



**BOARD RESOLUTION NO. 921
Series of 2014**

**REVISED IMPLEMENTING RULES AND REGULATIONS TO GOVERN
THE ADVERTISEMENTS OF SUBDIVISION AND CONDOMINIUM
PROJECTS UNDER PRESIDENTIAL DECREE NO. 957,
OTHERWISE KNOWN AS THE "SUBDIVISION AND CONDOMINIUM
BUYERS' PROTECTIVE DECREE" AND ALL OTHER PROJECTS
REQUIRED BY LAW TO BE REGISTERED WITH THE
HOUSING AND LAND USE REGULATORY BOARD**

Pursuant to Article IV, Section 5(c) of Executive Order No. 648 (E.O. No. 648), as amended by Executive Order No. 90, and to Section 36 of Presidential Decree No. 957 (P.D. No. 957), the following rules and regulations ("Rules") are hereby promulgated by the Housing and Land Use Regulatory Board (HLURB) to implement Section 19 and other related provisions of P.D. No. 957 and to regulate the advertisements of subdivision and condominium projects and all other similar projects required by law to be registered with the HLURB.

Section 1. Title. This Rules shall be referred to as the "2014 Revised Implementing Rules and Regulations on Advertisements".

Section 2. Scope of Application. This Rules shall apply to all announcements and advertisements about a project that is required by law to be registered with the HLURB.

When used in this Rules, the word "project" shall include the following which are required by law to be registered with the HLURB:

- 2.1 All subdivisions, including residential, commercial, farmlot, and industrial subdivisions;
- 2.2 All condominiums, including residential and commercial condominiums;
- 2.3 Any other similar projects, including cemeteries, memorial parks, and columbaria.

Section 3. Objectives. This Rules aims to ensure that the public and prospective buyers are fairly and truthfully informed of the development, construction, sales and operations, and other facts or activities relating to a project in order that the public and prospective buyers may not be misled or deceived through misrepresentations that may be made in an announcement or advertisement.

Section 4. Definition of Terms. When used in this Rules, the following terms or words shall, unless the context otherwise indicates, mean or be understood as follows:

- 4.1 "Advertisement" refers to any form of information, whether in words or in illustrations, relating to a project, its operations or activities, disseminated or communicated for the purpose of marketing and selling the project, or any lot, including any building or improvement thereon, or any unit thereof, through any of the various media such as but not limited to newspapers, magazines, television, radio, billboards, brochures, leaflets, flyers, digital and electronic signages and communications, scale models, or through buyers' briefings, seminars, or trippings.
- 4.2 "Announcement" refers to any form of information, whether in words or in illustrations, disseminated or communicated in the same manner as an advertisement, solely for the purpose of initially informing or notifying the public about a project but not for the purpose of marketing or selling such project, or any lot, including any building or improvement thereon, or any unit thereof .
- 4.3 "Broker" refers to any person, natural or juridical, that is required by P.D. No. 957 to be registered with the HLURB before it can undertake, *for commission or other compensation, to sell or negotiate the sale of any lot including any building or improvement thereon, or any unit in a project belonging to another.*
- 4.4 "Cease and Desist Order" refers to an order issued by the HLURB directed against a developer enjoining it from committing certain acts *in relation to its project by reason of a violation of Presidential Decree No. 957, Batas Pambansa Blg. 220, or any of their implementing rules and regulations or any guidelines or circular issued thereunder.*
- 4.5 "Cemetery" refers to a public or private land used for the burial of the dead and other similar uses.

- 4.6 "Columbarium" refers to any structure, either freestanding or part of another building, containing niches for the inurnment of cremated human remains. A columbarium may include an "ossuary" which refers to the internment space for the bones of the dead.
- 4.7 "Commercial Condominium" refers to the entire parcel of real property divided or to be divided primarily for commercial purposes into commercial units, including all structures thereon.
- 4.8 "Commercial Subdivision" refers to a tract or parcel of land registered under Act No. 496, as amended by Presidential Decree No. 1529, which is partitioned primarily into individual lots for commercial use with or without improvements thereon and offered to the public for sale in cash or in installment terms.
- 4.9 "Condominium Project" refers to the entire parcel of real property divided or to be divided into condominium units, including all structures thereon.
- 4.10 "Dealer" refers to any person, natural or juridical, that is required by P.D. No. 957 to be registered with the HLURB, before it can directly engage as principal in the business of buying and selling of any lot including any building or improvement thereon, or any unit in a project, whether on a full-time or part-time basis.
- 4.11 "Developer" refers to a person, natural or juridical, who develops or improves for and in behalf of the owner of a project. When used in this Rules, the developer shall also pertain or include the owner.
- 4.12 "Dissemination" refers to the publishing, airing or broadcasting, posting, distributing, digital or electronic networking, or through any other manner an advertisement or announcement is communicated or made known to the public.
- 4.13 "Farmlot subdivision" refers to a subdivision project primarily intended for agricultural production, with a minimum lot area of 1000 sq.m. and with a 25% maximum allowable buildable area.
- 4.14 "Industrial Subdivision" refers to a tract or parcel of land registered under Act No. 496, as amended by P.D. No. 1529, partitioned primarily into lots for sale or lease to establishments engaged primarily in industrial production or services. The degree of development may be limited to the provision of utilities and allocation of areas for industrial buildings, facilities, and amenities, or it may also include the provision of buildings, facilities, and amenities.

- 4.15 "Memorial Park" refers to a privately-owned cemetery provided with a systematic supervision and maintenance where park-like atmosphere is its outstanding quality.
- 4.16 "Owner" refers to the registered owner of the land subject of a project. An owner who develops a project by himself shall be considered as a developer.
- 4.17 "Project" refers to the different real estate developments enumerated under Section 2 hereof which are required by law to be registered with the HLURB.
- 4.18 "Sale" or "sell" shall include every disposition or attempt to dispose, for a valuable consideration, of any lot, including the building and other improvements thereof, or any unit in a project. "Sale" and "sell" shall also include a contract to sell, a contract of purchase and sale, an exchange, an attempt to sell, an option of sale or purchase, a solicitation of a sale, or an offer to sell, directly or by an agent, or by a circular, letter, advertisement or otherwise.

A privilege given to a member of a cooperative, corporation, partnership, or any association and/or the issuance of a certificate or receipt evidencing or giving the right of participation in, or right to, any land in consideration of payment of the membership fee or dues, shall be deemed a sale within the meaning of this definition.

- 4.19 "Salesman or Salesperson" refers to any person engaged, supervised, or regularly employed by a broker and who is required by P.D. No. 957 to be registered with the HLURB before it can perform, for and in behalf of the broker, any or all functions of the latter.
- 4.20 "Subdivision Project" refers to a tract or a parcel of land registered under Act No. 496, as amended by Presidential Decree No. 1529, which is partitioned primarily for residential purposes into individual lots with or without improvements thereon, and offered to the public for sale, in cash or in installment terms. It shall include all residential, commercial, industrial and recreational areas as well as open spaces and other community and public areas in the project.

All other words as may be used in this Rules shall be interpreted in accordance with their normal and popular usage and meaning.

Section 5. Truth in Advertising. Any announcement or advertisement about a project, or about its operations or activities, must reflect the real facts and must be presented in a manner that will not tend to mislead or deceive the public. All representations pertaining to the project's payment and financing scheme, design and standards, and its amenities, facilities and other privileges connected with the sale of the lots, including any building or improvement thereon, or any units thereof, must conform with the rules and guidelines issued by the HLURB.

Section 6. Announcement Of A Project. Only the owner or the developer may make an announcement about a project before the issuance of its license to sell, provided that such announcement shall not include any information or statement which directly or indirectly conveys or suggests the sale or marketing of any of the lots, including any building or improvement thereon. Any violation of this provision or its implementing guidelines as may be issued by the HLURB shall constitute as selling without a license and shall accordingly be subject to appropriate sanctions and penalties imposed by Presidential Decree No. 957 and the rules, regulations and guidelines issued thereunder.

Section 7. Approval of the Advertisement. The owner/developer, dealer, or the authorized broker/s or salesperson/s shall be allowed to advertise about the project only after the issuance of the project's license to sell and after the HLURB has approved the advertisement material in accordance with its issued rules and guidelines. Such approval may however be suspended or revoked in case of violation of the terms and conditions of the advertisement approval or by reason of any violation of the rules and regulations issued by the HLURB.

Section 8. Material Facts and Prohibited Information and Statements. To enable the public or prospective buyers to make an informed choice on their purchase or acquisition, any advertisement about a project must indicate material facts, and all announcements and advertisements shall not include any prohibited statement or information, as may be provided under the rules and guidelines issued by the HLURB.

Section 9. Warranties and Liabilities. All representations in an advertisement shall form part of the sales warranties enforceable against the owner or developer, jointly and severally. Such owner or developer shall be answerable and liable for the facilities, improvements, infrastructures, or other forms of development represented or promised in an advertisement and failure to timely and completely fulfill these representations shall constitute breach of contract and warranties and shall be subject to sanctions and penalties in accordance with Presidential Decree No. 957 and the rules and guidelines issued by the HLURB.

Section 10. Monitoring. The HLURB, in the exercise of its visitorial powers, may motu proprio or upon verified complaint, exercise its right to monitor all announcements and advertisements and impose appropriate sanctions in case of violation or non-compliance with this Rules and the guidelines issued by the HLURB pursuant hereto.

Section 11. Penalty Clause. Any announcement or advertisement issued or disseminated in violation of this Rules or the guidelines issued pursuant hereto shall be considered as a prohibited announcement or advertisement and shall be penalized in accordance with the provisions of Executive Order No. 648 and Section 38 (Administrative Fines) and Section 39 (Penalties) of Presidential Decree No. 957.

Each and every publication or printing of a prohibited announcement or advertisement in any newspaper, magazine, or any other periodicals, brochures, leaflets, or flyers, or every airing or broadcasting of such prohibited announcement or advertisement shall be considered as a separate violation and each shall be subject to separate sanctions and penalties.

The rights and remedies provided in this Rules shall be in addition to any and all other rights and remedies that may be available under existing laws.

SECTION 12. Authority to Issue Guidelines and Circulars. The Chief Executive Officer of HLURB is hereby authorized to issue guidelines through memorandum circulars implementing or interpreting this Rules, provided that the provisions of such guidelines shall not be inconsistent with or go beyond the provisions of this Rules.

Section 13. Repealing Clause. - All HLURB resolutions, rules and regulations, memoranda, circulars, guidelines and similar official issuances on advertisements of projects, including subdivision and condominium projects under P.D. No. 957, that are inconsistent herewith are hereby repealed.

Section 14. Separability Clause. - The provisions of this Rules are hereby declared separable, and in the event that any provision herein is declared null and void, the validity of all other provisions shall not be affected thereby.

Section 15. Effectivity Clause. This Rules shall take effect fifteen days after its publication in the Official Gazette or in any national newspaper of general circulation.

Section 16. Transitory Provision. - All owners, developers or advertisers with existing announcements or advertisements, including billboards, not complying with the foregoing Rules and the guidelines that may be issued by the HLURB pursuant hereto shall, within sixty (60) upon effectivity of this Rules, immediately cease and desist from using such announcement or

advertisement material until such time the same has been amended and accordingly approved by the HLURB.

APPROVED, this 2nd day of December 2014, Quezon City.


JEJOMAR C. BINAY, JR.


Vice-President of the Philippines & HUDCC Chairman


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Attested:


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