

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila



TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 588

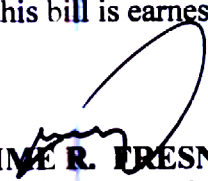
Introduced by **Representative Jaime R. Fresnedi**

EXPLANATORY NOTE

This bill seeks to penalize public officials and private individuals who facilitate or aid in the illegal sale or transfer of land to foreign nationals. It establishes procedures for due diligence and verification of buyer qualifications to protect Filipino ownership of land. Section 7, Article XII of the 1987 Constitution mandates that only Filipino citizens and entities with at least sixty percent (60%) Filipino ownership may acquire private lands in the country but foreign nationals, in collusion with local “dummies” have found ways to exploit loopholes in the land transaction process. These illegal transfers erode national sovereignty and displace rightful Filipino landowners.

Land is a finite and vital national resource. When foreign interests are allowed to gain de facto control over land through deception or negligence, it is the Filipino people who are deprived of their birthright. Without a legal framework to proactively detect, deter, and punish these transactions, the constitutional intent becomes toothless. This proposed measure imposes clear accountability on both the public and private sectors and offers a necessary and urgent response to ongoing and growing threats to Filipino land ownership.

In view of the foregoing, the immediate approval of this bill is earnestly sought.


JAIME R. FRESNEDI
Representative
Lone District, Muntinlupa City

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 588

Introduced by **Representative Jaime R. Fresnedi**

AN ACT
PENALIZING PUBLIC OFFICIALS AND PRIVATE INDIVIDUALS WHO
FACILITATE AND AID IN THE ILLEGAL TRANSFER OR SALE OF LAND TO
FOREIGN NATIONALS, ESTABLISHING REQUIREMENTS AND PROCEDURES
FOR DUE DILIGENCE, AND REQUIRING THE VERIFICATION OF BUYERS'
QUALIFICATIONS BEFORE LAND TRANSACTIONS, AND FOR OTHER
PURPOSES

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

Section 1. *Title.* – This Act shall be known as the “*Land Ownership Protection Act (LOPA)*”.

SEC. 2. *Declaration of Policy.* – Section 7 of Article XII of the 1987 Constitution of the Republic of the Philippines affirms that it is the policy of the State to uphold and enforce the constitutional prohibition on foreign land ownership, restricting the acquisition of land by foreign nationals in order to preserve and protect Filipino land ownership. This constitutional provision also reflects the State’s commitment to ensure that land remains primarily under the exclusive control of its citizens and underscores that the rights of Filipino citizens to land and property should remain paramount and cannot be undermined by actions that allow foreign nationals or entities to bypass constitutional legal restrictions.

Further, The State recognizes that the protection of land ownership is not only a matter of enforcement but also of prevention. Accordingly, it shall adopt preventive measures to ensure that land transactions are conducted with full transparency and due diligence, which will help prevent unlawful sales or transfers of land to foreign nationals. Public officials and private individuals involved in land transactions must adhere to rigorous standards for buyer verification and financial due diligence to ensure that the integrity of land ownership in the Philippines is maintained. *Furthermore,* The State shall also ensure that public officials and private entities, including land brokers, developers, and notaries, are held accountable for their role in facilitating the sale or transfer of land to foreign nationals in violation of the law. As such, any act or omission by these individuals or entities that enables and aids in the illegal sale or transfer of land shall be subject to appropriate penalties under this Act.

SEC. 3. *Definition of Terms.* – For the purposes of this Act, the following shall mean:

- a. Foreign National refers to any person who is not a Filipino citizen and is not qualified under the Philippine Constitution to acquire private lands.
- b. Dummy refers to a Filipino individual or entity who acts on behalf of a foreign national to acquire ownership of land.
- c. Public Official refers to any government officer or employee involved in land transactions, including local government officials, registrars, and other relevant personnel.
- d. Due Diligence refers to the reasonable steps taken by sellers, brokers, and officials to verify the qualifications of the buyer and ensure that the transaction complies with all applicable laws.

SEC. 4. *Prohibited Acts.* – It shall be unlawful for:

- a. Public officials to:
 - 1. issue fraudulent land titles, tax declarations, or permits.
 - 2. Willfully neglect their duty to report suspicious land transactions involving foreign nationals.
- b. Any person to:
 - 1. Act as dummies, proxies, or intermediaries for foreign nationals in acquiring land.
 - 2. Knowingly conspire in facilitating the transfer or sale of land to unqualified foreign nationals.
 - 3. Fail to conduct due diligence in verifying the buyer's qualifications before finalizing the sale.

SEC. 5. *Pre-Sale Procedures and Verification of Buyer Qualifications.* – Before any land sale or transfer can be completed, the following documents and verifications must be presented to ensure compliance with the prohibition on foreign nationals' land ownership:

- a. For individuals:
 - 1. Proof of Filipino citizenship (e.g. Philippine passport, birth certificate, or other government-issued documents proving Filipino citizenship)
 - 2. Barangay certificate of residency for a minimum of twelve (12) months
 - 3. Bank documents showing means to pay and sources of income, including but not limited to:
 - i. Bank loans

- ii. Liquid assets
 - iii. Bank statements showing ability to pay
- 4. Any other supporting documents that the seller, broker, or relevant government agency may deem necessary to verify the buyer's financial capacity.
- b. For corporations:
 - 1. Certification from the Securities and Exchange Commission (SEC) stating that corporation is at least sixty (60) % Filipino-owned, in accordance with the 1987 Philippine Constitution.
 - 2. A copy of the company's Articles of Incorporation and By-laws, as registered with SEC, clearly showing the equity structure.

SEC. 6. *Responsibilities of Government Agencies and Officials.* –

- a. The Land Registration Authority (LRA) and Local Government Units (LGUs) shall:
 - i. Verify all land transactions to ensure compliance with the constitutional prohibition on foreign land ownership.
 - ii. Ensure that the due diligence requirements outlined in this Act are met before processing land transactions.
 - iii. Monitor and report any suspicious land transactions to the Department of Justice (DOJ) or the Office of the Solicitor General (OSG).
- b. The Securities and Exchange Commission (SEC) shall:
 - i. Issue the necessary certifications to verify the Filipino ownership of corporations involved in land transactions.
 - ii. Maintain and monitor a list of companies claiming 60% Filipino ownership.
- c. The Department of Justice (DOJ) shall:
 - i. Prosecute violators of this Act, including those who fail to conduct the required due diligence in land transactions.

SEC. 7. *Penalties; Applicability of the Revised Penal Code.* – Any public official, corporation, individual or entity who is found, after due investigation, to have violated any provisions stated under this Act, shall be referred to the Department of Justice (DOJ) for prosecution. If convicted, he shall:

- a. be punished by imprisonment for not less than five (5) nor more than fifteen (15) years and by a fine of not less than the value equivalent to ten (10) % of the market value of the property involved.
- b. be disqualified from holding any public office and employment, and
- c. not be eligible to vote and be voted upon in any national or local election, even after the service of sentence unless granted absolute pardon.

Any public officer, employee of an agency or any private individual mandated to implement this Act, who shall commit fraud in the processing of documents, or shall conspire with any individual to commit the same, shall also be prosecuted.

SEC. 8. *Implementing Rules and Regulations.* – The Department of Finance (DOF) in cooperation and consultation with the Department of Interior and Local Government (DILG) and other relevant government agencies shall promulgate the rules and regulations for the proper implementation of this Act within ninety (90) days from its effectivity.

SEC. 9. *Separability Clause.* – If, for any reason, any part, section or provision of this Act is held invalid or unconstitutional, other provisions not affected thereby shall remain in full force and effect.

SEC. 10. *Repealing Clause.* – All other laws, decrees, orders, issuances, rules and regulations that are inconsistent with the provisions of this Act are hereby repealed, amended or modified accordingly.

SEC. 11. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in at least two (2) national newspapers in general circulation.

Approved,