



MALACAÑAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 40

**EXTENDING THE MORATORIUM ON THE PAYMENT OF THE
PRINCIPAL OBLIGATION AND INTEREST OF THE AMORTIZATION
DUE AND PAYABLE BY AGRARIAN REFORM BENEFICIARIES**

WHEREAS, Executive Order (EO) No. 4 (s. 2022) imposed a one (1)-year moratorium on the payment of the principal obligation and interest of the amortization due and payable by Agrarian Reform Beneficiaries (ARBs) under the Comprehensive Agrarian Reform Program (CARP) and other agrarian reform programs or laws;

WHEREAS, under Republic Act (RA) No. 11953 or the "New Agrarian Emancipation Act," individual loans of ARBs, including interests, penalties and surcharges were condoned and written off, and ARBs were exempted from payment of estate tax on agrarian reform lands secured under the CARP or other agrarian reform programs or laws, which were due and payable by covered ARBs as of the date of effectivity of the law on 24 July 2023;

WHEREAS, Section 2 of RA No. 11953 provides that there are 346,432 of the total 610,054 ARBs tilling 763,894.66 hectares of agrarian reform lands, whose names and other loan details of indebtedness to the Government have yet to be submitted to Congress by the Land Bank of the Philippines (LBP) and the Department of Agrarian Reform (DAR);

WHEREAS, according to the DAR, apart from those whose names and other loan details have yet to be submitted to Congress pursuant to RA No. 11953, there are new ARBs who may not be able to take advantage of the relief provided under the said law because they were not covered by the cut-off date when the law became effective on 24 July 2023;

WHEREAS, in furtherance of the objective of RA No. 11953 of emancipating the ARBs from financial burden, it is imperative to extend the period of the moratorium under EO No. 4 to ensure that sustained economic relief will benefit both ARBs to be covered by RA No. 11953 and those excluded therefrom, and afford them protection from the ill effects of the current state of our global economy; and

THE PRESIDENT OF THE PHILIPPINES

WHEREAS, Section 17, Article VII of the Constitution vests in the President the power of control over all Executive departments, bureaus and offices, and the mandate to ensure the faithful execution of laws;

NOW, THEREFORE, I, FERDINAND R. MARCOS, JR., President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

Section 1. Extension of Moratorium. The moratorium on the payment of the principal value and annual interest of the amortization due and/or payable by ARBs under EO No. 4 shall be extended for a period of two (2) years.

Section 2. Implementing Rules and Regulations. Within fifteen (15) days from the effectivity of this Order, the DAR and LBP shall jointly formulate the rules and regulations for the implementation of this Order, in accordance with existing general banking laws, the rules and regulations of the *Bangko Sentral ng Pilipinas*, EO No. 228 (s. 1987), RA No. 6657 or the "Comprehensive Agrarian Reform Law of 1988," as amended, RA No. 11953, and other relevant laws and issuances.

Section 3. Funding. The funds for the implementation of this Order, including its monitoring and evaluation, shall be charged against the existing and available appropriations of the DAR and LBP, subject to relevant budgeting, accounting and auditing laws, rules and regulations.

Section 4. Separability. If any part or provision of this Order shall be held unconstitutional or invalid, the other provisions not affected thereby shall continue to be in full force and effect.

Section 5. Repeal. This Order hereby amends or modifies relevant provisions of EO No. 4. All other issuances, orders, rules and regulations, or parts thereof that are inconsistent with this Order, are hereby repealed or modified accordingly.

Section 6. Effectivity. This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 12th day of September, in the year of Our Lord, Two Thousand and Twenty-Three.

By the President:


LUCAS P. BERSAMIN
Executive Secretary



Office of the President
MALACAÑANG RECORDS OFFICE
CERTIFIED COPY
ATTY. CONCEPCION ZENY E. FERROLINO-ENAD
9-13-2023 DIRECTOR IV


