



REPUBLIKA NG PILIPINAS
KAGAWARAN NG KATARUNGAN
PANGASIWAAN SA PATALAAN NG LUPAIN
(LAND REGISTRATION AUTHORITY)
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Quezon City



U.P. LAW CENTER
OFFICE of the NATIONAL ADMINISTRATIVE REGISTER
Administrative Rules and Regulations
MAR 23 2022
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TIME: BY:

LRA Circular No. 10 - 2022

SUBJECT: SECOND AMENDMENT TO LRA CIRCULAR NO. 12-2021 ISSUED ON MARCH 22, 2021 WITH SUBJECT "IMPLEMENTING GUIDELINES ON THE MIGRATION OR RE-REGISTRATION IN THE PERSONAL PROPERTY SECURITY REGISTRY OF INSTRUMENTS AFFECTING CHATTEL MORTGAGE AND PERSONAL PROPERTIES REGISTERED IN THE CHATTEL MORTGAGE BOOKS OF COMPUTERIZED REGISTRIES OF DEEDS"

WHEREAS, Republic Act No. 11057, otherwise known as the Personal Property Security Act ("PPSA"), was enacted to strengthen the secured transactions framework in the Philippines, and shall provide for the creation, perfection, determination of priority, establishment of a centralized, nationwide Notice Registry (i.e., the "Philippines Personal Property Security Registry" or the "PPSR"), and enforcement of security interests in personal properties;

WHEREAS, Section 57 of the Personal Property Security Act provides that:

"A prior interest that was perfected under prior law continues to be perfected under this Act until the earlier of:

- (1) *The time the prior interest would cease to be perfected under prior law; and*
- (2) *The expiration of the transitional period.*

(a) *If the perfection requirements of this Act are satisfied before the perfection of a prior interest ceases in accordance with subsection (a) of this section, the prior interest continues to be perfected under this Act from the time when it was perfected under the prior law.*

(b) *If the perfection requirements of this Act are not satisfied before the perfection of a prior interest ceases in accordance with subsection (a) of this section, the prior interest is perfected only from the time it is perfected under this Act."*

WHEREAS, Section 8.03 (a) of the PPSA Implementing Rules and Regulations ("IRR") states that:

"A prior interest that was perfected under prior law continues to be deemed perfected under the PPSA and these rules until the earlier of:

- (i) *The time the prior interest would cease to be perfected under prior law; and*
- (ii) *The beginning of full implementation of the PPSA."*

WHEREAS, Section 8.08 of the PPSA IRR also provides that:

"The perfection of all existing security interests created during the Transitional Period, shall be governed by the PPSA. Provided, however, that during the Transitional Period, registration of the security agreement with the LRA shall be in accordance with Section 4 of Act No. 1508, otherwise known as "The Chattel Mortgage Law.";

LAND REGISTRATION SYSTEMS, INC.
RECEIVED
PROJECT MANAGEMENT OFFICE
DATE: 03-23-22 BY: J. Domingo

CERTIFIED TRUE COPY:

MORLYN T. TOMAS

Chief, Central Records Section

PROJECT MANAGEMENT OFFICE LIBRARY

Reference No.: A.2022.03-0140 No. of Pages: 3

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WHEREAS, LRA issued Circular No. 12-2021 dated March 22, 2021 with subject: "Implementing Guidelines on the Migration or Re-Registration in the Personal Property Security Registry of Instruments Affecting Chattel Mortgage and Personal Properties Registered in the Chattel Mortgage Books of Computerized Registries of Deeds";

WHEREAS, Article III of LRA Circular No. 12-2021 provides for the allotted period for the Migration and Re-registration Activity, which shall be implemented within an eighteen (18) months period (the "PPSA Partial Implementation Period" or "PPSA PIP"), which may be adjusted by the LRA depending on the circumstances obtaining at that time;

WHEREAS, the PPSA and its IRR provide that chattel mortgage transactions registered in the CMR prior to the Transitional Period shall cease to be perfected upon the full implementation of the PPSA;

WHEREFORE, the foregoing considered,

1. Article III of LRA Circular No. 12-2021 shall no longer be implemented;
2. Deeds and instruments registered in the CMR prior to the Transitional Period shall enjoy continuous perfection retroactive to the date the same were registered in the CMR until the full implementation of the PPSA. LRA Clients may re-register these in the PPSR to ensure that prior interests that were perfected under prior law continue to be deemed perfected under the PPSA; and,
3. Deeds and instruments registered during the Transitional Period shall enjoy continuous perfection retroactive to the date the same were registered in the CMR, since these are provisionally registered PPSA transactions;

The provisions herein shall apply to transactions recorded in computerized and non-computerized Registries of Deeds.

Other provisions under LRA Circular No. 12-2021 not affected thereby shall remain in force.

This Circular shall take effect immediately after its publication in a newspaper of general circulation, the filing of three (3) copies with the University of the Philippines Law Center.

All orders, guidelines, circulars, rules and regulations inconsistent with this are hereby repealed or amended accordingly.

Issued MAR 16 2022, Quezon City, Philippines.


RENATO D. BERMEJO
Administrator

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NORILYN T. TOMAS
Chief, Central Records Section