

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

SIXTEENTH CONGRESS
Third Regular Session

House Bill No. **5968**



INTRODUCED BY HON. JOSEPH F. VIOLAGO

EXPLANATORY NOTE

It has been the practice of quite a number of buyers of real properties not to immediately transfer their names in the titles to the said properties. As to the rationale behind this, one can only surmise what their intentions are.

In order to discourage unscrupulous buyers of land from not revealing their true ownership of the said property for years past or even decades from date of execution of Deed of Absolute or Conditional Sale and upon full payment of the purchase price, this bill penalizes a buyer corresponding to 50% of the purchase price of a real property for his failure to have his name registered in the new Transfer Certificate of Title within six (6) months from date of execution of Deed of Sale.

This bill primarily aims to reveal the real ownership of real property in real time in cases where such property is the subject of an investigation, court litigation or other administrative or judicial process. The next objective of this bill is to prevent intentional or unintentional omission in the mandatory inclusion of said real property in the Statement of Assets, Liabilities and Networth of the buyer, if he is a government employee, for the appropriate year/s concerned. Another purpose of this bill is to avert double selling of said real property to other unsuspecting buyers. Finally, the bill would permit the buyer the earliest opportunity to discover if there is any mortgage, lien or encumbrance constituted over the title to the said real property.

Accordingly, approval of this proposed measure, is earnestly requested.

A handwritten signature in black ink, appearing to read "J. F. Violago".

JOSEPH F. VIOLAGO

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“AN ACT IMPOSING A PENALTY CORRESPONDING TO 50% OF THE PURCHASE PRICE OF A REAL PROPERTY FOR FAILURE OF BUYER TO REGISTER HIS NAME IN THE NEW TRANSFER CERTIFICATE TITLE WITHIN 6 MONTHS FROM DATE OF EXECUTION OF DEED OF SALE”

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

SECTION 1. No piece of real estate sold to a buyer covered by a deed of sale shall remain titled in the name of the seller within a period of six months from the date of execution of said deed of sale.

SECTION 2. Once the buyer and the seller shall have signed the deed of sale over any piece of real estate, the buyer has six months within which to have the title covered by a Torrens Certificate of Title (TCT) under his name with the Register of Deeds of the province or city where the property is located.

SECTION 3. It shall be unlawful for the buyer not to have the real property registered under his name after the said period of six (6) months unless the same property is sold to any third person within the said six (6) months period in which case, the six (6) months period is counted from the date of execution of the second sale, and so on and so forth.

SECTION 4. A penalty corresponding to 50% of the purchase price shall be imposed on the buyer for his failure to have his name registered under a new TCT within the mandatory six (6) months period and the penalty shall be paid to the Register of Deeds of the province or city where the property is located.

SECTION 5. Upon the effectivity of this Act, the Land Registration Authority (LRA) shall promulgate such rules and regulations as may be necessary to implement and enforce the provisions of this Act.

SECTION 6. Any stipulation in any contract hereafter entered into contrary to the provisions of this Act shall be null and void.

SECTION 7. Any act or omission in violation of the pertinent rules and regulations of the LRA shall be punishable by a fine of Ten Thousand Pesos (P10,000.00) and by imprisonment of one (1) year.

SECTION 8. All laws, executive orders, decrees, rules or regulations inconsistent with the

provisions of this Act are hereby repealed, amended or modified accordingly.

SECTION 9. This Act shall take effect fifteen (15) days after its complete publication either in the Official Gazette or in a newspaper of general circulation in the Philippines.

APPROVED,