DEPARTMENT OF AGRARIAN REFORM

GUIDELINES FOR THE PROCESSING OF LAND USE CONVERSION
(Source: DAR AO No.1, Series of 2002)

Filing of Application:
An applicant can secure one complete set of Land Use Conversion (LUC) Application and Certification forms together with a checklist of requirements from any of the following DAR offices:
(a) DAR Central Office – Center for Land Use Policy, Planning and Implementation (CLUPPI)
(b) DAR Regional Office – Regional CLUPPI (RCLUPPI)
(c) DAR Provincial Agrarian Reform Office

Land Use Conversion Ordinary Application (Applicant’s & DAR’s ACTION):
1. Applicant gets Application Form
2. Applicant erects billboard, takes photos of billboard, land and structures of land.
3. Applicant submits 2 Land Use Conversion Folders (LUFC) to Municipal Agrarian Reform Officer (MARO) containing Forms 1, 3 & 4, titles, and sketch map & billboard photo.
4. MARO transmits one folder to PARO. Within 20 days, MARO checks Comprehensive Agrarian Reform Program (CARP) coverage status of land, inspects billboard, and checks presence of farmers, posts notices in conspicuous places, prepares MARO certification & gives original copy of certification to applicant. If MARO refuses to act, Provincial Agrarian Reform Officer (PARO) shall take over.
5. Applicants files (4) set of LUFCs plus MARO certification at RCLUPPI or CLUPPI.
6. RCLUPPI / CLUPPI checks LUCF. Acceptance date is equivalent to filing date.
7. Within 10 days from acceptance, RCLUPPI/CLUPPI issues OCUPPI or Provisional Conversion Order or its denial.

Documentary Requirements for Land Use Conversion:
1. Official receipt showing proof of payment of filing fee and inspection cost.
2. Official receipt showing proof of posting bond or an original copy of the GSIS surety bond in accordance with the terms and conditions set forth in Section 24 of DAR AO No.1, Series of 2002.
3. Sworn application for Land Use Conversion. (Form No.1)
4. True copy of the Original Certificate of Title (OCT) or Transfer Certificate of Title (TCT) of the subject land, certified by the Register of Deeds not earlier than thirty (30) days prior to application filing date.
5. True copy of the Certificate of Title of the subject land as of 15 June 1988, and all successor titles until
6. True copy of the current Tax declaration covering the subject properly.
7. Project feasibility study.
8. Joint venture agreement or any other business arrangement on the use of land between landowner and the developer (if the developer is other than the landowner) or between the Emancipation Patent/Certification of Landownership Award (EP/CLOA) holders and the developer (if the land was awarded under the agrarian reform program).
9. Narrative description of the development plan describing in detail the activities, program components, phasing, schedule, work and financial plan, all duly certified by a licensed engineer, architect or land use planner.
10. Proof of financial and organizational capability of the developer to develop land, including the following information:
   10.1 Statement of project cost and availability of potential funding source(s) for the development of the proposed project;
   10.2 Profile of the developer;
   10.3 Most recent financial statement, not later than the year before application, duly authenticated by a certified public accountant; and
   10.4 If the developer is a corporation or partnership, a copy of its Certificate of Registration and the recent General Information Sheet (GIS) for the immediately preceding year, certified by the Securities and Exchange Commission (SEC), or in lieu of the latter, a duly accomplished GIS sworn to before a notary public, provided that if the land is to be used for socialized housing by the LGU under EO 124-1993, a Sanggunian Resolution appropriating funds for the project and authorizing the LGU to undertake the same shall be required. Provided further that if the socialized housing shall be undertaken by other government agencies such as the National Housing Authority and the like, a board resolution approving the project and appropriating funds therefore shall likewise be submitted.
11. Socio-Economic Benefit-Cost Study of the proposed project.
12. Photographs, size 5R (five [5] inches by seven [7] inches, using color film, and taken on the land holding under sunlight. The applicant shall attach the pictures to a paper background and the photographer who took said pictures shall sign on said paper background to certify the authenticity of the pictures. On each background paper shall be written a short description of each picture. The pictures shall consist of:
   12.1 At least four (4) photographs taken from the center of the landholding: one (1) facing north, one (1) facing east, one (1) facing south, and one (1) facing west;
   12.2 At least one (1) photograph per corner, taken from each corner of the landholding’s orders.
   12.3 At least two (2) photographs of each for all distinct man-made structure existing in on the land, taken from opposite angles.
   12.4 At least two (2) photographs each of the front view of the billboard(s) required in Section 11 of DAR A.O No. 1 Series of 2002. Second copy will be used for submission to
   12.5 Sufficient number of photographs of the most conspicuous landmarks from the nearest barangay center and leading to and from the ingress and egress routes at the subject landholding, for the purpose of assisting the ocular inspection team in locating site.
13. Affidavit/Undertaking in a single document of the applicant (LUC Form No.2)
14. MARO Certification (LUC Form No.3) and Notice of Land Use Conversion in English language (LUC Form No.4) and in local dialect (LUC Form No. 4A).
15. Certification from the Housing and Land Use Regulatory Board (HLURB) Regional Officer on the actual zoning or classification of the land subject of the application based on the approved comprehensive land use citing: (a) the municipal or city zoning ordinance number, and (b) resolution number and date of approval by the HLURB or the Sangguniang Panlalawigan concerned, as the case may be. (LUC Form No.5).
16. Certification from the Department of Agriculture official stating, among others, the Classification of the property under the Network of Protected Areas for Agricultural and Agro-Industrial Development (NPAAAD) and Strategic Agriculture and Fisheries Development Zones (SAFDZ) whether or not the subject property is within five (5) percent limit of the SAFDZ allowed for conversion, the status of irrigation coverage of the subject properly and whether the land has ceased to be economically feasible and sound for agricultural purposes.
17. Certification from the authorized DENR official stating among others whether or not the subject land is within the National Integrated Protected Area System (NIPAS), mossy and virgin forests, riverbanks, or swamped forests and marshlands; within an Environmentally Critical Area (ECA), or will involve the establishments of an Environmentally Critical Project (ECP). (LUC Form No.6)

18. Environmental Compliance Certificate (ECC) when the subject land is within an ECA or will involve the establishment of an ECP.

19. If applicable Special Power of Attorney (SPA) when the applicant is not the registered owner.

20. If applicable, notarized secretary’s certificate of a corporate/cooperative board resolution authorizing the representative, when the applicant is a corporation or cooperative.

21. If applicable, concurrence letter of the mortgage or the individual or entity in whose favor the encumbrance was constituted when the property is encumbered.

22. If applicable, endorsement from the concerned government agency, when the application involves a priority development areas or project such as:
   a) NEDA-NLUC endorsement if under EO 124-1993; or
   b) HLURB endorsement if socialized housing (LUC Form No 7); or
   c) PEZA Board Resolution approving the project for ecozone project

23. If applicable, Land Bank of the Philippines (LBP) Certification attesting that the applicant-landowner has fully paid his obligations to the LBP, when the applicant-landowner is a beneficiary of the agrarian reform program. (LUC Form No. 8)

24. If applicable, Provincial Agrarian Reform Officer (PARO) Certification attesting that the applicant-landowner acquired the subject land from a landed-estate or under the Voluntary Land Transfer / Direct Payment Scheme (VLT/ DPS) and he has already fully paid his obligation there under, when the applicant-landowner is a beneficiary of the agrarian reform program (LUC Form No.9).

25. Vicinity map and a lot plan prepared by a duly-licensed geodetic engineer indicating the lots being applied for and their technical descriptions, name of owner/s, lot number and area. The map shall highlight the specific area applied for conversion if the application covers less than the total lot area.

26. Directional sketch map showing the orientation of the subject property in relation to adjoining lands and nearest provincial and/or national and/or feeder roads, to facilitate and determine the location of the property for the purpose of ocular inspection. Indicate in the map the existing infrastructure and/or improvements thereon including any house or tillage thereupon for any occupant therein, landmarks within a one (1) kilometer radius and owners of adjacent properties. No need to draw map in scale.

27. Map of the development plan. For socialized housing projects, the applicant shall submit the map of the development plan with marked “reviewed by the HLURB” (Housing and Land Use Regulatory Board).

28. Topographic Map if the subject property is within upland, hilly or mountainous area.
**Note:** The applicant shall submit all the foregoing applicable requirements from Nos 1 to 28 hereof at the time of filing of application to the CLUPPI/RCLUPPI. However, for applications involving housing projects under EO-45-2001, requirements mentioned in Nos. 15 to 18 may be submitted at a later time.

### Filing Fees and Inspection Cost:

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<th>AREA APPLIED</th>
<th>FILING FEE</th>
<th>INSPECTION COST</th>
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<td>Five (5) hectares and below</td>
<td>Php 1,000.00</td>
<td>Php 10,000.00 – if the subject landholding is within the same island as that of the Office of the Regional Director.</td>
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<td>Php 15,000.00 – if the subject landholding is not within the same island as that of the Office of the Regional Director.</td>
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<td>More than five (5) hectares</td>
<td>Php 2,000.00</td>
<td>Php 10,000.00 – if the subject landholding is within the main island of Luzon (except Bicol Peninsula);</td>
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<td>Php 15,000.00 – if the subject landholding is within Regions I to IV but is not located within the main island of Luzon.</td>
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<td>Php 15,000.00 – if the subject landholding is in Bicol Peninsula or Visayas Group of Islands; or</td>
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<td>Php 20,000.00 – if the subject landholding is in the Mindanao group of Islands</td>
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**Bond:**

1. The cash bond shall be computed at two and 5/10 percent (2.5%) of the zonal value of the land as per latest issuance of the Bureau of Internal Revenue in the form of cash or manager’s/cashier check.
2. In lieu of a cash bond, the applicant may post a surety bond issued by the GSIS equivalent to fifteen percent (15%) of the total zonal value of the land per latest issuance of the BIR, indicating the following conditions at the minimum that:
   - the bond is callable on demand;
   - the DAR shall forfeit the bond in favor of the Agrarian Reform Fund when it finds the applicant carrying out any premature conversion activity; and
   - the validity of the bond shall be for a period of one (1) year but renewable on a year to year basis, if necessary.
3. The following projects shall be exempted from posting a “bond to guarantee against premature conversion”:
   - Socialized housing projects as certified by the HLURB;
   - Resettlement projects for families displaced by development of government projects as certified as such by the National Housing Authority (NHA); and
   - Community Mortgage Program (CMP) projects as certified by the National Home Mortgage Finance Corporation (NHMFC).

Areas Non-Negotiable for Conversion:

The following areas shall not be subject to conversion:

1. Lands within protected areas designated under the NIPAS, including mossy and virgin forests, riverbanks, and swamp forests or marshlands, as determined by the DENR;
2. All irrigated lands, as delineated by the DA and/or the National Irrigation Administration (NIA), where water is available to support rice and other crop production and, all irrigated lands where water is not available for rice and other crop production but are within areas programmed for irrigation.
facility rehabilitation by the government;
3. All irrigable lands already covered by irrigation projects with firm funding commitments, as delineated by the DA and/or NIA; and
4. All agricultural lands with the irrigation facilities.

Areas Highly Restricted from Conversion:

The following areas/projects are classified as highly restricted from conversion:
1. Irrigable lands not covered by irrigation projects with firm funding commitments
2. Agro-industrial croplands or lands presently planted to industrial crops that support the economic viability of existing agricultural infrastructure and agro-based enterprises;
3. Highlands or areas located in elevations of five hundred (500) meters or above and which have the potential for growing semi-temperate or high value crops;
4. Lands issued with the notice of land valuation and acquisition, or subject of a perfected agreement between the landowner and the beneficiaries under the Voluntary Land Transfer (VLT)/Direct Payment Scheme (DPS) under the CARP; and
5. Lands within an Environmentally Critical Area (ECA) or those involving the establishment of an Environmentally Critical Project (ECP). Applications for the conversion under this sub-section shall require, apart from the standards requirements, an Environmental Compliance Certificate (ECC) which the applicant must secure from the DENR prior to the application (for ordinary applications) or prior to commencement of actual land development (for applications involving housing projects).

Priority Development Areas and Projects:

I. In accordance with RA 7916, EO-124-1993, and EO-258-2000, the following area priority development areas for land conversion:
1. Specific sites in Regional Agri-Industrial Centers / Regional Industrial Centers (RAIC/RIC) identified by the Department of Trade and Industry (DTI) and the DA pursuant to EO-124-1993.
2. Tourism Development Areas (TDA) identified by the Department of Tourism (DOT) pursuant to EO-124-1993.
3. Agricultural areas intended for Eco Zone Projects, endorsed by Philippine Economic Zone Authority (PEZA), pursuant to RA 7916.
4. Agricultural land, owned by the government, to be converted for projects of national interest, as certified by proper government agency.
5. Agricultural land proposed to be developed as sites for processing plants of agricultural products, as certified by the Department of Agriculture.
6. Sites intended for telecommunication facilities endorsed by the National Telecommunication Commission (NTC).

II. Housing projects are priority development projects for land conversion that shall follow the fast tracking scheme prescribed under EO-45-2001. When the application involves a mixed use of housing and non-housing projects, the application shall not enjoy the privileges of housing projects unless at least eighty percent (80%) of the land applied for conversion shall be used directly and exclusively for housing.

Criteria for Conversion:

1. Conversion may be allowed if the land subject of application is not among those considered non-negotiable for conversion.
2. When the land has ceased 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, industrial, or other non-agricultural purposes.
3. Conversions of land within SAFDZ shall take into account the following factors:
   3.1 Conversion of land use is consistent with the natural expansion of the municipality or locality as contained in the approved physical framework and land use plan.
   3.2 Area to be converted in use is not the only remaining food production area of the community
   3.3 The land use conversion shall not hamper the availability of irrigation to nearby farmlands.
   3.4 Areas with low productivity will be accorded priority for land use conversion.
3.5 Sufficient disturbance compensation shall be given to farmers whose livelihoods are negatively affected by the land use conversion as provided for by the existing laws and regulations.

4. When the agricultural land which is subject of the application for conversion has been acquired under RA 6657, its conversion shall be allowed only if the applicant is the agrarian reform beneficiary thereof, and after he has fully paid his obligation as required under Section 65 of RA 6657.

Who May Apply for Conversion:

1. Owners of private agricultural lands or other persons duly authorized by the landowner;
2. Beneficiaries of the agrarian reform program after the lapse of five (5) years from award, reckoned from the date of the issuance of the Certificate of Landownership Award (CLOA), and who have fully paid their obligations and are qualified under these Rules, or persons duly authorized by them; and
3. Government agencies, including government-owned or controlled corporations, and LGUs, which own agricultural lands as their patrimonial property.