

THIRD DIVISION

G.R. No. 231546 — LAND BANK OF THE PHILIPPINES, *petitioner*,
versus MARGARITO E. TAYKO, DR. MANUEL E. TAYKO, FELIPE
E. TAYKO, JOVENCIO E. TAYKO, TEOPISTO T. GUINGONA, JR.,
MANUEL T. GUINGONA, BENJAMIN T. GUINGONA, BRIGADA
TANKEH GUINGONA, BIANCA MARIE T. GUINGONA, JOSE T.
GUINGONA, LUIS T. GUINGONA, and JOSEFA TAYKO
GUINGONA, *respondents*.

Promulgated:

March 29, 2023

~~Misdebat~~

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SEPARATE OPINION

CAGUIOA, J.:

I concur with the *ponencia*'s grant of petitioner Land Bank of the Philippines' petition in accord with the following legal findings: (1) that the just compensation should be based on the valuation factors under Section 17 of the Comprehensive Agrarian Reform Law of 1988 (Republic Act No. [R.A.] 6657) and other relevant Department of Agrarian Reform (DAR) formula;¹ (2) that the Regional Agrarian Reform Adjudicator (RARAD), as affirmed by the Department of Agrarian Reform Adjudication Board (DARAB), erred in valuing the subject properties using the formula as provided for under Presidential Decree No. 27 when R.A. 6657 was already in effect;² (3) that the time of taking in the instant facts is when the landowners were deprived of the use of and benefit of the property, *i.e.*, when the certificates of titles of the landowners were cancelled and transfer certificates of titles (TCTs) were issued in the Republic's name on December 30, 2003;³ and, ultimately, (4) that a remand of the case is in order since the just compensation in the given facts should be computed using the valuation factors as provided for in R.A. 6657 as they are applied to the data and values gathered regarding the subject properties as of December 2003.⁴

However, I wish to submit anew my reservations with respect to the Resolution's categorization of delay in the payment of just compensation as a forbearance of money in favor of the State.⁵

On this score, I humbly submit that there is a need to revisit the previous categorization of delay in the payment of just compensation as a forbearance in favor of the State, and its implications on the imposition of legal interests.

¹ Resolution, p. 6.

² Id. at 7.

³ Id. at 9.

⁴ Id. at 9-10.

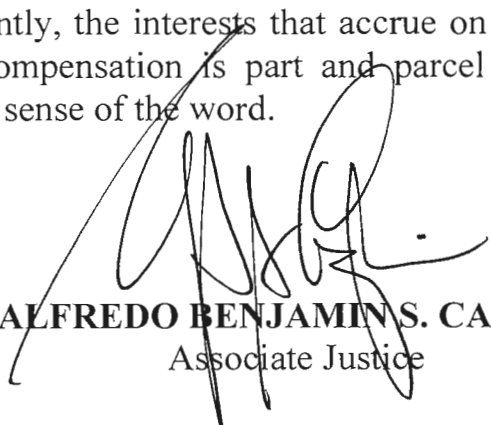
⁵ Id. at 10.



I submit that not all obligations consisting in the payment of a sum of money are a forbearance within the authority and contemplation of the Bangko Sentral ng Pilipinas (BSP), since the term “forbearance” must be narrowly construed within the context of the Usury Law. In other words, for a payment of sum of money to be considered a forbearance thereof, it must involve (1) an agreement or contractual obligation; (2) to refrain from enforcing payment or to extend the period for the payment of; (3) an obligation that has become due and demandable; and (4) in return for some compensation, *i.e.*, interest. Contrarily, since proceedings for the determination of just compensation have nothing to do with usury, the BSP-prescribed rates should not apply.

Furthermore, consistent with the primary definition of just compensation as the amount due the property owner in order to restore and make him/her whole as he/she was prior to the taking, the interests that accrue as a result of the expropriation must be for the account of the State, not because delay of payment is an effective forbearance of money, but because a compensation that does not take into account these accruing interests which are attached to the forced sale of one’s property by expropriation is not one that can be deemed to be truly “just.”

Thus, while I agree that interest is indeed due on the amount of just compensation due the respondents Margarito E. Tayko, *et al.*, I disagree that the principle behind said appropriate accrual is due to the fact that delayed payment of just compensation is in the concept of a forbearance of money against the State. Stated differently, the interests that accrue on the amount which is determined as just compensation is part and parcel of the just compensation itself, in the chief sense of the word.



ALFREDO BENJAMINS S. CAGUOA
Associate Justice