippines are likewise members of the RARC wherein the participation of their Regional Head in the RARC shall be coordinated by the Regional Governor as the RARC Chairman with their respective Department Secretaries and/or Heads of Offices. The Regional Governor shall also appoint two (2) representatives from the agrarian reform beneficiaries and affected landowners per province in the area of autonomy as members of the RARC.

Sec. 60. Executive Committee. - There shall be an Executive Committee (EXCOM) of the RARC as spelled out in Executive Order No. 1, Series of 1994, Section 2 wherein the Regional Secretary of RDARMM as Chairman; and the Regional Secretaries of the RDAF, RDEMR, RDPWH, the Executive Secretary, and the Cabinet Secretary of the Autonomous Region in Muslim Mindanao are members. Unless otherwise directed by the RARC, the EXCOM may meet and decide on any matters in between meetings of the RARC: Provided, however, that its decision must be reported to the RARC immediately and not later than the next meeting.

Sec. 61. Secretariat. - A RARC Secretariat is hereby established to provide general support and coordinative services such as inter-agency linkages; program and project appraisal and evaluations and general operations monitoring for the RARC.

The Secretariat shall be headed by the Regional Secretary of Agrarian Reform who shall be assisted by the Assistant Regional Secretary and supported by a staff whose compensation shall be chargeable against Local Funds, Lumpsum Appropriations under the Office of the Regional Governor and the Agrarian Reform Fund to be shared by the Presidential Agrarian Reform Council (PARC) out of the Agrarian Reform Fund as provided by law to finance the National Comprehensive Agrarian Reform Program. All officers and employees of the Secretariat shall be appointed by the Regional Secretary of the Regional Department of Agrarian Reform (RDARMM) in Muslim Mindanao.

Sec. 62. Provincial Agrarian Reform Coordinating Committee (PARCCOM). - A Provincial Agrarian Reform Coordinating Committee (PARCCOM) is hereby created in each province in the area of autonomy, composed of a Chairman, who shall be appointed by the Regional Governor upon recommendation of the EXCOM, the DAR Provincial Agrarian Reform Officer II of a certain province as Executive Officer and one (1) representative each from the Regional Departments of

Agriculture and Fisheries and of Environment and Natural Resources and from the Land Bank of the Philippines, agrarian reform beneficiaries, cooperatives and non-government organizations in the provinces, two (2) representatives from landowners, at least one (1) of whom shall be a producer representing the principal crop of the province, and two (2) representatives from farmers and farmworker-beneficiaries, at least one of whom shall be a farmer and farmworker representing the principal crop of the province, as members: Provided, That in areas where there are Christian minorities, the latter shall likewise have one (1) representative.

The PARCCOM shall coordinate and monitor the implementation of the Regional Agrarian Reform Program (RARP) in the province. It shall provide information on the provisions of the RARP guidelines issued by the RARC and on the progress of the RARP in the province.

Sec. 63. Province by Province Implementation. - The RARC shall provide the guidelines of the Regional Agrarian Reform Program (RARP). The fifteen (15) year program from the effectivity of this Act, in the distribution of public and private lands in each province shall be adjusted from year to year by the province's PARCCOM in accordance with the level of operations previously established by the PARC, in every case ensuring that support services are available or have been programmed before actual distribution is effected.

Sec. 64. Barangay Agrarian Reform Committee (BARC). - Unless otherwise provided in this Act, the provision of Executive Order No. 229 regarding the organization of the Barangay Agrarian Reform Committee (BARC) shall be in effect.

Sec. 65. Functions of the Barangay Agrarian Reform Committee. - In addition to those provided in Executive Order No. 229, the Barangay Agrarian Reform Committee shall have the following functions:

- a) Mediate and conciliate between parties involved in an agrarian dispute including matters related to tenurial and financial arrangements;
- b) Assist in the identification of qualified beneficiaries and landowners within the barangay;
- c) Attest to the accuracy of the initial parcellary mapping of the beneficiary's tillage;
- d) Assist qualified beneficiaries in obtaining credit from lending institutions;
- e) Assist in the initial determination of the value of the land;
- f) Assist the RDARMM representative in the preparation of periodic reports on the Regional Agrarian Reform Program (RARP) implementation for submission to the RDARMM.
- g) Coordinate the delivery of support services to beneficiaries; and
- h) Perform such other functions as may be assigned by the RDARMM.

(1) The Barangay Agrarian Reform Committee shall endeavor to mediate, conciliate and settle agrarian disputes lodged before it within thirty (30) days from its taking cognizance thereof. If after the lapse of the thirty (30) day period, it is unable to settle the dispute, it shall issue a certification of its proceedings and shall furnish a copy thereof upon the

parties within seven (7) days after the expiration of the thirty (30) day period.

Sec. 66. Legal Assistance. - The Barangay Agrarian Reform Committee or any member thereby may whenever necessary, in the exercise of any of its functions hereunder, seek the legal assistance of the Regional Solicitor General and/or the provincial/city/municipal government prosecutors or legal officers.

Sec. 67. Rules and Regulations. - The Regional Agrarian Reform Council and the Regional Department of Agrarian Reform shall have the power to issue rules and regulations, whether substantive or procedural, to carry out the objective and purposes of this Act, Said rules shall take effect ten (10) days after its publication in two (2) newspapers of regional circulation.

CHAPTER XIV

Administrative Adjudication

Sec. 68. Quasi-Judicial Powers of the Regional Department of Agrarian Reform. - The Regional Department of Agrarian Reform in Muslim Mindanao is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform and ancestral domain matters and shall have exclusive jurisdiction of the Regional Department of Agriculture and Fisheries and the Regional Department of Environment and Natural Resources on matters related to regional agrarian reform disputes.

It shall not be bound by the technical rules of procedure and/or evidence but shall proceed to hear and decide all cases, disputes or controversies in the most expeditious manner, employing all reasonable means to ascertain the facts of every case in accordance with justice and equity and the merits of

the case. Toward this end, it shall adopt a uniform rule of procedure to achieve a just, expeditious and inexpensive determination of every action or proceedings before it, but every decision shall express therein clearly and distinctly the facts and the law on which it is based.

It shall have the power to summon witnesses, administer oaths, take testimony, require submission of reports, compel the production of books and documents and answers to interrogatories and issue subpoena, and subpoena duces tecum and to enforce its writ through sheriffs or other duly deputized officers. It shall likewise have the power to impose disciplinary action and may punish offenders for direct and/or indirect contempt and subject the same to penalties as may be provided in the Rules of Court which is hereby adopted in suppletory character for the purpose.

Responsible farmer leaders shall be allowed to represent themselves, their fellow farmers, or their organization in any proceedings before the Regional Department of Agrarian Reform; Provided, however, that when there are two or more representatives for any individual or group, the representatives should choose only one among themselves to represent such party or group before any RDARMM proceedings.

Notwithstanding an appeal to the Court of Appeals, the decision of the RDARMM shall be immediately executory after the lapse of fifteen (15) days from receipt of the decision unless restrained by the Court of Appeals or the Supreme Court.

Sec. 69. Finality of Determination. - Any case or controversy shall be decided within thirty (30) days after it is submitted for resolution. Only one (1) motion for reconsideration shall be allowed. Any order, ruling or decision shall be final after the lapse of fifteen (15) days from receipt of a copy thereof unless restrained as above stated.

Sec. 70. Frivolous Appeals. - To discourage frivolous or dilatory appeals from the decisions or order on the local or provincial levels, the Regional Department of Agrarian Reform may impose reasonable penalties, including but not limited to fines and censures upon erring parties.

Sec. 71. Certification of the Barangay Agrarian Reform Committee. - The Regional Department of Agrarian Reform shall not take cognizance of any agrarian dispute or controversy unless a certification from the Barangay Agrarian Reform Committee that the dispute has been submitted to it for mediation and conciliation without any success of settlement is presented: Provided, however, that if no certification is issued by the BARC within thirty (30) days after a matter or issue is submitted to it for mediation or conciliation, the case or dispute may be brought before the Regional Agrarian Reform Council.

CHAPTER XV

Judicial Review

Sec. 72. Certiorari. - Any decision, order, award or ruling of the Regional Department of Agrarian Reform on any agrarian dispute or on any matter pertaining to the application, implementation, enforcement or interpretation of this Act and other pertinent laws on agrarian reform may be brought to the Court of Appeals or the Supreme Court by way of certiorari except as otherwise provided in this Act within fifteen (15) days from receipt of a copy thereof.

The finding of facts of the Regional Department of Agrarian Reform shall be final and conclusive if based on substantial evidence.

Sec. 73. No Restraining Order or Preliminary Injunction. - No court in the Philippines except the

Court of Appeals and the Supreme Court shall have jurisdiction to issue any restraining order or writ of preliminary injunction against the Regional Agrarian Reform Council or any of its duly authorized or designated agencies in any case, dispute or controversy arising from, necessary to, or in connection with the application, implementation, enforcement or interpretation of this Act and other pertinent laws on agrarian reform.

Sec. 74. Special Agrarian Court. - The Supreme Court shall designate at least one (1) branch of the Regional Trial Court (RTC) within each province to act as Special Agrarian Court.

The Supreme Court may designate more branches to constitute such additional Special Agrarian Courts as may be necessary to cope with the number of agrarian cases in each province. In the designation, the Supreme Court shall give preference to the Regional Trial Courts which have been assigned to handle agrarian cases or whose presiding judges were former judges of the defunct Court of Agrarian Relations.

The Regional Trial Court (RTC) judges designated to act as Special Agrarian Courts shall exercise said special jurisdiction in addition to the regular jurisdiction of their respective courts.

The Special Agrarian Courts shall have the powers and prerogatives inherent in or belonging to the Regional Trial Courts.

Sec. 75. Special Jurisdiction. - The Special Agrarian Courts shall have the original and exclusive jurisdiction over all petitions for the determination of just compensation to landowners, and the prosecution of all criminal offenses under this Act. The Rules of Court shall apply to all proceedings before the Special Agrarian Courts, unless modified by this Act.

The Special Agrarian Courts shall decide all appropriate case under their special jurisdiction within thirty (30) days from submission of the case for decision.

Sec. 76. Appointment of Commissioners. - The Special Agrarian Courts, upon their own initiative or at the instance of any of the parties, may appoint one or more Commissioners to examine, investigate and ascertain facts relevant to the dispute, including the valuation of properties and to file a written report thereof within the court.

Sec. 77. Orders of the Special Agrarian Courts.- No order of the Special Agrarian Courts on any issue, question, matter or incident raised before them shall be elevated to the appellate courts until the hearing shall have been terminated and the case decided on the merits.

Sec. 78. Appeals. - An appeal may be taken from the decision of the Special Agrarian Courts by filing a petition for review with the Court of Appeal within fifteen (15) days from receipt of notice of the decision; otherwise, the decision shall become final.

An appeal from the decision of the Court of Appeal or from any order, ruling or decision of the Regional Department of Agrarian Reform, as the case may be, shall be appealable by way of a petition for review with the Supreme Court within a non-extendible period of fifteen (15) days from the receipt of a copy of said decision.

Sec. 79. Procedure on Review. - Review by the Court of Appeal or the Supreme Court, as the case may be shall be governed by the Rules of Court. The Court of Appeals, however, may require the parties to file simultaneous memoranda within a period of fifteen (15) days from notice, after which the case is deemed submitted for decision.

Sec. 80. Preferential Attention in Courts. - All courts in the Philippines, both trial and appellate, shall give preferential attention to all cases arising from or in connection with the implementation of the provision of this Act.

All cases pending in court arising from or in connection with the implementation of this Act shall continue to be heard, tried and decided until their finality notwithstanding the expiration of the fifteen (15) year period mentioned in Section 5 hereof.

CHAPTER XVI

Financing

Sec. 81. Funding Source. - The initial amount needed to implement this Act for the period of fifteen (15) years upon approval hereof shall be funded from the Agrarian Reform Fund created under Sections 20 and 21 of Executive Order No. 229.

Additional amounts are hereby authorized to be appropriated from the local funds when needed to augment the Agrarian Reform Fund in order to fully implement the provisions of this Act.

Sources of funding or appropriations shall include the following:

- a) Proceeds of the sales of the Assets Privatization Trusts;
- b) Portion of amounts accruing to the Philippines from all sources of official foreign aid grants and concessional financing from all countries, to be used for the specific purpose of financing production credits, infrastructures and other support services required by this Act;

- c) Shared portion of Fund 158 as a Seed Money for agrarian reform program purposes only; and
- d) Other government funds not otherwise appropriated.

All funds appropriated to implement the provisions of this Act shall be considered continuing appropriations during the period of its implementation.

Sec. 82. Financial Intermediary for the Regional Agrarian Reform Program. - The Land Bank of the Philippines shall be the financial intermediary for the Regional Agrarian Reform Program, and shall insure that the social justice objectives for the RARP shall enjoy a preference among its priorities.

CHAPTER XVII

General Provisions

Sec. 83. Conversion of Lands. - After the lapse of five (5) years from its award, when the land ceases to be economically feasible and sound for agricultural purposes, or the locality has become urbanized and the land will have a greater economic value for residential, commercial or industrial purposes, the Regional Department of Agrarian Reform, upon application of the beneficiary or the landowner, with due notice to the affected parties and subject to the existing laws, may authorize the reclassification or conversion of the land and its disposition: Provided, That the beneficiary shall have fully paid his obligation.

Sec. 84. Exemptions from Taxes and Fees of Land Transfer. - Transactions under this Act involving a transfer of ownership, whether from natural or

judicial persons shall be exempted from taxes arising from capital gains. These transactions shall also be exempted from payment of registration fees, and all other taxes and fees for the conveyance of transfer thereof: Provided, that all arrearages in real property taxes, without penalty or interest, shall be deductible from the compensation to which the owner may be entitled.

Sec. 85. Free Registration of Patents and Titles. - All Register of Deeds are hereby directed to register, free from payment of all fees and other charges, patents, titles and documents required for the implementation of the Regional Agrarian Reform Program.

Sec. 86. Immunity of Government Agencies from Undue Interference. - No injunction, restraining orders, prohibition or mandamus shall be issued by the lower courts against the Regional Department of Agrarian Reform, the Regional Department of Agriculture and Fisheries, the Regional Department of Environment and Natural Resources and the Department of Justice in their implementation of the program.

Sec. 87. Assistance of Other Government Entities. - The Regional Agrarian Reform Council, in the exercise of its functions, is hereby authorized to call upon the assistance of other government agencies, bureaus and offices including government owned or controlled corporations and the Armed Forces of the Philippines as well as the Philippine National Police.

Sec. 88. Disposition of Private Agricultural Lands. - The sale or disposition of agricultural lands retained by a landowner as a consequence of Section 6 hereof shall be valid as long as the total landholdings that shall be owned by the transferee thereof inclusive of the land to be acquired shall not exceed the landholding ceilings provided for in this Act.

Any sale or disposition of agricultural lands after the effectivity of this Act found to be contrary to the provision hereof shall be null and void.

Transferee of agricultural lands shall furnish the appropriate Register of Deeds and the Barangay Agrarian Reform Committee an affidavit attesting that his total landholdings as a result of the said acquisition do not exceed the landholding ceiling. The Register of Deeds shall not register the transfer of any agricultural land without the submission of this sworn statement together with proof of service of a copy thereof to the Barangay Agrarian Reform Committee.

Sec. 89. Bank Mortgages. - Banks and other financial institutions allowed by law to hold mortgage rights or security interest in agricultural lands to secure loans and other obligations of borrowers, may acquire title to these mortgaged properties, regardless of area, subject to existing laws on compulsory transfer of foreclosed assets and acquisition as prescribed under Section 26 of this Act.

Sec. 90. Lease, Management, Grower or Service Contracts, Mortgage and Other Claims. - Land covered by this Act under lease, management, grower or service contracts and the like shall be disposed as follows:

- a) Lease, management, grower or service contracts covering private lands may continue under their original terms and conditions until the expiration of the same even if such lands have in the meantime been transferred to qualified beneficiaries; and
- b) mortgage and other claims registered with the Register of Deeds shall be assumed by the government up to an amount equivalent to the landowner's compensation value as provided in this Act.

Sec. 91. Prohibited Acts and Omissions. - The following are prohibited:

- a) The ownership or possession for the purpose of circumventing the provisions of this Act, of agricultural lands in excess of the total retention limits or award ceilings by any person, natural or juridical, except those under collective ownership by farmer beneficiaries;
- b) The forcible entry or illegal detainer by persons who are not qualified beneficiaries under this Act to avail themselves of the rights and benefits of the Agrarian Reform Program;
- c) The conversion by any landowner of his agricultural land into any non-agricultural use with the intent to avoid the application of this Act to his landholdings and to dispossess his tenant farmer of the land titled by them;
- d) The willful prevention or obstruction by any person, association or entity of the implementation of the Regional Agrarian Reform Program;
- e) The sale, transfer, conveyance or change of the nature of lands outside of urban centers and city limits either in whole or in part after the effectivity of this Act. The date of the registration of deed of conveyance in the Register of Deeds with respect to titled lands and the date of the issuance of the tax declaration to the transferee of the property with respect to unregistered lands, as the case may be, shall be conclusive for the purpose of this Act; and

- f) The sale, transfer or conveyance by a beneficiary of the right to use or any other usufructuary rights over the land he acquired by virtue of being a beneficiary, in order to circumvent the provision of this Act.

Sec. 92. Penalties. - Any person who knowingly or willfully violate any provision of this Act shall be punished by imprisonment of not less than three (3) years to not more than six (6) years or a fine of not less than Ten Thousand Pesos (P10,000.00) but not more than Fifteen Thousand Pesos (P15,000.00) or both, at the discretion of the court.

If the offender is a corporation or association, the officers responsible thereof shall be criminally liable.

Sec. 93. Suppletory Application of Existing Legislation. - The provisions of Republic Act No. 6657 or Republic Act No. 3844 as amended, Presidential Decree Nos. 27 and 266 as amended, Executive Order Nos. 228 and 229, both of Series of 1987; and other laws not inconsistent with this Act shall have suppletory effect.

Sec. 94. Appropriations.- The funds allocated to the Interim Department of Agrarian Reforms, or its equivalent, including its assets and liabilities, shall be transferred to the new Department created by this Act. Thereafter, the regular appropriations for the newly created Department shall be included in the annual budget of the Autonomous Regional Government.

Sec. 95. Repealing Clause. - All regional laws, orders, memoranda or any administrative issuances, rules and regulations, or parts thereof, inconsistent with this Act are hereby repealed, amended or modified accordingly.

Sec. 96. Separability Clause. - If any part of this Act is declared unconstitutional or invalid, the

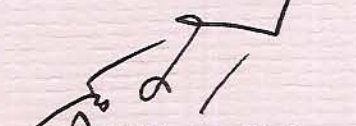
remaining part not affected thereby shall remain valid,
in full force and in effect.

Sec. 97. Date of Effectivity. - This Act shall
take effect fifteen (15) days after its complete
publication in a newspaper of regional circulation in
the Autonomous Region in Muslim Mindanao.

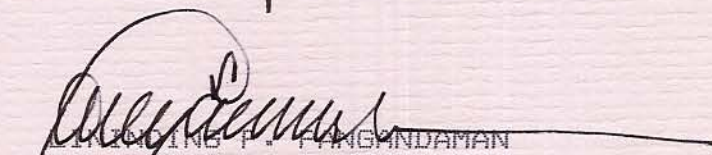
APPROVED:


GUIMID P. MATALAM
Speaker

This Act was passed by the Regional Legislative
Assembly on October 26, 1995.


TOMMY A. ALA
Secretary-General

APPROVED:


FERDINAND P. PANGINDAMAN
Regional Governor
Date: Nov. 16, 1995