



Republic of the Philippines
Office of the President
Housing and Urban Development Coordinating Council

HOUSING AND LAND USE REGULATORY BOARD

HLRB ADMINISTRATIVE ORDER NO. 02
Series of 1992 (17 March)

TO : All Concerned

FROM : The Commissioner and
Chief Executive Officer

SUBJECT : HLRB RESOLUTION NO. R-498 - AMENDING SECTION 4 D OF RULE II OF THE RULES AND REGULATIONS FOR INDUSTRIAL SUBDIVISIONS

The subject Resolution dated 18 November 1991 is quoted in full, to wit:

"WHEREAS, there is a government policy towards industrialization, identifying the CALABARZON (Cavite, Laguna, Batangas, Rizal and Quezon) area and thirteen (13) Regional industrial Centers (RIC) as area for industrial development;

"WHEREAS, the liberalization of existing rules and regulations on industrial subdivisions is deemed supportive of the industrialization program to spur development in the countryside;

"WHEREAS, Section 4D of the Rules and Regulations for Industrial Subdivisions requires the introduction of at least 20% of the total development upon filing an application for Registration and License to Sell;

"WHEREAS, to dispense with the twenty percent (20%) development requirement is in consonance with liberalization and would serve to hasten the developers' negotiations with investors in industrial subdivision projects;

"RESOLVED, as it is hereby resolved, to amend Section 4, D of Rule II of the Rules and Regulations for Industrial Subdivision by deleting the requirement of 20% development prior to application for registration, to read as follows:

Sec.4. Approval of Development Plans and Registration of Industrial Subdivisions.

A. X X X

B. X X X

C. X X X

D. Registration of Industrial Subdivision Projects.

A PROPONENT WHO IS INTERESTED IN THE SALE/LEASE OF PLOTS IN AN INDUSTRIAL SUBDIVISION PROJECT, SHALL FILE AN APPLICATION

RULES AND REGULATIONS FOR INDUSTRIAL SUBDIVISION

Pursuant to Article IV, Section 5, c) and Section 7, f) of Executive Order No. 648, the following Rules and Regulations for Industrial Subdivisions are hereby promulgated by the Human Settlements Regulatory Commission to regulate the establishment and development of industrial subdivision.

RULE 1 GENERAL PROVISIONS

Section 1. Scope of Application - These rules shall apply only to industrial subdivisions as defined herein (Rule 1, Section 2).

Section 2. Definition of Terms - as used in these Rules -

a. "Industrial Subdivision" - a tract of land partitioned into plots for sale or lease to establishments engaged primarily in industrial production or services. The degree of development may be limited to the provision of utilities and allocation of areas for industrial buildings, facilities and amenities, or it may also include the provision of the buildings, facilities and amenities, the term "subdivision" shall refer to "industrial subdivision".

b. "Industrial Estate" - a form of an industrial subdivision characterized by three basic features:

1. it is developed according to a comprehensive plan
2. continuing management of the entire area is left to a single controlling body
3. screening of industries is undertaken prior to development

The term "estate" as used in these Rules shall refer to "Industrial Estate".

c. "Industrial plot" or "factory plot" or "plot" - an allocated lot within the industrial subdivision intended for industrial or factory used and where such industry or factory is located.

d. "Unit" - any building or a portion thereof erected within the subdivision.

e. "Existing project" - any industrial subdivision project which is either partially or completely developed or partially or completely sold at the time of approval of these Rules.

f. "Plot buyer/lessee" - any individual, group or entity who has expressed the intention of purchasing/leasing

a plot/plots through the payment of at least an initial fee (down payment) and a first regular payment/ amortization to the owner in terms and condition agreed upon by both parties. A plot buyer/lessee shall be taken to mean as one regardless of the number of plots he has purchased/leased.

g. "Commission" - Human Settlements Regulatory Commission.

Section 3. Interpretation - No interpretation of any or all provisions of these Rules by any officer or employee of the Commission shall be deemed binding upon the Commission other than a written interpretation signed by the Chief Executive Officer of the Commission or his duly authorized representative excepts as specifically authorized by the Commission in writing.

**RULE II
REQUIREMENTS AND CONDITIONS FOR
DEVELOPMENT PERMIT, REGISTRATION AND
LICENSE TO SELL**

Section 4. Approval of Development Plans and Registration of Industrial Subdivisions

No person and/or entity shall undertake the development and/or construction on any site for the purpose of establishing or developing an industrial subdivision, and/or sale of lease of any units or lot in industrial subdivisions unless the appropriate permits and license have been secured from the Commission in accordance with these Rules. The term "development and/or construction" shall be deemed to include the initial groundwork or the preparation of the site and/or the installation of structures on the site.

Individuals/entities wishing to apply for these permits and license shall file with the Commission a written application for the purpose. No separate application for Locational Clearance shall be required for industrial subdivisions since this is integrated with the application for Development Permit.

A. Application for Preliminary Approval of Development Plan

A preliminary approval shall be required of all industrial subdivision projects regardless of location. The owner/developer of the Industrial Subdivision Project shall apply to the Commission for preliminary approval of the development plan by filling out and submitting in duplicate a duly notarized Application Form for Preliminary Approval of the Industrial Subdivision Development Plan. Preliminary approval of the development plan shall be valid only for a period of one year from date of approval. A revalidation of the approval can be availed only once after said approval.

B. Application for Final Approval of Industrial Subdivision Development Plan

After the preliminary approval of the development plan, the owner or developer shall proceed with the accomplishment and submission to the Commission in duplicate a notarized Application Form for the Final Approval of the Development Plan for Industrial Subdivision.

If the application for industrial subdivision project is found feasible and economically viable and does not run counter to the development plan of the government and the plans complies with the Zoning Ordinance of the city or municipality where it is situated and with these Rules, the subdivision plan shall be approved and a development permit shall be issued upon payment of the prescribed processing fee and under such conditions as may be imposed by the Commission. A final approval/development permit shall be valid for a period of two (2) years from date of issuance.

C. Verification of Plans

The owner or developer shall execute the necessary surveys of the project and prepare the survey returns with technical descriptions and computations to be submitted together and in accordance with the approved site development plan, to the Bureau of Lands for verification and approval, pursuant to Section 50 of PD 1529 (Property Registration Decree).

D. Registration of Industrial Subdivision Projects

When the proponent has at least accomplished 20% of the total development and is interested in the sale/lease of plots in an industrial subdivision project, he shall register the project with the Commission by filing in triplicate a sworn Registration Statement. Upon finding that the project may be registered in accordance with the provisions of these Rules, the Commission shall cause to be published in English and another in Pilipino, once a week for two (2) consecutive weeks, reciting that a registration statement for sale/lease of subdivision plots has been filed with the Commission that the aforesaid registration statement as well as the papers attached thereto, are open to inspection during business hours by interested parties.

After two (2) weeks from the completion of the publication and upon submission of the affidavit of publication, the Commission shall in the absence of any impediment, issue Certificate of Registration upon payment of the prescribed fees.

Section 5. License to Sell/Lease - No owner or dealer shall sell/lease any disposable subdivision plot in the registered project without a license to sell issued by the Commission.

Upon proper application therefore, submission of the required work program, performance bond and payment of the prescribed license fee by the owner or dealer, the Com-

mission shall issue to him a license to sell/lease the plot in the project or portion thereof covered by the performance bond if the Commission is convinced that he is of good repute, his business is financially stable, and the proposed sale/lease of the subdivision plot to the public is not fraudulent.

Section 6. Performance Bond — A performance bond shall be required in any of the following forms:

- a. If found to be financially able to complete the project, a surety bond amounting to twenty per cent (20%) of the development cost issued by a duly accredited bonding company and acceptable to the Commission. It shall contain a clause stating among others that it shall remain in full force and effect unless it is ordered cancelled or released by the Commission.
- b. If financial assistance is being secured, a Certificate of Guaranty of any bank or financial institution of good standing in favor of the Commission for the total development cost.
- c. For existing projects where proponent has been found financially unable to develop the project, a cash bond equivalent to fifty per cent (50%) of the development cost which may be in the form of:
 - 1. Fiduciary deposit made with the cashier and/or disbursing officer of the Commission;
 - 2. A certificate of guaranty deposit issued by any bank or financing institution of good standing in favor of the Commission for the total development cost;
 - 3. A notarized certification from any bank of recognized standing certifying that so much has been set aside from the bank account of the applicant in favor of the Commission which amount may be withdrawn by the Chief Executive Officer of the Commission or by his duly authorized representative, at any time the principal fails or refuse to comply with his duties and obligations under the said certification; or
 - 4. Any irrevocable credit line to be utilized in the development of the project from any bank of recognized standing and a refinancing or financial restructuring program indicating sources of funding from duly accredited funding institutions.

Whenever the Commission finds, after the license applied for has been issued, that the performance bond is or for any cause has become, worthless, inadequate or insufficient, the owner or dealer after due notice, may be required to give an additional performance bond and unless such bond is posted within ten (10) days from receipt of such notice, the license to sell shall be suspended or revoked.

When the owner or dealer desires to have his bond cancelled, released, reduced, or replaced, he shall file an application in

writing with the Commission stating therein his reasons. The bond filed may be cancelled or released when the undertaking under it has been complied with.

Section 7. Existing Industrial Subdivision Projects — The owner of an existing subdivision project shall register the project with the Commission with one year from the effectivity of these Rules by filing in triplicate a sworn Registration Statement;

If the owner or developer of an incomplete subdivision project cannot comply with his obligations within one (1) year from the registration thereof, he shall file an adequate performance bond in accordance with Section 6, hereof.

If the application for registration is found to be in order the Commission shall register the project and issue a Certificate of Registration to the owner upon payment of the registration fee.

Thereafter the owner/developer of subdivision with unsold lots shall apply with the Commission for a license to sell/lease by filing sworn application in duplicate containing the following information:

- a. Name and address of owner and dealer;
- b. Name and location of the project; and
- c. Certificate of Registration number of the project or xerox copy of the Certificate of Registration.

If the Commission is convinced that the owner is of good repute, has complied with pertinent orders, rules and regulations of the Commission, his business is financially stable, the proposed sale/lease of the plots to the public is not fraudulent, and he had conducted his business in accordance with the law and sound business principles, a license to sell/lease the disposable plots in the project shall be issued to the owner upon payment of the prescribed license fee.

Section 8. Schedule of Fees

The following fees shall be collected by the Commission:

- A. Approval of Industrial Subdivision Plan
 - 1. Preliminary Processing/Locational Clearance Fee: P50.00 and an additional P10.00 for every hectare or fraction thereof in excess of five (5) hectares.
 - 2. Final Processing Fee
 - a. Industrial Subdivision located outside Metro Manila (3rd class and below cities/municipalities) P 0.015 per square meter or P 150.00 per hectare or any fraction thereof.
 - b. Industrial Subdivision located in 2nd class cities/municipalities P 0.02 per square meter or P 200.00 per hectare or any fraction thereof.

c. Industrial Subdivision located in Metro Manila or in prime locations in first class cities ₱ 0.0345 per square meter or ₱ 345.00 per hectare or any fraction thereof.

1. Alteration of Plans Fees -- These shall be the same as No. 2 (Final Processing Fee) but shall cover the affected portions of the subdivision subject to alterations.

B. Registration Certificate -- ₱ 50.00

C. License to Sell/Lease Processing Fee -- ₱ 0.20 per square meter.

D. License to Sell/Lease (Certificate) -- ₱ 50.00

E. Inspection Fees

1. Industrial Subdivision located outside Metro Manila (3rd class) and below cities/municipalities -- ₱ 10.50/hectare or any fraction thereof.

2. Industrial Subdivision located in 2nd class cities/municipalities -- ₱ 15.00/hectare or any fraction thereof.

3. Industrial Subdivision located in Metro Manila or any prime location in first class cities -- ₱ 20.00/hectare or any fraction thereof.

Section 9. Exceptions -- All industrial estate projects planned and/or approved by pertinent government agencies e.g. National Economic and Development Authority/National Industrial Estate Program, Export Processing Zone Authority, etc. shall not be required to undergo the approval system as provided for in Section 4. Instead the concerned agencies shall furnish the Commission a list of such industrial estate projects within their jurisdiction, including name and address of developer, a site development plan, list of industries to be established within the site, vicinity map, and land regulations within, if any, prior to construction and development.

Section 10. Exceptions and Variances -- The Commission may, upon proper application by any interested parties, grant exemptions and variances from the requirements of these rules provided that such will be consistent with national interest, do not cause undue risk to public welfare not create adverse effects on environmental quality.

Section 11. Non-Transfer and Surrender of Permits and Licenses

All permits, license and certificate of registration issued by the Commission in accordance with these Rules are non-transferable.

Any individual or entity shall surrender to the Commission any permit, license or certificate issued to him as may be required by the Commission on any of the following circumstances:

1. When transfer of ownership or change of name of the project has been effected
2. When notice has been duly issued that said license or permit has been either suspended or revoked
3. Any other instance as may be stipulated hereinafter by the Commission.

Section 12. Lost or Destroyed Certificate of Registration or License to Sell/Lease

Upon loss or destruction of a certificate of registration or license to sell/lease, a duplicate thereof may be issued to the owner/developer by the Commission after satisfactorily proof of such loss or destruction and payment of the prescribed fee. The fact that such duplicate has been issued shall be made of record.

Section 13. Suspension of Permits and Licenses

Any permit or license issued by the Commission in accordance with these Rules may be suspended upon the Commission's discretion for any of the following causes:

- a. Upon verified complaint filed by a plot buyer/lessee or any interested party pending investigation and hearing of the case as provided in Section 33 hereof.
- b. Submission of false, misleading, inadequate or incomplete statements in the application, supplemental information or other statement of fact required of the applicant and in the advertisement of the project which may work or tend to work a fraud upon the prospective buyer.
- c. Failure to undertake the development of the project in accordance with the conditions stipulated in the permits and license.
- d. A portion of the project is subject to a request for alteration of plans, suspension is applicable only on such portion.

The suspension order may be lifted, if after notice and hearing, the Commission is convinced that the registration statement is accurate or that any deficiency therein has been corrected or supplemented or that the sale to the public of the subdivision project will neither be fraudulent nor result in fraud. It shall also be lifted upon dismissal of the complaint or upon proper action of the owner or developer to comply with the conditions stipulated in the permits and license, or upon the grant of permit to alter plans.

Section 14. Revocation of Registration Certificate or License to Sell/Lease

The Commission may revoke the registration of any subdivision project and the license to sell/lease any industrial plot in said project by issuing an order to this effect, with its findings in respect thereto, if upon examination into the affairs of the owner or dealer during a hearing as provided

for in Section 33 thereof, it shall appear that there is satisfactory evidence that the said owner or dealer:

- a. has violated any of the provisions of these Rules or supplemental orders, thereto, or any undertaking of his/its performance bond; or
- b. has been or is engaged in fraudulent transactions; or
- c. has made any misrepresentation in any literature or advertisement about the project that has been distributed to prospective buyers; or
- d. has been issued at least three (3) suspension orders for the same project regardless of phase, other than for the reason of alteration of plans.

For this purpose, the Commission shall cause to be published in a newspaper of general circulation all certificates and licenses revoked.

Section 15. Amendment/Alteration of Plans

No owner or developer shall change or later any form of subdivision development as contained in the approved subdivision plan and/or represented in the advertisement without the permission of the Commission.

Request for amendment/alteration of project plan may be granted only upon presentation of written conformity or consent of the majority of plot buyers/lessees including the affected parties in the industrial subdivision.

Where there are no plot buyers/lessees yet, request for alteration of plans may be granted upon recommendation of the Commission evaluator as per guidelines herein stated.

RULE III DESIGN STANDARDS AND GUIDELINES

Section 16. Compliance with Existing Laws and Standards

Development of industrial subdivisions shall conform with the land use plan or zoning ordinance of the locality having jurisdiction over the project site, the pertinent provisions of the National Building Code (PD 1096), Sanitation Code (PD 856) and other codes, applicable laws and rules affecting roads and related services and the standards set forth herein.

Section 17. Design Guidelines

In evaluating whether or not development of industrial subdivisions shall be allowed, the following guidelines shall be observed:

- A. 1. **Site Criteria** — Industrial subdivisions shall be located in areas classified as or appropriate for industrial use based on site inspection guidelines issued by the Commission.

2. **Design and Planning Considerations — Layout of industrial subdivisions** shall ensure economy, efficiency and flexibility. The natural features of the site shall be preserved for environmental considerations.
3. **Land Allocation** — Allocation of land shall be based on the needs of prospective tenants/buyers and the provision of minimum facilities/utilities stipulated in Section 17-B.
4. **Land Regulations** — Land regulations within the area may be resorted to for purposes of regulating the type and mixture of industrial activities to be undertaken including the bulk and height of factory buildings to be established in the site, provided, however, that such regulations would be in conformity with existing zoning regulations and other pertinent laws and provided further that such regulations would be approved by the Commission prior to implementation and shall form part of the contract of lease or deed of sale of the industrial plots.

B. Design Standards

1. **Plots** — Minimum plot size shall be 500 square meters.

The length and width of plots shall be adequate to provide off-street service and parking facilities in addition to the industrial requirements. Thus, for regular-shaped plots, the plot frontage shall not be less than half the depth of the plot. For irregular shaped plots, the minimum plot frontage shall be 10 meters and the depth shall not be more than thrice that of the frontage.

All plots shall front on a street.

Where a subdivision abuts or contains an existing or proposed limited access highway, expressway or railroad track, plots shall not front such transportation line unless provided with a service road along the same.

Plots shall be so laid that water courses/drainage ways do not block the plots.

2. **Blocks** — The length of blocks shall not exceed 500 meters. Each block shall be designed to provide adequate spaces for buildings and accessories; convenient but economical access and utility run and proper circulation.
3. **Setbacks** — Minimum yard requirements and setbacks of building from property lines shall be in accordance with the National Building Code and the local zoning ordinance.

1. Easements -- Where the subdivision lies along or is traversed by a watercourse/drainageway, channel or stream, the following easements along the entire length of the banks of rivers and streams, shores of the seas and lakes shall be observed, as provided, for in the Water Code:

- a. Three (3) meter setback for all urban uses
- b. Twenty (20) meter easement for all agricultural uses
- c. Forty (40) meter easement for all forest uses

The above easements shall be subject for public use as stipulated in the Implementing Rules and Regulations of the Water Code.

2. Buffer -- Buffer strips of at least 10 meters wide along the entire stretch of the subdivision where it abuts conflicting uses shall be maintained. Such buffer strip may be in the form of a perimeter road, a parking area or preferably a strip planted to trees.
3. Roads -- Roads in industrial subdivisions shall follow the hierarchical system and shall be classified as main, secondary and service, all of which shall be of concrete pavement.

Main roads shall have a minimum right-of-way of 20 meters, 14 meters thereof shall be the carriage-way. On each side shall be a sidewalk and planting strip with measurements of at least 2 meters and 1 meter respectively.

Secondary roads shall have a minimum right-of-way of 17 meters, 12 meters thereof shall be the carriage-way. On each side shall be a sidewalk and planting strip with measurements of at least 1.5 meters and 1 meter respectively.

Service roads shall have a minimum right-of-way of 13 meters, 7 meters thereof shall be the carriage-way. On each side shall be a sidewalk and planting strip with measurements of at least 1.5 meter and 1 meter respectively.

Dead ends shall not be allowed.

Streets shall be so laid out to intersect as nearly as possible at right angles.

All considerations for road safety and convenience shall be complied with.

4. Pathways -- The separation of vehicular and pedestrian traffic shall be encouraged. Pathways shall have a minimum width of four (4) meters and shall be paved to connect to the road network, factory buildings and facilities within the subdivision.

8. Parking, Loading and Unloading Areas -- On-street parking shall be discouraged. Allocation for parking spaces within each lot shall conform with the provisions of the National Building Code.

Land shall be allocated for off-street loading and unloading. The loading and unloading bays shall be so located as to cause minimum traffic obstruction on the road.

9. Entrance and Exit Points -- Entrance and exit points within the subdivision shall be strategically located for security and emergency considerations.

10. Other Transport Facilities -- Establishment of wharves and other transport facilities within the subdivision shall conform with standards and guidelines of pertinent agencies, e.g. MPWH.

11. Services/Utilities --

- a. Water Supply System -- Whenever possible, water supply of industrial subdivision shall be connected to an approved public or community water supply system provided such connection would not be prejudicial to the needs of the locality. If the pressure of delivery at the subdivision is insufficient to allow distribution in the quantities required throughout the internal reticulation, the owner shall develop additional source of water supply in accordance with rules and regulations of NWRC and the local utilities company.

The water requirements within the subdivision shall depend on the type and number of industries as well as on the number of workers/population in the area and the available facilities/services. The subdivision owner shall provide water for industrial use equal to a minimum of 85 cubic meters per day per hectare and 75 liters per capita per day for domestic consumption per LWUA standards.

When connection to public or community water supply system is not possible nor practical or inadequate, a centralized water supply system shall be provided with the following conditions:

1. Water source shall be sufficient to meet the industrial and domestic water requirements;
2. Conservation (or non-wastage) of water as in the case of free flowing, high pressure wells for proper impounding or distributions whenever applicable;
3. Approval by Ministry of Health of plans and specifications of the water supply system.

4. Clearance from NWRC for the exploration, operation and maintenance of wells, when applicable.

For sites using pumps, the pump capacity and number of deepwell pumps should be adequate relative to the water requirements of the entire subdivision, including fire reserve and domestic use.

Material and construction standards and specifications for the entire water supply system including its accessories shall be in accordance with the standards of NWRC, MWSS or the local utilities company.

b. Waste Disposal System

1. Industrial Wastes -- Disposal of industrial wastes shall be governed by pertinent rules and regulations of NPCC and MOH.
2. Sewage Disposal -- Where available, the subdivision shall connect to an approved public sewerage system. Where a public system is not available, the developer/owner shall provide its own system subject to the requirements which NPCC and/or MOH shall prescribe.
3. Solid Waste Disposal -- The developer/owner of the subdivision shall establish linkage with the local government for the inclusion of the subdivision in the municipal waste disposal service system, or shall adopt its own system subject to pertinent rules/regulations of the MOH and the local government.

- c. Storm Drainage System -- There shall be a drainage system within the subdivision which shall connect to an existing drainage system or water body. In the absence of an existing drainage system, the subdivision developer/owner shall provide a drainfield within the site or on a suitable property upon the consent of the owner and affected parties.

- d. Power Supply and Communication System -- A power supply system shall be put up by the subdivision owner/developer, ensuring availability to each lot, in accordance with the requirements of the local utility company in the area.

- e. Facilities and Amenities -- The owner/developer shall allocate spaces for facilities necessary for the well-being of the workers and employees, the area of which shall be based either on the subdivision's scale or area or on the projected number of employees.

Project with a minimum of 20 plots shall allocate an area equivalent to 1% of gross area for adm-

nistration and, the vacant portion of which shall be reserved for emergency use and other amenities.

RULE IV MISCELLANEOUS PROVISIONS

Section 18. Advertisement

Advertisement through print and broadcast media concerning sale/lease of industrial plots shall be cleared with the Commission. Advertisement shall contain among others, the license to sell/lease industrial plots as approved by the Commission.

Advertisement must reflect the real facts and must be presented in such manner that will not tend to mislead or deceive the public.

The owner or developer shall be answerable and liable for the facilities, improvements, and other forms of development represented or promised in brochures, advertisements and other sales propaganda disseminated by the owner or developer or his agents and the same shall form part of the sales warranties enforceable against said owner or developer, jointly and severally.

In addition, the developer/owner shall abide by the Rules and Regulations for Advertisement promulgated by the Commission.

Section 19. Extension of Time for Completion

Request for extension to complete development of a project may be granted only in case where non-completion is caused by fortuitous events, legal orders, or force majeure and with the written notice to plot buyers without prejudice to the exercise of their rights.

The request for extension of time for completion shall be accompanied by a revised work program for a period of one year, project costing and financing scheme. In appropriate cases, the Commission may require the posting of additional performance bond not exceeding fifty (50) per cent of development cost, cancel the license to sell/lease if any or issue such order it may deem proper.

Section 20. Non-forfeiture of Payments

No installment payment made by a buyer in a new industrial subdivision project for the plot he contracted to buy/lease shall be forfeited in favor of the owner or developer when the buyer, after due notice to the owner or developer and clearance from the Commission, desists from further payment due to the failure of the owner or developer to develop the project according to the approved plans and within the time limit for complying with the same. Such buyer, may at his option, be reimbursed the total amount paid including amortization interest but excluding delinquency interest, with interest thereon at the legal rate.

Section 21. Issuance of Title

This owner or developer shall deliver the title of the plot to the buyer upon full payment of the plot. No fee except those required for the registration of the deed of sale in the Registry of Deeds, shall be collected for the issuance of such title. In the event of mortgage over the lot or unit outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof within six months from such issuance in order that the title over any fully paid plot may be secured and delivered to the buyer in accordance herewith.

Section 22. Registration of Conveyance

Sale or conveyances of the plots shall be registered within 180 days from execution thereof by the seller with the Commission. Except as may otherwise be provided for by law the Commission may, in appropriate case, cause to cancel registration, entries of annotation on certificate made on this regard.

Section 23. Mortgage

Mortgage of any plot by the owner or developer shall be cleared with the Commission.

Section 24. Transfer of Ownership, change of Name

Request for transfer of ownership and/or change of name may be granted only if there is a deed of absolute sale over the industrial subdivision project sought to be transferred and/or the name thereof changed with an undertaking on the part of the transferee to assume full responsibility for the completion of the development thereof, the requirements in Section 5 and 15 hereof shall be observed whenever applicable.

Such request for transfer of ownership or change of name shall be published at applicant's expense in a newspaper of general circulation within the city or municipality where the project is located at least once a week for two (2) consecutive weeks.

Any change made as to ownership and/or name shall be duly recorded in the Commission.

The new subdivision owner shall not be held liable for any administrative or criminal offense committed by the original owner as regards the project prior to the time the sale has been consummated.

The new subdivision owner shall be required to apply for the necessary permits and license as provided for in Rule II before he can undertake any sale of plots or development of the project.

Section 25. Realty Tax

Real estate tax and assessment on a plot shall be paid by the owner or developer without recourse to the buyer for as long as the title has not passed by buyers; provided, however, that if the buyer has actually taken possession of an

occupied the plot, he shall be liable to the owner or developer for such tax assessment effective the year following such taking of possession and occupancy.

Section 26. Identification of Plot Subject to Sale

The owner of a project shall attach to, and which shall form part of the sales document of any plot, a sketch plan clearly showing the area, boundaries and dimensions of the plot, name-number of the block as well as the location of the project in relation with public roads and other land marks, to be certified by a licensed geodetic engineer and signed by the seller and buyer.

Section 27. Broker as Witness to Sale

The broker who negotiated the sale of plot shall act as one of the witnesses to the sales document with an indication of his certificate of registration number and renewal date. If the sale is directly made by the owner, that fact must be stated in the sales document.

Section 28. Access to Public Offices in the Subdivision

No owner or developer shall deny any person free access to any government office or public establishment located within the subdivision or which may be reached only by passing through the subdivision.

Section 29. Phases of Subdivision

For purposes of complying with the provisions of these Rules, the owner/developer may divide the development and sale/lease of the subdivision into phases, subject to approval of the Commission. The requirements imposed by these Rules on the subdivision as a whole shall be deemed imposed on each phase.

Section 30. Nullity of Waivers

Any condition, stipulation or provision in a contract of sale or lease whereby any person waives compliance with any provisions of these Rules or of any Rule or Regulation issued thereunder shall be void.

Section 31. Maintenance of Records and Submission of Reports

Every owner or dealer of a registered industrial subdivision shall maintain a record of transaction, which shall be open for review and inspection of the Commission subject to the provisions of Corporation Law and the Civil Code.

Every owner or dealer of a registered industrial subdivision shall submit to the Commission semi-annual reports on operations showing the extent of accomplishment/status of land development, changes in corporate officers or managers and their addresses, number of plot buyers and list of established industries within sixty (60) days after the end of each semester until the project is completed. Copies of incorporated reports to the Securities and Exchange Commission shall also be furnished to the Commission.

Section 32. Inspection and Monitoring

The Commission and/or any of its duly authorized representatives may on its own motion or upon complaint/petition/information by any party, monitor and conduct periodic inspection or investigation of the project for the following purposes:

1. Determine whether the nature and extent of development of the project is in accordance with the approved workplan/submitted report;
2. Determine whether they complied with the design standards and guidelines of these Rules;
3. Ascertain the accuracy and/or validity of complaints or informal petitions/reports filed against the developer as regards project development; and
4. Determine if the developer is adhering to the conditions stipulated in any or all of the permits/licenses granted by the Commission.

Section 33. Complaints against Owners, Developers, Dealers, Brokers

Complaints or proceedings against owner, developer, dealers and brokers shall be resolved in accordance with the Rules Procedures to Govern the Conduct of Hearing before the Commission.

Section 34. Penalties

- a. Any owner or dealer who sells any Industrial plot without a valid license from the Commission to sell such plot or unit shall be penalized by a fine of not more than P 10,000.00.
- b. Any broker or dealer who engages in business of selling Industrial plots without valid certificate of registration from the Commission shall be penalized by a fine of not more than P 10,000.00.
- c. Any individual or entity who causes the advertisement of the sale/lease of Industrial plots without appropriate clearance from the Commission shall be penalized by a fine of not more than P 10,000.00.
- d. Any owner or developer who undertakes the mortgage of any Industrial plot without appropriate clearance from the Commission shall be penalized by a fine or not more than P 10,000.00.

The implementation and payment of these administrative fines (a to d) shall not preclude criminal prosecution of the offender.

Section 35. Authority for the Issuance of Supplemental Guidelines and Directives

Authority is hereby given to the Chief Executive Officer of the Commission to issue supplemental guidelines or direc-

tives implementing or interpreting, and consistent with, the provisions of these Rules.

Section 36. Separability Clause

In the event any of these Rules, or Section, provision or part hereof are declared as contrary to law or are otherwise invalidated, the remainder hereof not affected thereby and which can be implemented independently and separately shall remain in force and in effect.

Section 37. Effectivity

These Rules shall take effect immediately.

Ratified on 01 March 1984 per Commission Proper Resolution No. R. 181 series of 1984.

Attested:

(SGD.) AMADO B. DELORIA
Commission Secretary

Approved:

(SGD.) RAYMUNDO R. DIZON, JR.
Commissioner

