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REPUBLIC OF THE PHILIPPINES
PROFESSIONAL REGULATION COMMISSION
PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE
Manila

IMPLEMENTING RULES AND REGULATIONS
OF THE REAL ESTATE SERVICE ACT OF THE PHILIPPINES

Pursuant to Sec. 42 of Republic Act No. 9646, "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" or the "Real Estate Service Act of the Philippines," the following Implementing Rules and Regulations are hereby adopted.

RULE I

TITLE OF THE RULES, DECLARATION OF POLICY &
DEFINITION OF TERMS

SECTION 1. *Title* - These Rules shall be known as "THE RULES AND REGULATIONS IMPLEMENTING THE PROVISIONS OF REPUBLIC ACT NO. 9646" otherwise known as the "Real Estate Service Act of the Philippines."

SECTION 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 estate industry.

SECTION 3. *Definition of Terms* – As used in these Rules, the following terms shall be defined as follows:

- a. "Appraiser" also known as valuer, refers to a person who conducts valuation/appraisal; specifically, one who possesses the necessary qualifications, license, ability and experience to execute or direct the valuation/appraisal of real property.
- b. "Assessor" refers to an official in the local government unit, who performs appraisal and assessment of real properties, including plants, equipment, and machineries, essentially for taxation purposes. This definition also includes assistant assessors.
- c. "Real estate" refers to the land and all those items which are attached to the land. It is the physical, tangible entity, together with all the additions or improvements on, above or below the ground.
- d. "Real estate development project" means the development of land for residential, commercial, industrial, agricultural, institutional or recreational purposes, or any combination of such including, but not limited to, tourist resorts, reclamation projects, building or housing projects, whether for individual or condominium ownership, memorial parks and others of similar nature.
- e. "Real estate developer" refers to any natural or juridical person engaged in the business of developing real estate development project for his/her or its own account and offering them for sale or lease.
- f. "Real property" includes all the rights, interests and benefits related to the ownership of real estate.
- g. "Real estate service practitioners" shall refer to and consist of the following:

- 62 i. Real estate consultant – a duly registered and licensed -natural person who, for a
63 professional fee, compensation or other valuable consideration, offers or renders
64 professional advice and judgment on: (i) the acquisition, enhancement, preservation,
65 utilization or disposition of lands or improvements thereon; and (ii) the conception,
66 planning, management and development of real estate projects.
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- 68 ii. Real estate appraiser – a duly registered and licensed natural person who, for a
69 professional fee, compensation or other valuable consideration, performs or renders,
70 or offers to perform services in estimating and arriving at an opinion of or acts as an
71 expert on real estate values, such services of which shall be finally rendered by the
72 preparation of the report in acceptable written form.
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- 74 iii. Real estate assessor — a duly registered and licensed natural person who works in a
75 local government unit and performs appraisal and assessment of real properties,
76 including plants, equipment, and machineries, essentially for taxation purposes.
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- 78 iv. Real estate broker - a duly registered and licensed natural person who, for a
79 professional fee, commission or other valuable consideration, acts as an agent of a
80 party in a real estate transaction to offer, advertise, solicit, list, promote, mediate,
81 negotiate or effect the meeting of the minds on the sale, purchase, exchange,
82 mortgage, lease or joint venture, or other similar transactions on real estate or any
83 interest therein.
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- 85 v. Real estate salesperson - a duly accredited natural person who performs service for,
86 and in behalf of. a real estate broker who is registered and licensed by the
87 Professional Regulatory Board of Real Estate Service for or in expectation of a
88 share in the commission, professional fee, compensation or other valuable
89 consideration.
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- 91 **h. Accredited Professional Organization (APO) of Real Estate Service Practitioners –**
92 **the integrated national organization recognized by the Board, as may be approved**
93 **by the Commission, composed of natural persons duly registered and licensed by the**
94 **Commission to practice real estate.**

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96 **RULE II**

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

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100 **SECTION 4.** *Creation and Composition of the Board* – There is hereby created a Professional
101 Regulatory Board of Real Estate Service, hereinafter referred to as the Board, under the
102 supervision and administrative control of the Professional Regulation Commission (PRC),
103 hereinafter referred to as the Commission, composed of a chairperson and four (4) members who
104 shall be appointed by the President of the Philippines from the three (3) recommendees chosen
105 by the Commission from a list of five (5) nominees per position submitted by the accredited and
106 integrated professional organization of real estate service practitioners: Provided, That two (2) of
107 the members of the Board shall represent the government assessors and appraisers. The first
108 Board shall be organized within six (6) months from the effectivity of this Act.
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110 **SECTION 5.** *Powers and Functions of the Board.* – The Board is hereby vested the following
111 powers and functions:
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- 113 1. Provide comprehensive policy guidelines for the promotion and development of the real
114 estate industry;
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- 116 2. Conduct licensure examinations for the practice of the real estate service profession and
117 prescribe the appropriate, syllabi of the subjects for examination;
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- 119 3. Issue, suspend, revoke or reinstate, after due notice and hearing, certificates of registration
120 or professional identification cards for the practice of real estate service;

- 121 4. Maintain a comprehensive and updated register of licensed real estate service
122 professionals;
- 123 5. Monitor the conditions affecting the practice of real estate service and adopt such measures
124 as may be proper for the enhancement of the profession and/or the maintenance of high
125 professional, ethical and technical standards;
- 126 6. Adopt a national Code of Ethics and Responsibilities to be strictly observed by all licensed
127 real estate service practitioners;
- 128 7. Hear or investigate any violation of the Act, its implementing rules and regulations, and
129 the Code of Ethics and Responsibilities for real estate service practitioners
130 and issue subpoena and subpoena duces tecum to secure the appearance of witnesses and
131 the production of documents in connection therewith;
- 132 8. Safeguard and protect legitimate and licensed real estate service practitioners and, in
133 coordination with the accredited and integrated professional organization of real
134 estate service practitioners, monitor all forms of advertisements, announcements,
135 signboards, billboards, pamphlets, brochures and others of similar nature concerning real
136 estate and, where necessary, exercise its quasi-judicial and administrative powers to finally
137 and completely eradicate the pernicious practices of unauthorized or unlicensed
138 individuals;
- 139 9. Prescribe, in cooperation with the Commission on Higher Education (CHED) or the
140 concerned state university or college, the essential requirements as to the curricula
141 and facilities of schools, colleges or universities seeking permission to open academic
142 courses or already offering such courses in real estate service, and to see to it that these
143 requirements, including the employment of qualified faculty members, are properly
144 complied with;
- 145 10. Promulgate, administer and enforce rules and regulations necessary in carrying out the
146 provisions of the Act;
- 147 11. Supervise and regulate the registration, licensure and practice of real estate service in
148 the Philippines;
- 149 12. Assess and fix the rate of reasonable regulatory fees;
- 150 13. Administer oaths and affirmations;
- 151 14. Adopt an official seal of the Board;
- 152 15. Evaluate periodically the status of real estate service education and profession, and
153 recommend and/or adopt measures to upgrade and maintain its high standard;
- 154 16. Prescribe guidelines and criteria for the Continuing Professional Education (CPE) program
155 for real estate service practitioners in consultation with the accredited and
156 integrated professional organization of real estate service practitioners;
- 157 17. Screen, issue and monitor permits to organizations of real estate professionals in the
158 conduct of seminars and accredit such seminars pursuant to the CPE program, as well as
159 the instructors or lecturers therein, for the purpose of upgrading the quality and knowledge
160 of the profession;
- 161 18. Monitor and supervise the activities of the accredited and integrated professional
162 organization and other associations of real estate service practitioners; and
- 163 19. Discharge such other powers, duties and functions as the Commission may deem necessary
164 to carry out the provisions of this Act.

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

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SECTION 6. *Qualifications of the Chairperson and Members of the Board.* The Chairperson and the Members of the Board shall, at the time of their appointment, possess the following qualifications:

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1. A citizen and resident of the Philippines;
2. A holder of a bachelor's degree related to real estate;
3. An active licensed practitioner of real estate service for at least ten (10) years prior to his/her appointment;
4. A bona fide member in good standing of the accredited and integrated professional organization of real estate service practitioners but not an officer or trustee at the time of his/her appointment;
5. Neither be a member of the faculty of an institute, school, college or university, nor have any pecuniary interest, direct or indirect, in any institution or association where review classes or lectures in preparation for the licensure examination are being offered or conducted; and
6. Of good moral character, and must not have been convicted by final judgment by a competent court of a criminal offence involving moral turpitude.

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SECTION 7. *Term of Office.* The chairperson and the members of the Board shall hold office for a term of three (3) years from the date of their appointment and until their successor/s shall have been appointed: Provided, That the members of the first appointed Board shall hold office for the following terms: one (1) member as chairperson, to serve for three (3) years; two (2) members, to serve for two (2) years; and two (2) members, to serve for one (1) year.

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The Chairperson and the Members of the Board may be reappointed for a second 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 the term of the member who vacated the position. On the constitution of the first Board, the Chairperson and the Members of the Board shall automatically be registered and issued Certificates of Registration and Professional Identification Cards. Each member of the Board shall take the proper oath of office prior to the assumption of duty.

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

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SECTION 9. *Removal of the Chairperson and Members of the Board.* The chairperson or any member of the Board may be suspended or removed by the President of the Philippines, upon the recommendation of the Commission **on the following grounds:**

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1. Neglect of duty;
2. Abuse of power;
3. Oppression;
4. Incompetence;
5. Unprofessional, unethical conduct;
6. Immoral or dishonourable conduct;
7. Commission or toleration of irregularities in the conduct of examination;
8. Tampering of the grades therein,
9. For any final judgment or conviction of any criminal offence involving moral turpitude.

215 **SECTION 10.** *Supervision of the Board, Custodian of its Records, Secretariat and Support*
216 *Services.* The Board shall be under the general supervision and administrative control of the
217 Commission. All records of the Board, including applications for examination, examination
218 papers and results, minutes of deliberations, administrative and other investigative cases
219 involving real estate service practitioners, shall be kept by the Commission. The Commission
220 shall designate the secretary of the Board and shall provide the secretariat and other support
221 services to implement the provisions of RA No. 9646 subject to the usual government accounting
222 and auditing rules and regulations.

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

230 RULE III

232 LICENSURE EXAMINATION AND REGISTRATION

233 **SECTION 12.** *Licensure Examination.* Every applicant seeking to be registered and licensed as
234 a real estate service practitioner, except a real estate salesperson, shall undergo an examination to
235 be given by the Board as provided for in RA No. 9646. Examinations for the practice of real
236 estate service in the Philippines shall be given by the Board in such places and dates as the
237 Commission may designate.

238 **SECTION 13.** *Scope of Examination.* The licensure examination for the applicants for real
239 estate brokers, real estate appraisers and real estate consultants shall cover, but not limited to, the
240 following:

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- 242 1. For real estate consultants:
- 243 a. fundamentals of real estate consulting;
- 244 b. Standards and ethics;
- 245 c. Consulting tools and techniques, which include project feasibility study and
- 246 investment measurement tools;
- 247 d. Real estate finance and economics;
- 248 e. Real estate consulting and investment analyses;
- 249 f. Consulting for specific engagement, which includes consulting for commercial,
- 250 industrial, recreation and resort and hotel properties, and consulting for
- 251 government and corporate and financial institutions;
- 252 g. Land management system and real property laws; and
- 253 h. any other related subjects as may be determined by the Board;
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- 255 2. For real estate appraisers:
- 256 a. Fundamentals of real estate principles and practices;
- 257 b. Standards and ethics;
- 258 c. Theories and principles in appraisal;
- 259 d. Human and physical geography;
- 260 e. Methodology of appraisal approaches;
- 261 f. Valuation procedures and research;
- 262 g. Appraisal of machinery and equipment;
- 263 h. Practical appraisal mathematics;
- 264 i. Appraisal report writing;
- 265 j. Real estate finance and economics;
- 266 k. Case studies;
- 267 l. Land management system and real property laws; and
- 268 m. any other related subjects as may be determined by the Board; and
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- 270 3. For real estate brokers:
- 271 a. Fundamentals of property ownership;
- 272 b. Code of ethics and responsibilities;
- 273 c. Legal requirements for real estate service practice;

- 274 d. Real estate brokerage practice;
- 275 e. Subdivision development;
- 276 f. Condominium concept;
- 277 g. Real estate finance and economics;
- 278 h. Basic principles of ecology;
- 279 i. Urban and rural land use;
- 280 j. Planning, development and zoning;
- 281 k. Legal aspect of sale, mortgage and lease;
- 282 l. Documentation and registration;
- 283 m. Real property laws; and
- 284 n. any other related subjects as may be determined by the Board.

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286 To conform to technological and modern developments, the Board may re-cluster, rearrange,
287 modify, add to, or exclude any of the foregoing subjects **and their syllabi** as may be necessary.

288 **SECTION 14. *Qualification of Applicants for Examinations.*** In order to be admitted to the
289 licensure examination for real estate service, a candidate at the time of filing his/her application,
290 shall establish to the satisfaction of the Board that he/she possesses the following qualifications:

- 291 1. A citizen of the Philippines;
- 292 2. A holder of a relevant bachelor's degree from a state university or college, or other
293 educational institution duly recognized by the CHED: *Provided, that* as soon as a
294 course leading to a Bachelor's degree in Real Estate Service is implemented by the CHED,
295 the Board shall make this course a requirement for taking the licensure examination.
- 296 3. Is of good moral character, and must not have been convicted of any crime involving
297 moral turpitude.
- 298 4. An applicant for the licensure examination for real estate consultants must show proof that
299 he/she has at least ten (10) years experience as a licensed real estate broker or an assessor,
300 or as a bank or institutional appraiser or an employed person performing real property
301 valuation, or at least five (5) years experience as a licensed real estate appraiser; ***Provided,***
302 ***that such applicant for Real Estate Broker shall have taken eighteen (18) units of real***
303 ***estate subjects and applicant for Real Estate Appraiser shall have taken twenty (24)***
304 ***units of real estate subjects as stated in Section 13 hereof, as may be determined by***
305 ***the Board.***

306 All applications for examination shall be filed with the Board which shall assess and approve
307 said applications and issue to the qualified examinees the corresponding permits to take such
308 examination **in accordance with the requirements set by the Commission.**

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310 **SECTION 15. *Ratings in the Examination.*** In order that a candidate may be deemed to have
311 successfully passed the examination, he/she must have obtained an average of at least seventy-
312 five percent (75%) in all subjects, with no rating below fifty percent (50%) in any subject. **The**
313 **Board may adopt its own internal procedures on the implementation of this provision.**
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315 **SECTION 16. *Release of the Results of Examination.*** The results of the licensure examination
316 shall be released by the Board within ten (10) days from the last day of the examination. **The**
317 **result shall be published in a newspaper of general circulation. *Provided, that the report of***
318 **rating may be distributed to the successful examinees as may be determined by the**
319 **Commission.**

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321 **SECTION 17. *Issuance of the Certificate of Registration and Professional Identification Card.***
322 A certificate of registration shall be issued to examinees who pass the licensure examination for
323 real estate service practice, subject to payment of fees prescribed by the Commission. The
324 certificate of registration shall bear the signature of the chairperson of the Commission and the
325 chairperson and the members of the Board, stamped with the official seal of the Commission,
326 indicating that the person named therein is entitled to practice the profession with all the benefits

327 and privileges appurtenant thereto. This certificate of registration shall remain in full force and
328 effect until revoked or suspended in accordance with R.A. No. 9646.

329 A Professional Identification Card bearing the registration number, date of issuance and expiry
330 date, duly signed by the chairperson of the Commission, shall likewise be issued to every
331 registrant. upon payment of the required fees. The professional identification card shall be
332 renewed every three (3) years and upon satisfying the requirements of the Board such as, but not
333 limited to, attendance in the CPE program.

334 **SECTION 18. Refusal to Register.** The Board shall not register and issue a certificate of
335 registration to any successful examinee who has been convicted by a court of competent
336 jurisdiction of any criminal offense involving moral turpitude or has been found guilty of
337 immoral or dishonorable conduct after investigation by the Board, or has been found to
338 be psychologically unfit.

339 **SECTION 19. Revocation or Suspension of the Certificate of Registration and the Professional**
340 **Identification Card or Cancellation of Special/Temporary Permit.** The Board may, after giving
341 proper notice and hearing to the party concerned, revoke the certificate of registration and the
342 professional identification card, or cancel the special/temporary permit of a real estate service
343 practitioner, or suspend him/her from the practice of the profession on any of the following
344 instances hereunder:

- 345 1. Procurement of a certificate of registration and/or professional identification card, or
346 special/temporary permit by fraud or deceit;
- 347 2. Allowing an unqualified person to advertise or to practice the profession by using one's
348 certificate of registration or professional identification card, or special/temporary permit;
- 349 3. Unprofessional or unethical conduct;
- 350 4. Malpractice or violation of any of the provisions of this Act, its implementing rules and
351 regulations, and the Code of Ethics and Responsibilities for real estate service
352 practitioners; and
- 353 5. Engaging in the practice of the profession during the period of one's suspension.

354 **SECTION 20. Registration Without Examination.** Upon application and payment of the
355 required fees, the following shall be registered, and shall be issued by the Board and
356 the Commission a certificate of registration and a professional identification card without taking
357 the prescribed examination:

- 358 1. Those who, on the date of the effectivity of **R.A. No. 9646 or as of 31 July 2009**, are
359 already licensed as real estate brokers, real estate appraisers or real estate consultants by
360 the Department of Trade and Industry (DTI) by virtue of Ministry Order No. 39, as
361 amended, provided that they are in active practice as real estate brokers, real estate
362 appraisers and real estate consultants, and have undertaken relevant Continuing
363 Professional Education (CPE) to the satisfaction of the Board; **Provided that the following**
364 **practitioners shall be allowed to register:**
 - 365 a. **Any active licensee who has secured or earned fifteen (15) CPE credit units;**
 - 366 b. **Those who failed to renew as of 31 July 2009 but have secured or earned twenty-**
367 **four (24) CPE credit units;**
 - 368 c. **Those who have passed the May 2009 licensure examinations given by the DTI**
369 **but failed to obtain their license upon the effectivity of the Act and have secured**
370 **or earned twelve (12) CPE credit units;**
 - 371 d. **Those who have passed the May 2008 licensure examinations given by the DTI**
372 **but failed to obtain their license upon the effectivity of the Act and have secured**
373 **fifteen (15) CPE credit units;**

374 **Provided finally, that real estate practitioners falling under the above-described**
375 **categories who fail to comply with the necessary CPE requirements within two (2)**

376 years after the effectivity of the Act, on or before 31 July 2011, shall be required to
377 take the licensure examination.

378 2. Assessors and appraisers who, on the date of the effectivity of **R.A. No. 9646 or as of 31**
379 **July 2009**, hold permanent appointments and are performing actual appraisal and
380 assessment functions for the last five (5) years, have passed the Real Property
381 Assessing Officer (RPAO) examination conducted and administered by the Civil Service
382 Commission (CSC) in coordination with the Department of Finance (DOF), and have
383 undertaken relevant CPE to the satisfaction of the Board; and

384 3. Assessors and appraisers who, on the date of the effectivity of **R.A. No. 9646 or as of 31**
385 **July 2009**, hold permanent appointments and have at least ten (10) years actual experience
386 in real property appraisal or assessment and have completed at least one hundred twenty
387 (120) hours of accredited training on real property appraisal conducted by national or
388 international appraisal organizations or institutions/entities recognized by the Board and
389 relevant CPE to the satisfaction of the Board.

390 Those falling under categories (2) and (3) shall register with the Board after they shall have
391 complied with the requirements for registration as real estate appraisers, **as stated in**
392 **paragraph (1) heretofore**. *Provided*, that those seeking to be licensed to a new
393 credential level shall be required to take the pertinent licensure examination.

394 **All CPEs conducted prior to the implementation of these Rules shall be accredited and**
395 **recognized by the Board upon recommendation of the Accredited Professional**
396 **Organization (APO), including those conducted by the Department of Finance (DOF)**
397 **through the Bureau of Local Government Finance (BLGF) and other government**
398 **agencies. The Board reserves the right to reject any CPE which it deems not relevant to**
399 **the practice of real estate service. However, upon implementation of these Rules, all**
400 **CPEs shall be subject to the prior approval of the Board.**

401 Those so exempt under the aforementioned categories shall file their application within two (2)
402 years from the effectivity of **Republic Act No. 9646 or until 31 July 2011**. *Provided* that the
403 renewal of the professional identification card is subject to the provisions of Section 17 hereof.

404 **SECTION 21. Reinstatement, Re-issuance or Replacement of Certificate of Registration,**
405 **Professional Identification Card and Special/Temporary Permit.** The Board may, after
406 the expiration of two (2) years from the date of revocation of a certificate of registration and/or
407 professional identification card, and upon application and compliance with the required CPE
408 units, and for reasons deemed proper and sufficient, reinstate any revoked certificate of
409 registration and reissue a suspended professional identification card and in so doing, may, in
410 its discretion, exempt the applicant from taking another examination; ***Provided that, the Board***
411 **shall issue a resolution subject to the approval of the Commission in granting a petition for**
412 **reinstatement to the practice of real estate service profession.** A new certificate of
413 registration, professional identification card or special/temporary permit may be issued to replace
414 lost, destroyed or mutilated ones, subject to the rules as may be promulgated by the Board **and**
415 **the Commission, upon payment of the required fees.**

416 **SECTION 22. Roster of Real Estate Service Practitioners.** The Board, in coordination with
417 the AIPO of real estate service practitioners, shall prepare, update and maintain a roster of real
418 estate service practitioners which shall contain the names of all registered real estate service
419 practitioners, their residence and office addresses, license numbers, dates of registration or
420 issuance of certificates, and other data which the Board may deem pertinent. Copies thereof shall
421 be made available to the public upon request

422 **SECTION 23. Issuance of Special/Temporary Permit.** Upon application and payment of the
423 required fees and. subject to the approval of the Commission, the Board may issue
424 special/temporary permit to real estate service practitioners from foreign countries whose
425 services are urgently needed in the absence or unavailability of local real estate service
426 practitioners for the purpose of promoting or enhancing the practice of the profession in the
427 Philippines.

428 **SECTION 24. Foreign Reciprocity.** No foreign real estate service practitioner shall be admitted
429 to the licensure examination, be given a certificate of registration or a professional identification

430 car, be issued a Special/Temporary Permit, or be entitled to any of the privileges under this Act
431 unless the country of which he/she is a citizen of specifically allows Filipino real estate service
432 practitioners to practice within its territorial limits on the same basis as the citizens of such
433 foreign country.

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RULE IV

PRACTICE OF REAL ESTATE SERVICE

439 **SECTION 25.** *Oath.* All successful examinees qualified for registration, all qualified applicants
440 for registration without examination and accredited salespersons shall be required to take an oath
441 before any member of the Board or any officer of the Commission duly authorized by the
442 Commission to administer oaths prior to entering into the practice of real estate service in
443 the Philippines.

444 **SECTION 26.** *Professional Indemnity Insurance/Cash or Surety Bond.* All real estate brokers
445 and private real estate appraisers shall, in addition to the oath referred to in the preceding section,
446 be required to post a professional indemnity insurance/cash or surety bond, in an amount to be
447 determined by the Board, which in no case shall be less than Twenty thousand pesos
448 (P20,000.00), without prejudice to the additional requirement of the client. It will be renewable
449 every three (3) years.

450 **SECTION 27.** *Acts Constituting the Practice of Real Estate Service.* Any single act or
451 transaction embraced within the provisions of **Section 3(g), Rule II** hereof, as performed by real
452 estate service practitioners, shall constitute an act of engaging in the practice of real estate
453 service.

454 **SECTION 28.** *Exemptions from the Acts Constituting the Practice of Real Estate Service.* The
455 provisions of R.A. No. 9646 and this IRR shall not apply to the following:

- 456 1. Any person, natural or juridical, who shall directly perform by himself/herself the acts
457 mentioned in Section 3 hereof with reference to his/her or its own property, except real
458 estate developers **with respect to their external brokers or agents;**
- 459 2. Any receiver, trustee or assignee in bankruptcy or insolvency proceedings,
- 460 3. Any person acting pursuant to the order of any court of justice
- 461 4. Any person who is a duly constituted attorney-in-fact for purposes of sale, mortgage, lease
462 or exchange, or other similar contracts of real estate, without requiring any form of
463 compensation or remuneration; and
- 464 5. Public Officers in the performance of their official duties and functions, except
465 government assessors and appraisers.

466 **SECTION 29.** *Prohibition Against the Unauthorized Practice of Real Estate Service.* No
467 person shall practice or offer to practice real estate service in the Philippines or offer
468 himself/herself as real estate service practitioner, or use the title, word, letter, figure or any sign
469 tending to convey the impression that one is a real estate service practitioner, or advertise or
470 indicate in any manner whatsoever that one is qualified to practice the profession, or be
471 appointed as real property appraiser or assessor in any national government entity or local
472 government unit, unless he/she has satisfactorily passed the licensure examination given by the
473 Board, except as otherwise provided **in these Rules** is a holder of a valid certificate of
474 registration and professional identification card or a valid special/temporary permit duly issued
475 to him/her by the Board and the Commission; and, in the case of real estate brokers and private
476 appraisers, they have paid the required bond as hereto provided.

477 **SECTION 30.** *Positions in Government Requiring the Services of Registered and Licensed*
478 *Real Estate Service Practitioners.* Within three (3) years from the effectivity of RA No. 9646,
479 all existing and new positions in the national and local governments, whether career, permanent,
480 temporary or contractual, primarily requiring the services of any real estate service practitioner,
481 shall be filled only by registered and licensed real estate service practitioners.

482 All incumbent assessors holding permanent appointments shall continue to perform their
483 functions without need for re appointment and without diminution of status, rank and salary
484 grade, and shall enjoy security of tenure. However, they may not be promoted to a higher
485 position until they meet the qualification requirements of that higher position as
486 herein prescribed. Nothing in this Act shall be construed to reduce any benefit, interest, or right
487 enjoyed by the incumbents at the time of the enactment of this Act. The appointing
488 authority shall exercise his power to appoint the assessor in accordance with the provisions of
489 this Act only when a vacancy occurs.

490 **SECTION 31. *Supervision of Real Estate Salespersons.*** For real estate salespersons, no
491 examination shall be given, but they shall be accredited by the Board, provided that they have
492 completed at least two (2) years of college and have undergone training and seminars **of at least**
493 **twelve (12) credit units** in real estate brokerage, **and** as may be required by the Board. Real
494 estate salespersons shall be under the direct supervision and accountability of a real estate
495 broker. As such, they cannot by themselves be signatories to a written agreement involving a
496 real estate transaction unless the real estate broker who has direct supervision and accountability
497 over them is also a signatory thereto. No real estate salesperson, either directly or indirectly, can
498 negotiate, mediate or transact any real estate transaction for and in behalf of a real estate broker
499 without first securing an authorized accreditation as real estate salesperson for the real estate
500 broker, as prescribed by the Board. A real estate broker shall be guilty of violating this Act for
501 employing or utilizing the services of a real estate salesperson when he/she has not secured the
502 required accreditation from the Board prior to such employment.

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

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

511 **SECTION 32. *Corporate Practice of the Real Estate Service.***

512 1. No partnership or corporation shall engage in the business of real estate service unless it is
513 duly registered with the Securities and Exchange Commission (SEC), and the persons
514 authorized to act for the partnership or corporation are all duly registered and licensed real
515 estate brokers, appraisers or consultants, as the case may be.

516 2. The partnership or corporation shall regularly submit a list of its real estate service
517 practitioners to the Commission and to the SEC as part of its annual reportorial
518 requirements. There shall at least be one (1) licensed real estate broker for every twenty
519 (20) accredited salespersons. Divisions or departments of partnerships and corporations
520 engaged in marketing or selling any real estate development project in the regular course of
521 business must be headed by full-time registered and licensed real estate brokers.

522 3. Branch offices of real estate brokers, appraisers or consultants must be manned by a duly
523 licensed real estate broker, appraiser or consultant as the case may be.

524 In case of resignation or termination from employment of a real estate service practitioner,
525 the same shall be reported by the employer to the Board within a period not to exceed
526 fifteen (15) days from the date of effectivity of the resignation or termination. Subject to
527 the provisions of the Labor Code, a corporation or partnership may hire the services of
528 registered and licensed real estate brokers, appraisers or consultants on commission basis
529 to perform real estate services and the latter shall be deemed independent contractors and
530 not employees of such corporations.

531 **SECTION 33. *Display of License in the Place of Business.*** Every registered and licensed real
532 estate service practitioner shall establish and maintain a principal place of business and such
533 other branch offices as may be necessary, and shall conspicuously display therein the original
534 and/or certified true copies of his/her certificate of registration as well as the certificates of
535 registration of all the real estate service practitioners employed in such office.

536 **SECTION 34.** *Accreditation and Integration of Real Estate Service Associations.* All real
537 estate service associations shall be integrated into one (1) national organization, which shall be
538 recognized by the Board, subject to the approval of the Commission, as the only accredited and
539 integrated professional organization of real estate service practitioners.

540 A real estate service practitioner duly registered with the Board shall automatically become a
541 member of the accredited and integrated professional organization of real estate
542 service practitioners, and shall receive the benefits and privileges appurtenant thereto.
543 Membership in the accredited and integrated professional organization of real estate service
544 practitioners shall not be a bar to membership in other associations of real estate service
545 practitioners.

546 **SECTION 35.** *Code of Ethics and Responsibilities for Real Estate Service Practitioners.* The
547 Board shall adopt and promulgate the Code of Ethics and Responsibilities for real estate service
548 practitioners which shall be prescribed and issued by the accredited and integrated professional
549 organization of real estate service practitioners.

550 **SECTION 36.** *Continuing Professional Education (CPE) Program.* The Board shall develop,
551 prescribe and promulgate guidelines on CPE upon consultation with the accredited
552 and integrated professional organization of real estate service practitioners, affiliated association
553 of real estate service practitioners and other concerned sectors, and in accordance with such
554 policies as may have been prescribed by the Board, subject to the approval of the Commission.
555 The Board shall create a CPE Council that shall be composed of a chairperson coming from the
556 Board, a member from the accredited and integrated professional organization of real estate
557 service practitioners and a member from the academe.

558 **SECTION 37.** *Enforcement Assistance to the Board.* The Board shall be assisted by the
559 Commission in carrying out the provisions of this Act and its implementing rules and regulations
560 and other policies. The lawyers of the Commission shall act as prosecutors against illegal
561 practitioners and other violators of this Act and its rules. The duly constituted authorities of the
562 government shall likewise assist the Board and the Commission in enforcing the provisions of
563 this Act and its rules.

564 **SECTION 38.** *Indication of the Certificate of Registration, Professional Identification
565 Card/License Number, Privilege Tax Receipt (PTR) Number and Accredited
566 Professional Organization (APO) Number.* Real estate service practitioners shall be required to
567 indicate the certificate of registration, professional identification card, PTR number, and APO
568 receipt number, and the date of issuance and the duration of validity on the documents he/she
569 signs, uses or issues in connection with the practice of his/her profession.

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RULE V

PENAL AND FINAL PROVISIONS

575 **SECTION 39.** *Penal Provisions.* Any violation of R.A. 9646, including violations of this IRR,
576 shall be meted the penalty of a fine of not less than one hundred thousand pesos (P100,000.00) or
577 imprisonment of not less than two (2) years, or both such fine and imprisonment upon the
578 discretion of the court. In case the violation is committed by an unlicensed real estate service
579 practitioner, the penalty shall be double the aforesaid fine and imprisonment.

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

584 **SECTION 40.** *Appropriations.* The chairperson of the Professional Regulation Commission
585 shall immediately include in the Commission's programs the implementation of this Act, the
586 funding of which shall be included in the annual General Appropriations Act and thereafter.

587 **SECTION 41.** *Transitory Provision.* Within ninety (90) days from the effectivity of this Act,
588 the DTI - Bureau of Trade Regulation and Consumer Protection (BTRCP) shall transfer all

589 pertinent records, documents and other materials to the Professional Regulatory Board of Real
590 Estate Service.

591 **SECTION 42.** *Implementing Rules and Regulations.* Within six (6) months after
592 the effectivity of this Act, the Commission, together with the Board and the accredited and
593 integrated professional organization of real estate service practitioners, the Department of
594 Finance, and the CHED, shall prepare the necessary rules and regulations, including the Code of
595 Ethics and Responsibilities for real estate service practitioners, needed to implement the
596 provisions of these Rules.

597 **SECTION 43.** *Separability Clause.* If any clause, sentence, paragraph or part of these Rules
598 shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate or
599 impair any other part of these Rules.

600 **SECTION 44.** *Repealing Clause.*

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

604 2. All laws, decrees, executive orders, department or memorandum orders and other
605 administrative issuances or parts thereof which are inconsistent with the provisions of this
606 Act are hereby modified, superseded or repealed accordingly.

607 **SECTION 45.** *Effectivity.* These Rules shall take effect fifteen (15) days following its
608 publication in the Official Gazette or in a major daily newspaper of general circulation in
609 the Philippines.