



FILIPINOHOMES
INSTITUTE *OF* REAL ESTATE

RESA LAW

REPUBLIC ACT NO. 9646 AND IT'S IRR

MAY 7, 2020 (THURSDAY) | 10:00AM



HOSTED BY:
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Director for Filpinohomes Training, Accredited
Speaker, PRC Real Estate Training Program
in the Philippines



SPEAKER: EDUARDO G. ONG
LLB, PHD, DPA, DBA

1st Chairman, Professional Regulatory Board of Real Estate Service (PRBRES), Chairman for Education Philippine Chamber of Commerce and Industry (PCCI) President Edward King Global Consultants, Inc., Real Estate Broker . Real Estate Appraiser, Real Estate Co.



RESA LAW

Republic Act No. 9646

The Real Estate Service Act

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R.A. No. 9646

- Signed: 29 JUNE 2009
- Published: 15 JULY 2009 (Philippine Daily Inquirer)

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PRC/PRBRES Res. #2 – Implementing Rules and Regulations of RESA

- Approved: 21 July 2010
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- Approved: 21 July 2010
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AN ACT REGULATING THE PRACTICE OF REAL ESTATE SERVICE IN THE PHILIPPINES, CREATING FOR THE PURPOSE A PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICES, APPROPRIATING FUNDS THEREFOR AND FOR OTHER PURPOSES

The Real Estate Service Act (R.A. 9646)



Objective:

The professionalization of the real estate service

Powers and Functions:

Transfer of regulatory powers from DTI to PRBRES-PRC. Provide policy and guidelines on real estate service operations

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Professional Regulatory Board of Real Estate Service (PRBRES)

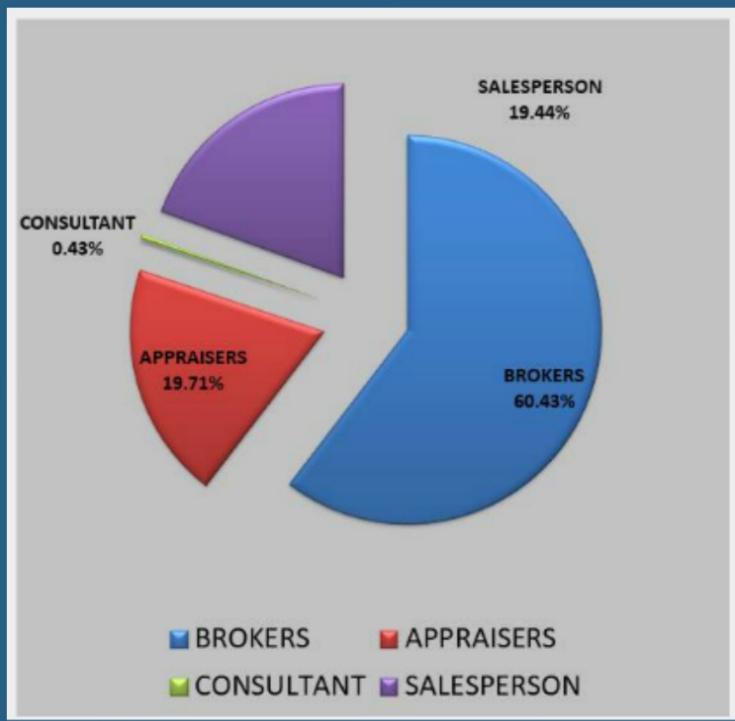
Responsible for the examination, registration, licensing, regulation, development and continuing professional education and training for real estate service practitioners

Real Estate Service Practitioners



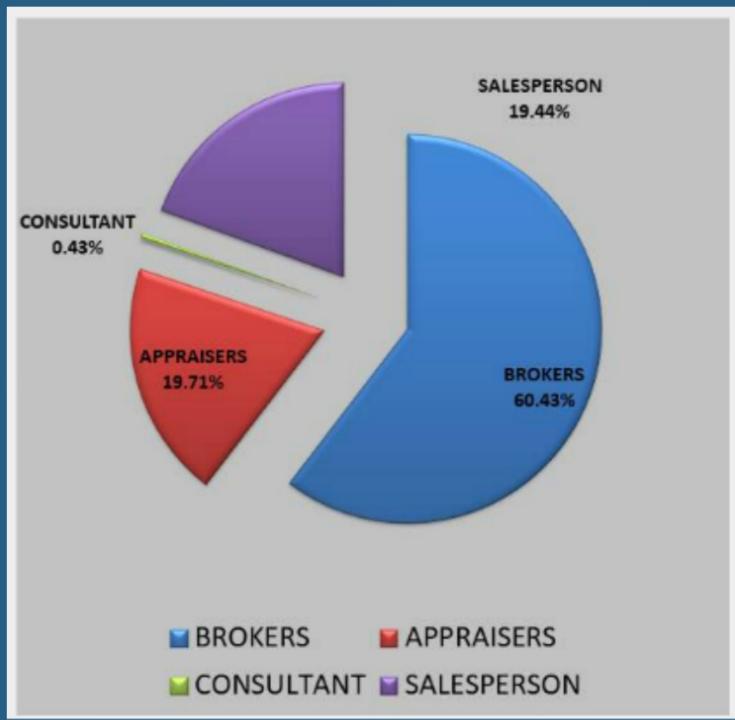
- Real estate consultant
- Real estate appraiser
- Real estate assessor
- Real estate broker
- Real estate salesperson

REGISTERED REAL ESTATE PROFESSIONALS AS OF JANUARY 2020



Brokers - 32, 159
Appraisers - 10, 487
Consultants - 270
Salesperson - 32, 875

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Brokers - 32, 159
Appraisers - 10, 487
Consultants - 270
Salesperson - 32, 875

TOTAL = 75, 791

ARTICLE I

TITLE, DECLARATION OF POLICY AND DEFINITION OF TERMS

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

CONSULTANT

a duly registered and licensed -natural person who, for a professional fee, compensation or other valuable consideration, offers or renders professional advice and judgment on: (i) the acquisition, enhancement, preservation, utilization or disposition of lands or improvements thereon; and (ii) the conception, planning, management and development of real estate projects.

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APPRAISER

a duly registered and licensed natural person who, for a professional fee, compensation or other valuable consideration, performs or renders, or offers to perform services in estimating and arriving at an opinion of or acts as an expert on real estate values, such services of which shall be finally rendered by the preparation of the report in acceptable written form.

ARTICLE I

TITLE, DECLARATION OF POLICY AND DEFINITION OF TERMS

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

BROKER

a duly registered and licensed natural person who, for a professional fee, commission or other valuable consideration, acts as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate or effect the meeting of the minds on the sale, purchase, exchange, mortgage, lease or joint venture, or other similar transactions on real estate or any interest therein.

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

ASSESSOR

a duly registered and licensed natural person who works in a local government unit and performs appraisal and assessment of real properties, including plants, equipment, and machineries, essentially for taxation purposes.

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

SALESPERSON

a duly accredited natural person who performs service for, and in behalf of, a real estate broker who is registered and licensed by the Professional Regulatory Board of Real Estate Service for or in expectation of a share in the commission, professional fee, compensation or other valuable consideration.

ARTICLE II

PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE

Section 4. Creation and Composition of the Board.

Professional Regulatory Board of Real Estate Service
(Composition of the 1st PRBRES)

CHAIRMAN:

DR. EDUARDO G. ONG

BOARD MEMBERS:

- BANSAN C. CHOA
- RAMON C.F. CUERVO III
- RAFAEL M. FAJARDO
- FLORENCIO DINO



ARTICLE III

LICENSURE EXAMINATION AND REGISTRATION

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

ARTICLE III

LICENSURE EXAMINATION AND REGISTRATION

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

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- (a) A citizen of the Philippines;**

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

- (a) A citizen of the Philippines;**
- (b) A holder of a relevant bachelor's degree from a state university or college, or other educational institution duly recognized by the CHED: Provided, That as soon as a course leading to a Bachelor's degree in Real Estate Service is implemented by the CHED, the Board shall make this course a requirement for taking the "licensure examination; and**

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- (a) A citizen of the Philippines;**
- (b) A holder of a relevant bachelor's degree from a state university or college, or other educational institution duly recognized by the CHED: Provided, That as soon as a course leading to a Bachelor's degree in Real Estate Service is implemented by the CHED, the Board shall make this course a requirement for taking the "licensure examination; and**
- (c) Of good moral character, and must not have been convicted of any crime involving moral turpitude: Provided, That an applicant for the licensure examination for real estate consultants must show proof that he/she has at least ten (10) years experience as a licensed real estate broker or an assessor, or as a bank or institutional appraiser or an employed person performing real property valuation, or at least five (5) years experience as a licensed real estate appraiser.**

ARTICLE III

LICENSURE EXAMINATION AND REGISTRATION

Section 19. Revocation or Suspension of the Certificate of Registration and the Professional Identification Card or Cancellation of Special/Temporary Permit:

The Board may, after giving proper notice and hearing to the party concerned, revoke the certificate of registration and the professional identification card, or cancel the special/temporary permit of a real estate service practitioner, or suspend him/her from the practice of the profession on any of the following instances hereunder:

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- (a) Procurement of a certificate of registration and/or professional identification card, or special/temporary permit by fraud or deceit;**

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- (a) Procurement of a certificate of registration and/or professional identification card, or special/temporary permit by fraud or deceit;**
- (b) Allowing an unqualified person to advertise or to practice the profession by using one's certificate of registration or professional identification card, or special/temporary permit;**

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- (c) Unprofessional or unethical conduct;**

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- (c) Unprofessional or unethical conduct;**
- (d) Malpractice or violation of any of the provisions of this Act, its implementing rules and regulations, and the Code of Ethics and Responsibilities for real estate service practitioners; and**

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- (c) Unprofessional or unethical conduct;**
- (d) Malpractice or violation of any of the provisions of this Act, its implementing rules and regulations, and the Code of Ethics and Responsibilities for real estate service practitioners; and**
- (e) Engaging in the practice of the profession during the period of one's suspension.**

ARTICLE III

LICENSURE EXAMINATION AND REGISTRATION

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

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

ARTICLE III

PRACTICE OF REAL ESTATE SERVICE

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

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

ARTICLE IV

Section 28. Exemptions from the Acts Constituting the Practice of Real Estate Service

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- a) Any person, natural or juridical, who shall directly perform by himself/ herself the acts mentioned in Sec. 3 hereof with reference to his her or its own property, except Real Estate Developer;

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Section 28. Exemptions from the Acts Constituting the Practice of Real Estate Service

- a) Any person, natural or juridical, who shall directly perform by himself/ herself the acts mentioned in Sec. 3 hereof with reference to his her or its own property, except Real Estate Developer;
- b) Any receiver, trustee or assignee in bankruptcy or insolvency proceedings;

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- b) Any receiver, trustee or assignee in bankruptcy or insolvency proceedings;
- c) Any person acting pursuant to the order of any court of justice;
- d) Any person who is a duly constituted attorney-in-fact for purposes of sale, mortgage, lease or exchange or other similar contracts of real estate, without requiring any form of compensation or remuneration;

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- c) Any person acting pursuant to the order of any court of justice;
- d) Any person who is a duly constituted attorney-in-fact for purposes of sale, mortgage, lease or exchange or other similar contracts of real estate, without requiring any form of compensation or remuneration;
- e) Public officers in the performance of their official duties and functions, except government assessors and appraisers.

ARTICLE IV

Section 29. Prohibition Against the Unauthorized Practice of Real Estate Service. -

No person shall practice or offer to practice real estate service in the Philippines or offer himself/herself as real estate service practitioner, or use the title, word, letter, figure or any sign tending to convey the impression that one is a real estate service practitioner, or advertise or indicate in any manner whatsoever that one is qualified to practice the profession, or be appointed as real property appraiser or assessor in any national government entity or local government unit, unless he/she has satisfactorily passed the licensure examination given by the Board, except as otherwise provided in this Act, a holder of a valid certificate of registration, and professional identification card or a valid special/temporary permit duly issued to him/her by the Board and the Commission, and in the case of real estate brokers and private appraisers, they have paid the required bond as hereto provided.

ARTICLE IV

Section 31. Supervision of Real Estate Salespersons.

For real estate salespersons:

- a) no examination shall be given, but submission of 12 hours Real Estate Training (CPD) for initial accreditation for one year and 10 hours CPD credit for the renewal of accreditation every year

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- b) Completion of at least 2 years of college education

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- a) no examination shall be given, but submission of 12 hours Real Estate Training (CPD) for initial accreditation for one year and 10 hours CPD credit for the renewal of accreditation every year
- b) Completion of at least 2 years of college education
- c) A salesperson shall be under the direct supervision of a Licensed real estate broker and as such, cannot by themselves be signatories to a written agreement involving a real estate transaction unless the real estate broker who has direct supervision and accountability over them is also a signatory thereto.

ARTICLE IV

Section 31. Supervision of Real Estate Salespersons.

For real estate salespersons:

- c) No real estate salesperson, either directly or indirectly, can negotiate, mediate or transact any real estate transaction for and in behalf of a real estate broker without first securing an authorized accreditation as real estate salesperson for the real estate broker, as prescribed by the Board. A real estate broker shall be guilty of violating this Act for employing or utilizing the services of a real estate salesperson when he/she has not secured the required accreditation from the Board prior to such employment.

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

ARTICLE IV

Section 36. Continuing Professional Education (CPE) Program - The Board shall develop, prescribe and promulgate guidelines on CPE upon consultation with the accredited and integrated professional organization of Real Estate Service Practitioners, affiliated association of Real Estate Service Practitioners and other concerned sectors, and in accordance which such policies as may have been prescribed by the Board, subject to the approval of the Commission. The Board shall create a CPE Council that shall be composed of a chairperson coming from the Board, a member from the accredited and integrated professional organization of Real Estate Service Practitioners and a member from the academe.

ARTICLE V

PENAL AND FINAL PROVISIONS

Section 39. Penal Provisions - Any violation of this Act, including violations of implementing rules & regulations, shall be meted the penalty of a fine of not less than One hundred thousand pesos (P100,000.00) or imprisonment of not less than two (2) years, or both such fine and imprisonment upon the discretion of the court. In case the violation is committed by an unlicensed real estate service practitioner, the penalty shall be double the aforesaid fine and imprisonment.

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

Good Morning Real Estate!





Thank You
for Listening!