

FOURTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

OFFICE OF THE SECRETARY

8 DEC -9 P6:48

S E N A T E

RECEIVED BY: 

COMMITTEE REPORT NO. 232

Submitted jointly by the Committees on Civil Service and Government Reorganization, Urban Planning, Housing and Resettlement and Finance on DEC - 9 2008.

Re: S.B. No. 2963

Recommending its approval in substitution of Senate Bill Nos. 1298, 1644, 1656 and taking into consideration House Bill No. 3514.

Sponsor: Senator Panfilo M. Lacson

MR. PRESIDENT:

The Committees on Civil Service and Government Reorganization, Urban Planning, Housing and Resettlement and Finance, to which were referred S. B. No. 1298 introduced by Senator Miriam Defensor Santiago, *entitled:*

AN ACT
REGULATING THE PRACTICE OF REAL ESTATE SERVICE IN THE PHILIPPINES,
CREATING A REAL ESTATE COMMISSION AND APPROPRIATING FUNDS
THEREFOR

S. B. No. 1644, introduced by Senator Rodolfo G. Biazon, *entitled:*

AN ACT
REGULATING THE PRACTICE OF REAL ESTATE SERVICE IN THE PHILIPPINES
CREATING FOR THE PURPOSE A PROFESSIONAL REGULATORY BOARD OF
REAL ESTATE SERVICE, APPROPRIATING FUNDS THEREFOR AND FOR
OTHER PURPOSES

S. B. No. 1656, introduced by Senator Antonio F. Trillanes IV, *entitled:*

AN ACT
REGULATING THE PRACTICE OF REAL ESTATE SERVICE IN THE PHILIPPINES
CREATING FOR THE PURPOSE A PROFESSIONAL REGULATORY BOARD OF
REAL ESTATE SERVICE, APPROPRIATING FUNDS THEREFOR, AND FOR
OTHER PURPOSES

and taking into consideration House Bill No. 3514, introduced by Representatives Del Mar, Zialcita, Valencia, Gonzales, Bagatsing, Santiago (N), Romulo, Mendoza, Lagman, Almarino, Yu, Sy-Alvarado, Piamonte, Cerilles, Chatto and Codilla, per Committee Report No. 269, *entitled:*

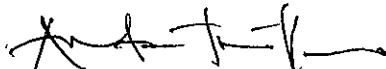
**AN ACT
REGULATING THE PRACTICE OF REAL ESTATE SERVICE IN THE
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REGULATORY BOARD OF REAL ESTATE SERVICE, APPROPRIATING
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have considered the same and have the honor to report them back to the Senate, with the recommendation that the attached bill, Senate Bill No. 2963, prepared by the Committees, entitled:

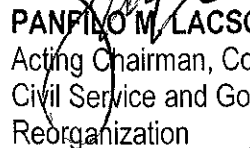
**“AN ACT REGULATING THE PRACTICE OF REAL ESTATE SERVICE IN THE
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REGULATORY BOARD OF REAL ESTATE SERVICE, APPROPRIATING FUNDS
THEREFOR AND FOR OTHER PURPOSES”**

be approved in substitution of Senate Bill Nos. 1298, 1644, 1656 and taking into consideration House Bill No. 3514, with Senators Santiago, Biazon, Trillanes IV and Lacson as authors thereof.

Respectfully submitted:



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Acting Chairman, Committee on
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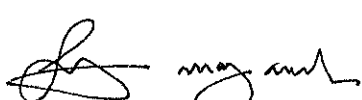


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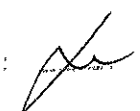
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Senate President
Senate of the Philippines

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S E N A T E

S. No. 2963

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(In Substitution of Senate Bill Nos. 1298, 1644, 1656, and taking into consideration HBN 3514)

Prepared by the Committees on Civil Service and Government Reorganization, Urban Planning, Housing and Resettlement and Finance with Senators Santiago, Biazon, Trillanes IV and Lacson as authors thereof

AN ACT
REGULATING THE PRACTICE OF REAL ESTATE SERVICE IN THE
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THEREFOR AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

ARTICLE I

TITLE, DECLARATION OF POLICY AND DEFINITION OF TERMS

SEC. 1. Title. - This Act shall be known as the "Real Estate Service Act of the Philippines."

SEC. 2. Declaration of Policy. - The State recognizes the vital role of real estate service practitioners in the social, political, economic development and progress of the country by promoting the real estate market, stimulating economic activity and enhancing government income from real property-based transactions. Hence, it shall develop and nurture through proper and effective regulation and supervision a corps of technically competent, responsible and respected professional real estate service practitioners whose standards of practice and service shall be globally competitive and will promote the growth of the real property industry.

SEC. 3. Definition of Terms. - As used in this Act, the following terms shall mean:

A. "Appraiser", also known as valuer, refers to a person who conducts valuation/appraisal; specifically, one who possesses the necessary qualifications,

- 1 license, ability and experience to execute or direct the valuation/appraisal of real
2 property.
- 3 B. "Assessor" refers to a person in the local government unit, who performs appraisal
4 and assessment of real properties, including plants, equipment, and machineries,
5 essentially for taxation purposes. This definition also includes assistant assessors.
- 6 C. "Real estate" refers to the land and all those items which are attached to the land. It
7 is the physical, tangible entity, together with all the additions or improvements on,
8 above or below the ground.
- 9 D. "Real estate development project" means the development of land for residential,
10 commercial, industrial, agricultural, institutional or recreational purposes, or any
11 combination of such including, but not limited to, tourist resorts, reclamation
12 projects, building or housing projects, whether for individual or condominium
13 ownership, memorial parks and others of similar nature.
- 14 E. "Real estate developer" refers to any natural or juridical person engaged in the
15 business of developing real estate development project for his/her or its own
16 account and offering them for sale or lease.
- 17 F. "Real property" includes all the rights, interests and benefits related to the
18 ownership of real estate.
- 19 G. "Real estate service practitioners" shall refer to and consist of the following:
- 20 1. Real estate consultant - a duly registered and licensed natural person who, for a
21 professional fee, compensation or other valuable consideration, offers or renders
22 professional advice and judgment on: (i) the acquisition, enhancement,
23 preservation, utilization or disposition of lands or improvements thereon; and
24 (ii) the conception, planning, management and development of real estate
25 projects;
- 26 2. Real estate appraiser - a duly registered and licensed natural person who, for a
27 professional fee, compensation or other valuable consideration, performs or
28 renders, or offers to perform services in estimating and arriving at an opinion of
29 or acts as an expert on real estate values, such services of which shall be finally
30 rendered by the preparation of the report in acceptable written form.
- 31 3. Real estate assessor - a duly registered and licensed natural person who works in
32 a local government unit and performs appraisal and assessment of real
33 properties, including plants, equipment, and machineries, essentially for taxation
34 purposes.

- 1 4. Real estate broker - a duly registered and licensed natural person who, for a
2 professional fee, commission or other valuable consideration, acts as an agent of
3 a party in a real estate transaction to offer, advertise, solicit, list, promote,
4 mediate, negotiate or effect the meeting of the minds on the sale, purchase,
5 exchange, mortgage, lease or joint venture, or other similar transactions on real
6 estate or any interest therein; and
- 7 5. Real estate salesperson - a duly accredited natural person who performs service
8 for, and in behalf of, a real estate broker who is registered and licensed by the
9 Professional Regulatory Board of Real Estate Service for or in expectation of a
10 share in the commission, professional fee, compensation or other valuable
11 consideration.

12
13
14 **ARTICLE II**

15 **PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE**

16
17 **SEC. 4. Creation and Composition of the Board.** - There is hereby created a
18 Professional Regulatory Board of Real Estate Service, hereinafter referred to as the
19 Board, under the supervision and administrative control of the Professional Regulation
20 Commission, hereinafter referred to as the Commission, composed of a chairperson and
21 four (4) members who shall be appointed by the President of the Philippines from the
22 three (3) recommendees chosen by the Commission from a list of five (5) nominees per
23 position submitted by the accredited and integrated professional organizations of real
24 estate service practitioners. *Provided that*, the four (4) members shall each represent the
25 real estate consultants, the real estate appraisers, the real estate assessors, and the real
26 estate brokers.

27 The first Board shall be organized within six (6) months from the effectivity of
28 this Act.

29
30 **SEC. 5. Powers and Functions of the Board.** - The Board is hereby vested the following
31 powers and functions:

- 32 A. Provide comprehensive policy guidelines for the promotion and development of the
33 real estate industry;
- 34 B. Conduct licensure examinations for the practice of the real estate service profession
35 and prescribe the appropriate syllabi of the subjects for examination;

- 1 C. Issue, suspend, revoke or reinstate, after due notice and hearing, certificates of
2 registration or professional identification cards for the practice of real estate service;
- 3 D. Maintain a comprehensive and updated register of licensed real estate service
4 professionals;
- 5 E. Monitor the conditions affecting the practice of real estate service and adopt such
6 measures as may be proper for the enhancement of the profession and/or the
7 maintenance of high professional, ethical and technical standards;
- 8 F. Adopt a national Code of Ethics and Responsibilities to be strictly observed by all
9 licensed real estate service practitioners;
- 10 G. Hear or investigate any violation of this Act, its implementing rules and regulations,
11 and the Code of Ethics and Responsibilities for real estate service practitioners and
12 issue subpoena and subpoena duces tecum to secure the appearance of witnesses
13 and the production of documents in connection therewith;
- 14 H. Safeguard and protect legitimate and licensed real estate service practitioners and, in
15 coordination with the accredited and integrated professional organization of real
16 estate service practitioners, monitor all forms of advertisements, announcements,
17 signboards, billboards, pamphlets, brochures and others of similar nature
18 concerning real estate and, where necessary, exercise its quasi-judicial and
19 administrative powers to finally and completely eradicate the pernicious practices of
20 unauthorized or unlicensed individuals;
- 21 I. Prescribe, in cooperation with the Commission on Higher Education (CHED) or the
22 concerned state university or college, the essential requirements as to the curricula
23 and facilities of schools, colleges or universities seeking permission to open
24 academic courses or already offering such courses in real estate service, and to see to
25 it that these requirements, including the employment of qualified faculty members,
26 are properly complied with;
- 27 J. Promulgate, administer and enforce rules and regulations necessary in carrying out
28 the provisions of this Act;
- 29 K. Supervise and regulate the registration, licensure and practice of real estate service
30 in the Philippines;
- 31 L. Assess and fix the rate of reasonable regulatory fees;
- 32 M. Administer oaths and affirmations;
- 33 N. Adopt an official seal of the Board;
- 34 O. Evaluate periodically the status of real estate service education and profession, and
35 recommend and/or adopt measures to upgrade and maintain its high standard;

- 1 P. Prescribe guidelines and criteria for the Continuing Professional Education (CPE)
2 program for real estate service practitioners in consultation with the accredited and
3 integrated professional organizations of real estate service practitioners;
- 4 Q. Screen, issue and monitor permits to organizations of real estate professionals in the
5 conduct of seminars and accredit such seminars pursuant to the CPE program, as
6 well as the instructors or lecturers therein, for the purpose of upgrading the quality
7 and knowledge of the profession;
- 8 R. Monitor and supervise the activities of the accredited and integrated professional
9 organizations and other associations of real estate service practitioners; and
- 10 S. Discharge such other powers, duties and functions as the Commission may deem
11 necessary to carry out the provisions of this Act.

12
13 The policies, resolutions and rules and regulations issued or promulgated by the Board
14 shall be subject to the review and approval by the Commission. However, the Board's
15 decisions, resolutions or orders which are not interlocutory, rendered in an
16 administrative case, shall be subject to review by the Commission only on appeal.

17
18 **SEC. 6. Qualifications of the Chairperson and Members of the Board.** - The
19 chairperson and the members of the Board shall, at the time of their appointment,
20 possess the following qualifications:

- 21 A. A citizen and resident of the Philippines;
- 22 B. A holder of a bachelor's degree related to real estate;
- 23 C. An active licensed practitioner of real estate service for at least ten (10) years prior to
24 his/her appointment;
- 25 D. A bona fide member in good standing of the accredited and integrated professional
26 organization of real estate service practitioners but not an officer or trustee at the
27 time of his/her appointment;
- 28 E. Neither be a member of the faculty of an institute, school, college or university, nor
29 have any pecuniary interest, direct or indirect, in any institution or association
30 where review classes or lectures in preparation for the licensure examination are
31 being offered or conducted; and
- 32 F. Of good moral character, and must not have been convicted by final judgment by a
33 competent court of a criminal offense involving moral turpitude.

34
35 **SEC. 7. Term of Office.** - The chairperson and the members of the Board shall hold
36 office for a term of three (3) years from the date of their appointment and until their

1 successor/s shall have been appointed: Provided, That the members of the first
2 appointed Board shall hold office for the following terms: one (1) member as
3 chairperson, to serve for three (3) years; two (2) members, to serve for two (2) years; and
4 two (2) members, to serve for one (1) year.

5
6 The chairperson and the members of the Board may be reappointed for a second term
7 but in no case shall he/she serve continuously for more than six (6) years. Any vacancy
8 in the Board shall be filled for the unexpired portion of the term of the member who
9 vacated the position. On the constitution of the first Board, the chairperson and the
10 members of the Board shall automatically be registered and issued certificates of
11 registration and professional identification cards. Each member of the Board shall take
12 the proper oath of office prior to the assumption of duty.

13
14 **SEC. 8. Compensation and Allowances of the Chairperson and Members of the**
15 **Board.** - The chairperson and the members of the Board shall receive compensation and
16 allowances comparable to the compensation and allowances received by the chairman
17 and the members of existing professional regulatory boards under the Commission, as
18 provided for in the General Appropriations Act.

19
20 **SEC. 9. Removal of the Chairperson and Members of the Board.** - The chairperson or
21 any member of the Board may be suspended or removed by the President of the
22 Philippines, upon the recommendation of the Commission, for neglect of duty; abuse of
23 power; oppression; incompetence; unprofessional, unethical, immoral or dishonorable
24 conduct; commission or toleration of irregularities in the conduct of examination or
25 tampering of the grades therein, or for any final judgment or conviction of any criminal
26 offense involving moral turpitude.

27
28 **SEC. 10. Supervision of the Board, Custodian of Its Records, Secretariat and Support**
29 **Services.** - The Board shall be under the general supervision and administrative control
30 of the Commission. All records of the Board, including applications for examination,
31 examination papers and results, minutes of deliberations, administrative and other
32 investigative cases involving real estate service practitioners, shall be kept by the
33 Commission. The Commission shall designate the secretary of the Board and shall
34 provide the secretariat and other support services to implement the provisions of this
35 Act subject to the usual government accounting and auditing rules and regulations.

36

1 **SEC. 11. Annual Report.** - The Board shall, at the close of each calendar year, submit an
2 annual report to the Commission, giving a detailed account of its proceedings and
3 accomplishments during the year and recommending measures to be adopted with the
4 end-in-view of upgrading and improving the conditions affecting the practice of real
5 estate service in the Philippines.

6 7 **ARTICLE III**

8 **LICENSURE EXAMINATION AND REGISTRATION**

9 **SEC. 12. Licensure Examination.** - Every applicant seeking to be registered and licensed
10 as a real estate service practitioner, except a real estate salesperson, shall undergo an
11 examination as provided for in this Act. Examinations for the practice of real estate
12 service in the Philippines shall be given by the Board at least once every year in such
13 places and dates as the Commission may designate.

14
15 **SEC. 13. Scope of Examination.** - An examination shall be given to the licensure
16 applicants for real estate brokers, real estate appraisers and real estate consultants
17 which shall include, but not limited to, the following:

18 A. For real estate consultants - fundamentals of real estate consulting; standards and
19 ethics; consulting tools and techniques, which include project feasibility study and
20 investment measurement tools; real estate finance and economics; real estate
21 consulting and investment analyses; consulting for specific engagement, which
22 include consulting for commercial, industrial, recreation and resort and hotel
23 properties, and consulting for government and corporate and financial institutions;
24 land management system and real property laws; and any other related subjects as
25 may be determined by the Board.

26 B. For real estate appraisers - fundamentals of real estate principles and practices;
27 standards and ethics; theories and principles in appraisal; human and physical
28 geography; methodology of appraisal approaches; valuation procedures and
29 research; appraisal of machinery and equipment; practical appraisal mathematics;
30 appraisal report writing; real estate finance and economics; case studies; land
31 management system and real property laws; and any other related subjects as may
32 be determined by the Board; and

33 C. For real estate brokers - fundamentals of property ownership; code of ethics and
34 responsibilities; legal requirements for real estate service practice; real estate
35 brokerage practice; subdivision development; condominium concept; real estate
36 finance and economics; basic principles of ecology; urban and rural land use;

1 planning, development and zoning; legal aspect of sale, mortgage and lease;
2 documentation and registration; real property laws; and any other related subjects
3 as may be determined by the Board;

4
5 To conform with technological and modern developments, the Board may recluster,
6 rearrange, modify, add or exclude any of the foregoing subjects as may be necessary.

7
8 **SEC. 14. Qualification of Applicants for Examinations.** - In order to be admitted to the
9 licensure examination for real estate service, a candidate shall, at the time of filing
10 his/her application, establish to the satisfaction of the Board that he/she possesses the
11 following qualifications:

12 A. A citizen of the Philippines;

13 B. A holder of a relevant bachelor's degree from a State university or college, or other
14 educational institution duly recognized by the CHED: *Provided*, that as soon as a
15 course leading to a Bachelor's degree in Real Estate Service is implemented by the
16 CHED, the Board shall make this course a requirement for taking the licensure
17 examination;

18 C. Of good moral character, and must not have been convicted of any crime involving
19 moral turpitude; *Provided*, that an applicant for the licensure examination for real
20 estate consultants must show proof that he/she has at least ten (10) years experience
21 as a licensed real estate broker or an assessor, or as a bank or institutional appraiser
22 or an employed person performing real property valuation, or at least five (5) years
23 experience as a licensed real estate appraiser.

24
25 All applications for examination shall be filed with the Board which shall assess and
26 approve said applications and issue to the qualified examinees the corresponding
27 permits to take such examination.

28
29 **SEC. 15. Ratings in the Examination.** - In order that a candidate may be deemed to
30 have successfully passed the examination, he/she must have obtained an average of at
31 least seventy-five percent (75%) in all subjects, with no rating below fifty percent (50%)
32 in any subject.

33
34 **SEC. 16. Release of the Results of Examination.** - The results of the licensure
35 examination shall be released by the Board within ten (10) days from the last day of the
36 examination.

1 **SEC. 17. Issuance of the Certificate of Registration and Professional Identification**

2 **Card.** - A certificate of registration shall be issued to examinees who pass the licensure
3 examination for real estate service subject to payment of fees prescribed by the
4 Commission. The certificate of registration shall bear the signature of the chairperson of
5 the Commission and the chairperson and the members of the Board, stamped with the
6 official seal of the Commission, indicating that the person named therein is entitled to
7 practice the profession with all the benefits and privileges appurtenant thereto. This
8 certificate of registration shall remain in full force and effect until revoked or suspended
9 in accordance with this Act.

10
11 A professional identification card bearing the registration number, date of issuance and
12 expiry date, duly signed by the chairperson of the Commission, shall likewise be issued
13 to every registrant upon payment of the required fees. The professional identification
14 card shall be renewed every three (3) years and upon satisfying the requirements of the
15 Board, such as, but not limited to, attendance in the CPE program.

16
17 **SEC. 18. Refusal to Register.** - The Board shall not register and issue a certificate of
18 registration to any successful examinee who has been convicted by a court of competent
19 jurisdiction of any criminal offense involving moral turpitude or has been found guilty
20 of immoral or dishonorable conduct after investigation by the Board, or has been found
21 to be psychologically unfit.

22
23 **SEC. 19. Revocation or Suspension of the Certificate of Registration and the**
24 **Professional Identification Card or Cancellation of Special/Temporary Permit.** - The
25 Board may, after giving proper notice and hearing to the party concerned, revoke the
26 certificate of registration and the professional identification card, or cancel the special or
27 temporary permit of a real estate service practitioner, or suspend him/her from the
28 practice of the profession for any unprofessional or unethical conduct, malpractice or
29 violation of any of the provisions of this Act, its implementing rules and regulations,
30 and the Code of Ethics and Responsibilities for real estate service practitioners.

31
32 **SEC. 20. Registration Without Examination.** - Upon application and payment of the
33 required fees, the following shall be registered, and shall be issued by the Board and the
34 Commission a certificate of registration and a professional identification card without
35 taking the prescribed examination:

- 1 A. Those who, on the date of the effectivity of this Act, are already licensed as real
2 estate brokers, real estate appraisers or real estate consultants by the Department of
3 Trade and Industry (DTI) by virtue of Ministry Order No. 39, as amended Provided,
4 That they are in active practice as real estate brokers, real estate appraisers and real
5 estate consultants, and have undertaken relevant CPE to the satisfaction of the
6 Board;
- 7 B. Assessors who, on the date of the effectivity of this Act, hold permanent
8 appointment and are performing actual appraisal and assessment functions for the
9 last five (5) years, have passed the Real Property Assessing Officer (RPAO)
10 examination conducted and administered by the Civil Service Commission (CSC) in
11 coordination with the Department of Finance (DOF), and have undertaken relevant
12 CPE to the satisfaction of the Board; and
- 13 C. Assessors who, on the date of the effectivity of this Act, hold permanent
14 appointment and have at least ten (10) years actual experience in real property
15 appraisal or assessment and have completed at least one hundred twenty (120)
16 hours of accredited training on real property appraisal conducted by national or
17 international appraisal organizations or institution/entities recognized by the Board
18 and relevant CPE to the satisfaction of the Board.

19
20 Those falling under categories (b) and (c) shall register with the Board after they shall
21 have complied with the requirements for registration as real estate appraisers:
22 Provided, That those seeking to be licensed to a new credential level shall be required to
23 take the pertinent licensure examination.

24
25 Those so exempt under the aforementioned categories shall file their application within
26 two (2) years from the effectivity of this Act: Provided, That the renewal of the
27 professional identification card is subject to the provisions of Section 17 hereof.

28
29 **SEC. 21. Reinstatement, Reissuance or Replacement of Certificate of Registration,**
30 **Professional Identification Card and Special/Temporary Permit.-** The Board, after the
31 expiration of two (2) years from the date of revocation of a Certificate of Registration
32 and/or Professional Identification Card, and upon application, compliance with the
33 required CPE units, and for reasons deemed proper and sufficient, reinstate any
34 revoked certificate of registration and reissue a suspended professional identification
35 card and in so doing, may, in its discretion, exempt the applicant from taking another
36 examination.

1 A new certificate of registration, professional identification card or special/ temporary
2 permit may be issued to replace lost, destroyed or mutilated ones, subject to the rules as
3 may he promulgated by the Board.

4
5 **SEC. 22. Roster of Real Estate Service Practitioners.** - The Board, in coordination with
6 the integrated organizations of real estate service practitioners, shall prepare, update
7 and maintain a roster of real estate service practitioners which shall contain the names
8 of all registered real estate service practitioners, their residence and office addresses,
9 license number, dates of registration or issuance of certificates, and other data which the
10 Board may deem pertinent. Copies thereof shall be made available to the public upon
11 request.

12
13 **SEC. 23. Issuance of Special or Temporary Permit.** - Upon application and payment of
14 the required fees and, subject to the approval of the Commission, the Board may issue
15 special or temporary permit to real estate service practitioners from foreign countries
16 whose services are urgently needed in the absence or unavailability of local real estate
17 service practitioners for the purpose of promoting or enhancing the practice of the
18 profession in the Philippines.

19
20 **SEC. 24. Foreign Reciprocity.** - No foreign real estate service practitioner shall be
21 admitted to the licensure examination or be given a certificate of registration or a
22 professional identification card, or be entitled to any of the privileges under this Act
23 unless the country of which he/she is a citizen specifically allows Filipino real estate
24 service practitioners to practice within its territorial limits on the same basis as citizens
25 of such foreign country.

26 27 **ARTICLE IV**

28 **PRACTICE OF REAL ESTATE SERVICE**

29 **SEC. 25. Oath.** - All successful examinees qualified for registration and all qualified
30 applicants for registration without examination as well as accredited salespersons shall
31 be required to take an oath before any member of the Board or any officer of the
32 Commission duly authorized by the Commission to administer oaths prior to entering
33 into the practice of real estate service in the Philippines.

34
35 **SEC. 26. Acts Constituting the Practice of Real Estate Service.** - Any single act or
36 transaction embraced within the provisions of Section 3(g) hereof, as performed by real

1 estate service practitioners, shall constitute an act of engaging in the practice of real
2 estate service.

3
4 **SEC. 27. Exemptions from the Acts Constituting the Practice of Real Estate Service. -**

5 The provisions of this Act and its rules and regulations shall not apply to the following:

6 A. Any person, natural or juridical, who shall directly perform by himself/herself the
7 acts mentioned in Section 3 hereof with reference to his/her or its own property,
8 except real estate developers;

9 B. Any receiver, trustee or assignee in bankruptcy or insolvency proceedings;

10 C. Any person acting pursuant to the order of any court of justice; and

11 D. Any person who is a duly constituted attorney-in-fact for purposes of sale,
12 mortgage, lease or exchange, or other similar contracts of real estate, without
13 requiring any form of compensation or remuneration.

14 E. Public officers in the performance of their official duties and functions, except
15 government assessors and appraisers.

16
17 **SEC. 28. Prohibition Against the Unauthorized Practice of Real Estate Service. -** No

18 person shall practice or offer to practice real estate service in the Philippines or offer
19 himself/herself as real estate service practitioner, or use the title, word, letter, figure or
20 any sign tending to convey the impression that one is a real estate service practitioner,
21 or advertise or indicate in any manner whatsoever that one is qualified to practice the
22 profession, or be appointed as real property appraiser or assessor in any national
23 government entity or local government unit, unless he/she has satisfactorily passed the
24 licensure examination given by the Board, except as otherwise provided in this Act, and
25 is a holder of a valid certificate of registration, and professional identification card or a
26 valid special/temporary permit duly issued to him/her by the Board and the
27 Commission.

28
29 **SEC. 29. Positions in Government Requiring the Services of Registered and Licensed**

30 **Real Estate Service Practitioners. -** Within three (3) years from the effectivity of this
31 Act, all existing and new positions in the national and local governments, whether
32 career, permanent, temporary or contractual, and primarily requiring the services of
33 any real estate service practitioner, shall be filled only by registered and licensed real
34 estate service practitioners.

35 All incumbent assessors holding permanent appointments shall continue to
36 perform their functions without need for reappointment and without diminution of

1 status, rank and salary grade, and shall enjoy security of tenure. However, they may
2 not be promoted to a higher position until they meet the qualification requirements of
3 that higher position as herein prescribed. Nothing in this Act shall be construed to
4 reduce any benefit, interest, or right enjoyed by the incumbents at the time of the
5 enactment of this Act. The appointing authority shall exercise his power to appoint the
6 assessor in accordance with the provisions of this Act only when a vacancy occurs.

7
8 **SEC. 30. Supervision of Real Estate Salespersons.** - For real estate salespersons, no
9 examination shall be given, but they shall be accredited by the Board: Provided, That
10 they have completed at least two (2) years of college and have undergone training and
11 seminars in real estate brokerage, as may be required by the Board. Real estate
12 salespersons shall be under the direct supervision and accountability of a real estate
13 broker. As such, they cannot by themselves be signatories to a written agreement
14 involving a real estate transaction unless the real estate broker who has direct
15 supervision and accountability over them is also a signatory thereto. No real estate
16 salesperson, either directly or indirectly, can negotiate, mediate or transact any real
17 estate transaction for and in behalf of a real estate broker without first securing an
18 authorized accreditation as real estate salesperson for the real estate broker, as
19 prescribed by the Board. A real estate broker shall be guilty of violating this Act for
20 employing or utilizing the services of a real estate salesperson when he/she has not
21 secured the required accreditation from the Board prior to such employment.

22 No salesperson shall be entitled to receive or demand a fee, commission or
23 compensation of any kind from any person, other than the duly licensed real estate
24 broker who has direct control and supervision over him, for any service rendered or
25 work done by such salesperson in any real estate transaction.

26 No violation of this provision shall be cause for revocation or suspension of the
27 certificate of registration of the real estate broker unless there was actual knowledge of
28 such violation or the broker retains the benefits, profits or proceeds of a transaction
29 wrongfully negotiated by the salesperson.

30 **SEC. 31. Corporate Practice of the Real Estate Service.** -

31 A. No partnership or corporation shall engage in the business of real estate service
32 unless it is duly registered with the Securities and Exchange Commission (SEC), and
33 the persons authorized to act for the partnership or corporation are all duly
34 registered and licensed real estate brokers, appraisers or consultants, as the case may
35

1 be. The partnership or corporation shall regularly submit a list of its real estate
2 service practitioners to the Commission and to the SEC as part of its annual
3 reportorial requirements. There shall at least be one (1) licensed real estate broker for
4 every twenty (20) accredited salespersons.

5 B. Divisions or departments of partnerships and corporations engaged in marketing or
6 selling any real estate development project in the regular course of business must be
7 headed by full time registered and licensed real estate brokers.

8 C. *Branch offices of real estate brokers, appraisers or consultants must be manned by a*
9 *duly licensed real estate broker, appraiser or consultant as the case may be.*

10
11 In case of resignation or termination from employment of a real estate service
12 practitioner, the same shall be reported by the employer to the Board within a period
13 not to exceed fifteen (15) days from the date of effectivity of the resignation or
14 termination.

15
16 Subject to the provisions of the Labor Code, a corporation or partnership may hire the
17 services of registered and licensed real estate brokers, appraisers or consultants on
18 commission basis to perform real estate services and the latter shall be deemed
19 independent contractors and not employees of such corporations.

20
21 **SEC. 32. Display of License in the Place of Business.** - Every registered and licensed
22 real estate service practitioner shall establish and maintain a principal place of business
23 and such other branch offices as may be necessary, and shall conspicuously display
24 therein the original and/or certified true copies of his/her certificate of registration as
25 well as the certificates of registration of all the real estate service practitioners employed
26 in such office.

27
28 **SEC. 33. Accreditation and Integration of Real Estate Service Practitioners**
29 **Organizations.** - All real estate service practitioners shall be integrated into four (4)
30 professional organizations, one each for real estate consultants, real estate appraisers,
31 real estate assessors, and real estate brokers, which shall be recognized by the Board,
32 subject to the approval of the Commission, as the only accredited and integrated
33 professional organizations for each of the real estate service practitioners. A real estate
34 service practitioner duly registered with the Board shall automatically become a
35 member of his/her respective accredited and integrated professional organization of
36 real estate service practitioners, and shall receive the benefits and privileges

1 appurtenant thereto. Membership in the accredited and integrated professional
2 organizations of real estate service practitioners shall not be a bar to membership in
3 other associations of real estate service practitioners.

4
5 **SEC. 34. Code of Ethics and Responsibilities for Real Estate Service Practitioners. -**

6 The Board shall adopt and promulgate the Code of Ethics and Responsibilities for real
7 estate service practitioners which shall be prescribed and issued by the accredited and
8 integrated professional organizations of real estate service practitioners.

9
10 **SEC. 35. Continuing Professional Education (CPE) Program. -** The Board shall

11 develop, prescribe and promulgate guidelines on CPE upon consultation with the
12 accredited and integrated professional organization of real estate service practitioners,
13 affiliated association of real estate service practitioners and other concerned sectors, and
14 in accordance with such policies as may have been prescribed by the Board, subject to
15 the approval of the Commission. The Board shall create a CPE Council that shall be
16 composed of a chairperson coming from the Board, a member from the accredited and
17 integrated professional organizations of real estate service practitioners and a member
18 from the academe.

19
20 **SEC. 36. Enforcement Assistance to the Board. -** The Board shall be assisted by the

21 Commission in carrying out the provisions of this Act and its implementing rules 'and
22 regulations and other policies. The lawyers of the Commission shall act as prosecutors
23 against illegal practitioners and other violators of this Act and its rules. The duly
24 constituted authorities of the government shall likewise assist the Board and the
25 Commission in enforcing the provisions of this Act and its rules.

26
27 **SEC. 37. Indication of the Certificate of Registration, Professional Identification**

28 **Card/License Number, Privilege Tax Receipt (PTR) Number and Accredited**
29 **Professional Organization (APO) Number. -** Real estate service practitioners shall be
30 required to indicate the certificate of registration, professional identification card, PTR
31 number, and APO receipt number, and the date of issuance and the duration of validity
32 on the documents he/she signs, uses or issues in connection with the practice of his/her
33 profession.

34
35 **ARTICLE V**

36 **PENAL AND FINAL PROVISIONS**

1 **SEC. 38. Penal Provisions.** - Any violation of this Act, including violations of
2 implementing rules and regulations, shall be meted the penalty of a fine of not less than
3 one hundred thousand pesos (P100,000.00) but not more than one million pesos
4 (P1,000,000.00) or imprisonment of not less than six (6) months but not more than six (6)
5 years, or both such fine and imprisonment upon the discretion of the court. In case the
6 violation is committed by an unlicensed real estate service practitioner, the penalty shall
7 be double the aforesaid fine and imprisonment.

8
9 In case the violation is committed by a partnership, corporation, association or any
10 other juridical person, the partner, president, director or manager who has committed
11 or consented to or knowingly tolerated such violation shall be held directly liable and
12 responsible for the acts as principal or as a co-principal with the other participants, if
13 any.

14
15 **SEC. 39. Appropriations.** - The chairperson of the Professional Regulation Commission
16 shall immediately include in the Commission's programs the implementation of this
17 Act, the funding of which shall be included in the annual General Appropriations Act
18 and thereafter.

19
20 **SEC. 40. Transitory Provision.** - Within ninety (90) days from the effectivity of this Act,
21 the DTI - Bureau of Trade Regulation and Consumer Protection (BTRCP) shall transfer
22 all pertinent records, documents and other materials to the Professional Regulatory
23 Board of Real Estate Service.

24
25 **SEC. 41. Implementing Rules and Regulations.** - Within six (6) months after the
26 effectivity of this Act, the Commission, together with the Board and the accredited and
27 integrated professional organizations of real estate service practitioners and the CHED,
28 shall prepare the necessary rules and regulations, including the Code of Ethics and
29 Responsibilities for real estate service practitioners, needed to implement the provisions
30 of this Act.

31
32 **SEC. 42. Separability Clause.** - If any clause, sentence, paragraph or part of this Act
33 shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate
34 or impair any other part of this Act.

35
36 **SEC. 43. Repealing Clause.** -

1 a) Sections 3 (e) and (ee) of Act No. 2728, as amended by Act No. 3715 and Act No.
2 3969, Sections 472 and 473 of the Local Government Code of 1991 (RA 7160), and
3 pertinent provisions of the Civil Service Law are hereby modified accordingly.

4 b) All laws, decrees, executive orders, department or memorandum orders and
5 other administrative issuances or parts thereof which are inconsistent with the
6 provisions of this Act are hereby modified, superseded or repealed accordingly.

7
8 **SEC. 44. Effectivity.** - This Act shall take effect fifteen (15) days following its
9 publication in the Official Gazette or in a major daily newspaper of general circulation
10 in the Philippines.

11
12 Approved,