

7 SEP 26

SENATE

S. No. 1644

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Introduced by Senator Biazon

EXPLANATORY NOTE

Real property, as a major source of government revenues, has a vast potential for greater contribution to gross domestic income which remains to be fully tapped. Real estate practitioners perform highly technical work which provides the basis for decisions on property sales, expropriations, compensation, mortgage financing, and assessment of taxes, as well as in the development of the real estate industry in the country. Therefore, they play a vital role in tapping into this potential and promoting national progress.

However, real estate service practice needs to be strengthened and given its rightful recognition as a profession. It should be appropriately regulated and provided institutionalized government support to develop a corps of highly respected, technically competent, and disciplined real estate service practitioners, knowledgeable of internationally accepted standards and practice of the profession. The prevailing negative perception of the work of many appraisers and assessors as hardly professional and tainted with various considerations serves as a setback for the growth of the real estate market as a factor for national development.

Presently treated as a trade, real estate service practitioners (appraisers, brokers and consultants) are under the supervision of the Department of Trade and Industry (DTI) through the Bureau of Trade Regulation and Consumer Protection (BTRCP), in the exercise of its consumer regulation functions. This is an incongruous arrangement that has not been conducive to effective regulation of the real estate practice as the DTI itself considers this function extraneous to its mandate. Neither does it have the expertise and the staff to competently perform the regulatory functions for this industry.

The Real Estate Service Act (RESA) seeks to address these problems. It provides for the professionalization of the real estate service practice by transferring the regulatory function from the DTI to the Professional Regulation Commission (PRC) to be exercised by a Professional Real Estate Service Board (PRESB). The Board will be responsible for the examination, registration, licensing, discipline, and ensuring continuing education and training for real estate service practitioners. It will monitor and have oversight of the industry practice, including the Code of Ethics. Government appraisers and assessors shall be covered by this professionalization.

The PRESB will be serviced by the secretariat pool of the Professional Regulation Commission (PRC) and provided an office space within the PRC.

The Bill has undergone extensive consultation with, and have the unqualified support of a broad group of stakeholders in the private sector (the Property Appraisers Association of the Philippines (PARA), the Institute of Philippine Real Estate Appraisers (IPREA), the Real Estate Council of the Philippines (RESCOP), the Capital Markets Development Council (CMDC), the Financial Executives of the Philippines (FINEX), etc., as well as in the government (the local government assessors, local chief executives, the Bangko Sentral ng Pilipinas (BSP), the DTI, the PRC, among others).

In view of the foregoing, approval of this bill is earnestly sought.




RODOLFO G. BIAZON
Senator

FOURTEENTH CONGRESS OF THE REPUBLIC)
OF THE PHILIPPINES)
First Regular Session)

7 SEP 26 1976

S E N A T E

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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

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

ARTICLE I

SEC. 1. Title. - This Act shall be known as the "REAL ESTATE SERVICE ACT OF THE PHILIPPINES."

SEC. 2. Declaration of Policy. - The State recognizes the vital role of real estate service practitioners in the social, political and economic development of the country by promoting the real estate market, stimulating economic activity and enhancing government income from real property-based transactions. Toward this end and to promote the growth of the real property industry, it shall develop and nurture through proper and effective regulation and supervision, a corps of technically competent, responsible and respected professional real estate service practitioners whose standards of practice and service shall be technically and globally competitive and will promote the growth of the real property industry.

SEC. 3. Definition of Terms. - As used in this Act, the following terms shall mean:

- (a) Appraiser – also known as Valuer; refers to a person who conducts valuation/appraisal; specifically, one who possesses the necessary qualifications, ability, and experience to execute or direct the valuation/appraisal of real or personal property;

- (b) Assessor – a government officer who conducts appraisal and assessment of real properties for taxation purposes.
- (c) Real estate – refers to the land and all those items which are attached to the land. It is a physical and tangible entity, together with all the addition on, above, or below the ground.
- (d) Real estate development project – means the development of land for residential, commercial, industrial, agricultural, institutional or recreational purposes, or any combination of such, including but not limited to tourist resorts, reclamation projects, building or housing projects whether for individual or condominium ownership, memorial parks, and others of similar nature.
- (e) Real Property – includes all the rights, interests, and benefits related to the ownership of real estate;
- (f) Real estate service practitioners shall refer to and consists of the following:
 - 1) Real estate consultant - a duly registered and licensed natural person who, for a fee, compensation or other valuable consideration, offers or renders professional advise and judgment on: (a) the acquisition, enhancement, preservation, utilization or disposition of lands or improvements thereon; and (b) the conception, planning, management, and development of realty projects.
 - 2) Real estate appraiser - a duly registered and licensed natural person who, for a fee, compensation or other valuable consideration, performs or renders, or offers to perform or render services in estimating and arriving at an opinion, on real estate values, such services of which shall finally be rendered by the preparation of the report in acceptable written form.
 - 3) Real estate broker - a duly registered and licensed natural person who, for a fee, commission or other valuable consideration, acts as an agent of a party in a real estate transaction to offer, advertise, solicit, list, promote, mediate, negotiate, or effect the meeting of the minds on the sale, purchase, exchange, mortgage, lease, or joint venture or other similar transactions on real estate or any interest therein.
 - 4) Real estate salesperson - a duly registered and accredited natural person who performs for and in behalf of a registered real estate broker for or in expectation of a share in the commission, fee, compensation or other valuable consideration.

ARTICLE II

PROFESSIONAL REGULATORY BOARD OF REAL ESTATE SERVICE

SEC. 4. *Creation and Composition of the Board.* - To promote the objectives of professionalizing the real estate service practice, there is hereby created a Professional Regulatory Board of Real Estate Service, hereinafter referred to as the Board, under the supervision and administrative control of the Professional Regulation Commission, hereinafter referred to as the Commission. The Board shall be composed of a Chairperson and four (4) members who shall be appointed by the President of the Philippines from a list of three (3) recommendees for each position, chosen and ranked by the Commission from a list of five nominees for each position submitted by the accredited and integrated professional organization(s) of real estate service practitioners: *Provided*, that two (2) of the members shall represent the government assessors and appraisers.

The Board shall be organized within thirty (30) days from the effectivity of this Act.

SEC. 5. *Powers and Functions of the Board.* - The Board is hereby vested the following powers and functions:

- (a) Provide comprehensive policy guidance for the promotion and development of the real estate service practice as a profession both in the government and in the private sector;
- (b) Conduct licensure examinations for the practice of the real estate service profession and prescribe the appropriate syllabi of the subjects for examination;
- (c) Issue, suspend, revoke or reinstate, after due notice and hearing, certificates of registration/professional licenses or professional identification cards for the practice of the real estate service;
- (d) Maintain a comprehensive and updated register of licensed real estate professionals;
- (e) Monitor the conditions affecting the practice of real estate service and adopt such measures as may be proper for the enhancement of the profession and/or the maintenance of high professional, ethical and technical standards;
- (f) Hear or investigate any violation of this Act, its implementing rules and regulations, and the code of ethics for real estate service practitioners and issue subpoena and subpoena *duces tecum* to secure the appearance of witnesses and the production of documents in connection therewith;

- (g) Safeguard and protect legitimate and licensed real estate service practitioners, and, in coordination with the accredited and integrated professional organization of real estate practitioners, monitor all forms of advertisements, announcements, signboards, billboards, pamphlets, brochures and others of similar nature concerning real estate, and, where necessary, exercise its judicial and police powers to finally and completely eradicate the pernicious practices of unauthorized or unlicensed individuals.
- (h) Prescribe, in cooperation with the Commission on Higher Education (CHED) or the concerned state university or college, the essential requirements as to the curricula and facilities of schools, colleges, or universities seeking permission to open academic courses or already offering such courses in appraisal or valuation, and to see to it that these requirements, including the employment of qualified faculty members, are properly complied with;
- (i) Promulgate, administer and enforce rules and regulations necessary for carrying out the provisions of this Act;
- (j) Supervise and regulate the registration, licensure and practice of real estate service in the Philippines;
- (k) Administer oaths and affirmations;
- (l) Adopt an official seal of the Board;
- (m) Evaluate periodically the status of appraisal/valuation education and recommend and/or adopt measures to upgrade and maintain its high standard;
- (n) Prescribe guidelines and criteria for the Continuing Professional Education (CPE) program for real estate service practitioners in consultation with the accredited and integrated professional organizations of real estate service practitioners;
- (o) Screen, issue and monitor permits to organizations of real estate professionals in the conduct of seminars pursuant to the CPE program, as well as the instructors or lecturers therein for the purpose of upgrading the quality and knowledge of the profession;
- (p) Monitor and supervise the activities of the accredited and integrated professional organizations and other associations of real estate service practitioners; and
- (q) Discharge such other powers, duties and functions, as the Commission may deem necessary to carry out the provision of this Act.

The policies, resolutions, and rules and regulations issued or promulgated by the Board shall be subject to the review and approval of the Commission. However, the Board's decisions, resolutions or orders rendered in an administrative case, which are not interlocutory, shall be subject to review by the Commission only if on appeal.

SEC. 6. *Qualifications of the Chairperson and Members of the Board.* - The Chairperson and members of the Board shall, at the time of their appointment, possess the following qualifications:

- (a) A citizen and resident of the Philippines;
- (b) A holder of at least a relevant bachelor's degree;
- (c) An active licensed practitioner of the real estate service, either as real estate appraiser or consultant, for at least ten (10) continuous years prior to his/her appointment;
- (d) A bona fide member of the accredited and integrated professional organization of real estate service practitioners but not an officer at the time of his/her appointment.
- (e) Neither be a member of the faculty of an institute, school or college of real estate service nor have any pecuniary interest, direct or indirect, in any institution or association where review classes or lectures in preparation for the licensure examination are being offered or conducted; and
- (f) Of good moral character and must not have been convicted by final judgment by a competent court of a criminal offense involving moral turpitude.

SEC. 7. *Term of Office.* - The chairperson and members of the Board shall hold office for a term of three (3) years from the date of their appointment and until their successor/s shall have been appointed: *Provided*, that the members of the first appointed Board shall hold office for the following terms: one (1) member as chairperson to serve for three (3) years, two (2) members to serve for two (2) years and two (2) members to serve for one (1) year.

The chairperson and members of the Board may be reappointed for a second term but in no case shall he/she serve continuously for more than six (6) years. Any vacancy in the Board shall be filled for the unexpired portion only of the term of the member who vacated the position. On the constitution of the first Board, the chairperson and members of the Board shall automatically be registered and issued certificates of registration/professional license and professional

identification cards. Each member of the Board shall take the proper oath of office prior to the assumption of duty.

SEC. 8. *Compensation and Allowances of the Chairperson and Members of the Board.* - The Chairperson and members of the Board shall receive compensation and allowances comparable to the compensation and allowances received by the chairperson and members of existing professional regulatory boards under the Commission as provided for in the General Appropriations Act.

SEC. 9. *Removal of the Chairperson and Members of the Board.* - The Chairperson or any member of the Board may be suspended or removed by the President of the Philippines after investigation and upon recommendation of the Commission for neglect of duty, abuse of power, oppression, incompetence, unprofessional, unethical, immoral or dishonorable conduct, commission or toleration of irregularities in the conduct of examination or tampering of the grades therein, or for any final judgment or conviction of any criminal offense involving moral turpitude.

SEC. 10. *Supervision of the Board, Custodian of Its Records, Secretariat and Support Services.* - The Board shall be under the general supervision and administrative control of the Commission. All records of the Board, including applications for examination, examination papers and results, minutes of deliberations, administrative and other investigative cases involving real estate service practitioners, shall be kept by the Commission. The Commission shall designate the secretary of the Board and shall provide the secretariat and other support services to implement the provisions of this Act subject to the usual government accounting and auditing rules and regulations.

SEC. 11. *Annual Report.* - The Board shall, at the close of each calendar year, submit an annual report to the Commission, giving a detailed account of its proceedings and accomplishments during the year and recommending measures to be adopted with the end-in-view of upgrading and improving the conditions affecting the practice of real estate service in the Philippines.

ARTICLE III

LICENSURE EXAMINATION AND REGISTRATION

SEC. 12. *Licensure Examination.* – Every applicant seeking to be registered and licensed as a real estate service practitioner, except a real estate

salesperson shall undergo an examination as provided for in this Act. Examinations for the practice of real estate service in the Philippines shall be given by the Board at least once every year in such places and dates as the Commission may designate.

SEC. 13. Scope of Examination. - An examination shall be given to the licensure applicants for real estate brokers, real estate appraisers and real estate consultants, which shall include but not limited to the following:

- (a) For real estate brokers - fundamentals of property ownership; code of ethics; legal requirements for real estate service practice; real estate brokerage practice; subdivision development; condominium concept; real estate finance and economics; basic principles of ecology; urban and rural land use, planning, development, and zoning; legal aspect of sale, mortgage, and lease; documentation and registration; real property laws; and any other related subjects as may be determined by the Board.
- (b) For real estate appraisers - fundamentals of real estate principles and practices; standards and ethics; theories and principles in appraisal; human and physical geography; methodology of appraisal approaches, valuation procedures and research; appraisal of machinery and equipment; practical appraisal mathematics; appraisal report writing; real estate finance and economics; case studies; land management system and real property laws; and any other related subjects as may be determined by the Board.
- (c) For real estate consultants - fundamentals of real estate consulting; standards and ethics; consulting tools and techniques, which include project feasibility study and investment measurement tools; real estate finance and economics; real estate consulting and investment analyses; consulting for specific engagement, which includes consulting for commercial, industrial, recreation and resort, and hotel properties, and consulting for government, and corporate and financial institutions; land management system and real property laws; and any other related subjects as may be determined by the Board.

To conform with technological and modern developments, the Board may recluster, rearrange, modify, add or exclude any of the foregoing subjects as may be necessary.

SEC. 14. Qualification of Applicants for Examinations. - In order to be admitted to the licensure examination for real estate service, a candidate shall, at

the time of filing his application, establish to the satisfaction of the Board that he/she possesses the following qualifications:

- (a) A citizen of the Philippines;
- (b) At least twenty-one (21) years of age;
- (c) A holder of a bachelor's degree from a state university or college, or other educational institution duly recognized by the Commission on Higher Education (CHED);
- (d) Has attended and completed an appropriate real estate seminar given by accredited entities; and
- (e) Of good moral character and must not have been convicted of any crime involving moral turpitude: *Provided*, That an applicant for the licensure examination for real estate appraisers must show proof that he has at least three (3) years experience as a licensed real estate broker, or as an assessor, or as bank or institutional appraiser, or an employed person performing real property valuation: *Provided, further*, that an applicant for the licensure examination for real estate consultants must show proof that he has at least ten (10) years experience as a licensed real estate broker, or an assessor, or as bank or institutional appraiser, or an employed person performing real property valuation, or at least five (5) years experience as a licensed real estate appraiser.

All applications for examination shall be filed with the Board which shall assess and approve the said applications and issue to the qualified examinees the corresponding permit to take such examination.

SEC. 15. Ratings in the Examination. - In order that a candidate may be deemed to have successfully passed the examination, he must have obtained an average of at least seventy-five percent (75%) in all subjects, with no rating below fifty percent (50%) in any subject.

SEC. 16. Release of the Results of Examination. - The results of the licensure examination shall be released by the Board within ten (10) days from the last day of the examination.

SEC. 17. Issuance of the Certificate of Registration/Professional License and Professional Identification Card. - A certificate of registration/professional license shall be issued to examinees who pass the licensure examination for real estate service subject to payment of fees prescribed by the Commission. The certificate of registration/professional license shall bear the signature of the

Chairperson of the Commission and the Chairperson and members of the Board, stamped with the official seal of the Commission, indicating that the person named therein is entitled to practice the profession with all the benefits and privileges appurtenant thereto. The certificate of registration/professional license shall remain in full force and effect until revoked or suspended in accordance with this Act.

A professional identification card bearing the registration number, date of issuance, expiry date, duly signed by the Chairperson of the Commission, shall likewise be issued to every registrant upon payment of the required fees. The professional identification card shall be renewed every three (3) years and upon satisfying the requirements of the Board, such as but not limited to attendance in the Continuing Professional Education (CPE) program.

SEC. 18. *Refusal to Register.* - The Board shall not register and issue a certificate of registration/professional license to any successful examinee who has been convicted by a court of competent jurisdiction of any criminal offense involving moral turpitude or has been found guilty of immoral or dishonorable conduct after investigation by the Board, or has been found to be psychologically unfit.

SEC. 19. *Revocation or Suspension of the Certificate of Registration/Professional License and Professional Identification Card.* - The Board may, after giving proper notice and hearing to the party concerned, revoke the certificate of registration/professional license and professional identification card of a real estate service practitioner or suspend him/her from the practice of the profession for any unprofessional or unethical conduct, malpractice, or violation of any of the provisions of this Act, its implementing rules and regulations, and the code of ethics for real estate service practitioners.

SEC. 20. *Registration Without Examination.* - Upon application and payment of the required fees, the following shall be registered and issued by the Board and Commission a certificate of registration/professional license and professional identification card without taking the prescribed examinations:

- (a) Those who, on the date of the effectivity of this Act, are already licensed as real estate broker, real estate appraiser, or real estate consultants by the Department of Trade and Industry (DTI) by virtue of Ministry Order No. 39, as amended: *Provided*, that they are in active practice as real estate brokers, real estate appraisers and real estate consultants, and have

undertaken relevant Continuing Program of Education (CPE) to the satisfaction of the Board.

(b) Assessors, as defined in this Act, who, on the date of the effectivity of this Act, hold permanent appointment and are performing actual appraisal and assessment functions for the last five (5) years, have passed the Real Property Assessing Officers (RPAO) examination conducted and administered by the Civil Service Commission (CSC) in coordination with the Department of Finance (DOF), and have undertaken relevant CPE to the satisfaction of the Board.

(c) Assessors not qualified under (a) or (b) but who, on the date of effectivity of this Act, have at least five (5) years actual experience in real property appraisal or assessment and have completed at least sixty (60) hours of training on real property appraisal conducted by national appraisal organizations or institutions/entities recognized by the Board.

Those falling under categories (b) and (c) shall register with the Board after they shall have complied with the requirements for registration as real estate appraiser: *Provided*, that those seeking to be licensed to a new credential level shall be required to take the pertinent licensure examination.

Those so exempt under the aforementioned categories shall file their application within two (2) years from the effectivity of this Act: *Provided*, that the renewal of the professional identification card is subject to the provisions of Section 17 hereof.

SEC. 21. Reinstatement, Reissuance or Replacement of Certificate of Registration/Professional License and Professional Identification Card. -

The Board may, upon application and for reasons deemed proper and sufficient, reinstate any revoked certificate of registration/professional license and reissue a suspended professional identification card, and in so doing it may, in its discretion, exempt the applicant from taking another examination.

A new certificate of registration/professional license or professional identification card may be issued to replace lost, destroyed or mutilated ones, subject to such rules as may be promulgated by the Board.

SEC. 22. Roster of Real Estate Service Practitioners. - The Board shall prepare, update and maintain a roster of real estate service practitioners which shall contain the names of all registered real estate service practitioners, their residence and office addresses, dates of registration or issuance of certificates, and other data which the Board may deem pertinent.

The roster shall be open to the public, copies of which shall be sent to each real estate service practitioner listed therein.

SEC. 23. *Issuance of Special or Temporary Permit.* - Upon application and payment of the required fees, and subject to the approval of the Commission, the Board may issue special or temporary permit to real estate service practitioners from foreign countries whose services are urgently needed in the absence or unavailability of local real estate service practitioners for the purpose of promoting or enhancing the practice of the profession in the Philippines.

SEC. 24. *Foreign Reciprocity.* - No foreign real estate service practitioner shall be admitted to the licensure examination or be given a certificate of registration/professional license or professional identification card or be entitled to any of the privileges under this Act unless the country of which he/she is a citizen specifically allows Filipino real estate service practitioners to practice within its territorial limits on the same basis as the citizens of such foreign country.

ARTICLE IV

PRACTICE OF REAL ESTATE SERVICE

SEC. 25. *Oath.* - All successful examinees qualified for registration and all qualified applicants for registration without examination, as well as accredited salespersons, shall be required to take an oath of profession before any member of the Board or any government official authorized by the Commission to administer oaths prior to entering into the practice of real estate service in the Philippines.

SEC. 26. *Acts Constituting the Practice of Real Estate Service.* - Any single act or transaction embraced within the provisions of Section 3 hereof shall constitute an act of engaging in the practice of real estate service.

SEC. 27. *Exemptions from the Acts Constituting the Practice of Real Estate Service.* - The provisions of this Act and its rules and regulations shall not apply to the following:

- (a) Any person, natural or juridical, who shall directly perform by himself the acts mentioned in Section 3 hereof with reference to his or its own property;
- (b) Any receiver, trustee or assignee in bankruptcy or insolvency proceedings;

- (c) Any person acting pursuant to the order of any civil court of justice; and
- (d) Any person who is duly constituted attorney in fact for purposes of sale, mortgage, lease or exchange or other similar contracts of real estate.

SEC. 28. *Prohibition Against the Unauthorized Practice of Real Estate Service.* - No person shall practice or offer to practice real estate service in the Philippines or offer himself/herself as real estate service practitioner, or use the title, word, letter, figure, or any sign tending to convey the impression that one is a real estate service practitioner, or advertise or indicate in any manner whatsoever that one is qualified to practice the profession, or be appointed as real property appraiser or assessor in any national government entity or local government unit, unless he/she has satisfactorily passed the licensure examination given by the Board, except as otherwise provided in this Act, and is a holder of a valid certificate of registration/professional license and professional identification card or a valid special/temporary permit duly issued to him/her by the Board and the Commission.

SEC. 29. *Positions in Government Requiring the Services of Registered and Licensed Real Estate Service Practitioners.* - Within three (3) years from the effectivity of this Act, all existing and proposed positions in the local and national governments, whether career, permanent, temporary or contractual, and primarily requiring the services of a real estate service practitioner, shall be filled only by registered and licensed real estate service practitioners.

SEC. 30. *Supervision of Real Estate Salespersons.* - For real estate salespersons, no examination shall be given, but they are entitled to accreditation by the Board: *Provided*, that they have completed at least two (2) years of college and have undergone thirty-six (36) hours of training in real estate brokerage. Real estate salespersons shall be under the direct supervision and accountability of a real estate broker. As such, he/she cannot by himself/herself be a signatory to a written agreement involving a real estate transaction unless the real estate broker who has direct supervision and accountability over him/her is also a signatory thereto. No real estate salesperson can negotiate, mediate or transact any real estate transaction for and in behalf of a real estate broker without first securing an authorized permit as real estate salesperson for the real estate broker and/or company he is working for as prescribed by the Board. A real estate broker shall be guilty of violating this Act for employing or utilizing the

services of a real estate salesperson who has not secured the required professional license prior to such employment.

SEC. 31. *Corporate Practice of the Real Estate Service.* -

- (a) No partnership or corporation shall engage in real estate service practice unless it is duly registered with the Securities and Exchange Commission (SEC), and the persons authorized to act for the partnership or corporation are all duly licensed as brokers, appraisers or consultants, as the case may be. The partnership or corporation shall regularly submit a list of its real estate service practitioners to the Commission and to the SEC as part of its annual reportorial requirements.
- (b) Divisions or departments of corporations and partnerships engaged in marketing or selling any real estate development project in the regular course of business must be headed by a full-time licensed real estate broker.

In case of resignation or termination from employment of a real estate service practitioner, the same shall be reported by the employer to the Board within a period not to exceed fifteen (15) days from the date of effectivity of the resignation or termination.

Subject to the provisions of the Labor Code, a corporation or partnership may hire the services of licensed real estate brokers, appraisers or consultants on commission basis to perform real estate services and the latter shall be deemed independent contractors and not employees of such corporation or partnership.

SEC. 32. *Display of License in the Place of Business.* - Every licensed real estate service practitioner shall establish and maintain a principal place of business and such other branch offices as may be necessary and shall conspicuously display therein the original and/or certified true copies of his/her certificate of registration/professional license as well as the licenses of all real estate service practitioners employed in such office.

SEC. 33. *Accreditation and Integration of Real Estate Service Practitioners Organizations.* - All real estate service practitioners shall be integrated into one national organization, which shall be recognized by the Board as the one and only accredited and integrated professional organization of real estate practitioners. A real estate service practitioner duly registered with the Board shall automatically become a member of the accredited and integrated professional organization of real estate service practitioners and shall receive the

benefits and privileges appurtenant thereto. Membership in the accredited and integrated professional organization of real estate service practitioners shall not be a bar to membership in other associations of real estate service practitioners.

SEC. 34. Code of Ethics for Real Estate Service Practitioners. - The Board shall adopt and promulgate the Code of Ethics for Real Estate Service Practitioners which shall be prescribed and issued by the accredited and integrated professional organization of real estate service practitioners.

SEC. 35. Continuing Professional Education (CPE) Program. - The Board shall develop, prescribe and promulgate guidelines on continuing professional education (CPE) upon consultation with the accredited and integrated professional organization of real estate service practitioners, affiliated association of real estate service practitioners, and other concerned sectors, and in accordance with such policies as may have been prescribed in coordination with the CHED. The Board shall create a CPE Council that shall be composed of a chairperson coming from the Board, a member from the accredited and integrated professional organization of real estate service practitioners and a member from the academe.

ARTICLE V

PENAL AND FINAL PROVISIONS

SEC. 36. Penal Provisions. - Any violation of this Act, including violations of the implementing rules and regulations, shall be meted the penalty of a fine of not less than one hundred thousand pesos (Php100,000.00), or imprisonment of not less than two (2) years, or both such fine and imprisonment upon the discretion of the court. In case the violation is committed by unlicensed realty service practitioners, the penalty shall be double the aforesaid fine and imprisonment.

In case the violation is committed by a partnership, corporation, association or any other juridical person, the partner, president, director or manager who has committed or consented to or knowingly tolerated such violation shall be held directly liable and responsible for the acts as principal or as a co-principal with the other participants, if any.

SEC. 37. Appropriations. - The chairperson of the Professional Regulation Commission (PRC) shall immediately include in the Commission's programs the implementation of this Act, the funding of which shall be included in the annual General Appropriations Act and thereafter.

SEC. 38. *Transitory Provisions.* - Within ninety (90) days after the effectivity of this Act, the Department of Trade and Industry (DTI) shall transfer all pertinent records, documents, and other materials to the Professional Regulatory Board of Real Estate Service.

SEC. 39. *Implementing Rules and Regulations.* - Within ninety (90) days after the effectivity of this Act, the Commission, together with the Board, the accredited and integrated professional association of real estate service practitioners, and the CHED shall prepare the necessary rules and regulations, including the code of ethics for real estate service practitioners, needed to implement the provisions of this Act.

SEC. 40. *Separability Clause.* - If any clause, sentence, paragraph or part of this Act shall be declared unconstitutional or invalid, such judgment shall not affect, invalidate or impair any other part of this Act.

SEC. 41. *Repealing Clause.* - All laws, decrees, executive orders, memorandum orders, and other administrative issuances and parts thereof which are inconsistent with the provisions of this Act are hereby modified superseded or repealed accordingly.

SEC. 42. *Effectivity.* - This Act shall take effect fifteen (15) days following its publication in the Official Gazette or in a major daily newspaper of general circulation in the Philippines.

Approved.