

Republic of the Philippines
Supreme Court
Manila

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Wilfredo V. Lapitan
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Division Clerk of Court
Third Division
MAR 28 2017

THIRD DIVISION

UNION BANK OF THE PHILIPPINES G.R. No. 200369

Petitioner,

-versus-

THE HONORABLE REGIONAL
AGRARIAN REFORM OFFICER,
THE HONORABLE PROVINCIAL
AGRARIAN REFORM OFFICER,
THE HONORABLE MUNICIPAL
AGRARIAN REFORM OFFICER,
MIGUEL L. CARASOCHO,
GERARDO G. CARAAN,
CATALINO P. CARAAN, PASCUAL
N. CABRERA, FRANCISCO L.
CABRERA, EMILIANA M.
CABRERA, CESAR N. CABRERA,
PONCIANO R. GARCIA, PEDRO R.
GARCIA, MARCELINO R.
GARCIA, AGUSTIN M. MARANAN,
EUGENIO J. MARANAN, SILVERIO
D. MARANAN, ARMANDO T.
MARUDO, NENITA L. MARUDO,
GUILLERMO C. NARVACAN,
DAVID M. TERRENAL, DOROTEO
C. TERRENAL, SARDO C.
TERRENAL, CARMELITA M.
DELA CRUZ, REMEGIO R.
VILLAMAYOR, ANICETO C.
DEJAN, MACARIO N. DEJAN,
EULOGIA L. DIVINA, CELIA C.
GARCIA, JOSEFA G. LARENA,
MIGUEL M. LUMBRES, JUANITO
E. NARVACAN, LUZVIMINDA
PEREZ, SEBASTINO C. DELA
CRUZ, DANILO P. GARCIA,
HERMOGENES L. MARANAN,
LEOPOLDO T. MARUDO, MIGUEL

C. NATANAUAN, JOSE C.
 NATANAUAN, ARCADIO C.
 RIVERA, MAMERTO B. DEJAN,
 SEGUNDO C. DEJAN, GREGORIO
 N. ENRIQUEZ, SIMEON L.
 ALCANTARA, GAUDENCIO S.
 ALVEZ, AVELINO G. DE JESUS,
 GAUDENCIO P. DIMAPILIS,
 NEMESIO L. DIVINA, RODOLFO L.
 GARCIA, VALENTIN N. LERON,
 LEONA N. LLARENA, PONCIANO
 L. LLARENA, SERGIO N.
 LLARENA, PABLITO M.
 LUMBRES, VICTORIA L.
 MADAJAS, RODOLFO L.
 MARANAN, ANDRES S.
 MARANAN, MELECIA T.
 MARANAN, APOLONIA
 VILLAMAYOR, JUANITO O.
 MERCADO, ARSENIO V.
 NATIVIDAD, CRISPIN M.
 NATIVIDAD, DANTE A.
 NATIVIDAD, ELADIO U.
 NATIVIDAD, FULGENCIO U.
 NATIVIDAD, GAUDENCIO M.
 NATIVIDAD, JUAN T. NATIVIDAD,
 PEDRO M. NATIVIDAD, JUAN P.
 CABRERA, BARTOLOME M.
 MICO, EDUARDO M. ONA, LUCAS
 G. ONA, JULIUS T. PODONAN,
 FELICISIMO T. RAMILO, FELIPE
 C. REDONDO, FELINO M.
 REDONDO, CLEMENTE R.
 SANGALANG, DOMINGA R.
 SUAREZ, ARMANDO V. VISPO,
 ALBERTO P. SALVADOR,
 FRANCISCO S. CARANDANG,
 AVELINO L. LLARENA,
 CELESTINO M. LLARENA,
 FRISCO N. LLARENA, GREGORIO
 N. LLARENA, CASIANO N.
 CABRERA, FLAVIANO N.
 CABRERA, SEDORO C. CABRERA,
 SIXTO M. CABRERA, VALERIANO
 L. CARINGAL, MARITA C. DEJAN,
 SOFRONIO V. CARAAN,
 CONRADO K. MERCADO,
 LEONIZA N. NARVACAN

JUANITO E. NARVACAN,
FELICIANO N. NARVACAN,
FERNANDO C. MATANGUIHAN,
LEONIDES A. MATANGUIHAN,
NILO L. MATANGUIHAN,
JUANITO A. NATIVIDAD, SERGIO
M. NATANAUAN, BARTOLOME C.
MATANGUIHAN, MARTIN M.
NATANAUAN, FERNANDO G.
MEDINA, LUCIA R. NATANAUAN,
LOPE N. NATANAUAN, JUANA F.
NATANAUAN, FRANCISCO G.
NATANAUAN, BUENAVENTURA
G. NATANAUAN, ANDRES M.
NATANAUAN, CORNELIO L.
NARVAEZ, LEONIZA T. ANNOYO,
BRICCIO N. LUMBRES, CALIXTO
R. LUMBRES, RODOLFO U.
LLARENA, BENITA L. MADAJAS,
MERCEDES L. MADAJAS,
REMEDIOS A. MARUDO,
FILOMENA D. MARANAN,
ROLANDO N. MEDINA, RICARDO
L. MARANAN, ANGEL A.
UMANDAP, LUCIDO G. MEDINA,
MENARDO G. MEDINA, MARIANO
N. REGALADO, MARCIANO C.
REDONDO, DAMASA D.
REDONDO, LEONIDA R. RAMILO,
SERGIO O. NATIVIDAD, RAFAEL
T. MARANAN, DEMETRIO M.
QUIJANO, LITA L. NARVAEZ,
PETRONILO V. ARSENIO,
CESARIO N. LLARENA, JUAN D.
NARVAEZ, ANSELMO N.
LLARENA, MACARIO N. DIJAN,
FERNANDO M. ROBLES,
LEONARDO N. TERRIBLE,
LEONORA N. RIVERA, ELENA N.
RIVERA, CATALINO P. CARAON,
JUAN S. MARASIGAN, CELSO A.
MERCADO, and ERNESTO
MANGUIAT,

Respondents.

x-----x


UNION BANK OF THE PHILIPPINES,

Petitioner,

-versus-

**PETRONILO V. ARSENIO,
CATALINO P. CARAAN,
FRANCISCO S. CARANDANG,
MACARIO N. DEJAN, ANSELMO L.
LLARENA, ANSELMO T.
LLARENA, CELESTINO M.
LLARENA, CESARIO M.
LLARENA, FRISCO N. LLARENA,
GREGORIO N. LLARENA,
CALIXTO R. LUMBRES, AGUSTIN
N. MARANAN, EUGENIO T.
MARANAN, JUAN L. MARASIGAN,
ARMANDO T. MARUDO,
MEDARDO G. MEDINA, CELSO A.
MERCADO, FELICIANO N.
NARVACAN, GUILLERMO C.
NARVACAN, JUAN E. NARVACAN,
JUANITO D. NARVAEZ, LITA L.
NARVAEZ, DEMETRIO M.
QUIJANO, LEONIDA R. RAMILO,
ELENA M. RIVERA, FERNANDO
M. ROBLES, DAVID M.
TERRENAL, and LEONARDO N.
TERRIBLE,**

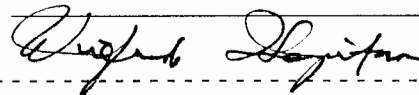
Respondents.

Present:

SERENO,* *CJ.*,
VELASCO, JR., *Chairperson*,
BERSAMIN,
JARDELEZA, and
CAGUIOA,** *JJ.*

Promulgated:

March 1, 2017



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DECISION

JARDELEZA, J.:

There are two primary questions raised in these consolidated petitions. The first is whether the Department of Agrarian Reform Adjudication Board has jurisdiction over petitions for cancellation of Certificates of Land Ownership Award involving parties who do not have a tenancy relationship. The second is whether the factual findings of the Secretary of Agrarian Reform can be questioned in a petition for review on *certiorari*.

* Designated as additional Member per Raffle dated February 27, 2017; on official business per Special Order No. 2418.

** Designated as Fifth Member of the Third Division per Special Order No. 2417 dated January 4, 2017.



I

Petitioner Union Bank of the Philippines (Union Bank) is the duly registered owner of land located at Barangay Bunggo, Calamba, Laguna covered by Transfer Certificate of Title (TCT) Nos. T-137846 and T-156610 of the Registry of Deeds of Laguna with areas of 1,083,250 and 260,132 square meters, respectively.¹

Union Bank offered these parcels of land to the Department of Agrarian Reform (DAR) through the Voluntary Offer to Sell (VOS) arrangement under the Comprehensive Agrarian Reform Program (CARP) of the government. After the DAR and Land Bank of the Philippines (LBP) inspected the properties, DAR offered the amounts of ₱2,230,699.30 and ₱716,672.35 as just compensation. Union Bank did not agree with the valuation; thus, the DAR Regional Director requested LBP to open trust accounts in the name of Union Bank.²

In the meantime, the DAR started issuing Certificates of Land Ownership Award (CLOAs) in the names of private respondents as agrarian reform beneficiaries for the land covered by TCT No. T-156610. On September 9, 1993, the DAR Municipal Agrarian Reform Officer (MARO) transmitted 74 CLOAs to the Register of Deeds of Calamba, Laguna for registration.³ On September 14, 1993, the DAR Provincial Agrarian Reform Officer (PARO) transmitted another 115 CLOAs to the same register of deeds.⁴ The land covered by TCT No. 137846 was transferred to the Republic of the Philippines on September 13, 1993.⁵

On June 29, 1995, Union Bank filed a “Motion to Withdraw Voluntary Offer To Sell On Property from CARP Coverage” in the land valuation proceedings for the land covered by TCT No. T-156610 pending before the Regional Agrarian Reform Adjudicator (RARAD) for Region IV.⁶ The RARAD would later provisionally dismiss the proceedings after Union Bank filed a letter request with the DAR to withdraw the VOS and to exempt the properties from CARP.⁷

A

On August 1, 1996, Union Bank submitted a letter to the DAR requesting that its VOS be withdrawn and that the properties be exempted from CARP coverage.⁸ The matter was docketed as A-9999-04-VOS-103-04.⁹ Union Bank alleged that the properties had a slope exceeding 18% and

¹ CA rollo (CA-G.R. SP No. 116106), pp. 87-98; rollo (G.R. No. 200369), pp. 91-92.

² Rollo (G.R. No. 200369), pp. 92; 142-143.

³ *Id.* at 147-148.

⁴ *Id.* at 149-155.

⁵ *Id.* at 46.

⁶ CA rollo (CA-G.R. SP No. 116106), p. 105.

⁷ *Id.* at 105-106.

⁸ *Id.* at 107-111.

⁹ Rollo (G.R. No. 200369), p. 93

were undeveloped, thus, exempt from CARP pursuant to Section 10 of the Comprehensive Agrarian Reform Law¹⁰ (CARL).¹¹

In its Order dated July 21, 2008, then DAR Secretary Nasser C. Pangandaman denied Union Bank's request for CARP exemption and withdrawal of its VOS for lack of merit.¹² According to the DAR Secretary, Union Bank failed to prove by substantial evidence that the properties were both undeveloped and had a slope gradation of more than 18% because the slope map and land capability map submitted by Union Bank were not certified by the Department of Environment and Natural Resources (DENR).¹³

After the DAR Secretary denied its motion for reconsideration,¹⁴ Union Bank filed a petition for review under Rule 43 with the Court of Appeals (CA). The case, docketed as CA-G.R. SP No. 114159, was consolidated with CA-G.R. SP No. 114354.¹⁵ In its Decision dated October 21, 2011, the CA Fifteenth Division denied the petitions.¹⁶ The CA agreed with the DAR Secretary's ruling that absent the DENR certification, the appraisal maps were "not substantial enough to warrant the conclusion that the properties are not suited for agricultural production." The CA also cited the case report prepared by the MARO which noted the "presence of multiple crops, ranging from vegetables, rice/corn to permanent industrial crops in the area."¹⁷ Finally, the CA faulted Union Bank for failing to present additional evidence during the two-year period during which its motion for reconsideration with DAR was pending.¹⁸ The CA subsequently denied Union Bank's motion for reconsideration.¹⁹

B

On December 20, 1996, Union Bank filed a Petition²⁰ for cancellation of CLOAs against the Regional Agrarian Reform Officer (RARO), PARO, MARO, and 28 agrarian reform beneficiaries of the land covered by TCT No. T-156610 with the Office of the Provincial Agrarian Reform Adjudicator (PARAD) of Laguna. The petition, docketed as PARAD Case Nos. R-403-0075-96 to R-403-0102-96, was dismissed without prejudice on October 9, 1997 for being premature in view of Union Bank's pending request for withdrawal of its VOS and exemption from CARP with DAR.²¹ The PARAD denied Union Bank's motion for reconsideration on December

¹⁰ Republic Act No. 6657 (1988).

¹¹ CA rollo (CA-G.R. SP No. 116106), pp. 107-108.

¹² CA rollo (CA-G.R. SP No. 114159), pp. 22-25.

¹³ *Id.* at 23.

¹⁴ *Id.* at 26-28

¹⁵ Rollo (G.R. Nos. 203330-31), p. 50.

¹⁶ Rollo (G.R. Nos. 203330-31), pp. 49-66. Penned by Associate Justice Angelita A. Gacutan, with Associate Justices Vicente S. E. Veloso and Francisco P. Acosta concurring.

¹⁷ *Id.* at 60-61.

¹⁸ *Id.* at 63.

¹⁹ *Id.* at 67-69.

²⁰ CA rollo (CA-G.R. SP No. 114354), pp. 269-281.

²¹ *Id.* at 289-299.

17, 1997;²² Union Bank claimed to have received the order of denial only on July 10, 2002.²³

Union Bank appealed to the Department of Agrarian Reform Adjudication Board (DARAB). The appeal was docketed as DARAB Case Nos. 12313 to 12313-A27.²⁴ On September 14, 2009, the DARAB denied the appeal for lack of merit.²⁵ According to the DARAB, “there has to be a finding first by the DAR Secretary that the land is really exempted” from the coverage of CARP; absent this, “the petition for cancellation of the CLOAs is indeed prematurely filed.”²⁶ The DARAB subsequently denied Union Bank’s motion for reconsideration.²⁷

Union Bank then filed a petition for review under Rule 43 with the CA docketed as CA-G.R. SP No. 114354. The case was consolidated with the aforementioned CA-G.R. SP No. 114159. The CA Fifteenth Division denied the petition in view of its finding that the properties were not exempt from CARP.²⁸

After the CA denied its motion for reconsideration,²⁹ Union Bank filed a consolidated petition for review on *certiorari* assailing the CA’s decision and resolution in the consolidated cases of CA-G.R. SP No. 114159 and CA-G.R. SP No. 114354. The consolidated petition is docketed as G.R. Nos. 203330-31.³⁰

C

On January 23, 2004, Union Bank filed a separate petition for cancellation of the CLOAs, this against 141 agrarian reform beneficiaries, before the PARAD of Laguna. The case was docketed as Case Nos. R-0403-0016-0023-03 to R-0403-0037-0303-03.³¹ The PARAD dismissed the petition for being premature because “there must first be a positive act from the Secretary of the DAR or his authorized representative declaring said property as excluded/exempted from coverage.”³² On appeal, docketed as DSCA No. 0379, the DARAB sustained the PARAD’s dismissal of Union Bank’s petition for cancellation of the CLOAs.³³

²² *Id.* at 312-318.

²³ *Rollo* (G.R. Nos. 203330-31), p. 21.

²⁴ *CA rollo* (CA-G.R. SP No. 114354), p. 39.

²⁵ *Id.* at 39-44.

²⁶ *Id.* at 42.

²⁷ *Id.* at 49-51.

²⁸ *Rollo* (G.R. Nos. 203330-31), pp. 49-66.

²⁹ *Id.* at 67-69.

³⁰ G.R. No. 203330, formerly CA-G.R. SP No. 114159, pertains to the DAR Secretary’s denial of Union Bank’s CARP exemption, while G.R. No. 203331, formerly CA-G.R. SP No. 114354, involves the PARAD’s dismissal of the petition for cancellation of CLOAs.

³¹ *CA rollo* (CA-G.R. SP No. 116106), pp. 62; 154.

³² *Id.* at 154-163.

³³ *Id.* at 58-64.

Union Bank elevated the case to the CA through a petition for review under Rule 43, which was docketed as CA-G.R. SP No. 116106. In its Decision dated November 18, 2011,³⁴ the Special Twelfth Division denied the petition for lack of merit. Citing relevant jurisprudence, the CA held that for the DARAB to have jurisdiction in cases involving cancellation of the CLOAs, there must be an agrarian dispute between landowner and *tenants* who are recipients of the CLOAs. The CA found that “the record is bereft of any evidence showing that petitioner and private respondents agrarian reform beneficiaries had tenancy relations.”³⁵ It also ruled that cancellation of the CLOAs can only be effected after the DAR Secretary administratively declares that the land is exempted or excluded from CARP coverage.³⁶ Since the DAR Secretary was yet to make such determination when Union Bank filed its petition with the PARAD, the PARAD correctly dismissed the petition for being premature. The CA subsequently denied Union Bank’s motion for reconsideration.³⁷

The CA Decision and Resolution in CA-G.R. SP No. 116106 are being assailed by Union Bank in its petition for review on *certiorari* docketed as G.R. No. 200369.

Upon motion of Union Bank,³⁸ we consolidated G.R. Nos. 203330-31 with G.R. No. 200369 on March 6, 2013.³⁹

II

The main issues in G.R. Nos. 203331 and 200369 are identical. In both cases, Union Bank assails the dismissal of its petitions for cancellation of the CLOAs. The common ground relied upon for the dismissal, first by the respective PARADs, and on appeal, by the DARAB and the CA, is that the petitions were prematurely filed in view of Union Bank’s then pending request for CARP exemption and withdrawal of VOS. In G.R. No. 200369, the CA added that the DARAB had no jurisdiction over the case because of the absence of a tenancy relationship between Union Bank and the agrarian reform beneficiaries. In its petitions before us, Union Bank insists that the DARAB is expressly granted quasi-judicial powers by Executive Order (EO) No. 229.⁴⁰ It posits that the DAR Secretary was “effectively ousted” from jurisdiction because the CLOAs were issued upon his determination that the properties were subject to CARP and that the DARAB “cannot share jurisdiction” with the DAR Secretary on the issue of the validity of the issuance of the CLOAs.⁴¹ In response, private respondents argue that the

³⁴ *Rollo* (G.R. No. 200369), pp. 87-107, Penned by Associate Justice Fernanda Lampas-Peralta, with Associate Justices Mariflor P. Punzalan-Castillo and Socorro B. Inting concurring.

³⁵ *Id.* at 101.

³⁶ *Id.* at 104-106.

³⁷ *Id.* at 108-109.

³⁸ *Rollo* (G.R. Nos. 203330-31), pp. 247-253.

³⁹ *Id.* at 374.

⁴⁰ Providing the Mechanisms for the Implementation of the Comprehensive Agrarian Reform Program (1987).

⁴¹ *Rollo* (G.R. No. 200369), pp. 56-57

classification and identification of landholdings for CARP coverage, including petitions for lifting of such coverage, are lodged with the DAR Secretary.⁴² Hence, the CA correctly upheld the dismissal of the case.

The jurisdiction of a court or tribunal over the nature and subject matter of an action is conferred by law.⁴³ Section 50⁴⁴ of the CARL and Section 17⁴⁵ of EO No. 229 vested upon the DAR primary jurisdiction to determine and adjudicate agrarian reform matters, as well as original jurisdiction over all matters involving the implementation of agrarian reform. Through EO No. 129-A,⁴⁶ the power to adjudicate agrarian reform cases was transferred to the DARAB,⁴⁷ and jurisdiction over the implementation of agrarian reform was delegated to the DAR regional offices.⁴⁸ In *Heirs of Candido Del Rosario v. Del Rosario*,⁴⁹ we held that consistent with the DARAB Rules of Procedure,⁵⁰ the agrarian reform cases that fall within the jurisdiction of the PARAD and DARAB are those that involve agrarian disputes. Section 3(d) of the CARL defines an “agrarian dispute” as any controversy relating to tenurial arrangements, whether leasehold, tenancy, stewardship or otherwise, over lands devoted to agriculture.⁵¹ Given the technical legal meaning of the term “agrarian dispute,” it follows that not all cases involving agricultural lands automatically fall within the jurisdiction of the PARAD and DARAB.

⁴² *Id.* at 162-164.

⁴³ *Heirs of Simeon Latayan v. Tan*, G.R. No. 201652, December 2, 2015, 776 SCRA 1, 13.

⁴⁴ Sec. 50. *Quasi-Judicial Powers of the DAR*. – The DAR is hereby vested with primary jurisdiction to determine and adjudicate agrarian reform matters and shall have exclusive original jurisdiction over all matters involving the implementation of agrarian reform except those falling under the exclusive jurisdiction of the Department of Agriculture (DA) and the Department of Environment and Natural Resources (DENR).

It shall not be bound by technical rules of procedure and evidence but shall proceed to hear and decide all cases, disputes or controversies in a 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 for every action or proceeding before it.

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 enforce its writs through sheriffs or other duly deputized officers. It shall likewise have the power to punish direct and indirect contempts in the same manner and subject to the same penalties as provided in the Rules of Court.

Responsible farmer leaders shall be allowed to represent themselves, their fellow farmers, or their organizations in any proceedings before the DAR: *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 DAR proceedings.

Notwithstanding an appeal to the Court of Appeals, the decision of the DAR shall be immediately executory.

⁴⁵ Sec. 17. *Quasi-Judicial Powers of the DAR*. – The DAR is hereby vested with quasi-judicial powers to determine and adjudicate agrarian reform matters, and shall have exclusive original jurisdiction over all matters involving implementation of agrarian reform, except those falling under the exclusive original jurisdiction of the DENR and the [DA].

The DAR shall have powers to punish for contempt and to issue *subpoena*, *subpoena duces tecum* and writs to enforce its orders or decisions.

The decisions of the DAR may, in proper cases, be appealed to the Regional Trial Courts but shall be immediately executory notwithstanding such appeal.

⁴⁶ Reorganization Act of the Department of Agrarian Reform (1987).

⁴⁷ EO No. 129-A, Sec. 13.

⁴⁸ EO No. 129-A, Sec. 24.

⁴⁹ G.R. No. 181548, June 20, 2012, 674 SCRA 180.

⁵⁰ 1994 DARAB Rules of Procedure, Rule II, Secs. 1 & 2.

⁵¹ *Heirs of Candido Del Rosario v. Del Rosario*, *supra* at 191.

Jurisdiction over the subject matter is determined by the allegations of the complaint.⁵² For the PARAD and DARAB to acquire jurisdiction over the case, there must be a *prima facie* showing that there is a tenurial arrangement or tenancy relationship between the parties. The essential requisites of a tenancy relationship are key jurisdictional allegations that must appear on the face of the complaint. These essential requisites are: (1) the parties are the landowner and the tenant; (2) the subject is agricultural land; (3) there is consent; (4) the purpose is agricultural production; (5) there is personal cultivation; and (6) there is sharing of harvests.⁵³

The records clearly show that the two petitions filed by Union Bank with the PARAD did not involve agrarian disputes. Specifically, Union Bank's petitions failed to sufficiently allege—or even hint at—any tenurial or agrarian relations that affect the subject parcels of land. In both petitions, Union Bank merely alleged that respondents were beneficiaries of the CLOAs. That Union Bank questions the qualifications of the beneficiaries suggests that the latter were not known to, much less tenants of, Union Bank prior to the dispute. We therefore agree with the conclusion of the CA that there was no tenancy relationship between the parties. Consequently, the PARAD did not have jurisdiction over the case.

Union Bank repeatedly cites Section 17 of EO No. 229 to argue that the PARAD/DARAB has jurisdiction over the case, and that it cannot share jurisdiction with the DAR Secretary. Such contention appears to have stemmed from petitioner's unfamiliarity with the legislative history of agrarian reform laws. Section 17 of EO No. 229, as well as Section 50 of the CARL, conferred jurisdiction to the DAR—not to the DARAB. In fact, at the time EO No. 229 and the CARL were enacted, the DARAB did not exist. The jurisdiction conferred to the DAR was twofold: (1) primary jurisdiction over the adjudication of agrarian disputes; and (2) original jurisdiction over agrarian reform implementation. EO No. 129-A effectively split these two jurisdictions between the newly created DARAB with respect to the former and to the DAR regional offices as regards the latter.

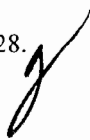
As previously discussed, the jurisdiction conferred to the DARAB is limited to agrarian disputes, which is subject to the precondition that there exist tenancy relations between the parties. This delineation applies in connection with cancellation of the CLOAs. In *Valcurza v. Tamparong, Jr.*,⁵⁴ we stated:

Thus, the DARAB has jurisdiction over cases involving the cancellation of registered CLOAs relating to an agrarian dispute between landowners and tenants. However, **in cases concerning the cancellation of CLOAs that involve parties who are not agricultural tenants or lessees —**

⁵² *Sindico v. Diaz*, G.R. No. 147444, October 1, 2004, 440 SCRA 50, 53.

⁵³ *Agrarian Reform Beneficiaries Association v. Fil-Estate Properties, Inc.*, G.R. No. 163598, August 12, 2015, 766 SCRA 313, 335.

⁵⁴ G.R. No. 189874, September 4, 2013, 705 SCRA 128.



cases related to the administrative implementation of agrarian reform laws, rules and regulations — the jurisdiction is with the DAR, and not the DARAB.

Here, petitioner is correct in alleging that it is the DAR and not the DARAB that has jurisdiction. First, the issue of whether the CLOA issued to petitioners over respondent's land should be cancelled hinges on that of whether the subject landholding is exempt from CARP coverage by virtue of two zoning ordinances. This question involves the DAR's determination of whether the subject land is indeed exempt from CARP coverage — a matter involving the administrative implementation of the CARP Law. Second, respondent's complaint does not allege that the prayer for the cancellation of the CLOA was in connection with an agrarian dispute. The complaint is centered on the fraudulent acts of the MARO, PARO, and the regional director that led to the issuance of the CLOA.⁵⁵ (Emphasis supplied; citations omitted.)

Thus, in the absence of a tenancy relationship between Union Bank and private respondents, the PARAD/DARAB has no jurisdiction over the petitions for cancellation of the CLOAs. Union Bank's postulate that there can be no shared jurisdiction is partially correct; however, the jurisdiction in this case properly pertains to the DAR, to the exclusion of the DARAB.

III

In G.R. No. 203330, Union Bank principally questions the DAR Secretary's finding that the properties are not exempt from CARP. It cites the appraisal reports showing that the properties have an elevated slope of more than 18% and were not irrigated. Effectively, Union Bank is asking us to weigh the evidence anew. However, as we have held time and again, only questions of law may be put in issue in a petition for review under Rule 45. "We cannot emphasize to litigants enough that the Supreme Court is not a trier of facts. It is not our function to analyze or weigh the evidence all over again."⁵⁶ Corollary to this is the doctrine that factual findings of administrative agencies are generally accorded respect and even finality by this Court, especially when these findings are affirmed by the Court of Appeals.⁵⁷

We note that while Union Bank's claim that the properties exceeded 18% is uncontroverted, this alone is not sufficient to claim exemption from the CARP. Section 10 of the CARL provides:

Sec. 10. *Exemptions and Exclusions.* – Lands actually, directly and exclusively used and found to be necessary for

⁵⁵ *Id.* at 137-138.

⁵⁶ *University of the Immaculate Conception v. Office of the Secretary of Labor and Employment*, G.R. Nos. 178085-86, September 14, 2015, 770 SCRA 430, 449. Citations omitted.

⁵⁷ See *Delos Reyes v. Flores*, G.R. No. 168726, March 5, 2010, 614 SCRA 270.

parks, wildlife, forest reserves, reforestation, fish sanctuaries and breeding grounds, watersheds, 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 appurtenant thereto, 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, except those already developed shall be exempt from coverage of this Act.** (Emphasis supplied.)

Therefore, to be exempt from the CARP, the land must have a gradation slope of 18% or more *and* must be undeveloped. To support its contention that the lands were undeveloped, Union Bank submitted a certification by the National Irrigation Administration stating that the lands were not irrigated and a land capability map by Asian Appraisal stating that the lands were best suited for pasture.⁵⁸ On the other hand, the case report prepared by the MARO shows that the properties were already agriculturally developed.⁵⁹ The weighing of these pieces of evidence properly falls within the sound discretion of the DAR Secretary. In the absence of any clear showing that he acted in grave abuse of discretion, the Court will not interfere with his exercise of discretion.

Our concluding statement in *Sebastian v. Morales*⁶⁰ is very apt:

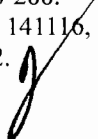
As a final salvo, petitioners urge us to review the factual findings of the DAR Secretary. Settled is the rule that factual questions are not the proper subject of an appeal by certiorari, as a petition for review under Rule 45 is limited only to questions of law. Moreover, it is doctrine that the “errors” which may be reviewed by this Court in a petition for certiorari are those of the Court of Appeals, and not directly those of the trial court or the quasi-judicial agency, tribunal, or officer which rendered the decision in the first instance. Finally, it is settled that factual findings of administrative agencies are generally accorded respect and even finality by this Court, if such findings are supported by substantial evidence, a situation that obtains in this case. The factual findings of the Secretary of Agrarian Reform who, by reason of his official position, has acquired expertise in specific matters within his jurisdiction, deserve full respect and, without justifiable reason, ought not to be altered, modified or reversed.⁶¹ (Citations omitted.)

⁵⁸ CA rollo (CA-G.R. SP No. 114354), pp. 260-261.

⁵⁹ *Id.* at 286-288.

⁶⁰ G.R. No. 141116, February 17, 2003, 397 SCRA 549.

⁶¹ *Id.* at 562.

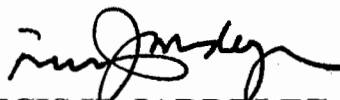


IV

In support of its position that the CLOAs should be cancelled, Union Bank claims that it has not been paid just compensation and that the DAR did not follow the correct procedure in issuing the CLOAs. These, however, are being raised for the first time before us. It is a fundamental rule that this Court will not resolve issues that were not properly brought and ventilated in the lower courts. Questions raised on appeal must be within the issues framed by the parties, and consequently, issues not raised in the trial court cannot be raised for the first time on appeal. An issue, which was neither averred in the complaint nor raised during the trial in the lower courts, cannot be raised for the first time on appeal because it would be offensive to the basic rule of fair play and justice, and would be violative of the constitutional right to due process of the other party.⁶² Nonetheless, Union Bank is not precluded from raising these issues in an appropriate case before a competent tribunal.

WHEREFORE, the petitions are **DENIED**. The Decision dated November 18, 2011 and Resolution dated January 27, 2012 of the Court of Appeals–Special Twelfth Division in CA-G.R. SP No. 116106, and the Decision dated October 21, 2011 and Resolution dated August 30, 2012 of the Court of Appeals–Fifteenth Division in CA-G.R. SP Nos. 114159 and 114354 are **AFFIRMED**.

SO ORDERED.




FRANCIS H. JARDELEZA
Associate Justice


WE CONCUR:

(On Official Business)

MARIA LOURDES P. A. SERENO
Chief Justice



PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson



LUCAS P. BERSAMIN
Associate Justice

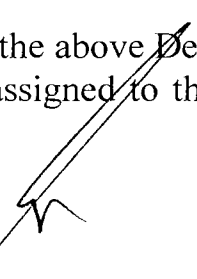


ALFREDO BENJAMIN S. CAGUIOA
Associate Justice

⁶² *Heirs of Lorenzo and Carmen Vidad v. Land Bank of the Philippines*, G.R. No. 166461, April 30, 2010, 619 SCRA 609, 623-624.

ATTESTATION

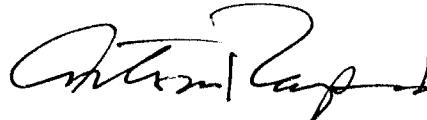
I attest that the conclusions in the above Decision had been reached in consultation before the cases were assigned to the writer of the opinion of the Court's Division.



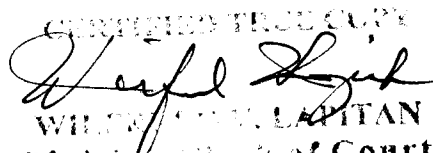
PRESBITERO J. VELASCO, JR.
Associate Justice
Chairperson, Third Division

CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution, and the Division Chairperson's attestation, it is hereby certified that the conclusions in the above Decision had been reached in consultation before the cases were assigned to the writer of the opinion of the Court's Division.



ANTONIO T. CARPIO
Associate Justice
Acting Chief Justice

CERTIFIED TRUE COPY

WILFREDO M. LAITAN
Division Clerk of Court
Third Division
MAR 20 2017