

**Notes on Implementing Rules and Regulations**  
**Republic Act No. 9646**  
**Real Estate Service Act Law (RESA Law)**

“AN ACT REGULATING THE PRACTICE OF RE SERVICE IN THE PHILIPPINES, CREATING FOR THE PURPOSE A PRB-RES, APPROPRIATING FUNDS THEREFORE AND FOR OTHER PURPOSES”

***Beginning Date: 28 July 2008***

***Declaration of Policy:***

- Vital role of RE service practitioners in social, political, economic development and progress of the country
  - by contributing to the taxes such as withholding/capital gain tax, transfer tax and real property tax
  - Good economy = political and social stability
  - Hence, there is a need to develop through proper and effective regulations and supervision a corps of technically competent, responsible and respected professional RE service practitioners whose standards of practice and service shall be globally competitive and will promote the growth of the RE industry

***Definition of Terms:***

- Real Property
  - RE + Rights, interests and benefits and obligations of owning a real estate property
- Real Estate
  - Land and all those attached to the land
  - Physical, tangible entity together with the additions and improvements on, above or below the ground.
- RE Consultant
  - Duly registered and licensed natural person

- Renders professional advice and judgment on
  - Acquisition, enhancement, preservation, utilization or disposition of lands and or improvements
  - Conception, planning, management and development of real estate projects

- RE Appraiser/Valuer
  - Duly registered and licensed natural person with ability and experience
  - Expert in real estate values
  - Services of which shall be finally rendered by preparation of report in an acceptable written form
- RE Assessor
  - Duly registered and licensed natural person
  - Works in a local government unit
  - Performs appraisal and assessment of real estate properties, including plants, equipment and machineries for **taxation purposes**
- RE Broker
  - Duly registered and licensed natural person
  - Agent of a party in a real estate transaction
- RE Salesperson
  - Duly **accredited** natural person
  - Performs on behalf of a registered and licensed RE broker
- Real Estate Development Project
  - Development of land for:

- Residential
  - Commercial
  - Industrial
  - Agricultural
  - Institutional
  - Recreational
  - Or combinations
- Real Estate Developer
  - Juridical or natural person
  - Engaged in the business of developing RE development projects for his/her or its own account and offering them for sale or lease

***Accredited and Integrated Professional Organization (AIPO) – PHILRES***

- PRBRES Resolution No. 19 series 2011
- Date of publication Official Gazette: 14 November 2011
- Date Effective: 30 November 2011
- 2 petitioners as AIPO:
  - Federation of Real Association, Inc (FRESA)
  - Philippine Institute of Real Estate Service Practitioners (PHILRES)
- Resolution states that: All duly registered RE practitioners shall automatically become members of AIPO
- The board shall issue a Resolution on the membership and payment of fees for as a requirement for the renewal of PRC IDs
- Membership to AIPO shall not be a bar to membership in other associations of RESPs
- *See attachment for more details*

***PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE (PRB-RES)***

*Chairperson:* Hon. EDURADO G. ONG

***Members:***

- Ho. Ramon C. Cuervo
- Hon. Bansan C. Choa
- Hon. Rafael M. Fajardo
- Hon. Florencio C. Dino II
- Appointed by the President from the three recommenders chosen by PRC from a list of five nominees per position submitted by AIPO
- 2 members of the board must be government assessors or appraisers, who are both in active service.

***Qualifications of the Chairperson and Members of the Board:***

- Citizen and resident of the Philippines
- Holder of BS degree duly related to real estate
- A bona fide member in good standing of AIPO but not an officer or trustee at the time of his/her appointment
- Neither a member of the faculty of an institution, nor have any pecuniary interest, direct or indirect, in any institution or association where review classes or lectures are being offered or conducted

***Terms of Office:***

- 3 years from the date of their appointment and until their successor has been appointed
- ***Reappointment:*** may be reappointed for a second term
  - Not more than six years (continuously)
- Any vacancies in the board shall be filled for the unexpired portion of the term of the member that vacated the position.
- All the members of the board shall automatically be registered and issued Certificates of Registration and Professional ID cards
- Each Member shall take the proper oath of office prior to the assumption of duties.

- Members of the 1<sup>st</sup> appointed Board shall hold office for the following terms:
  - Chairperson: 3years
  - 2Members: 2years
  - 2Members: 1year

***DUTIES:***

- Provides guidelines for RE service practice
- Conducts licensure examinations
- Prescribe syllabi for examination
- Issue, suspend, revoke or reinstate after due notice and hearing, certificates of registration or professional ID cards
- Maintain comprehensive and updated register of licensed RE service professionals
- Monitor conditions affecting the practice of RES and adopt measures for the enhancement of profession and/or maintenance of high professional, ethical and technical standards.
- Adopt national code of ethics issued by AIPO to be strictly followed by all licensed RES practitioners
- Hear or investigate any violations of RA 9646, national code of ethics, and responsibilities of RESP, and issue subpoena to secure appearance of witnesses and the production of documents in connection therewith
- Safeguard and protect legitimate and licensed RESP in coordination with AIPO, and exercise its quasi-judicial and administrative powers to eradicate the practice of unauthorized or unlicensed individuals
- Prescribe in cooperation with CHED the essential requirements as to curriculum and facilities of schools or universities seeking permission to open academic courses in real estate service, and to see that these requirements including the employment of qualified faculty members are properly complied with
- Promulgate, administer and enforce rules and regulations in carrying out RA 9646

- Supervise and regulate registration, license and practice of RES in the Philippines
- Assess and fix rate of reasonable regulatory fees
- Administer oaths and affirmations
- Prescribe guidelines and criteria for the CPE (Continuing Professional Education) program in consultation with AIPO
- Screen, issue and monitor permits to organizations conducting seminars
- Monitor and supervise AIPO and other associations of RESP
- Discharge such powers, duties and functions as the commission may deem necessary to carry out the provisions of RA 9646

***\*\*NOTE:*** policies, resolutions, rules and regulations issued or promulgated by the BOARD shall be subject to the review and approval by the COMMISSION. **However**, the Board's decision, resolutions or order which are not interlocutory, rendered in administrative case, shall be subject to review by the COMMISSION only on appeal, in accordance to RA 8981 and its IRR

***Compensation and allowances of Chairperson and Members***

- Compensation and allowances are comparable to the compensation and allowances received by the chairman and the members of existing PRB under PRC as provided by General Appropriations Act, Salary Standardization Law, Joint Circular issued by PRC and DBM

***Removal of Chairperson and Members of the Board***

- May be suspended or removed by the President upon the recommendation of PRC and after due notice and hearing in proper administrative investigation conducted by PRC on the following grounds:
  - Neglect of duty

- Abuse of power
- Oppression
- Incompetence
- Unprofessional, unethical conduct
- Immoral, dishonourable conduct
- Commission and toleration of irregularities in the examination
- Moral turpitude

#### ***Supervising of the Board***

- The board shall be under the general supervision and administration control of PRC
- All records shall be kept by PRC
- PRC will designate the secretary of the Board at the office, and shall provide secretariat and other support services subject to usual government accounting and auditing rules and regulations

#### ***Annual Report***

- At the close of each calendar year
- Submitted to PRC
- Includes detailed account of its proceedings and accomplishments during the year, recommending measures to be adopted

### **LICENSURE EXAMINATION AND REGISTRATION**

#### ***Scope of Examination:***

- Consultants and Appraisers:
  - **COMMON SCOPE:** Standards and Ethics
- Appraisers and Brokers:
  - **COMMON SCOPE:** Real Estate and Economics

**\*\*NOTE:** The Board may re-cluster, rearrange, modify, add to, or exclude as may be necessary

#### ***Qualification of applicants for Examination***

- A citizen of Philippines
- Holder of relevant BS degree recognized by CHED, **Provided**, he/she has completed 120 credit units of real

estate subjects and training from accredited service providers. **Provided further**, as soon as BS in RE is implemented, the said course will be a requirement for taking the licensure examination

- GMC
- RE Consultants: at least years experience as RE broker, assessor, or as a bank or institutional appraiser, or at least 5 years experience as a licensed appraiser.

#### ***Required Documents (ORIGINAL and PHOTOCOPY)***

- NSO Birth Certificate or valid Philippine Passport, or any proofs of citizenship
- TOR and/or diploma – with scanned picture, and noted “FOR BOARD EXAM PURPOSE”
- NBI Clearance (6months validity)
- Community Tax Certificate (Cedula)
- 4pcs Passport sized colored pictures (with full name tag and white background)
- Notarized accredited seminar and/or training certificate
- notarized certificate by employer of his/her years of experience or pre-requisite Certification of Registration (COR) and/or Professional ID Card (PIC) or DTI license (for RE Consultants)

#### ***Rating in Examination***

- average of 75% in all subjects, with no rating below 50% in any subject
- Reports of rating may be distributed during mass oath taking

#### ***Release of Results***

- Within 10 days from the last day of examination

### ***Certificate of Registration and Professional ID Cards***

- **Certificate of Registration**
  - Shall be issued to passed examinees
  - Subject to fees prescribed by the PRC
  - Shall bear the signature of the Chairperson OF PRC and Chairperson indicating that the person named therein is entitled to practice the profession with all the benefits and privileges appurtenant thereto
- **Professional ID Cards**
  - Bears the registration Number, date of issuance and expiry date
  - Duly signed by the Chairperson of PRC
  - Shall be renewed every 3years and upon satisfying the requirements and of satisfying the requirements of the Board (CPE Program)

### ***Refusal to Register***

- Convicted of moral turpitude or has been found guilty of immoral or dishonourable conduct, or has been found out to be psychologically unfit

### ***Revocation/Suspension of Certificate of Registration and Professional ID Cards or Cancellation of Special/Temporary Permit***

- After due notice and hearing
- Grounds:
  - Fake Certificate of Registration and or professional ID Cards
  - Unprofessional or unethical conduct
  - Allowing unqualified person to advertise/practice by using one's certificate of registration/professional ID card/special/temporary permit

- Malpractice or violation of RA 9646, Code of Ethics and Responsibilities for RESP
- Engaging in practice during suspension

### ***Registration without Examination***

- As of 30 July 2009, or on the date of the effectivity of RA 9646, already licensed RE practitioners by DTI. **Provided**, they are in active practice and have undertaken relevant CPE or Continuing Education Program (CEP). **Provided further**,
  - Any holder of valid DTI licensed who has earned 15 CEP or CPE credit units
  - Failed to renew their DTI license prior 30 July 2009 but have earned 24 CEP credit units from accredited service provider (MO. 39) or CPE credit units from CPE Council Accredited Provider from 2007 to 30 July 2011
  - Passed the 2008 and 2009 licensure examination given by DTI but who had to obtain license, and who have earned 15 CEP or CPE credit units
  - Passed the DTI licensed and who have earned 120 CPE or CEP credit units

***\*\*RE practitioners falling above-described categories who failed to comply with the necessary CPE requirements within 2 years after effectivity of RA 9646, on or before 30 July 2011, shall be required to take the Board licensure examination***

- Assessors and appraisers who, on the date of the effectivity of RA 9646 or as of 30 July 2009, hold permanent appointments and are performing actual appraisal and assessment functions for the last 5 years, have passed RPAO (Real Property Assessing Officer) exam conducted by CSC (Civil Service Commission) in coordination

with DOF, and have undertaken relevant CPE

- Assessors and appraisers who, on the date of the effectivity of RA 9646 or as of 30 July 2009, hold permanent appointments and have at least 10 years actual experience in real property appraisal and assessment and have completed 120 hours of accredited training on real property appraisal conducted by international or national appraisal organizations or institution, duly accredited by DOF, GOCC (Government Owned and Controlled Corporations)

*\*\*shall register with the Board after they have complied with the requirements for registration and have completed 24 CPE credit units.*

***Provided***, those seeking to be licensed to a new credential level shall be required to take the licensure examination

***Documents to be submitted for application for registration without examination***

- Original and Photocopy of NSO Birth certificate or valid Philippine Passport
- Original and Photocopy of COR (Certificate of Registration) and/or Professional ID Card (PIC) or DTI Licenses
- DTI Certification of Rating (for those who passed the exams but without their license)
- Original and photocopy of NBI clearance
- Duly notarized CEP/CPE certification
- Civil Service Commission Certification, DOF, or any other national government agencies or GOCC Certification (Assessors or government appraisers), or any certification of accredited seminar/training provider
- Appointment papers and service records to prove appraisal and assessment experience (assessors or government appraisers)

- Original and Photocopy of NSO Marriage Certificate/Contract of Marriage
- 4 passport size colored photos with complete nametag in white background
- Original and Photocopy of community tax certificate (CTC)
- Surety bond (RE brokers and private RE appraisers)

***Reinstatement, Re-issuance or replacement of Certificate of Registration, Personal ID Card, and Special Temporary Permit***

- After expiration of 2 years from the date of revocation of a certificate of registration or professional ID card, and upon application and compliance with required CPE units, reinstate and revoked certificate of registration and reissue a suspended professional ID card, exempt the applicant from taking another examination. ***Provided that***, the Board shall issue a resolution subject to the approval of PRC in granting a petition for reinstatement to the practice of RES profession
- ***NEW CERTIFICATE OF REGISTRATION AND PROFESSIONAL ID CARD/ SPECIAL TEMPORARY PERMIT***: may be issued in place of lost, destroyed, mutilated ones upon payment of the required fees

***Roster of RESP***

- The board together with AIPO shall prepare and update roster
  - Contains: names, residence and office address, license numbers, date of registration or issuance of certifications
  - Shall be available to the public upon request

***Issuance of Special/Temporary Permit***

- RESP from foreign countries whose service is urgently needed in the absence or unavailability of local RESP

- Purpose: promote or enhance the RESP practice in the Philippines

#### ***Foreign Reciprocity***

- No foreign RESP shall be admitted to licensure examination, given a certificate of registration or professional ID cards, be issued a special/temporary permit unless the country of which he/she is a citizen of allows Filipino RESP to practice within its territorial limits on the same basis as the citizens of such foreign country

#### ***Practice of RES Practice***

##### **Oath**

- All qualified examines for registration, all qualified applicants for registration without examination and accredited salesperson
- Mass oath taking may be initiated and supervised by the board in coordination with AIPO

##### **Professional Indemnity Insurance Cash/Surety Bond**

- For RE brokers and appraisers
- 20,000.00 without prejudice to the additional requirement of the client
- Renewable every 3 years

#### **Exemption form the Acts Constituting the practice of RES**

- Any natural/juridical person who shall directly perform by himself the acts with reference to his own property (except RE developers who are regulated by Housing and Land Use Regulatory Board (HLURB))
- Receiver, trustee or assignee in bankruptcy or insolvency proceedings
- Attorney-in-fact without requiring any form of compensation or remuneration
- Public officers in the performance of their public duties and functions, except government assessors and appraisers

#### **Prohibition Against Unauthorized Practice of RES**

- No person shall practice or offer to practice RES in the Philippines or offer himself as RES practitioner without passing the licensure examination

#### **Positions in Government Requiring the Services of Registered and Licensed RESP**

- Within 3years from the effectivity of RA 9646
- All existing and new positions (career, permanent, temporary or contractual shall be filled only by registered and licensed RESPs
- All incumbent assessors holding permanent appointments shall continue to perform their duties without need for reappointment and diminution of status, rank, salary grade, and shall enjoy security of tenure. However, they may not be promoted to a higher position until they meet the requirements of that higher position

#### **Supervision of Real Estate Salesperson**

- Cannot be signatories to a written agreement involving real estate transactions unless the broker who has direct supervision over them is also a signatory
- Need to secure authorized accreditation as a real estate salesperson for the RE broker before negotiation, mediating, transacting any real estate transaction for and in behalf of the broker
- Is not entitled to receive or demand a fee, commission or competition of any kind from any person other than the duly licensed RE broker who has direct control and supervision over him
- No violation of this provision shall be a cause for revocation or suspension of registration of RE broker unless there was actual knowledge of such violations or the broker retains the benefits, profits or proceeds of a transaction

- wrongfully negotiated by the salesperson
- Registered with DTI/HLURB or other salesperson who are in active practice for at least 3 years, as may be certified by a licensed broker or RE developer
  - Undergo 120 training hours in real estate brokerage
  - Have submitted original NDO birth certificate, NBI clearance, certificate of educational attainment, notarized certificate of training/seminar, notarized certificate of their supervising licensed brokers
- Shall be accredited by the Board:
  - 2 years of college
  - 12 credit units in real estate brokerage

#### **Corporate Practice of Real Estate Service**

- Partnership and corporation shall be duly registered with SEC (securities and Exchange Commission)
- Persons authorized to act for the partnership or corporation are all duly registered and licensed RE brokers, appraisers or consultants
- Shall regularly submit a list of its RES practitioners bot the PRC and SEC as part of its annual reportorial requirements
- 1 licensed broker for every 20 accredited salesperson
- 1 full-time registered and licensed RE broker for divisions or departments engaged in marketing or selling any RE DEVELOPMENT PROJECT
- Branch offices of RE brokers, appraisers, consultants must be manned by a duly licensed RE broker, appraiser or consultant, as the case may be
- Resignation of RESP from employment, the employer must report it to the Board within 15days from the date of effectivity of the resignation/termination

- May hire RE broker, appraiser, consultants on commission basis to perform real estate services
- Re consultants shall be deemed independent contractors and not employees of such corporations

#### **Display of License in Place of Business**

- Every registered and licensed RESP shall establish and maintain a principal place of business and shall conspicuously display therein the original and/or certified true copies of his certificate of registration and professional ID cards as well as of those employed in t=such office

#### **Code of Ethics and Responsibilities of RESPs**

- Board shall adopt and promulgate the Code of Ethics and Responsibilities for RESPs
- Prescribed and issued by AIPO

#### **Continuing Education Program**

- The board shall create CPE Council
  - shall be composed of:
    - chairperson coming from the board
    - member of AIPO
    - Member of Academe

#### **Enforcement Assistance of the Board**

- Lawyers of PRC shall act as prosecutors against illegal practitioners and other violators
- The duly constitute authorities of the government shall likewise assist the Board and PRC in enforcing the provisions

#### **Indication of the Certificate of Registration, Professional ID Card/License Number, PTR (privilege Tax Receipt) Number, AIPO Membership Number**

- And/or the date of issuance and duration of validity on the documentation he signs, uses, issues in



connection with the practice of his profession

**Penal Provision**

- Fine: 100,000.00 and/ or imprisonment of 2years (Licensed practitioners)
- Fine: 200,000.00 and/or imprisonment of 4years (unlicensed person)
- In case of partnership, corporation, association or any other juridical person
  - Partner, president, director or manager shall be held liable and responsible for the acts as principal or as a co-principal with the other participants

**Appropriation**

- PRC chairperson shall include in the Commission's programs the funding
- Included in the annual General Appropriation Act

**Transitory Provision**

- Ninety days from the effectivity of RA 9646, DTI-BTRCP (Bureau of Trade and Regulation and Consumer Protection) shall transfer all pertinent records, documents and other materials to PRBRES