

LAND OWNERSHIP AND OTHER INVESTMENT RIGHTS OF FORMER NATURAL-BORN FILIPINOS

Land Ownership

1. Under Batas Pambansa 185, a natural-born Filipino who has lost his/her Philippine citizenship may acquire private urban or rural land in RP for residential purposes -- up to a maximum area of **1,000 sq.m.** in the case of urban land or **1 hectare** in the case of rural land.
2. Under the Foreign Investment Act (R.A. 7042 as amended by R.A. 8179), a natural-born Filipino who has lost his/her Philippine citizenship may acquire private or rural land in RP for business or other purposes -- up to a maximum area of **5,000 sq.m.** in the case of urban land or **3 hectares** in the case of rural land. "Business or other purposes" includes leasing of land but excludes buy-and-sell activities.
3. No more than two (2) lots may be acquired. These should be situated in different cities or municipalities in the Philippines.
4. Other important provisions of the Foreign Investment Act:
 - A former Filipino who has already acquired urban land under the FIA shall be disqualified from acquiring rural land and vice-versa.
 - In case a former Filipino already owns urban or rural land in RP, he/ she may still acquire additional urban/rural land for business or other purposes which when added to those already owned by him shall not exceed the maximum area allowable.
 - The FIA's area/size limitations apply jointly to married couples who are both former Filipino citizens. This means that while each has the right to acquire land, the combined total amount of land they can acquire under the FIA is limited to 5,000 sq.m. for urban land and 3 hectares for rural land.

VERY IMPORTANT: The above provisions do not affect the capacity of former Filipino citizens to inherit lands in RP. The constitutional right to acquire land through hereditary succession is not limited by location, size or number of lots.

Other Investment Rights (under the Foreign Investment Act)

1. Former natural-born Filipinos shall have the same investment rights as Philippine citizens in:
 - cooperative (under RA 6938)
 - rural banks (under RA 7353)
 - thrift banks and private development banks (under RA 7906)
 - financing companies (under RA 5980)

These rights, however, shall not extend to:

- activities reserved by the Constitution
- the exercise of profession in the Philippines
- defense-related activities (unless specifically authorized)
- activities covered by the Retail Trade Act, Security Agency Act, Small Scale Mining Act, Rice and Corn Industry Act (as amended), and Cockpits Operation and Management Presidential Decree

Refs: Philippine Constitution, 1987 (Sec. 7, Art. XII)
Republic Act 8179 dtd 28 Mar 96 (Sec. 4 and 5)
Implementing Rules and Regulations of RA 7042 (Rule XII, Sec. 4 to 6)
OLA Memorandum dtd 24 Jan 2000

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