

THIRD DIVISION

G.R. No. 268461 – REPUBLIC OF THE PHILIPPINES, Petitioner, v. ST. AUGUSTINE REALTY AND DEVELOPMENT CORPORATION, Respondent.

Promulgated:

APR 07 2025

Misael B. B. B.

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CONCURRING OPINION

CAGUIOA, J.:

The *ponencia* in the above-captioned case denies the petition and holds that when a title is reconstituted administratively, the general reservation that is required to be annotated on the reconstituted title pursuant to Section 7¹ of Republic Act No. 26,² may be removed without the need of publication and posting, if the petition for such removal is filed more than two years after the date of the reconstitution and no petition has in the meantime been filed by any interested party to annotate such omitted right or interest.³

I concur with the *ponencia* and find it opportune to expound on the relevant provisions of Republic Act No. 26 and its diminished relevance given the current electronic titling system adopted in the country.

The purpose of the mandatory encumbrance under Section 7 of Republic Act No. 26 and how it may be removed

Section 7 of Republic Act No. 26 provides that the extrajudicial (or administrative) reconstitution of a title shall not prejudice “any party whose right or interest in the property was duly noted in the original, at the time it was lost or destroyed, but entry or notation of which has not been made on the reconstituted certificate of title. This reservation shall be noted as an encumbrance on the reconstituted certificate of title.”

¹ Republic Act No. 26 (1946), sec. 7 provides:

SECTION 7. Reconstituted certificates of title shall have the same validity and legal effect as the originals thereof: *Provided, however,* That certificates of title reconstituted extrajudicially, in the manner stated in sections five and six hereof, shall be without prejudice to any party whose right or interest in the property was duly noted in the original, at the time it was lost or destroyed, but entry or notation of which has not been made on the reconstituted certificate of title. This reservation shall be noted as an encumbrance on the reconstituted certificate of title.

² Republic Act No. 26 (1946), An Act Providing a Special Procedure for the Reconstitution of Torrens Certificates of Title Lost or Destroyed.

³ *Ponencia*, pp. 6–7.



Evidently, this reservation is a mandatory encumbrance that acts as a safeguard to protect rights or interests in the property that were recorded in the original title at the time of loss but do not appear in the reconstituted title for one reason or another. The reservation apprises the world that there may be extant rights and interests over the property that are not reflected in the reconstituted title.

Under Section 8⁴ of Republic Act No. 26, any person whose right or interest was annotated in the original but was omitted in the reconstituted title may, during the subsistence of the reservation in Section 7, petition the court to annotate such right on the reconstituted title. This, of course, is without prejudice to the operation of prescription under the Civil Code. Indeed, Section 8 does not extend the prescriptive period for actions founded on rights or interests that are omitted in the reconstituted title; rather, it merely urges lienholders to assert their rights and protect their own interest by allowing the subsequent annotation of their omitted right or interest.

Section 9⁵ of Republic Act No. 26 provides the procedure on how the registered owner or a lienholder may cause the removal of the reservation from the reconstituted title. The general rule is that there must be compliance with the publication and posting requirements stated in Section 9. In particular, upon the filing of the petition, the court shall issue a notice of hearing which shall direct all persons who have any interest in the property to appear and file such claim or interest at the said hearing. The notice shall be published twice in successive issues of the Official Gazette, and shall be

⁴ Republic Act No. 26 (1946), sec. 8 provides:

SECTION 8. Any person whose right or interest was duly noted in the original of a certificate of title, at the time it was lost or destroyed, but does not appear so noted on the reconstituted certificate of title, which is subject to the reservation provided in the preceding section, may, while such reservation subsists, file a petition with the proper Court of First Instance for the annotation of such right or interest on said reconstituted certificate of title, and the court, after notice and hearing, shall determine the merits of the petition and render such judgment as justice and equity may require. The petition shall state the number of the reconstituted certificate of title and the nature, as well as a description, of the right or interest claimed.

⁵ *Id.*, sec. 9 provides:

SECTION 9. A registered owner desiring to have his reconstituted certificate of title freed from the encumbrance mentioned in section seven of this Act, may file a petition to that end with the proper Court of First Instance, giving his reason or reasons therefor. A similar petition may, likewise, be filed by a mortgagee, lessees or other lien holder whose interest is annotated in the reconstituted certificate of title. Thereupon, the court shall cause a notice of the petition to be published, at the expense of the petitioner, twice in successive issues of the *Official Gazette*, and to be posted on the main entrance of the provincial building and of the municipal building of the municipality or city in which the land lies, at least thirty days prior to the date of hearing, and after hearing, shall determine the petition and render such judgment as justice and equity may require. The notice shall specify, among other things, the number of the certificate of title, the name of the registered owner, the names of the interested parties appearing in the reconstituted certificate of title, the location of the property, and the date on which all persons having an interest in the property must appear and file such claim as they may have. The petitioner shall, at the hearing, submit proof of the publication and posting of the notice: *Provided, however*, That after the expiration of two years from the date of the reconstitution of a certificate of title, if no petition has been filed within that period under the preceding section, the court shall, on motion *ex parte* by the registered owner or other person having registered interest in the reconstituted certificate of title, order the register of deeds to cancel, proper annotation, the incumbrance mentioned in section seven hereof.



posted at the provincial and municipal buildings of the municipality or city where the land is located for at least 30 days prior to the date of the hearing.

As an exception, Section 9 provides that if two years have already lapsed since the date of the reconstitution of the title and no petition under Section 8 has been filed, the court shall, upon an *ex parte* motion, order the register of deeds to cancel the reservation. As correctly observed in the *ponencia*, since the manner of removal is merely through an *ex parte* motion, then there is no more need for publication and posting. This is because the law had already afforded sufficient time and opportunity to interested persons to assert their omitted interest.⁶

Notably, the Republic Act No. 26 encumbrance functions similarly to the two-year lien under Section 4, Rule 74 of the Rules of Civil Procedure which protects heirs, creditors, or other claimants who were unduly deprived of their lawful participation in extrajudicially or summarily settled estates:

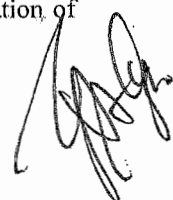
SEC. 4. *Liability of distributees and estate.* — If it shall appear at any time within two (2) years after the settlement and distribution of an estate in accordance with the provisions of either of the first two sections of this rule, that an heir or other person has been unduly deprived of his lawful participation in the estate, such heir or such other person may compel the settlement of the estate in the courts in the manner hereinafter provided for the purpose of satisfying such lawful participation. And if within the same time of two (2) years, it shall appear that there are debts outstanding against the estate which have not been paid, or that an heir or other person has been unduly deprived of his lawful participation payable in money, the court having jurisdiction of the estate may, by order for that purpose, after hearing, settle the amount of such debts or lawful participation and order how much and in what manner each distributee shall contribute in the payment thereof, and may issue execution, if circumstances require, against the bond provided in the preceding section or against the real estate belonging to the deceased, or both. **Such bond and such real estate shall remain charged with a liability to creditors, heirs, or other persons for the full period of two (2) years after such distribution,** notwithstanding any transfers of real estate that may have been made. (Emphasis supplied)

The above safeguard, however, is likewise limited—omitted or impaired rights must be asserted within two years. After such period, the protective mantle afforded by Section 4, Rule 74 is lifted, leaving subsequent transferees clear of dormant claims. The procedure for the cancellation of a Rule 74 lien is provided in Section 86 of Presidential Decree No. 1529:⁷

SEC. 86. *Extrajudicial settlement of estate.* — When a deed of extrajudicial settlement has been duly registered, the Register of Deeds shall annotate on the proper title the two-year lien mentioned in Section 4 of Rule 74 of the Rules of Court. **Upon the expiration of the two-year period and presentation of a verified petition by the registered heirs, devisees or**

⁶ See *ponencia*, p. 7.

⁷ Presidential Decree No. 1529 (1978), Amending and Codifying the Laws Relative to Registration of Property and for Other Purposes, otherwise known as the "Property Registration Decree".



legatees or any other party in interest that no claim or claims of any creditor, heir or other person exist, the Register of Deeds shall cancel the two-year lien noted on the title without the necessity of a court order. The verified petition shall be entered in the Primary Entry Book and a memorandum thereof made on the title. (Emphasis supplied)

Whereas Republic Act No. 26 requires a motion and judicial action, the cancellation of an annotation under Rule 74 may proceed by verified petition alone. In both instances, nonetheless, the lapse of the two-year period signals that the mandatory annotation in a certificate of title may already be cancelled upon motion or petition.

The two-year reservation periods under Republic Act No. 26 and Rule 74 underscore a common policy objective: both provisions impose a clear, time-bound mechanism for asserting omitted rights. By providing a limitation to the protection afforded by the mandatory liens, both legal frameworks strike a deliberate balance between recognizing excluded claims and promoting finality in registered land transactions.

In the present case, Transfer Certificate of Title (TCT) No. RT-73496 (T-34599) was administratively reconstituted on July 30, 2004⁸ and the required reservation was annotated thereon pursuant to Section 7. When respondent St. Augustine Realty and Development Corporation filed its Petition for Cancellation of Encumbrance with the Regional Trial Court (RTC) on June 1, 2018, the two-year period under Section 9 had already lapsed without any claim or interest being asserted by any person pursuant to Section 8. Applying the exception in Section 9, there is no need for the RTC to comply with the publication and posting requirements before cancelling the said reservation.

***Modernization through electronic titling
is gradually diminishing the need for
reconstitution under Republic Act No.
26***

I observe, however, that the relevance of the foregoing provisions of Republic Act No. 26 has been diminished by the ongoing modernization efforts of the Land Registration Authority (LRA).

As I discussed in my Concurring Opinion in *Republic v. Bella*,⁹ the original scope of Republic Act No. 26—i.e., the reconstitution of lost or destroyed certificates of title—has been narrowed by Section 110¹⁰ of

⁸ Ponencia, p. 3.

⁹ G.R. No. 260831, February 26, 2025 [Per J. Singh, Third Division].

¹⁰ Presidential Decree No. 1529 (1978), sec. 110, as amended by Republic Act No. 6732 (1989), sec. 1, provides:

Sec. 110. *Reconstitution of Lost or Destroyed Original of Torrens Title.* — Original copies of certificates of titles lost or destroyed in the offices of Register of Deeds as well as liens and encumbrances affecting the lands covered by such titles shall be



Presidential Decree No. 1529, as amended by Republic Act No. 6732¹¹ and by the LRA's shift to a fully digital land records system under the *Land Titling Computerization Project* (LTCP). Under the *Title Upgrade Program* embodied in *LRA Circular Nos. 001-16*¹² and *02-2017*,¹³ the LRA seeks to accelerate the phase-out of manually-issued or physical original certificates of titles by requiring their conversion into eTitles as a condition for processing certain transactions.¹⁴

Under this framework, titles subject of annotation-type transactions, i.e., voluntary transactions for interests less than ownership, shall first be subject to conversion to eTitles before annotations are processed:

SECTION 1.3 Voluntary transactions on manually-issued titles that are not yet converted into eTitles after such period shall no longer be accepted for processing in LRA and its Registries of Deeds, and must undergo conversion into eTitles prior to transaction processing.¹⁵

By requiring the prior conversion of manually-issued or physical copies of titles into eTitles before any annotation-type transaction may be processed, the LRA accelerated the transition to a fully electronic registry. This directive ensures that even non-transfer transactions serve as a trigger point for eTitling, thereby reinforcing the system-wide shift toward digital land records.

The LRA's digital transformation efforts are further complemented by new operational tools and updated workflows, including: (i) an automated self-service system for requesting certified true copies;¹⁶ (ii) allowing

reconstituted judicially in accordance with the procedure prescribed in Republic Act No. 26 insofar as not inconsistent with this Decree. The procedure relative to **administrative reconstitution of lost or destroyed certificate prescribed in said Act may be availed of only in case of substantial loss or destruction of land titles due to fire, flood or other force majeure as determined by the Administrator of the Land Registration Authority: Provided, That the number of certificates of titles lost or damaged should be at least ten percent (10%) of the total number in the possession of the Office of the Register of Deeds: Provided, further, That in no case shall the number of certificates of titles lost or damaged be less than five hundred (500).**

Notice of all hearings of the petition for judicial reconstitution shall be furnished the Register of Deeds of the place where the land is situated and to the Administrator of the Land Registration Authority. No order or judgment ordering the reconstitution of a certificate of title shall become final until the lapse of fifteen (15) days from receipt by the Register of Deeds and by the Administrator of the Land Registration Authority of a notice of such order or judgment without any appeal having been filed by any such officials. (Emphasis supplied)

¹¹ Republic Act No. 6732 (1989), An Act Allowing Administrative Reconstitution of Original Copies of Certificates of Titles Lost or Destroyed Due to Fire, Flood and Other Force Majeure, Amending for the Purpose Section One Hundred Ten of Presidential Decree Numbered Fifteen Twenty-Nine and Section Five of Republic Act Numbered Twenty-Six.

¹² See LRA Circular No. 001-16, Program for the Upgrade of all Manually-Issued Titles Within a 3-Year Period (January 26, 2016).

¹³ LRA Circular No. 02-2017, Addendum to LRA Circular No. 02-2016 with Subject: Program for the Upgrade of All Manually-Issued Titles within a 3-Year Period (January 6, 2017).

¹⁴ J. Caguioa, Concurring Opinion in *Republic v. Bella*, G.R. No. 260831, February 26, 2025, pp. 6–8. This pinpoint citation refers to the copy of the Concurring Opinion uploaded to the Supreme Court website.

¹⁵ *Supra* note 12.

¹⁶ See LRA Circular No. 28-17, Implementation of the LRA System for Automated Client Entry for Certified True Copies of Certificates of Title ("ACE-CTC") (September 20, 2017).

registers of deed to *motu proprio* initiate the digitization and cataloging of manually-issued titles in preparation for eventual eTitle conversion;¹⁷ and (iii) the issuance of joint administrative guidelines with the Department of Agrarian Reform governing the issuance of individual eTitles and the computerized and electronic annotation of agrarian reform conditions under collective certificates of land ownership awards.¹⁸

Taken altogether, these reforms underscore the LRA's broader goal: establishing a digital infrastructure that ensures all original registry copies of titles—and the annotations they bear—can no longer be lost, altered, or omitted due to physical risks. All certified true copies of titles will also be generated from a centralized electronic source record, and therefore, will consistently reflect all valid encumbrances annotated on a title.

As recognized in *Spouses Manalese v. The Estate of Spouses Ferreras*,¹⁹ the advent of computerized and electronic titles means that there may no longer be physical original certificates of title and transfer certificates of title in the registry as previously understood under Presidential Decree No. 1529:

With computerized and electronic titles, the Court understands that there may no longer be a physical original certificate of title—the one referred to in Sections 39 and 40 of PD 1529, regarding the Original Certificate of Title and Section 43, regarding the Transfer Certificate of Title, or the “government copy” as it is referred to at present in a Memorandum issued by LRA—which is to be kept by the Register of Deeds. The said original certificate of title is now in digital form stored in the LRA Computerized System being maintained by the Land Registration Systems, Inc. (LARES). Pursuant to the said LRA Memorandum, a copy of the digitized original certificate of title may be obtained from the Register of Deeds and this copy generated from the LRA Computerized System, which is called as an electronic title or “eTitle,” is now being referred to as computerized title or “cTitle.” Only the owner's duplicate certificate of title is issued by the Register of Deeds in physical form.²⁰

With this changing landscape in the land registration, the scope of reconstitution under Republic Act No. 26, as amended by Presidential Decree No. 1529,²¹ continues to narrow steadily, now applying only in cases where the original registry copy has yet to be converted to an eTitle. However, the *judicial* replacement of lost owner's duplicate certificates, which is still issued

¹⁷ See LRA Circular No. 15-2020, Implementation of the LRA Title Ready Program (“TRP”) (August 18, 2020).

¹⁸ See Joint DAR-LRA Administrative Order No. 02, s. 2022, Registration and Annotation Requirements for Support to Parcelization of Land for Individual Titling and Annotation of the Conditions of the Order of Conversion (May 24, 2022). See also Joint DAR-LRA Administrative Order No. 01, s. 2024, Rules Governing the Re-Issuance of Owner's Duplicate Copy and Correction of Entries in the Collective Certificate of Land Ownership Award (CCLOA) Covered by Support to Parcelization of Lands for Individual Titling (SPLIT) Project (April 2, 2024).

¹⁹ G.R. No. 254046, November 25, 2024 [Per J. Caguioa, Third Division].

²⁰ *Id.* at 35–36. This pinpoint citation refers to the copy of the Decision uploaded to the Supreme Court website.

²¹ *Supra* note 10.

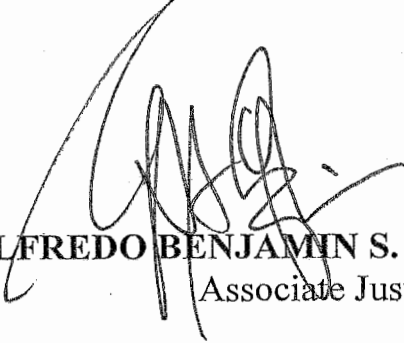


by the register of deeds in physical form, remains governed by a separate process under Section 109 of Presidential Decree No. 1529.

All told, the move towards a purely digitalized registration of land titles and related transactions is gradually displacing the operational premise of Republic Act No. 26. It is hoped that reconstitution of titles in the registry—whether judicial or administrative—will no longer be necessary once all certificates of title exist in digital form within the LRA's secure and backed-up system. Indeed, if this digital shift is successful, titles would be insulated from the vulnerabilities that warrant reconstitution.

In sum, I concur that the Section 7 reservation may be removed without complying with the publication and posting requirements, consistent with the plain language of Section 9 of Republic Act No. 26.

Accordingly, I **CONCUR** with the *ponencia* and vote to **DENY** the Petition. The RTC did not err in ordering the cancellation of the Section 7 reservation.



ALFREDO BENJAMIN S. CAGUIOA
Associate Justice