

**IMPLEMENTING RULES AND REGULATION OF THE  
AGRI AGRA REFORM CREDIT ACT OF 2009  
(RA 10000)**

**WHEREAS** Section 7 of Republic Act 10000 (RA 10000) mandates that the Bangko Sentral ng Pilipinas (BSP), Department of Agriculture (DA), and Department of Agrarian Reform (DAR) promulgate such rules and regulations as may be necessary to implement the provisions of the said Act

**NOW, THEREFORE**, these Implementing Rules and Regulations are promulgated to guide the DA, BSP, DAR and all other concerned departments, agencies and sectors concerned in the implementation of the provisions of RA 10000.

**ARTICLE I  
GENERAL POLICIES**

**SECTION 1. Short Title.** This Act shall be known as "The Implementing Rules and Regulations of the Agri-Agra Reform Credit Act of 2009".

**SECTION 2. Declaration of Policy.** These Implementing Rules and Regulations (IRR) are issued pursuant to the policies declared under RA 10000, to wit: *"It is hereby declared the policy of the State to promote equal access to opportunities under an environment of sustained growth and expanding productivity as the key to raising the quality of life for all. Towards this end, the State shall promote rural development by enhancing access of the rural agricultural sector to financial services and programs that increase market efficiency and promote modernization in the rural agricultural sector."*

**SECTION 3. Definition of Terms.**- As used in this IRR, the term:

- a. *Accredited rural financial institutions (FIs)* shall refer to FIs like rural banks, cooperative banks, farmer's cooperatives and farmer's cooperative insurance or mutual benefit associations whose portfolios are substantially agri-agra related and have been certified as such either by the BSP, in the case of banks, or by the DA, or by an agency duly authorized by the DA, in the case of non-bank financial institutions.
- b. *Agrarian reform beneficiaries* shall refer to farmers who were granted lands under P.D. No. 27 or the "Emancipation of Tenants from the Bondage of the Soil Transferring to Them the Ownership of the Land They Till and Providing Instruments and Mechanism Therefor", R.A. No. 6657 or the "Comprehensive Agrarian Reform Law" and R.A. No. 9700 or the "Comprehensive Agrarian Reform Extension with Reforms" and regular farmworkers who are landless, irrespective of tenurial arrangement, who benefited from the redistribution of lands, regardless of crops or fruits produced, to include the totality of factors and support services designed to lift the economic status of the beneficiaries and all other alternative arrangements to the physical distribution of lands, such as production or profit-sharing, labor administration, and the distribution of shares of stock under the stock distribution option scheme, which will allow beneficiaries to receive a just share of the fruits of the lands they work, which farmers and farmworkers shall be endorsed by the nearest office of the DAR.

The term shall, likewise, include registered agrarian reform beneficiaries' cooperatives/associations/other farm groups respectively endorsed as comprising of agrarian reform beneficiaries by the nearest office of the DAR.

- c. *Agrarian reform credit* shall refer to loans granted to agrarian reform beneficiaries for agricultural and agrarian reform purposes.

- d. *Agricultural credit* shall refer to loans granted to borrowers for agricultural purposes.
- e. *Agricultural lessee* shall refer to any person who, with or without help from his/her immediate farm household, cultivates the land owned by another for a certain price in money, in produce or in both.
- f. *Agriculture and agrarian reform credit* shall refer to loans granted for the following activities and purposes:
- (i) agricultural production,
  - (ii) promotion of agribusiness and exports,
  - (iii) acquisition of work animals, farm and fishery equipment and machinery,
  - (iv) acquisition of seeds, fertilizers, poultry, livestock, feeds and other similar items,
  - (v) acquisition of lands authorized under the Agrarian Reform Code of the Philippines and its amendments,
  - (vi) construction, acquisition and repair of facilities for production, processing, storage, and marketing and such other facilities in support of agriculture and fisheries;
  - (vii) efficient and effective merchandising of agricultural and fishery commodities stored and/or processed by the facilities aforesaid in domestic and foreign commerce, and
  - (viii) other activities identified in Section 23 of R.A. No. 8435, otherwise known as the "Agriculture and Fisheries Modernization Act of 1997", as enumerated below:
    - a. Agriculture and fisheries production including processing of fisheries and agri-based products and farm inputs.
    - b. Acquisition of work animals, farm and fishery equipment and machinery;
    - c. Acquisition of seeds, fertilizer, poultry, livestock, feeds and other similar items;
    - d. Procurement of agriculture and fisheries products for storage, trading, processing and distribution.
    - e. Acquisition of water pumps and installation of tube wells for irrigation;
    - f. Construction, acquisition and repair of facilities, for production, processing, storage, transportation, communication, marketing and such other facilities in support of agriculture and fisheries;
    - g. Working capital for agriculture and fisheries graduates to enable them to engage in agriculture and fisheries-related economic activities;
    - h. Agribusiness activities which support soil and water conservation and ecology-enhancing activities;

- i. Privately-funded and LGU-funded irrigation systems that are designed to protect the watershed;
  - j. Working capital for long-gestating projects; and
  - k. Credit guarantees on uncollateralized loans to farmers and fisherfolk.
- g. *Agro-industry Modernization Credit and Financing Program (AMCFP)* refers to the umbrella credit/financing program of the government for the agriculture and fisheries sector created under Republic Act No. 8435.
- h. *Amortizing owners* shall refer to landowners who still amortize payment for the land to a private individual or to the State.
- i. *Compact farmers* shall refer to those farmers with adjoining farms operating as a single unit under one management, farm plan and budget.
- j. *Farm to market road* shall refer to roads linking the agriculture and fisheries production sites, coastal landing points and post-harvest facilities to the market and arterial roads and highways.
- k. *Farmer* shall refer to a natural person whose primary livelihood is cultivation of land or the production of agricultural crops, agroforest products, livestock and/or fisheries, either by himself/herself, or primarily with the assistance of his/her immediate farm household, whether the land is owned by him/her or by another person under a leasehold or share tenancy agreement or arrangement with the owner thereof.
- l. *Farmworker* shall refer to a natural person who renders service for value as an employee or laborer in an agricultural enterprise or farm regardless of whether his/her compensation is paid on a daily, weekly, monthly or "pakyaw" basis. The term includes an individual whose work has ceased as a consequence of, or in connection with, a pending agrarian dispute who has not obtained a substantially equivalent and regular farm employment.
- m. *Farmer's cooperatives* shall refer to organizations composed primarily of small agricultural producers, farmers, farmworkers, or other agrarian reform beneficiaries who voluntarily organize themselves for the purpose of pooling land, manpower, technological, financial or other economic resources, and operate on the principle of one member, one vote. A juridical person may be a member of a cooperative, with the same rights and duties as a natural person.
- n. *Farmer's and fisherfolk's organizations or associations* shall refer to farmer's and fisherfolk's cooperatives, associations or corporations duly registered with appropriate government agencies and which are composed primarily of small agricultural producers, farmers, farmworkers, agrarian reform beneficiaries or fisherfolk who voluntarily join together to form business enterprises or non-business organizations which they themselves own, control and patronize.
- o. *Fisherfolk* shall refer to people directly or personally and physically engaged in taking and/or culturing and processing fishery and/or aquatic resources.
- p. *Fisheries* shall refer to all activities relating to the act or business of fishing, culturing preserving, processing, marketing, developing, conserving and managing aquatic resources and the fishery areas, including the privilege to fish or take aquatic resource thereof.

- q. *Fishworker* shall refer to a person whether or not regularly employed in commercial fishing and related industries, whose income is either from wages, profit sharing or stratified sharing basis, including those working in fishpens, fish corral/traps, fishponds, prawn farms, sea farms, salt beds, fish ports, fishing boat or trawlers, or fish processing and/or packing plants, but excluding administrators, security guards and overseers.
- r. *Loanable funds* shall refer to total funds generated from 20 April 2010, the computation of which is described in Section 8 of these Rules.
- s. *National Food Authority*, otherwise known as the NFA, shall refer to the government entity created through Presidential Decree No. 4 dated 26 September 1972. It is currently vested with the function of ensuring food security and stability of price and supply of staple grain-rice through procurement of paddy from individual bonafide farmers and their organizations, buffer stocking, processing activities, dispersal of paddy and milled rice to strategic locations, distribution of the staple grain to various marketing outlets at appropriate times of the year and other similar activities. As used in these rules, its role shall be limited to the issuance of warehouse receipts, which may be used as collateral for bank loans and loans under the AMCFP value chain financing facility.

As a government non-financial agency, the NFA can not and will not perform any lending function consistent with the provisions of Republic Act No. 8435.

- t. *Owner-cultivators* shall refer to natural persons who own lands by purchase, inheritance, or land distribution by the State. Owner-cultivators can operate the farm themselves, supervise wage labor or delegate operations to farmers.
- u. *Post-Harvest Activities* shall refer to threshing, drying, milling, grading, storing, and handling of produce and such other activities of a similar nature such as stripping, winnowing, chipping and washing.
- v. *Post-Harvest Facilities* shall refer to threshers, moisture meters, dryers, weighing scales, milling equipment, fish ports, fish landings, ice plants and cold storage facilities, processing plants, warehouses, buying stations, market infrastructure and transportation facilities supporting post-harvest activities.
- w. *Public Infrastructure* shall refer to facilities including, but not limited to, market buildings, slaughterhouses, holding pens, warehouses, market information centers, connecting roads, transport and communication, processing plants, ice plants and cold storage facilities, grain dryers, warehouses, grain silos and cold storage used by the farmers and fisherfolk in the production, processing, storage, transportation, communication, marketing of their produce and such other facilities in support of agriculture and fisheries.
- x. *Qualified borrowers* for agriculture and agrarian reform credit shall refer to farmers, fisherfolk, agrarian reform beneficiaries, settlers, agricultural lessees, amortizing owners, farmworkers, fishworkers, owner-cultivators, compact farmers, tenant farmers as well as farmer's and fisherfolk's cooperatives, organizations and associations in good standing, regardless of capitalization based on the feasibility of the project and their paying capacity, their estimated production, and/or securities they can provide as well as such assets as may be acquired by them from the proceeds of the loan.
- y. *Settlers* shall refer to persons who range from the forest-clearing pioneers, including indigenous people, with a subsistence economy to the better equipped and more experienced farmers.

- z. *Tenant farmer* shall refer to one who cultivates another's land under a sharing or leasehold agreement.

## ARTICLE II AGRICULTURAL CREDIT, INSURANCE AND FINANCING SYSTEM

**SECTION 4. *Agriculture, Fisheries and Agrarian Reform Credit System.*** There shall be evolved an agriculture, fisheries and agrarian reform credit system to improve the productivity of the agriculture and fisheries sectors, particularly the farmers, fisherfolk, agrarian reform beneficiaries, settlers, agricultural lessees, amortizing owners, farmworkers, fishworkers, owner-cultivators, compact farmers, farmers' and fisherfolks' cooperatives, organizations and associations, through government and private banking institutions.

Subsection 4.1. The credit system described in these Rules shall adopt the basic policy principles espoused under Section 20 of Republic Act No. 8435.

**SECTION 5. *Agriculture and Agrarian Reform Credit Beneficiaries.*** The credit mentioned in the preceding Section shall be directly extended to the qualified borrowers as defined in these implementing rules.

**SECTION 6. *Credit Quota.*** Banks shall set aside at least twenty-five percent (25%) of their total loanable funds for agriculture and agrarian reform credit in general, of which at least ten percent (10%) of the total loanable funds shall be made available for agrarian reform beneficiaries.

Excess compliance in the ten percent (10%) agrarian reform credit may be used to offset a deficiency, if any, in the fifteen percent (15%) other agricultural credit, in general, but not vice versa.

Subsection 6.1. Direct compliance. Total loanable funds as computed under Section 8 shall be made available by banks for agriculture and agrarian reform credit.

1.) 25% mandatory agriculture and agrarian reform credit allocation through the following modes of compliance that are undertaken after 20 April 2010:

(a) Actual extension of loans to qualified borrowers (gross of allowance for probable losses), for purposes of financing agriculture and agrarian reform activities under Section 3(f), other than (1) loans rediscounted with UBs/KBs, or (2) loans to the extent funded by proceeds from any of the following:

(i) Bond issues for the exclusive purpose of on-lending to the agriculture and agrarian reform sector that have been expressly declared as eligible by the DA, or by an agency duly authorized by the DA, in the case of the DBP/LBP,

(ii) SDAs maintained for the exclusive purpose of on-lending to the agriculture and agrarian reform sector, in the case of BSP-accredited rural financial institutions, or

(iii) Wholesale lending of other banks for the exclusive purpose of on-lending to the agriculture, fisheries and agrarian reform sector, in the case of BSP-accredited rural financial institutions, or

(b) Purchase of eligible loans listed in Item No. "1(a)" above on a "without recourse" basis from other banks and financial institutions.

2.) 10% mandatory agrarian reform credit allocation through the following modes of compliance that are undertaken after 20 April 2010:

- (a) Actual extension of loans to agrarian reform beneficiaries (gross of allowance for probable losses), for purposes of financing agriculture and agrarian reform activities under Section 3(f), other than (1) loans rediscounted with UBs/KBs, or (2) loans to the extent funded by proceeds from bonds, in the case of DBP/LBP, and/or SDAs and/or wholesale lending of other banks, in the case of BSP-accredited rural financial institutions listed under Item Nos. "1(a)(i) to "1(a)(iii)" above, or
- (b) Purchase of eligible loans listed in Item No. "2(a)" above on a "without recourse" basis from other banks and financial institutions.

**SECTION 7. Modes of Alternative Compliance.** The following alternative modes of compliance to the mandatory agriculture and agrarian reform credit shall be allowed:

1.) 25% mandatory agriculture and agrarian reform credit

- (a) Eligible securities (gross of allowance for probable losses but net of unamortized premium or discount) that are issued after 20 April 2010:
  - (i) Investments in bonds issued by the DBP and the LBP that have been expressly declared as eligible by the DA, or by an agency duly-authorized by the DA, the proceeds of which shall be used exclusively for on-lending to the agriculture and agrarian reform sector,
  - (ii) Investments in other debt securities that have been declared as eligible by the DA, or by an agency duly-authorized by the DA, the proceeds of which shall be used to finance activities identified under Section 23 of R.A. No. 8435, or
  - (iii) Paid subscription of shares of stock in the following institutions, subject to existing rules and regulations governing equity investments of banks:
    - (1) Accredited rural financial institutions (preferred shares only),
    - (2) Quedan and Rural Credit Guarantee Corporation (Quedancor), or
    - (3) Philippine Crop Insurance Corporation (PCIC).

The eligibility of securities under Item "1(a)" shall be subject to the following conditions:

- (i) Such securities shall neither be hypothecated, encumbered, earmarked for any other purposes, sold/lent in repurchase agreements/securities lending transactions, used as additional collateral in repurchase agreements, nor used as collateral by the borrowing bank in securities borrowing transactions,

- (ii) Such securities shall be segregated from the bank's investment portfolio, and
  - (iii) The securities under Item Nos. "1(a)(i)" to "1(a)(iii)" above shall not be funded by proceeds from the issuance of bonds under Item No. "1(a)(i)", in the case of DBP/LBP, and/or SDAs under Item No. "1(b)(i)" and/or wholesale lending of other banks under Item No. "1(b)(ii)", in the case of BSP-accredited rural financial institutions.
- (b) Loans and other credits (gross of allowance for probable losses) that are granted after 20 April 2010:
- (i) Investments in SDAs of BSP-accredited rural financial institutions, the proceeds of which shall be used exclusively for on-lending to the agriculture and agrarian reform sector;
  - (ii) Wholesale lending granted to accredited rural financial institutions for the exclusive purpose of on-lending to the agriculture and agrarian reform sector;
  - (iii) Rediscounting facility granted by UBs/KBs to other banks covering eligible agricultural and agrarian reform credits, including loans covered by guarantees of the Quedancor or the PCIC;
  - (iv) Actual extension of loans intended for the construction and upgrading of infrastructure, including, but not limited to, farm-to-market roads, as well as the provision of post harvest facilities and other public infrastructure as defined under Section 3 of these Rules, for the benefit of the agriculture and agrarian reform sector;
  - (v) Actual extension of loans to borrowers for purposes of financing activities identified under Section 23 of R.A. No. 8435, or
  - (vi) Extension of loans to:
    - (a) NFA-registered warehousemen/ millers/ wholesalers for the purpose of financing activities identified under Section 23 of R.A. 8435, or
    - (b) The NFA: *Provided*, that NFA shall not use the proceeds of said loans for relending, or
  - (vii) Purchase of eligible loans listed under Item Nos. "1(b)(ii)" to "1(b)(vi)" on a "without recourse" basis from other banks and financial institutions:

*Provided*, That the loans under Item Nos. "1(b)(iv)" to "1(b)(vii)" are not rediscounted with UBs/KBs: *Provided, further*, That the activities identified under Item Nos. "1(b)(i)" to "1(b)(vii)" shall not be funded by proceeds from the issuance of bonds under Item No. "1(a)(i)", in the case of DBP/LBP, and/or the acceptance of SDAs under Item No.

“1(b)(i)” and/or wholesale lending of other banks under Item No. “1(b)(ii)”, in the case of BSP-accredited rural financial institutions.

2.) 10% mandatory agrarian reform credit

- (a) Eligible securities (gross of allowance for probable losses but net of unamortized premium or discount) that are issued after 20 April 2010:
  - (i) Investments in bonds issued by the DBP and the LBP that have been expressly declared as eligible by the DA, or by an agency duly-authorized by the DA, upon due consultation and timely coordination with DAR, the proceeds of which shall be used exclusively for on-lending to agrarian reform beneficiaries, or
  - (ii) Investments in other debt securities that have been declared as eligible by the DA, or by an agency duly-authorized by the DA, upon due consultation and timely coordination with DAR, the proceeds of which shall be used to finance activities identified under Section 23 of R.A. No. 8435: *Provided*, That said activities shall generally benefit agrarian reform beneficiaries.

The eligibility of securities under Item “2(a)” shall be subject to the same conditions required for securities under Item “1(a)”.

- (b) Loans and other credits (gross of allowance for probable losses) that are granted after 20 April 2010:
  - (i) Investments in SDAs of BSP-accredited rural financial institutions, the proceeds of which shall be used exclusively for on-lending to agrarian reform beneficiaries,
  - (ii) Wholesale lending granted to accredited rural financial institutions for the exclusive purpose of on-lending to agrarian reform beneficiaries,
  - (iii) Rediscounting facility granted by UBs/KBs to other banks covering eligible agrarian reform credits, including loans covered by guarantees of the Quedancor or the PCIC,
  - (iv) Actual extension of loans to borrowers, for purposes of financing activities identified under Section 23 of R.A. No. 8435, *Provided* that said activities shall generally benefit agrarian reform beneficiaries, or
  - (v) Purchase of eligible loans listed under Item “2(b)(ii)” to “2(b)(iv)” on a “without recourse” basis from other banks and financial institutions,

*Provided*, That the loans under Item Nos. “2(b)(iv)” to “2(b)(v)” are not rediscounted with UBs/KBs: *Provided, further*, That the activities identified under Item Nos. “2(b)(i)” to “2(b)(v)” shall not be funded by proceeds from the issuance of bonds under Item No. “2(a)(i)”, in the case of DBP/LBP, and/or the acceptance of SDAs under Item No. “2(b)(i)” and/or wholesale lending of other banks under Item No. “2(b)(ii)”, in the case of BSP-accredited rural financial institutions.

**SECTION 8. *Computation of loanable funds.*** The BSP, in consultation with the DA and the DAR, shall promulgate the guidelines on the computation of loanable funds for purposes of determining compliance with the mandatory agri agra credit requirement.

**SECTION 9. *Accreditation of Rural Financial Institutions (RFIs) and Instruments.*** The BSP and DA shall issue relevant circulars and regulations to govern the accreditation of bank and non-bank RFIs, respectively.

**SECTION 10. *Transmission of Accreditation List.*** In line with accreditation requirements prescribed under these Rules, the DA or its duly authorized agency, shall transmit the following to the BSP as often as approved:

- 1.) list of specific debt securities accredited as compliance under Sections 6 and 7 of these Rules, and
- 2.) list of accredited non-bank rural financial institutions under Section 9 of these Rules.

**SECTION 11. *Syndicated type of agrarian reform credit/agricultural credit.*** Banks may grant a syndicated type of loan for agrarian reform credit/agricultural credit in general, either between or among themselves. The mechanics, including the recording of such syndicated type of loan transactions, shall follow existing practices and regulations applicable both to the lead bank and other participating bank(s). Accordingly, the booking of loans shall only be for the amount of actual participation of each syndicate bank concerned. Memorandum entries, references or notations shall be made for the other participating bank.

**SECTION 12. *Consolidated compliance.*** The compliance with agri-agra mandatory allocation of funds under R.A. No. 10000 shall be allowed on a groupwide basis subject to rules and regulations to be promulgated by the BSP.

**SECTION 13. *Joint review and amendments.*** The credit quota in Section 6 of this IRR and the alternative compliance enumerated in Section 7 shall be subject to joint review by the DA, DAR and the BSP after every three (3) years of implementation to determine whether the law has been effective in accomplishing its goals and whether the modes of compliance directly target the agriculture, fisheries and agrarian reform sector. The findings shall be submitted to Congress.

Subsection 13.1. An automatic joint review on the modes of compliance as well as the mandated allocation under Section 7 shall be made on the month of February every three years from the year of effectivity of the Agri Agra Reform Credit Act and may be initiated upon request of either the BSP, DA or DAR.

In cases where the three agencies fail to call such a joint review within the month prescribed, any of the beneficiaries enumerated under the Agri Agra Reform Credit Act or a constituent of any of the three agencies mentioned in the preceding paragraph may petition any of the agencies to initiate the joint review. For this purpose, each of the three agencies shall appoint an office which shall be in charge of initiating and conducting the joint review to whom such requests may also be addressed.

Failure to so initiate the joint review upon such a request shall subject the officer to whom the request was duly addressed as provided for in the preceding paragraph to administrative sanctions to be imposed by their respective agencies.

Subsection 13.2. The Joint Review must be continuous and must be terminated within 90 days from its inception. The report to Congress must be submitted within 15 days from the date of termination.

Amendments to this IRR may be adopted during a meeting duly attended by designated representatives from the DA, DAR and the BSP, with concerned stakeholders, where desirable, duly called upon written request from any of the three agencies sent to the other two, stating the time and place of the meeting, the proposed amendments and the basis therefor. Should the proposed amendment be adopted, the agency proposing shall be charged with the duty of publishing the amended IRR and taking the necessary steps for its effectivity in accordance with applicable rules and regulations.

### ARTICLE III MISCELLANEOUS PROVISIONS

**SECTION 14. Reports.** The BSP shall furnish reports on the compliance with the mandatory credit allocation to the DA, the DAR and Congress on a yearly basis, no later than the end of the first quarter of the next reporting year.

Banks, whether government or private, shall submit a quarterly report on their compliance with the mandated credit allocation for agri-agra credit under R.A. No. 10000 to the BSP, subject to the latter's regulations.

**SECTION 15. Sanctions for Non-compliance or Under-compliance.** The BSP shall impose monetary and non-monetary sanctions on banks and/or its officers, as may be necessary, for delayed/amended reports, for false/misleading statements, and other acts violative of the usual banking rules and regulations, without prejudice to criminal sanctions.

Subsection 15.1. The following penalty provisions shall apply for non-compliance or under-compliance with the mandated credit allocation under R.A. No. 10000:

1). Penalties/Sanctions applicable to banks:

Annual penalty of one-half of one percent (0.5%) of amount of non-compliance/under-compliance shall be computed on a quarterly basis following this formula:

Penalty = 0.00125 x amount of non-compliance/under-compliance as of the end of the reference quarter

Amount of non-compliance/undercompliance =

- (a) 10% of total loanable funds less reported amount of compliance with the mandatory agrarian reform credit, plus
- (b) 15% of total loanable funds less reported amount of compliance with the mandatory other agricultural credit in general:

*Provided,* That excess compliance in the ten percent (10%) agrarian reform credit may be used to offset a deficiency, if any,

in the fifteen percent (15%) other agricultural credit, in general, but not vice versa.

2) Disposition of penalties collected

Ninety percent (90%) of the total penalties collected on non-compliance/under-compliance with the mandatory agri-agra credit under Item “ (1)” above shall be remitted by the BSP to the Agricultural Guarantee Fund Pool (AGFP) and the Philippine Crop Insurance Corporation (PCIC), in accordance with the following percentage allocation:

Recipient	Percent Allocation
AGFP	50%
PCIC	50%

The percentage allocation may be amended by the Secretary of Agriculture in consultation with the Agricultural Credit Policy Council, PCIC and the Secretary of Agrarian Reform, according to the needs of the agri agra sector.

The remaining ten percent (10%) of the total penalties collected on non-compliance/under-compliance with the mandatory agri-agra credit under Item “(1)” shall be retained by the BSP to cover its administrative expenses.

Subsection 15.2. Regardless of amount, the penalties collected by the BSP at the end of every quarter shall be credited to the AGFP and PCIC within fifteen (15) days from the end of every quarter. The BSP shall issue a statement of account to the AGFP and PCIC, copy furnished the DA and DAR, for amounts credited to the respective agencies.

**SECTION 16.** The BSP, DA and DAR shall review relevant issuances, orders, circulars and regulations, to determine any necessary amendments.


**SECTION 17. Separability Clause.** If any part, section or provision of this Act is held invalid or unconstitutional, other provisions not affected thereby shall remain in force and effect.


**SECTION 18. Transitory Provision.** Prior to the effectivity of this IRR, the provisions of Presidential Decree No. 717 shall remain in force.

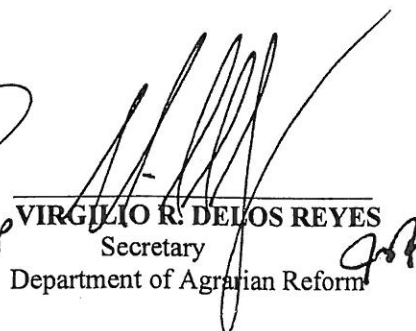
**SECTION 19. Effectivity.** This IRR shall remain effective unless explicitly and specifically amended by BSP, DAR and DA.

These Rules or any of its subsequent amendments shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,

  
AMANDO M. TETANGCO, JR.  
Governor  
Bangko Sentral ng Pilipinas

  
PROCESO J. ALCALA  
Secretary  
Department of Agriculture

  
VIRGILIO R. DELOS REYES  
Secretary  
Department of Agrarian Reform

Date Approved : 14 July 2011