



HLURB MEMORANDUM CIRCULAR NO. 01
Series of 2015 (FEBRUARY 16, 2015)

TO : ALL CONCERNED

FROM : THE COMMISSIONER AND CHIEF EXECUTIVE OFFICER

SUBJECT : GUIDELINES ON BOARD RESOLUTION NO. 921, SERIES OF 2014, OR THE "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 Section 12 of the Housing and Land Use Regulatory Board (HLURB) Resolution No. 921, Series of 2014, or the "Revised Implementing Rules and Regulations to Govern The Advertisements of Subdivision and Condominium Projects under Presidential Decree No. 957 (P.D. 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", this Guidelines is hereby issued.

RULE I
GENERAL PROVISIONS

Section 1. Title. – This Guidelines shall be referred to as the "2014 Guidelines on Advertisements".

Section 2. Scope of Application. This Guidelines shall apply to all advertisements and announcements about any project required by law to be registered with HLURB.

When used in this Guidelines, the word "project" shall include:

- 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. Objective. This Guidelines aims to provide a uniform application, interpretation, usage, and implementation of Board Resolution No. 921, Series of 2014 in order 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, and that they may not be misled or deceived through misrepresentations in any announcement or advertisement.

Section 4. Definition of Terms. For purposes of this Guidelines, the following terms or words shall, unless the context indicates otherwise, 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 and tarpaulins, brochures, leaflets, flyers, digital and electronic signages and communications, scale models or through buyers' briefings, seminars, or trippings.
- 4.2 "Advertiser" refers to the owner/developer, dealer, or authorized broker and salesperson who secured or is supposed to secure the advertisement approval from the HLURB and caused its dissemination or communication.
- 4.3 "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.
- 4.4 "Broadcast Advertising" refers to all advertisements or commercials that are disseminated through radios and televisions. For purposes of this Rules,

broadcast advertising shall also include cinema advertisements or those aired or exhibited in theaters, as well as those disseminated or communicated through live streaming or other similar methods.

- 4.5 "Broker" refers to the person who 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 a real estate belonging to another.
- 4.6 "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.
- 4.7 "Cemetery" refers to a public or private land used for the burial of the dead and other uses indicated for cemetery purposes.
- 4.8 "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.
- 4.9 "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.
- 4.10 "Commercial Subdivision" refers to a tract or parcel of land registered under Act No. 496 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.
- 4.11 "Condominium Project" refers to the entire parcel of real property divided or to be divided into condominium units, including all structures thereon.
- 4.12 "Dealer" refers to any person 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 real estate, whether on a full-time or part-time basis.
- 4.13 "Developer" refers to the person, natural or juridical, who develops or improves for and in behalf of the owner a "project" as defined or enumerated under Section 4 hereof. When used in this Rules, "developer" shall also pertain to or include the owner.



- 4.14 "Dissemination" refers to the publishing, posting or distributing, airing, broadcasting or livestreaming, digital or electronic networking, or through any other manner an advertisement is communicated or made known to the public.
- 4.15 "Farmland 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.
- 4.16 "Industrial subdivision" refers to a tract of land 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.
- 4.17 "Land development" refers to land clearing and grubbing, road construction, installation of power and water distribution system, construction of drainage and sewerage system, and other developments contained in the approved plans and/or in the brochure and advertisement.
- 4.18 "Memorial Park" refers to a privately-owned cemetery provided with a systematic supervision and maintenance where park-like atmosphere is its outstanding quality.
- 4.19 "Out-of Home Advertising" refers to all advertisements intended to reach customers or prospective buyers while outside their homes such as but not limited to photographic and electronic billboards, transit advertisements, digital displays, banners, tarpaulins and posters.
- 4.20 "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.
- 4.21 "Print Advertising" refers to all advertisements that are disseminated through newspapers, magazines, brochures, pamphlets, flyers and all other similar or related materials.
- 4.22 "Project" refers to the different real estate development enumerated under Section 2 hereof which are required by law to be registered with the HLURB.
- 4.23 "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.

- 4.24 "Salesman" refers to the person registered with the HLURB and engaged or regularly employed by a broker to perform, for and in his behalf, any or all functions of a real estate broker.
- 4.25 "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 Guidelines shall be interpreted in accordance with their normal and popular usage and meaning.

RULE II GENERAL GUIDELINES IN ADVERTISING

Sub-Rule II-A. Truth in Advertising

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. To properly inform the public and to enable prospective buyers to make an informed choice on their purchase or acquisition, any advertisement about a project must indicate material facts and may not include any prohibited statement or information as hereinafter set forth.

Section 6. Design and Standards, Amenities, and Period of Completion. All representation and description in the advertisement pertaining to a project's designs and standards, amenities, facilities, infrastructures and improvements, and its period of development and completion must strictly conform with the project's approved site development plans, architectural plans and work programs. Only such

amenities and improvements specified in the approved site development and architectural plans of the project may be included or illustrated in the advertisement. Otherwise, the owner or developer shall be liable in accordance with Section 22 hereof.

Section 7. Pictures and Illustrations. Any picture or illustration of the project, or any of its features, facilities, or amenities that may be included or depicted in the advertisement shall be captioned as "actual photographs", "architect's perspective", "artist's illustrations" or such other similar captions, as the case may be.

Section 8. Payment and Financing Schemes. No mode or manner of payment and financing, including the amount of reservation fee, initial deposit or downpayment, required equity, installment plans, schedule and escalation, and discounts and interest rates shall be included in an advertisement unless the complete payment and financing scheme is fully disclosed in the advertisement and in accordance with the terms and conditions stipulated in the purchase reservation, contract to sell, or any other form or document relating to or which may be used in the sale of the lots, including any building or improvement thereon, any units of the project, or in the sale of privileges connected with the project.

Any representation in an advertisement on the amount of monthly installments which are dependent on an approved credit or financing scheme, whether in-house or third-party financing, must not be misleading and shall state the financing source and availability, and the true terms, rates, charges, fees and penalties prevailing or applicable at the time of the sale transaction so as to enable a prospective buyer to make an informed choice about the actual cost of financing of such purchase. Any interest rate must be stated in terms of annual percentage rate.

Section 9. Location and Distance. The location and distance of a project must be stated in a manner that will not tend to mislead the public or prospective buyers of its proximity, accessibility and value. Any statement of the project's location and distance in relation to a known place or landmark shall be expressed in terms of kilometers, and any vicinity map illustrating such proximity to known places or landmarks must similarly indicate such distance or distances in terms of kilometers.

Sub-Rule II-B. Contents of Announcements and Advertisements

Section 10. Prohibited Statements and Information in an Announcement. Any announcement that may be disseminated by the owner or developer prior to the issuance of the project's license to sell shall not include the office address or contact numbers or information of the owner, developer or dealer or the names and office address or contact numbers of any of the project's authorized broker/s or salesperson/s. In addition, an announcement shall not include any other 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, or any units of a project.

Any of these prohibited information or statement cannot be included in an announcement material by inserting, stapling, pasting, attaching, or by any manner that may serve to incorporate such prohibited information or statement. A violation hereof shall be deemed as selling without a license and shall be subject to appropriate sanctions and penalties as provided by P.D. 957, its implementing rules, regulations, and the guidelines herein provided.

Section 11. Prohibited Statements and Information in an Advertisement.

The following statements or information shall not be included in any advertisement:

- 11.1 Disclaimer(s);
- 11.2 Any other or future project or development not covered by the license to sell stated therein, unless such other or future projects are included in a cluster development as provided under Section 15 hereof; and
- 11.3 Exaggerations or misleading information either by, text, illustration, or pictures.

Section 12. Mandatory Contents in Print Advertising. All print advertising including out-of home advertisements shall include or indicate material facts and information so as to fairly inform the public about a project. The advertisement shall include:

- 12.1 The name(s) of the owner(s) and/or developer(s) of the project;
- 12.2 The exact location of the project including street name, barangay, and city or municipality;
- 12.3 The License to Sell or Amended License to Sell Number;
- 12.4 The Advertisement Approval Number;
- 12.5 The approved project completion date as indicated in the license to sell; and
- 12.6 The maximum selling price in case of economic and socialized housing projects.

Any printed advertisement that includes the names or offices of the dealer or any the project's authorized broker/s or salesperson/s shall likewise indicate their corresponding HLURB registration numbers.

Section 13. Mandatory Contents in Broadcast Advertising. All broadcast advertising shall include or indicate material facts and information so as to fairly inform the public about a project. The advertisement shall include:

- 13.1 The name(s) of the owner(s) and/or developer(s) of the project;
- 13.2 The location of the project including the name of the barangay and city/municipality); and
- 13.3 The License to Sell or Amended License to Sell Number and date of issue.

Section 14. Other Advertising Requirements. In print advertising, the license to sell number must be of the same font type and size, and resolution as the advertiser's telephone number. In all cases, the mandatory contents as provided under Sections 12 and 13 hereof shall be readable or comprehensible.

Section 15. Cluster Development. In case of an advertisement of a project or projects included in a cluster development, the other projects, developments and infrastructures included in the project's master plan shall be indicated in the advertisement. However, such advertisement must clearly specify which of those projects are already covered by licenses to sell.

RULE III APPLICATION AND APPROVAL OF ADVERTISEMENTS

Section 16. Who May Announce and Advertise. Only the owner or the developer may announce about a project before the issuance of its license to sell. After the issuance of the project's License to Sell (LS), the owner/ developer, dealer or the authorized broker/s and/or salesperson/s (hereinafter collectively referred to as " the advertiser") indicated in the application for the Certificate of Registration and License to Sell (CR/LS) may advertise about the project.

Section 17. Requirement of Prior Approval. Advertisements shall only be allowed after the issuance of the project's license to sell and only after the advertiser shall have secured a prior approval from the HLURB by filing an application under oath with the Regional Field Office (RFO) where the project is registered or to be registered. The pro-forma copy of the Application for Advertisement Approval is hereto attached as Annex "A".



Projects licensed by one and the same RFO may be included in one material and shall be subject to one advertisement approval. Otherwise, a single advertisement about several projects registered in different RFOs are required to be approved first by all of the RFOs where the projects are respectively registered.

Section 18. Documentary Requirements. The following requirements are to be submitted for every application for advertisement approval:

- 18.1 Two (2) copies of notarized application;
- 18.2 At least two (2) copies of the proposed advertisement material;
- 18.3 Copy of the license to sell, if already issued; and
- 18.4 Marketing agreement between owner/developer and broker/authorized registered broker and authorization to advertise, if application is filed by the broker or authorized registered broker.

Section 19. Fees. Fees shall be collected upon the filing of application in accordance with the approved Schedule of Fees.

Section 20. Review and Approval. The contents and representations contained in the submitted material shall be reviewed in accordance with the guidelines provided under Sub-Rules II-A and II-B hereof. All applications for advertisement approval shall be acted upon within five (5) working days from receipt thereof, except those applications filed at the time or together with the project's application for the issuance of CR/LS. In such a case the approval shall be issued together with the project's CR/LS. The approval shall consist of a letter from the HLURB Regional Officer authorizing the dissemination of the advertisement and which shall further state all the conditions as may be imposed. The letter of approval and the approved copy of the announcement or advertisement shall in all instances bear the HLURB dry seal. Further, the copy or material shall be duly signed by the Regional Officer and stamped "approved", with the date and number of approval indicated thereon. The pro-forma copy of the Letter of Approval is hereto attached as Annex "B".

In case the submitted advertisement material is not consistent or complying with the guidelines herein set forth, the RFO reviewing the same shall send the applicant advertiser a Notice of Deficiency in Requirements, stating therein the reason/s why the material cannot be approved and requiring the applicant to amend the same in order to conform with the guidelines herein set forth.

Section 21. Restriction on Advertisement Approval. No advertisement shall be approved or allowed if a Cease and Desist Order (CDO) or suspension of LS has been issued against the project.

**RULE IV
WARRANTIES AND LIABILITIES**

Section 22. Representations as Warranties. All representations made in an advertisement shall form part of the sales warranties enforceable against the owner or developer, jointly and severally. The owner or developer shall be answerable and liable for the facilities, improvements, infrastructures, or other forms of development represented or promised in any advertising material or sales propaganda, even if the same are not included in the approved plans, specifications and work programs.

Section 23. Liabilities of the Owner or Developer. The failure of any owner or developer to timely and completely deliver all representations made in the project's advertisement constitutes an actionable breach of contract and warranties. In addition to the imposition of the appropriate penalties under Section 27 hereof, any buyer who may have been induced to purchase a lot, including any building or improvement thereon, or any unit in a project by reason of any false or misleading representation in an advertisement may enforce all the rights and remedies available for such breach of contract and warranties, including the payment of proper compensation and damages.

**RULE V
MONITORING, OFFENSES AND SANCTIONS**

Section 24. Monitoring. In the exercise of its visitorial powers, the HLURB may, motu proprio or upon verified complaint, exercise its right to monitor all announcements or advertisements and impose appropriate sanctions in case of violation or non-compliance with the foregoing guidelines.

Section 25. Prohibited Announcements and Advertisements. Every announcement disseminated or caused to be disseminated and not complying with HLURB's existing rules and guidelines, and every advertisement disseminated or caused to be disseminated without prior approval by the HLURB or which deviates from its approved advertisement material or which fails to comply with the terms and conditions of the advertisement approval and other HLURB's rules and guidelines shall be considered as prohibited advertisement. Each and every publication or printing of any prohibited announcement or advertisement in any newspaper, magazine, or any other periodicals, brochures, leaflets, or flyers, or every airing or broadcasting thereof shall be considered as a separate violation and each shall be subject to separate sanctions and penalties, except out-of-home

advertisements displaying identical contents or materials which shall be considered as a single advertising only.

Section 26. Suspension of the Advertisement Approval. A CDO or suspension of license to sell issued to a project shall automatically suspend the approval of any or all advertisements of the project. Upon receipt of such order, the developer shall immediately desist from advertising the project, until the CDO or suspension shall have been lifted. Any violation of this provision shall constitute selling without a license and shall be subject to appropriate sanctions and penalties as provided under P.D. No. 957, its rules and regulations, and the guidelines issued hereunder.

Section 27. Revocation of the Advertisement Approval. Any deviation from the approved contents of the advertisement or non-compliance with the terms and conditions of the advertisement approval shall be a ground for revocation of the same. Upon receipt of the order of revocation, the developer shall immediately cease and stop its dissemination. The advertiser whose approval for any of its advertisement has been revoked for any of the grounds or reasons herein provided may be authorized anew by the HLURB to disseminate again the advertisement provided the developer first re-applies for a new approval, subject again to compliance with all the requirements under existing rules and guidelines of the HLURB and payment of applicable fines and fees.

Any alteration of plan resulting to any change in the amenities, facilities, infrastructure or other developments featured in the advertisement, whether approved or not, shall also ipso facto revoke the approval of any or all previously-approved advertisements of the project and the advertiser shall immediately cease from using or disseminating any or all previously-approved advertisements.

Section 28. Penalties. Any violation of Board Resolution No. 921, series of 2014 and of this Guidelines 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.

All fines imposed in this Guidelines shall be payable to HLURB and enforceable through writs of execution in accordance with the existing HLURB's Rules of Procedure. The rights and remedies provided in this Guidelines shall be in addition to any and all other rights and remedies that may be available under existing laws.

**RULE VI.
SEPARABILITY AND EFFECTIVITY**

Section 29. Separability Clause. The provisions of this Guidelines 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 30. Effectivity Clause. This Guidelines shall take effect immediately.

Section 31. Transitory Provision. All owners, developers or advertisers with existing announcements or advertisements, including billboards, not complying with Board Resolution No. 921, Series of 2014 and the foregoing Guidelines shall, within sixty (60) days upon effectivity of Board Resolution No. 921, Series of 2014 immediately cease and desist from using such announcement or advertisement material until such time the same has been amended, and in the case of advertisements, accordingly approved by the HLURB.

For strict compliance and implementation.



ANTONIO M. BERNARDO
Commissioner and Chief Executive Officer

**Republic of the Philippines
Office of the President
Housing and Land Use Regulatory Board
_____ Regional Field Office
Address**

APPLICATION FOR ADVERTISEMENT APPROVAL

Pursuant to Sections 19 of Presidential Decree No. 957,
as implemented by Board Resolution No, 921, Series of 2014
(to be accomplished in duplicate)

Pursuant to Section 19 of Presidential Decree No. 957 and its Implementing Rules and Regulations, Memorandum Circulars and Guidelines, the undersigned hereby apply for approval of the proposed advertisement of NAME OF PROJECT owned and developed by OWNER / DEVELOPER which is due for publication / broadcasting/ distribution on _____.

Attached herewith are the following:

- 1. Two (2) copies of the proposed advertisement;
- 2. Copy of Certificate of Registration and License to Sell; and

If the person/entity advertising is an HLURB-registered broker, the following additional requirement shall be submitted:

- 3. Copy of the Marketing Agreement and/or Authorization to Advertise

I can be reached at :

Address :
Telephone No. :

Or through my representative: NAME OF REPRESENTATIVE

Address :
Telephone No. :

I hereby attest that all the foregoing information, data, and submitted documents are true and correct to the best of my knowledge and have been given freely, voluntarily and without fraudulent or deceitful intent and purpose whatsoever, and that I have personally read, filled-out, understood and signed the foregoing application form.

Printed Name and Signature



Position/Designation

_____, _____
Place Date

SUBSCRIBED AND SWORN to before me this _____ day of _____, _____, affiant exhibiting to
me _____ issued in _____ on _____.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of _____



ANNEX B

Date

NAME OF APPLICANT / ADVERTISER

Designation / Office

Office Address

Dear _____:

Relative to your request for approval of the attached proposed advertisement material of NAME OF PROJECT located at _____, please be informed that the said ADVERTISEMENT MATERIAL IS APPROVED and AUTHORIZED FOR PUBLICATION, DISPLAY AND/OR DISTRIBUTION, subject to the following conditions:

- / / That the Project's License to Sell No. _____ issued on _____ shall be stated in the advertisement and must be of the same font type, size, and resolution as the advertiser's telephone number indicated in the advertisement.
- / / That all of the mandatory contents in the advertisement must be readable or comprehensible;
- / / That the exact location of the Project shall include the street name, barangay, and city or municipality (for print advertisement), or the barangay and city or municipality (for broadcast advertisement);
- / / That the Advertisement Approval Number _____ shall be indicated in the advertisement (for print advertisement);
- / / That the Approved Project's Completion Date of _____ shall be indicated in the advertisement (for print advertisement);
- / / That for socialized or economic housing projects, the maximum selling price shall be indicated in the advertisement (for print advertisement);
- / / That the OWNER/DEVELOPER shall be answerable and liable for the facilities, improvements, infrastructures or other forms of development represented or promised in brochures, advertisement and other sales propaganda disseminated even by its authorized agents, and the same shall form part of the sales warranties enforceable against the owner /developer, jointly and severally;
- / / That the pictures or illustrations on said advertisement, showing the Project, portions thereof or the facilities should be properly captioned as to whether said pictures are actual photographs taken on the site or merely architect's perspective or artist's illustrations;



/ / That no alteration/ deviation shall be made in the approved advertisement materials when the same is published/ distributed and disclaimer shall not be included in the advertisement;

/ / That any misrepresentation made in the advertisement materials shall be a valid cause for revocation of this approval and for all other sanctions.

It is further understood that any violation or non-compliance with the foregoing conditions shall subject the offender to the administrative and /or criminal penalties provided for under Sections 38 and 39 of P.D. 957 and its Implementing Rules and Regulations, Memorandum Circulars, and Guidelines.

Very truly yours,

Regional Director

Official Receipt No. _____
Date : _____
Amount: _____

