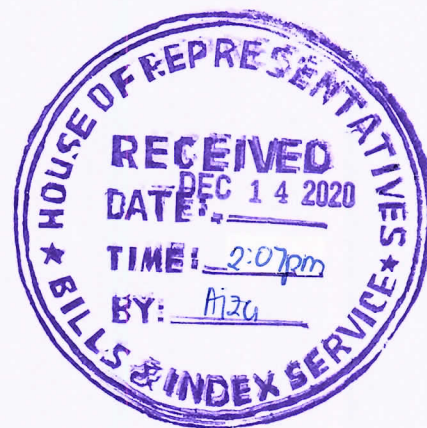


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 8233



Introduced by REP. JOSEPH STEPHEN S. PADUANO

EXPLANATORY NOTE

Republic Act No. 9646 was enacted in 2009 with the purpose of professionalizing the country's real estate service practitioners. The real estate industry has been a significant driver of growth for the Philippines. It contributed a total of 3.2 % to the country's Gross Domestic Product in 2017, posting an increase of 12% from 2016. This industry's strong performance pre-COVID19 is a result of various cumulative factors, including the efforts of our real estate service practitioners.

However, a decade since the passage of the law designed to promote the interests of the profession as well as protect the public, R.A. 9646 has unfortunately left behind members of the profession and failed to keep up with a dynamic industry that thrives on innovation. Further, the real experiences of practitioners show that there is a need to revisit the law to create opportunities and democratize access to the real estate service industry, especially in the face of a pandemic that has taken the livelihoods of so many Filipinos.

Among the salient portions of the bill is opening up the practice of real estate salespersons to high school graduates, given the country's shift to the K to 12 curriculum. This proposal maintains the current standards of professionalism to protect the public, but makes the practice more accessible to skilled and willing Filipinos. This bill also removes the arbitrary 1:20 ratio of brokers to salespersons, which has no justification in theory or in practice, and actually constricts growth by failing to consider the practical implications of the real estate sales practice. It likewise removes the harsh penalty of imprisonment for violation of the law and instead adjusts the fine that may be imposed, considering that violations by real estate service practitioners, as in other professions, are already subject to administrative sanctions, including the revocation of one's registration.

These amendments are anticipated to support the growth of the profession and the real estate industry as a whole.

In view thereof, approval of this bill is earnestly sought.


REP. JOSEPH STEPHEN S. PADUANO

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AN ACT
AMENDING REPUBLIC ACT NO. 9646 ALSO KNOWN AS THE 'REAL ESTATE
SERVICE ACT OF THE PHILIPPINES'

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

SECTION 1. A new subparagraph (h) is hereby inserted in Section (g) of Republic Act No. 9646 to read as follows:

"Section 3. *Definition of Terms.* –

(H) "REAL ESTATE SALES PRACTITIONERS" SHALL REFER TO REAL ESTATE CONSULTANTS, REAL ESTATE BROKERS, AND REAL ESTATE SALESPERSONS AS DEFINED UNDER THIS ACT."

Sec. 2. Section 14 of Republic Act No. 9646 is hereby amended to read as follows:

"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;~~

Sec. 3. Section 17 of Republic Act No. 9646 is hereby amended to read as follows:

"Section 17. *Issuance of the Certificate of Registration and Professional Identification Card.* – A certificate of registration shall be issued to examinees who pass the licensure examination for real estate service subject to payment of fees prescribed by the Commission. The certificate of registration shall bear the signature of the chairperson of the Commission and the chairperson and the members of the

Board, stamped with the official seal of the Commission, indicating that the person named therein is entitled to practice the profession with all the benefits and privileges appurtenant thereto. This certificate of registration shall remain in full force and effect until revoked or suspended in accordance with this Act. A REAL ESTATE CONSULTANT OR REAL ESTATE BROKER DULY LICENSED AND REGISTERED WITH THE BOARD MAY ENGAGE IN THE SELLING OF REAL PROPERTY, INCLUDING SUBDIVISION LOTS OR CONDOMINIUM UNITS, NOTWITHSTANDING ANY LAW TO THE CONTRARY.

A professional identification card bearing the registration number, date of issuance and expiry date, duly signed by the chairperson of the Commission, shall likewise be issued to every registrant upon payment of the required fees. The professional identification card shall be renewed every three (3) years and upon satisfying the requirements of the Board such as, but not limited to, attendance in the CPE program. THE BOARD SHALL PROMULGATE RULES AND REGULATIONS TO ENSURE THE PROMPT RELEASE OF CERTIFICATES OF REGISTRATION AND PROFESSIONAL IDENTIFICATION CARDS TO SUCCESSFUL EXAMINEES.”

Sec. 4. Section 20 of Republic Act No. 9646 is hereby amended to read as follows:

“Section 20. *Registration Without Examination.* – Upon application and payment of the required fees, the following shall be ~~registered~~ QUALIFIED FOR REGISTRATION AS DULY LICENSED REAL ESTATE BROKERS, REAL ESTATE APPRAISERS, OR REAL ESTATE CONSULTANTS, and shall be issued by the Board and the Commission a certificate of registration and a professional identification card without taking the prescribed examination:

- (a) Those who, on the date of the effectivity of this Act, are ~~already~~ licensed as real estate brokers, real estate appraisers, or real estate consultants by the Department of Trade and Industry (DTI) by virtue of Ministry Order No. 39, as amended; *Provided, That they are in active practice as real estate brokers, real estate appraisers and real estate consultants,* they have undertaken relevant CPE to the satisfaction of the Board;
- (b) Assessors and appraisers who, on the date of the effectivity of this Act, hold permanent appointments, and are ~~performing actual experience actual appraisal and assessment functions for the last five (5) years,~~ HAVE PERFORMED ACTUAL APPRAISAL AND ASSESSMENT FUNCTIONS FOR AT LEAST FIVE (5) YEARS, have passed the Real Estate Property Assessing Officer (RPAO) examination conducted and administered by the Civil Service Commission (CSC) in coordination with the Department of Finance (DOF), and have undertaken relevant CPE to the satisfaction of the Board; and

Sec. 5. Section 31 of Republic Act No. 9646 is hereby amended to read as follows:

“Section 31. *Supervision of Real Estate Salespersons.* – For real estate salespersons, no examination shall be given, but they shall be accredited by the Board: *Provided, that they* ~~HAVE COMPLETED AT LEAST TWO (2) YEARS OF COLLEGE~~ ARE AT LEAST HIGH SCHOOL GRADUATES OR THE EQUIVALENT and have undergone training and seminars in real estate brokerage, as may be required by the Board. A REAL ESTATE SALESPERSON DULY ACCREDITED BY THE BOARD MAY ENGAGE IN THE SELLING OF REAL

PROPERTY, INCLUDING SUBDIVISION LOTS OR CONDOMINIUM UNITS, NOTWITHSTANDING ANY LAW TO THE CONTRARY.

X x x x x

Sec. 6. Section 32 of Republic Act No. 9646 is hereby amended to read as follows:

“Section 32. *Corporate Practice of the Real Estate Service.* –

- (a) No partnership or corporation shall engage in the business of real estate service unless it is duly registered with the Securities and Exchange Commission (SEC), and the persons authorized to act for the partnership or corporation are all duly registered and licensed real estate brokers, appraisers or consultants, as the case may be. The partnership or corporation shall regularly submit a list of its real estate service practitioners to the Commission and to the SEC as part of its annual reportorial requirements. ~~THERE SHALL AT LEAST BE ONE (1) LICENSED REAL ESTATE BROKER FOR EVERY TWENTY (20) ACCREDITED SALESPERSONS.~~

Sec. 7. Section 34 of Republic Act No. 9646 is hereby amended to read as follows:

“Section 34. *Accreditation and Integration of Real Estate Service Associations.* –

All real estate service associations shall be integrated into one (1) national organization, which shall be recognized by the Board, subject to the approval of the Commission, as the only accredited and integrated professional organization of real estate service practitioners.

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

THE NATIONAL INTEGRATED PROFESSIONAL ORGANIZATION SHALL BE ORGANIZED AND ESTABLISHED WITHIN SIX (6) MONTHS AFTER THE EFFECTIVITY OF THIS ACT.”

Sec. 8. Section 39 of Republic Act No. 9646 is hereby amended to read as follows:

“Section 39. *Penal Provisions.* – Any violation of this Act, including violations of implementing rules and 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~~ PUNISHED WITH A FINE RANGING FROM TEN THOUSAND PESOS (P10,000.00) TO TWO HUNDRED THOUSAND PESOS (P200,000.00), AT THE DISCRETION OF THE COURT, TAKING INTO CONSIDERATION THE SERIOUSNESS OF THE VIOLATION AND ITS IMPLICATIONS.

In case the violation is 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.”

Sec. 9. *Repealing Clause.* – All laws, presidential decrees, executive orders, and rules and regulations, or parts thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 10. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,