



**BOARD RESOLUTION NO. 922
Series of 2014**

REVISED IMPLEMENTING RULES AND REGULATIONS TO GOVERN DEALERS, BROKERS AND SALESMEN 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 11 and 12 and other related provisions of P.D. No. 957 and to regulate dealers, brokers, and salesmen 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 Dealers, Brokers and Salesmen".

SECTION 2. Scope of Application. – This Rules shall apply to all persons, natural or juridical, that shall engage in the practice of real estate service with projects required by law to be registered with 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 of any lot including any building or improvements thereon, or any unit in a project are protected from fraudulent practices and manipulations through close supervision and regulation of persons engaged in the practice of real estate service with a project.

SECTION 4. Definition of Terms. When used in this Rules, the following terms shall mean or be understood as follows:

- 4.1 "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.
- 4.2 "Business Firms" refers to any corporation, partnership, cooperative or association, or single proprietorship that is required by P.D. No. 957 to be registered with the HLURB before it can engage in the practice of real estate service as defined under Section 4.14 hereof.
- 4.3 "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.
- 4.4 "Cemetery" refers to a public or private land used for the burial of the dead and other similar uses.
- 4.5 "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 interment space for the bones of the dead.
- 4.6 "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.
- 4.7 "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.

- 4.8 "Condominium Project" refers to the entire parcel of real property divided or to be divided primarily for residential purposes into condominium units, including all structures thereon.
- 4.9 "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 engaged 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.
- 4.10 "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.
- 4.11 "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.
- 4.12 "Industrial Subdivision" refers to a tract of land registered under Act No. 496, as amended by P.D. No. 1529, partitioned 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.
- 4.13 "Memorial Park" refers to a privately-owned cemetery provided with a systematic supervision and maintenance where park-like atmosphere is its outstanding quality.
- 4.14 "Practice of Real Estate Service" refers to any of the acts or transactions embraced within Sections 4.1, 4.9 and 4.17 hereof with respect to any project required by law to be registered with the HLURB. In the case of brokers and salesmen, any single act or transaction thereof shall constitute practice of real estate service.
- 4.15 "Project" refers to the different real estate developments enumerated under Section 2 hereof which are required by law to be registered with the HLURB.
- 4.16 "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.

- 4.17 "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.
- 4.18 "Subdivision Project" shall mean 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. Practice of Real Estate Service. All persons, natural or juridical, engaged in the practice of real estate service with any project shall faithfully comply with the provisions of P.D. No. 957 and shall not commit any act or representation tending to mislead, defraud or unfairly induce another to purchase any lot, including any building or improvements thereon, or any unit in a project under any mode or scheme of payment or acquisition, or demonstrate unworthiness to engage in the practice of real estate service.

SECTION 6. Registration and Accreditation Requirements Under Republic Act No. 9646 And Presidential Decree No. 957. Republic Act No. 9646 otherwise known as the "Real Estate Service Act of the Philippines" requires all brokers and salespersons to be respectively registered and licensed, or accredited by the Professional Regulatory Board of Real Estate Service (PRBRES) before they can engage in the practice of real estate service as defined in the said law. In addition thereto, as separately required under P.D. No. 957, before any dealer, or any PRBRES-registered broker or PRBRES-accredited salesperson can engage in the practice of real estate service specifically with respect to projects required by law to be registered with the HLURB, such dealer, registered broker and accredited salesperson shall first register with the HLURB in accordance with its existing rules and guidelines.

SECTION 7. Registration of Business Firms. All business firms shall first register with the HLURB in accordance with its existing rules and guidelines before they can engage in the practice of real estate service with any project required by law to be registered with the HLURB.

SECTION 8. Requirement of Bond. All applicants for registration with the HLURB shall file a bond or such other acceptable security in lieu thereof. Such bond or security shall be executed in favor of the HLURB and shall be subject to the conditions provided under Section 12 of Presidential Decree No. 957. Dealers and brokers shall be required to post a bond or security in the amount of FIVE THOUSAND PESOS (P5,000.00) while salespersons shall be required to post a bond or security in the amount of ONE THOUSAND PESOS (P1,000.00). All business firms applying for registration shall be required to post a bond in the amount of TWENTY THOUSAND PESOS (P20,000.00).

SECTION 9. Monitoring and Sanctions. All persons engaged in the practice of real estate service with any project are subject to the regular monitoring, supervision and regulation of HLURB in accordance with its existing rules, regulations and guidelines. For this purpose, they shall be subject to the imposition of fines and penalties in case of violation of any of the provisions of Presidential Decree No. 957 and its implementing rules and regulations.

SECTION 10. Administrative Fines and Penalties. Except as provided under Sections 11 and 12 hereof, in addition to the appropriate penalties that may be imposed in accordance with Section 39 of Presidential Decree No. 957, a graduated fine shall be imposed for violations of this Rules as follows:

- 1st Offense - Fine in the amount of P5,000.00; and
- 2nd Offense - Fine in the amount of P10,000.00 and revocation of HLURB registration.

Any person not registered with the HLURB found violating any provision of this Rules for the second time, or whose registration has been revoked under this Rule shall not be allowed to register anew with the HLURB. In addition thereto, all violations committed by brokers or salespersons shall be reported to the PRBRES by the HLURB, and if applicable, with a corresponding recommendation for the revocation or cancellation of the real estate service practitioner's registration or accreditation with the PRBRES in case of subsequent violation.

All fines imposed in this Rules shall be payable to HLURB and enforceable through writs of execution in accordance with the existing HLURB's Rules of Procedure. In the case of corporations, partnerships, cooperatives, or associations, the president, manager or administrator or the person(s) who

has charge of the administration of the business shall be criminally responsible for any violation of the Decree and/or these rules and regulations promulgated pursuant thereto.

SECTION 11. Prohibition Against Practicing Real Estate Service Without HLURB Registration. Any person who shall engage in the practice of real estate service with any project without first registering with the HLURB shall be fined ₱10,000.00, without prejudice to the criminal action that may be filed pursuant to Section 39 of P.D. No. 957.

SECTION 12. Prohibition Against Practicing Real Estate Service With Expired HLURB Registration. Any dealer, broker, salesperson and business firm that shall engage in the practice of real estate service with any project with an expired registration shall be fined ₱5,000, without prejudice to the criminal action that may be filed pursuant to Section 39 of P.D. No. 957.

SECTION 13. Prohibition Against Selling Lots and Units of Projects Without Certificate of Registration and License to Sell (CR/LS). Any person who shall sell any lot including any building or improvements thereon, or any unit in a project which does not have a Certificate of Registration and License to Sell (CR/LS) issued by the HLURB shall be fined with the imposable penalty for each act of selling in accordance with the approved Schedule of Fines of the HLURB, without prejudice to the criminal action that may be filed pursuant to Section 39 of P.D. No. 957.

SECTION 14. Authority to Issue Guidelines and Circulars. The Chief Executive Officer of HLURB is hereby authorized to issue guidelines and memorandum circulars implementing or interpreting this Rules, provided that the provisions of such guidelines and memorandum circulars shall not be inconsistent with or go beyond the provisions of this Rules.

SECTION 15. Repealing Clause. All board resolutions, rules and regulations, memoranda, circulars, guidelines and similar official issuances on dealers, brokers, and salespersons of projects, including subdivision and condominium projects under P.D. 957, that are inconsistent herewith are hereby repealed.

SECTION 16. 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 17. Effectivity Clause. This Rules shall take effect fifteen (15) days after its publication in the Official Gazette or in any national newspaper of general circulation.

Section 18. Transitory Provision. Upon effectivity of this Rules, all dealers, brokers and salespersons who have been engaged in the practice of real estate service and who have failed to register or renew their registration with the HLURB shall be given a period of sixty (60) days within which to register or renew and shall be exempt from the imposition of fines provided in the HLURB's Revised Schedule of Fines for failure to register or renew. All business firms who have been engaged in the practice of real estate service shall, upon effectivity of this Rules, likewise be given a period of sixty (60) days within which to register.

Notwithstanding the foregoing, the non-imposition of fine as herein provided during the sixty (60) – day transitory period shall not prejudice the enforcement of Sections 11 (Practicing Real Estate Service Without Registration) and 12 (Practicing Real Estate Service With Expired Registration).

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


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