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SENATE

Senate Bill No. 1362

RECEIVED BY: *Ji*

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INTRODUCED BY SEN. JINGGOY EJERCITO ESTRADA

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EXPLANATORY NOTE

This measure was filed by the Committees on Civil Service and Government Reorganization, and Urban Planning, Housing and Resettlement during the Fifteenth Congress which was unfortunately not passed into law.

The real estate industry is one of the essential industries in the country, contributing significantly to the country's economy. However, its contribution can be maximized even more, particularly in providing job opportunities to our people, if certain provisions of Republic Act No. 9646, otherwise known as the "Real Estate Service Act of the Philippines":

This bill seeks to promote employment opportunities in the real estate sector of the country by proposing, among others, the following amendments to RA 9646 concerning real estate salespersons:

- 1) replacement of the requirement of two (2) years in college by "relevant education in real estate, urban planning, marketing, management, business administration, and other similar courses";
- 2) allowing a person to be an accredited real estate salesman if he or she has accumulated a combined three (3) years of experience in real estate as attested by real estate developer or broker; and,
- 3) removal of the requirement of at least one (1) real estate broker for every twenty (20) accredited salespersons:

These amendments will open the opportunities for current and potential salespersons while at the same time ensuring that the quality and competitiveness of real estate salespersons are still upheld.

The immediate passage of this bill is earnestly sought.

  
JINGGOY EJERCITO ESTRADA  
Senator



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AN ACT  
PROMOTING EMPLOYMENT OPPORTUNITIES IN REAL ESTATE SERVICE  
IN THE PHILIPPINES, AMENDING FOR THE PURPOSE CERTAIN  
PROVISIONS OF REPUBLIC ACT NO. 9646, OTHERWISE KNOWN AS THE  
REAL ESTATE SERVICE ACT OF THE PHILIPPINES

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

1 **SECTION 1.** Section 2 of Republic Act No. 9646 is hereby amended to read as  
2 follows:

3  
4 "Section 2. *Declaration of Policy.* – The State recognizes the vital  
5 role of real estate service practitioners in the social, political,  
6 economic development and progress of the country by promoting  
7 real estate market, stimulating economic activity, PROMOTING  
8 EMPLOYMENT OPPORTUNITIES IN THE SECTOR and  
9 enhancing government income from real property-based  
10 transactions. Hence, it shall develop and nurture through proper  
11 and effective regulation and supervision a corps of technically-  
12 competent, responsible and respected professional real estate  
13 service practitioners whose standards of practice and service shall  
14 be globally competitive and will promote the growth of the real  
15 estate industry."  
16

17  
18 **SEC. 2.** Section 28 of the same law is hereby amended:

19  
20 "Section 28. *Exemptions from the Acts Constituting the Practice of*  
21 *Real Estate Service.* – The provisions of this Act and its rules and  
22 regulations shall not apply to the following:

23  
24 (a) Any person, natural or judicial, who shall directly perform by  
25 himself / herself the acts mentioned in Section 3 hereof with  
26 reference to his / her or its own property [, except real estate  
27 developers];

28  
29 (b) x x x"  
30  
31

1 **SEC. 3.** Section 31 of the same law is hereby amended to read as follows:  
2  
3

4 "Section 31. *Supervision of Real Estate Salespersons.* – For real  
5 estate salespersons, no examination shall be given, but they shall  
6 be accredited by the Board: *Provided*, That they have [completed  
7 at least two (2) years of college] **UNDERTAKEN RELEVANT**  
8 **EDUCATION IN REAL ESTATE, URBAN PLANNING,**  
9 **MARKETING, MANAGEMENT, BUSINESS ADMINISTRATION**  
10 **AND OTHER SIMILAR COURSES** and have undergone training  
11 and seminars in real estate brokerage, as may be required by the  
12 Board. **A PERSON WHO HAS ACCUMULATED A COMBINED**  
13 **THREE (3) YEARS OF EXPERIENCE IN REAL ESTATE AS**  
14 **ATTESTED BY REAL ESTATE DEVELOPER OR BROKER MAY**  
15 **ALSO BE ACCREDITED AS A REAL ESTATE SALESMAN.** Real  
16 estate salespersons shall be under the direct supervision and  
17 accountability of a real estate broker. As such, they cannot by  
18 themselves be signatories to a written agreement involving a real  
19 estate transaction unless the real estate broker who has direct  
20 supervision and accountability over them is also a signatory  
21 thereto. No real estate salesperson, either directly or indirectly, can  
22 negotiate, mediate or transact any real estate transaction for and in  
23 behalf of a real estate broker without first securing an authorized  
24 accreditation as a real estate salesperson for the real estate broker,  
25 as prescribed by the Board. A real estate broker shall be guilty of  
26 violating this Act for employing or utilizing the services of a real  
27 estate salesperson when he/she has not secured the required  
28 accreditation from the Board prior to such employment.  
29

30 X x x"  
31  
32

33 **SEC. 4.** Section 32 of the same law is hereby amended:  
34

35 "Section 32. *Corporate Practice of the Real Estate Service.* –  
36

37 (a) No partnership or corporation shall engage in the business of  
38 real estate service unless it is duly registered with the Securities  
39 and Exchange Commission (SEC), and the persons authorized  
40 to act for the partnership or corporation are all duly registered  
41 and licensed real estate brokers, appraisers or consultants, as  
42 the case may be. The partnership or corporation shall regularly  
43 submit a list of its real estate service practitioners to the  
44 Commission and to the SEC as part of its annual reportorial  
45 requirements. [There shall at least be one (1) licensed real  
46 estate broker for every twenty (20) accredited salespersons.]  
47

48 (b) X x x"  
49  
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51 **SEC. 5. *Repealing Clause.*** – All laws, decrees, executive orders, department or  
52 memorandum orders and other administrative issuances or parts thereof which  
53 are inconsistent with the provisions of this Act are hereby modified, superseded  
54 or repealed accordingly.  
55  
56

1 **SEC. 6. *Separability Clause.*** – If any part or provision of this Act is declared  
2 invalid or unconstitutional, the other parts thereof not affected thereby shall  
3 remain valid.  
4

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6 **SEC. 7. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days upon  
7 completion of its publication in at least two (2) national newspapers of general  
8 circulation.  
9

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14 *Approved,*