Republic Act No. 9646 :
Real Estate Service Act of the Philippines
(RESA Law)

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Republic Act No. 9646 : Real Estate Service Act (RESA Law)

Republic Act No. 9646 :

An act regulating the practice of real estate service in the Philippines, creating for the purpose a Professional Regulatory Board of Real Estate Service appropriating funds therefor and for other purposes.

Approved/Signed : June 29, 2009
Republic Act No. 9646: Real Estate Service Act (RESA Law)

BEFORE R.A. No. 9646

RELATED LAWS & ISSUANCES

- Ministry Order No. 39 Series of 1985
- DTI Order No. 22 Series of 1987
- DTI Administrative Order No. 2 Series of 1988
- DTI Administrative Order No. 122 Series of 1993
- DTI Administrative Order No. 6 Series of 1994
- DTI Administrative Order No. 3 Series of 1999
- DTI Administrative Order No. 6 Series of 1999

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RELATED LAWS & ISSUANCES

- Republic Act No. 9646 - Real Estate Service Act
- Necessary rules and regulations shall be prepared including the Code of Ethics and Responsibilities within 6 months after effectivity by the Commission (PRC) together with the Board and the accredited and integrated professional organization, Department of Finance and CHED

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**BEFORE R.A. No. 9646**

Implementing Authority

Department of Trade & Industry (DTI) through the Bureau of Trade Regulation & Consumer Protection (BTRCP)

- aided by Realty Service Council of the Philippines (RESCOP) as consultative/advisory body composed of different real estate organizations

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Implementing Authority

Professional Regulation Commission (PRC) through the Professional Regulatory Board of Real Estate Service

Professional Regulatory Board of Real Estate Service

- to be organized 6 months from effectivity of Act

Composition: 5 members to serve for 3 years (one to serve as Chairperson)

3 from private sector (recommended by integrated professional organization of real estate service practitioners)

2 from government sector (government assessors/appraisers)
## Republic Act No. 9646: Real Estate Service Act (RESA Law)

### BEFORE R.A. No. 9646

**DTI: SALIENT FUNCTIONS**
- qualify, approved, license, supervise, suspend and revoke the license of real estate practitioners
- qualify, register, supervise and withdraw or revoke certificates of recognition issued to real estate associations
- accredit seminars for realty service practice conducted by said organizations

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**PRC: SALIENT FUNCTIONS**
- Supervise and regulate the registration, licensure and practice of real estate service
- Issue, suspend, revoke or reinstate certificate of registration or professional identification cards
- Safeguard and protect legitimate and licensed real estate service practitioners
- Conduct licensure examination
- Administer oaths and affirmations
- Prescribe, in cooperation with CHED, essential requirements as to the curricula and facilities to open up courses in real estate service
- Prescribe guidelines and criteria for the Continuing Professional Education (CPE)
- Screen, issue and monitor permits/accreditation to organizations in the conduct of seminars
- Monitor and supervise activities of accredited and integrated professional organization and other associations
- Hear or investigate any violation of this Act

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**BEFORE R.A. No. 9646**

License: valid for three years

Licensing Requirements:
- passed the real estate examination conducted by DTI
- Payment of Licensing Fees
- Real Estate Bond/Insurance (P5,000)
- Acquired/earned 16 hours of Continuing Education Program (CEP) every 3 years / 20 hours if failed to renew license for 3 consecutive years
- Membership to any real estate associations (association member of RESCOP/accredited by DTI)

Application at Department of Trade & Industry

* Brokers involved in project selling/marketing must also register at Housing & Land Use Regulatory Board (HLURB)

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License: valid for three years

Licensing Requirements:
- passed the real estate examination conducted by PRC
- Oath taking attendance/participation
- Payment of Fees prescribed by PRC
- Professional Indemnity Insurance/Cash or Surety Bond every 3 years not less than P20,000 (Brokers and Appraisers)
- Attendance in CPE program
- Member of the accredited and integrated professional organization of real estate service practitioners

Certificate of Registration & Professional Identification Card will be issued
Republic Act No. 9646 : Real Estate Service Act (RESA Law)

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Additional Provision on Licensing:

Registration without Examination
Upon application and payment of the required fees, the following shall be registered and issued certificate of registration and professional identification card without taking the examination:

- Already licensed as real estate brokers, appraisers or consultants by the DTI, PROVIDED that they are in active practice and have undertaken relevant CPE

- Assessors and appraisers who hold permanent appointments and are performing actual appraisal and assessment functions for the last 5 years, have passed the Real Property Assessing Officer examination and have undertaken relevant CPE

- Assessors and appraisers who hold permanent appointments and have at least 10 years actual experience in real property appraisal or assessment and have completed at least 120 hours of accredited training on real property appraisal and have undertaken relevant CPE

* Should file their application within 2 years from effectivity of this Act

Within 90 days from effectivity, DTI-BTRCP shall transfer all pertinent records, documents and other materials to the Professional Regulatory Board of Real Estate Service

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Issuance of Special/Temporary Permit

Board may issue special/temporary permit to real estate practitioners from foreign countries whose services are urgently needed in the absence or unavailability of local real estate service practitioners upon application and payment of the required fees, subject to the approval of the Commission.

No foreign real estate service practitioner shall be admitted to the licensure examination or be given a certificate of registration or a professional identification card or be entitled to any privileges under this Act unless he/she is a citizen of a country allowing Filipino real estate service practitioners to practice within its territorial limits on the same basis as citizens of such foreign country.
Republic Act No. 9646 : Real Estate Service Act (RESA Law)

BEFORE R.A. No. 9646

Continuing Education Program (CEP)

- conducted by a single proprietorship, partnership or corporation duly registered with DTI or any real estate association affiliated with any member of Realty Service Council of the Philippines (RESCOP) - the federation of real estate organizations and designated as consultative and advisory body of DTI on matters pertaining to real estate

- subjects and corresponding credit hours are based on prescribed topics on the Administrative Order No. 6 & No. 3 promulgated by DT-BTRCP

- should be accredited and approved by DTI; must submit list of attendees 72 hours after the seminar

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Continuing Professional Education (CPE)

- Board shall develop, prescribe and promulgate guidelines on CPE

- Board shall create a CPE Council composed of chairperson coming from the Board, a member from the accredited and integrated professional organization and a member from the academe
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**BEFORE R.A. No. 9646**

**EXAMINATION**

- Conducted by DTI twice a year (every last Sunday of May & November) for brokers and appraisers and once a year for consultants
- Examination content and questions (randomly selected) are provided by the Examination Committee composed of DTI representative and examiners coming from the different real estate organizations (recommended by the national presidents of the national real estate organizations)

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**EXAMINATION**

- Conducted by the Board at least once a year
- All applications for examination shall be filed with the Board which shall assess and approve said applications and issue corresponding permits
- Scope of examination for real estate brokers, appraisers and consultants will be based on Article III of RA 9646 concerning coverage of exam
- Passing Rate: must obtain 75% in all subjects with no rating below 50% in any subject

**RESULTS OF EXAMINATION**

Results of Examination shall be released 10 days from the last day of examination
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BEFORE R.A. No. 9646

Licensing/Examination Requirements:

Brokers:
- completed at least 144 units of college undergraduate study or must have finished 72 units in college provided he must have been a licensed salesman for a period of four years
- Attended real estate seminar for brokers
- passed the real estate brokers examination conducted by DTI

Appraisers:
- have at least 5 years experience as licensed real estate broker
- completed a 4-year baccalaureate degree
- attended real estate seminar for appraisers
- passed the real estate appraisers examination conducted by DTI

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Licensing/Examination Requirements:

- Citizen of the Philippines
- holder of relevant bachelor’s degree from a state university or college or other educational institution recognized by CHED; PROVIDED, that as soon as a course leading to a Bachelor’s degree in Real Estate Service is implemented, the Board shall make this course a requirement for taking the licensure examination
- Of good moral character and must not have been convicted of any crime involving moral turpitude
Republic Act No. 9646: Real Estate Service Act (RESA Law)

**BEFORE R.A. No. 9646**

**Licensing/Examination Requirements:**

Consultants:
- have at least 10 years experience as licensed real estate broker or have at least 5 years experience as licensed real estate appraiser
- passed the real estate consultants examination conducted by DTI

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**Licensing/Examination Requirements:**

Consultants:
- have at least 10 years experience as licensed real estate broker or an assessor or as a bank or institutional appraiser or an employed person performing real property valuation or at least 5 years experience as licensed real estate appraiser
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BEFORE R.A. No. 9646  
Licensing/Examination Requirements:
Salesperson:
- at least 21 years old
- completed at least high school
- recommendation from employer/broker

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Licensing/Examination Requirements:
Salesperson:
- No examination but will be accredited by the Board
- Completed at least 2 years of college
- Undergone training and seminars in real estate brokerage as required
- Shall be under direct supervision and accountability of a real estate broker
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Additional Provision on Salesperson (employment):

A real estate broker shall be guilty of violating this Act for employing or utilizing the services of a salesperson when he/she has not secured accreditation from the Board prior to such employment.

No salesperson shall be entitled to receive or demand a fee, commission or compensation other than the duly licensed broker who has direct control and supervision over him.

No violation of this provision shall be a cause for revocation or suspension of certificate of registration of the broker unless there was actual knowledge of such violation or the broker retains the benefits, profits or proceeds of a transaction wrongfully negotiated by the salesperson.
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Corporate Practice of Real Estate Service

No partnership or corporation shall engage in real estate service unless duly registered with SEC
- Persons authorized to act are all duly registered and licensed real estate practitioners
- Corporation shall regularly submit a list of its real estate service practitioners to PRC and SEC as part of its annual reportorial requirement
- There shall be at least 1 licensed broker for every 20 accredited salespersons
- Marketing divisions/department shall be headed by full-time registered and licensed real estate brokers
- In case of resignation or termination, should be reported by the employer to the Board within 15 days from the date of effectivity of resignation/termination

Subject to provisions of the Labor Code, may hire services of a registered and licensed real estate practitioners on commission basis and shall be deemed independent contractors and not employees of corporations.
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Additional Provisions:

Positions in Government Requiring the Services of Registered and Licensed Real Estate Service Practitioners

- Within 3 years from effectivity of this Act, all existing and new positions in the national and local governments and primarily requiring the services of any real estate service practitioner shall be filled only by registered and licensed real estate service practitioners.
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Prohibition against the Unauthorized Practice of Real Estate Service

No person shall practice or offer to practice real estate service in the Philippines unless he/she passed the licensure examination given by the Board, holder of a valid Certificate of registration and professional identification card or valid special/temporary permit and paid the required bond.

Every registered and licensed real estate service practitioner shall establish and maintain a principal place of business and shall conspicuously display therein the original or certified true copy of certificate of registration along with its real estate practitioners employees.

All real estate service associations shall be integrated into one national organization.
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Any violation of this Act, including violations of implementing rules and regulations, shall be meted the penalty of a fine not less than P100,000.00 or imprisonment of not less than two (2) years or both upon discretion of the court.
Thank you for listening!

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Copy of the Real Estate Service Act (RESA) and other Real Estate-related laws may be downloaded from:

www.creba.ph

The official website of the CHAMBER OF REAL ESTATE & BUILDERS' ASSOCIATIONS, INC.

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