



HOUSE OF REPRESENTATIVES

H. No. 4847

BY REPRESENTATIVES DEL MAR, ZIALCITA, VALENCIA, NEPOMUCENO,
ANDAYA, ABAYON, OLAÑO, JALA, CHATTO, SOON-RUIZ, YAPHA,
RAMIRO, CARL, SILVERIO, BATERINA, MAGSAYSAY (M.), AQUINO (R.),
BONDOC, SOLIS, VILLAROSA, AGARAO, ROQUERO, JARAULA AND
MANGUDADATU, PER COMMITTEE REPORT NO. 1156

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

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

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ARTICLE I

TITLE, DECLARATION OF POLICY AND DEFINITION OF TERMS

SECTION 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. Hence, it shall develop and nurture competent,
virtuous, productive and well-rounded professional real estate service

1 practitioners whose standards of practice and service shall be excellent,
2 qualitative, world-class and globally competitive through inviolable, honest,
3 effective and credible licensure examinations and through regulatory measures,
4 programs and activities that foster their professional growth and development.

5 SEC. 3. *Definition of Terms.* – As used in this Act, the following terms
6 shall mean:

7 (a) “Real estate” refers to the land, building or other improvements
8 permanently attached to the land, including the rights and interest therein. It
9 shall include rural and urban land, and the development thereof which may be
10 residential, commercial, industrial, agricultural, aquacultural, land reclamation,
11 building or housing projects either for individual or condominium ownership,
12 memorial parks, town houses, club houses, and others of similar nature.

13 (b) “Real estate development project” refers to the development of land
14 for residential, commercial, industrial, agricultural, institutional or recreational
15 purposes, or any combination of such, including but not limited to tourist
16 resorts, reclamation projects, building or housing projects whether for
17 individual or condominium ownership, memorial parks, and others of similar
18 nature.

19 (c) “Real estate service practitioners” refer to and consist of the
20 following:

21 (1) “Real estate broker” refers to a duly registered and licensed natural
22 person holding a valid certificate of registration and a valid professional
23 identification card issued by the Board and the Commission who, for a fee,
24 commission or other valuable consideration, acts as an agent of a party in a real
25 estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or
26 effect the meeting of the minds on the sale, purchase, exchange, mortgage,
27 lease or joint venture, or other similar transactions on real estate or any interest
28 therein.

1 The first Board shall be organized within six months from the effectivity
2 of this Act. The first nominees shall be submitted to the Commission by the
3 professional organization of real estate service practitioners which shall be
4 accredited by the Commission.

5 *SEC. 5. Powers and Functions of the Board.* – The Board is hereby
6 vested with the following powers and functions:

7 (a) Provide comprehensive policy guidelines for the promotion and
8 development of the real estate industry;

9 (b) Promulgate, administer and enforce rules and regulations necessary
10 for carrying out the provisions of this Act;

11 (c) Supervise and regulate the registration, licensure and practice of
12 real estate service in the Philippines;

13 (d) Administer oaths in affirmations;

14 (e) Adopt an official seal of the Board;

15 (f) Issue, reinstate, suspend or revoke, after due notice and hearing,
16 certificate of registration or professional identification card for the practice of
17 the real estate service;

18 (g) Monitor the conditions affecting the practice of real estate service
19 and adopt such measures as may be proper for the enhancement of the
20 profession and/or the maintenance of high professional, ethical and technical
21 standards;

22 (h) Draw up recommendations to government agencies or departments
23 concerned for the purpose of rationalizing and coordinating real estate
24 transactions;

25 (i) Prescribe and/or adopt a Code of Ethics for the practice of the real
26 estate service;

27 (j) Hear or investigate any violation of this Act, implementing rules
28 and regulations, and the Code of Ethics for real estate service practitioners as

1 shall come to the knowledge of the Board and for this purpose, to issue
2 *subpoena* and *subpoena duces tecum* to secure the appearance of witnesses and
3 the production of documents in connection therewith;

4 (k) In coordination with the accredited and integrated professional
5 organization of real estate practitioners, monitor all forms of advertisements,
6 announcements, signboards, billboards, pamphlets, brochures and others of
7 similar nature concerning real estate, and provide every possible safeguard to
8 protect legitimate and licensed real estate service practitioners and in
9 pursuance thereof, exercise its quasi-judicial and regulatory powers to finally
10 and completely eradicate the pernicious practices of unauthorized and
11 unlicensed individuals or "*colorums*" engaged in real estate service;

12 (l) Prescribe guidelines and criteria for the Continuing Professional
13 Education (CPE) program for real estate service practitioners after consultation
14 with the accredited and integrated professional organization of real estate
15 service practitioners, and prescribe policies necessary for the upgrading,
16 enhancement, development and growth of real estate education in the
17 Philippines;

18 (m) Screen, issue and monitor permits to organizations of real estate
19 professionals in the industry who conduct seminars and to accredit such
20 seminars, as well as the instructors or lecturers therein for the purpose of
21 upgrading the quality and knowledge of the profession;

22 (n) Conduct examinations as prerequisite to the practice of the
23 profession and issue, adopt and prepare syllabi of the subjects for examination
24 by determining and preparing the questions which shall strictly be within the
25 scope of the syllabus of the subject for examination;

26 (o) Monitor the activities of the accredited and integrated professional
27 organization and other associations of real estate service practitioners; and

1 (p) Discharge such other powers, duties and functions as the
2 Commission may deem necessary to carry out the provisions of this Act.

3 The policies, resolutions, and rules and regulations issued or
4 promulgated by the Board shall be subject to the review and approval by the
5 Commission. However, the Board's decisions, resolutions or orders which are
6 not interlocutory, rendered in an administrative case, shall be subject to review
7 by the Commission only if on appeal.

8 SEC. 6. *Qualification of the Chairman and Members of the Board.* –

9 The chairman and members of the Board shall, at the time of their
10 appointment, possess the following qualifications:

11 (a) Must be a citizen and resident of the Philippines;

12 (b) Must be a holder of at least a bachelor's degree;

13 (c) Must be an active licensed practitioner of the real estate service,
14 either as real estate broker, appraiser or consultant for at least ten (10) years
15 prior to his/her appointment;

16 (d) Must be a bona fide member of the accredited and integrated
17 professional organization of real estate service practitioners but not an officer
18 at the time of his/her appointment;

19 (e) Must neither be a member of the faculty of an institute, school or
20 college of real estate service nor have any pecuniary interest, direct or indirect,
21 in any institution or association where review classes or lectures in preparation
22 for the licensure examination are being offered or conducted; and

23 (f) Must be of good moral character and must not have been convicted
24 by final judgment by a competent court of a criminal offense involving moral
25 turpitude.

26 SEC. 7. *Term of Office.* – The chairman and members of the Board
27 shall hold office for a term of three years from the date of their appointment
28 and until their successor/s shall have been appointed and duly qualified:

1 *Provided*, That members of the Board first appointed shall hold office for the
2 following terms: one member as chairperson for three years; one member for
3 two years and one member for one year.

4 The chairman and members of the Board may be reappointed for
5 another term but in no case shall he/she serve continuously for more than six
6 years. Any vacancy in the Board shall be filled for the unexpired portion of
7 the term only. The chairman and members of the first Board shall
8 automatically be registered and issued with a certificate of registration and
9 professional identification card.

10 Each member of the Board shall take the proper oath of office prior to
11 the assumption of duty.

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

18 SEC. 9. *Removal of the Chairman and Members of the Board.* – The
19 chairman or any member of the Board may be suspended or removed by the
20 President of the Philippines upon recommendation of the Commission for
21 neglect of duty, abuse of power, oppression, incompetence, unprofessional,
22 unethical, immoral or dishonorable conduct, commission or toleration of
23 irregularities in the conduct of examination or tampering of the grades therein,
24 or for any final judgment or conviction of any criminal offense involving moral
25 turpitude by the court after having been given the opportunity to defend
26 himself/herself in a proper administrative investigation.

27 SEC. 10. *Supervision of the Board, Custodian of its Records,*
28 *Secretariat and Support Services.* – The Board shall be under the general

1 development; condominium concept; real estate financing; taxation;
2 economics; basic principles of ecology; urban and rural land use; planning,
3 development and zoning; legal aspect of sale, mortgage, lease, documentation
4 and registration; agrarian and urban reform laws; Code of Ethics; and any other
5 related subjects as may be determined by the Board.

6 (b) For real estate appraisers – General real estate information; theories
7 and principles in appraisal; human and physical geography; methodology of
8 appraisal approaches and research; practical appraisal mathematics; appraisal
9 report writing; laws affecting real estate appraisal; income and investment
10 problems; appraisals of machineries and equipment; case studies; agrarian and
11 urban land reform laws; Code of Ethics; and any other related subjects as may
12 be determined by the Board.

13 (c) For real estate consultants – Pre-investment/feasibility studies;
14 design; process innovation; construction/installation and other technical
15 services on special studies; agrarian and urban land reform laws; Code of
16 Ethics; and any other related subjects as may be determined by the Board.

17 To conform with technological and modern changes, the Board may
18 recluster, rearrange, modify, add or exclude any of the foregoing subjects as
19 the need arises.

20 SEC. 14. *Qualifications of Applicants for Examinations.* – In order to
21 be admitted to the licensure examination for real estate service, a candidate
22 shall, at the time of filing his/her application, establish to the satisfaction of the
23 Board that he/she is:

24 (a) A citizen of the Philippines;

25 (b) At least eighteen (18) years of age;

26 (c) A holder of a bachelor's degree from a school, university or
27 institution duly recognized by the Commission on Higher Education (CHED):
28 *Provided, That, as soon as a course leading to a Bachelor's Degree in Real*

1 Estate Service is implemented by the CHED, the Board shall make this course
2 a requirement for taking the licensure examination;

3 (d) Competent in the knowledge of the field having attended and
4 completed an appropriate real estate seminar given by accredited entities in the
5 absence of a bachelors degree in real estate service; and

6 (e) Of good moral character and has not been convicted of any crime
7 involving moral turpitude.

8 An applicant for the licensure examination for real estate appraisers
9 must show proof that he/she has at least five years experience as a licensed real
10 estate broker, or as an assessor, or as bank or institutional appraiser, or an
11 employed person performing real property valuation.

12 An applicant for the licensure examination for real estate consultants
13 must show proof that he/she has at least ten (10) years experience as a licensed
14 real estate broker or at least five years experience as a licensed real estate
15 appraiser.

16 All applicants for examination shall be filed with the Board which shall
17 assess and approve the said applications and issue to the qualified examinees
18 the corresponding permit to take such examination.

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

23 SEC. 16. *Release of the Results of Examination.* – The results of the
24 licensure examination shall be released by the Board within ten (10) days from
25 the last day of the examination.

26 SEC. 17. *Issuance of the Certificate of Registration and Professional*
27 *Identification Card.* – A certificate of registration shall be issued to examinees
28 who pass the licensure examination for real estate service subject to payment

1 of fees prescribed by the Commission. The certificate of registration shall bear
2 the signature of the chairperson of the Commission and the chairman and
3 members of the Board, stamped with the official seal of the Commission,
4 indicating that the person named therein is entitled to practice the profession
5 with all the benefits and privileges appurtenant thereto. This certificate of
6 registration shall remain in full force and effect until revoked or suspended in
7 accordance with this Act.

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

14 SEC. 18. *Refusal to Register.* – The Board shall not register and issue a
15 certificate of registration to any successful examinee who has been convicted
16 by a court of competent jurisdiction of any criminal offense involving moral
17 turpitude or has been found guilty of immoral or dishonorable conduct after
18 investigation by the Board, or has been declared to be of unsound mind. The
19 reason for the refusal shall be set forth in writing.

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

1 SEC. 20. *Registration Without Examination.* – Upon application and
2 payment of the required fees, those who, on the date of the effectivity of this
3 Act, are already licensed as real estate broker, real estate appraiser or real
4 estate consultant by the Bureau of Domestic Trade by virtue of Ministry Order
5 No. 39, as amended, shall be registered and issued by the Board and the
6 Commission a certificate of registration and professional identification card
7 without taking the prescribed examinations: *Provided, That they shall file their*
8 *application within two years from the effectivity of this Act: Provided, further,*
9 *That the renewal of the professional identification card is subject to the*
10 *provisions of Section 17 hereof.*

11 SEC. 21. *Reinstatement, Reissuance or Replacement of Certificate of*
12 *Registration, Professional Identification Card and Special/Temporary Permit.*
13 – The Board may, upon application and for reasons deemed proper and
14 sufficient, reinstate any revoked certificate of registration and reissue a
15 suspended professional identification card, and in so doing it may, in its
16 discretion, exempt the applicant from taking another examination.

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

20 SEC. 22. *Roster of Real Estate Service Practitioners.* – The Board shall
21 prepare, update and maintain a roster of real estate service practitioners which
22 shall contain the names of all registered real estate service practitioners, their
23 residence and office addresses, dates of registration or issuance of certificates,
24 and other data which the Board may deem pertinent.

25 The roster shall be open to the public, copies of which shall be sent to
26 each real estate service practitioner listed therein.

27 SEC. 23. *Issuance of Special or Temporary Permit.* – Upon application
28 and payment of the required fees, and subject to the approval of the

1 Commission, the Board may issue special or temporary permit to real estate
2 service practitioners for the purpose of promoting or enhancing the practice of
3 the profession in the Philippines.

4 *SEC. 24. Foreign Reciprocity.* – No foreign real estate service
5 practitioner shall be admitted to the licensure examination or be given a
6 certificate of registration or professional identification card or be entitled to
7 any of the privileges under this Act unless the country of which he/she is a
8 citizen specifically allows Filipino real estate service practitioners to practice
9 within its territorial limits on the same basis as the citizens of such foreign
10 country.

11 ARTICLE IV

12 PRACTICE OF REAL ESTATE SERVICE

13 *SEC. 25. Oath.* – All successful examinees qualified for registration
14 and all qualified applicants for registration without examination as well as
15 licensed salespersons shall be required to take an oath of profession before any
16 member of the Board or any officer of the Commission duly authorized by the
17 Commission to administer oaths prior to entering into the practice of real estate
18 service in the Philippines.

19 *SEC. 26. Acts Constituting the Practice of Real Estate Service.* – Any
20 single act or transaction embraced within the provisions of Section 3 hereof
21 shall constitute an act of engaging in the practice of real estate service.

22 *SEC. 27. Exemptions from the Acts Constituting the Practice of Real*
23 *Estate Service.* – The provisions of this Act and its rules and regulations shall
24 not apply to the following:

25 (a) Any person, natural or juridical, who shall directly perform by
26 himself/herself the acts mentioned in Section 3 hereof with reference to his/her
27 or its own property;

1 (b) Any receiver, trustee or assignee in bankruptcy or insolvency
2 proceedings;

3 (c) Any person acting pursuant to the order of any court of justice;

4 (d) Public officers while performing their official duties; and

5 (e) Any person who is duly constituted attorney in fact for purposes of
6 sale, mortgage, lease or exchange or other similar contracts of real estate.

7 *SEC. 28. Prohibition Against the Unauthorized Practice of Real Estate*
8 *Service.* – No person shall practice or offer to practice real estate service in the
9 Philippines or offer himself/herself as real estate service practitioner, or use the
10 title, word, letter, figure, or any sign tending to convey the impression that one
11 is a real estate service practitioner, or advertise or indicate in any manner
12 whatsoever that one is qualified to practice the profession unless he/she has
13 satisfactorily passed the licensure examination given by the Board, except as
14 otherwise provided in this Act, and is a holder of a valid certificate of
15 registration/professional license and professional identification card or a valid
16 special/temporary permit duly issued to him/her by the Board and the
17 Commission.

18 *SEC. 29. Custody and Supervision of Real Estate Salespersons.* – A
19 real estate salesperson shall be under the custody and direct supervision of a
20 real estate broker. As such, he/she cannot by himself/herself be a signatory to
21 a written agreement involving a real estate transaction unless the real estate
22 broker who has custody and direct supervision over him/her is also a signatory
23 thereto. No real estate salesperson can negotiate, mediate or transact any real
24 estate transaction for and in behalf of a real estate broker without first securing
25 an authorized permit as real estate salesperson for the real estate broker and/or
26 company he/she is working for as prescribed by the Board. A real estate
27 broker shall be guilty of violating this Act for employing or utilizing the

1 services of a real estate salesperson who has not secured the required
2 professional license prior to such employment.

3 SEC. 30. *Corporate Practice of the Real Estate Service.* – (a) No
4 partnership or corporation shall engage in real estate service practice unless it
5 is duly registered and licensed by the Board, subject to approval by the
6 Commission and registered with the Securities and Exchange Commission
7 (SEC), and the persons authorized to act for the partnership or corporation are
8 all duly registered and licensed as brokers, appraisers or consultants, as the
9 case may be. The partnership or corporation shall regularly submit a list of its
10 real estate service practitioners to the Commission and to the SEC as part of its
11 annual reportorial requirements.

12 (b) Divisions or departments of corporations and partnerships engaged
13 in marketing or selling any real estate development project in the regular
14 course of business must be full-time licensed real estate brokers.

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

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

24 SEC. 31. *Display of License in the Place of Business.* – Every licensed
25 real estate service practitioner shall establish and maintain a principal place of
26 business and such other branch offices as may be necessary and shall
27 conspicuously display therein the original and/or certified true copies of his/her

1 certificate of registration as well as the licenses of all real estate service
2 practitioners employed in such office.

3 SEC. 32. *Accreditation and Integration of Real Estate Service*
4 *Practitioners.* – All real estate service practitioners shall be integrated into one
5 national organization, which shall be recognized by the Board subject to
6 approval by the Commission as the one and only accredited and integrated
7 professional organization of real estate service practitioners. A real estate
8 service practitioner duly registered with the Board shall automatically become
9 a member of the accredited and integrated professional organization of real
10 estate service practitioners and shall receive the benefits and privileges
11 appurtenant thereto. Membership in the accredited and integrated professional
12 organization of real estate service practitioners shall not be a bar to
13 membership in other associations of real estate service practitioners.

14 SEC. 33. *Code of Ethics for Real Estate Service Practitioners.* – The
15 Board, subject to approval by the Commission, shall adopt and promulgate the
16 Code of Ethics for real estate service practitioners which shall be prescribed
17 and issued by the accredited and integrated professional organization of real
18 estate service practitioners.

19 SEC. 34. *Continuing Professional Education (CPE) Program.* – The
20 CPE guidelines shall be prescribed and promulgated by the Board, subject to
21 approval by the Commission, upon consultation with the accredited and
22 integrated professional organization of real estate service practitioners and
23 other concerned sectors, and in accordance with such policies as may have
24 been prescribed in coordination with the CHED. The Board shall create a CPE
25 Council that shall be composed of a chairman who shall be chosen from among
26 the members of the Board, a member chosen from among the practitioners of
27 the accredited and integrated professional organization of real estate service
28 and a member chosen from the academe.

ARTICLE V

PENAL AND FINAL PROVISIONS

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3 SEC. 35. *Penal Provisions.* – Any violation of this Act, including
4 violations of implementing rules and regulations, shall be meted the penalty of
5 a fine of not less than One hundred thousand pesos (P100,000.00), or
6 imprisonment of not less than two years, or both such fine and imprisonment
7 upon the discretion of the court. In case the violation is committed by an
8 unlicensed realty estate service practitioner, the penalty shall be double the
9 aforesaid fine and imprisonment.

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

15 In case the offender is a government official or employee, he/she shall,
16 in addition to the above penalties, be deemed automatically dismissed from
17 office and permanently disqualified from holding any elective or appointive
18 position.

19 SEC. 36. *Enforcement Assistance to the Board.* – The Board shall be
20 assisted by the Commission in carrying out the provisions of this Act and its
21 implementing rules and regulations and other policies. The lawyers of the
22 Commission shall act as prosecutors against illegal practitioners and other
23 violators of this Act and its rules. The duly constituted authorities of the
24 government shall likewise assist the Board and the Commission in enforcing
25 the provisions of this Act and its rules.

26 SEC. 37. *Indication of License Number and Privilege Tax Receipt*
27 *(PTR) Number.* – Real estate service practitioners shall be required to indicate
28 the certificate of registration, professional identification card and PTR number,

1 date of issuance and the duration of validity on the documents he/she signs,
2 uses or issues in connection with the practice of his/her profession.

3 SEC. 38. *Appropriations.* – The chairperson of the Professional
4 Regulation Commission shall immediately include in the Commission’s
5 programs the implementation of this Act, the funding of which shall be
6 included in the annual General Appropriations Act.

7 SEC. 39. *Transitory Provision.* – Within ninety (90) days from the
8 effectivity of this Act, the Department of Trade and Industry shall transfer all
9 pertinent records, documents and other materials to the Professional
10 Regulatory Board of Real Estate Service.

11 SEC. 40. *Implementing Rules and Regulations.* – The Board, within
12 ninety (90) days from its constitution, subject to approval by the Commission,
13 and in coordination with the accredited and integrated professional
14 organization, shall promulgate and issue the rules and regulations and the Code
15 of Ethics for real estate service practitioners to implement the provisions of
16 this Act.

17 SEC. 41. *Separability Clause.* – If any clause, sentence, paragraph or
18 part of this Act shall be declared unconstitutional or invalid, such judgment
19 shall not affect, invalidate or impair any other part of this Act.

20 SEC. 42. *Repealing Clause.* – All laws, decrees, executive orders,
21 memorandum orders, and other administrative issuances and parts thereof
22 which are inconsistent with the provisions of this Act are hereby modified,
23 superseded or repealed accordingly.

24 SEC. 43. *Effectivity.* – This Act shall take effect fifteen (15) days
25 following its publication in the *Official Gazette* or in a major daily newspaper
26 of general circulation in the Philippines.

Approved,