

RESA LAW: CODE OF ETHICS AND RESPONSIBILITIES FOR REAL ESTATE SERVICE PRACTITIONERS

Pursuant to Section 5 (f), Article II and Section 35, Article IV of R.A. No.9646, otherwise known as “Real Estate Service Act of the Philippines”, the Professional Regulatory Board of Real Estate Service (PRB-RES) subject to the approval by the Professional Regulation Commission (PRC) hereby adopts and promulgates the hereunder “National Code of Ethics and Responsibilities for Real Estate Service Practice”.

PREAMBLE

The Real Estate Service Practice, an honourable profession, a calling to strive for excellence with the vital role in the social, political, economic development and progress of the country by promoting the real estate industry, stimulating economic activity, shall be developed and nurtured into a corps of technically competent, responsible and respected professionals, whose standards of practice shall be globally competitive. As such, real estate service practitioners are bound by a code of conduct, morals, and values in the performance of their duties and responsibilities to the public, their client, the government, fellow practitioners, and associations.

Therefore, it is essential, imperative and necessary to adopt this NATIONAL CODE OF ETHICS AND RESPONSIBILITIES FOR THE REAL ESTATE SERVICE PRACTITIONERS that will govern their rule of conduct.

Article I

SCOPE AND PURVIEW OF THE CODE

As used in this code and for the purpose hereof, the Real Estate Service Practice shall embrace and include all natural persons who are performing any act of engaging in the practice of real estate service as defined in Section 3(g) of Republic Act No. 9646 namely, real estate consultant, appraiser, assessor, broker, and salesperson hereinafter referred to as the real estate service practitioners.

Article II

GENERAL PROVISIONS AND DECLARATION OF PRINCIPLES

Section 1. The Real Estate Service Practice is a noble profession, calling or occupation and those engaged therein shall abide by, commit and comply with all the laws, standards, decrees, orders and rules and regulations enacted or promulgated by duly constituted government authorities.

Section 2. The Real Estate Service Practitioners shall perform it duties and responsibilities with utmost integrity, responsibility, fidelity, sincerity, respect and courtesy for colleagues in the profession with a behaviour proper to a professional. The Real Estate Service Practitioners shall adhere to the strict compliance of the National Code of Ethics and Responsibilities with honesty, good moral conduct and strong sense of values. The practitioner shall observe at all times objective moral standards in the practice of real estate service with good governance in relation with his/her client(s) and the community and in service to to the nation and Filipino people.

Section 3. It is required to have adequate education, value formation, knowledge, competence and expertise in real estate service. The Real Estate Service Practitioner shall maintain a professional character and personality by upholding the generally accepted standards of the practice.

Section 4. The spirit of unity, harmony, camaraderie, cooperation and professional relationship among the practitioners is essential, and shall be promoted under the principle of solidarity.

Section 5. The Golden Rule which reads, “Do unto others as you would have them do unto you,” shall be observed in all the dealings and relation of the practitioners with clients, fellow practitioners, the organizations to which they belong, and the public.

Article III

PROFESSIONAL RULES OF CONDUCT AND RESPONSIBILITIES

The Practitioners shall be governed by the following professional rules of conduct and responsibilities.

Section 1. To the Government

(a) The Practitioner shall secure all the necessary licenses, permits and authority from the Commission and other government agencies as may be required by law, ordinance or rules and regulations and comply with all the requirements relative to the practice of real estate service.

(b) The Practitioner shall pay any and all professional fees and taxes that are required by law in the practice of real estate.

(c) The Practitioner shall not encourage, tolerate or participate in the evasion or illegal reduction in the payment of all taxes, fees or charges that is due to the government.

Section 2. To the Public

(a) The Practitioner shall be imbued with a social responsibility and conscience being part of society with duties and responsibilities for the promotion of the common good.

(b) The Practitioner shall cooperate with the government in protecting the public against deceit, misrepresentation, unfair, relevant information and other related unethical and immoral practices and malpractices of unlicensed and unauthorized real estate service practitioners.

(c) The Practitioner shall endeavour to present the full disclosure of pertinent and material facts on the subject property in advertisements (i.e. brochures, flyers and press releases (whether in tri-media or electronic media/means)).

Section 3. To the Clients

(a) The Practitioner in accepting any authority, listing and/or assignment to act for and in behalf of a client shall be obliged with prudence, integrity, loyalty, fidelity and good faith in protecting and promoting the interest of the client without sacrificing the legitimate interest of the other party in the transaction which shall not be contrary to the law, good morals and public interest.

(b) The Practitioner shall not accept any professional fee or valuable consideration from any party of the real estate transactions except from his/her client unless with the full knowledge and consent of all the parties in similar transactions but not lower than the agreed minimum professional fee as recommended by the accredited and integrated professional organization based on the existing standards of real estate service practice.

(c) The Practitioner shall charge or collect standard professional fees which are fair and reasonable in accordance with real estate industry practice in similar transactions but not lower than the agreed minimum professional fee as recommended by the accredited and integrated professional organization based on the existing standards of real estate service practice.

Section 4. To Fellow Practitioners

(a) The Practitioner shall not use any vital documents relative the professional conduct without written consent by the other Practitioner.

(b) The Practitioner may coordinate with other Fellow Practitioners and agree their respective reasonable professional fees in accordance with the Tariff of Professional Fees prescribe by the Accredited and Integrated Professional Organization (APO).

(c) The Practitioner shall not use or solicit the services of the employee of another Practitioner without the written consent by the latter.

(d) The Practitioner shall not engage in slander, oral defamation, gossip, or criticize publicly a fellow practitioner and/or competitor nor volunteer a negative and damaging opinions of a competitor and/or fellow practitioner in any means (SMS, electronics mails or letters, etc of similar nature). And if one's opinion is essentially sought for common good, the Practitioner shall render it with prudence, truth with professional integrity, courtesy and respect to a fellow practitioner cautious in

safeguarding the latter's human rights and good reputation and credibility.

(e) The practitioner shall not seek unjust and unfair advantage over his/her fellow practitioners by organizing or sowing discord, spreading and bad mouthing against other practitioners particularly officers and members of their association or APO or even other associations.

(f) The Practitioner shall willingly share, contribute, write and publish articles for the benefit of fellow practitioners and for the good of the real estate industry by imparting knowledge, technical training, experiences, studies or research without prejudice to classified or confidential information from client.

(g) The Practitioner shall conduct ethical and professional practice with honor, dignity and integrity to avoid any controversies with fellow practitioners.

Section 5. To the Accredited and Integrated Professional Organization (APO)

a) The Practitioner shall abide the articles of incorporation and by-laws of the accredited and integrated professional organization (APO) pursuant to with Section 34 of R.A. 9646.

(b) The Practitioner shall swear under oath to support the APO financially and morally and shall actively participate in the programs and activities for the benefit and welfare of the general membership and the real estate industry.

(c) The Practitioners shall strictly observe and comply the APO's approved Code of Ethics and Responsibilities.

(d) In the event of controversy between members of the accredited and integrated professional organization (APO), such shall be submitted for arbitration to the APO whose decision shall be binding, if accepted by both parties. However, if the APO arbitration body cannot settle the controversy, the Commission through the PRBRES shall assume jurisdiction over the said controversy in accordance with Section 5 paragraph (c) & (g) of RA#9646 and its implementing rules and regulations. All forms of complaint shall be substantiated with pertinent facts and documents as required by law in compliance of due process.

(e) The Practitioner shall first exhaust all possible administrative remedies available in the APO with discretion in compliance with due process available under the existing laws, rules and regulations before taking any judicial or quasi-judicial or administrative action outside APO's jurisdiction.

(f) APO's elections of officers and trustees must be carried out with commitments to moral integrity, obligation to serve with sense of responsibility, honorably, unselfishly, diligently and efficiently not being subjected to self-interest, undue use of force, authority and/or abuse of power and discretion. Electioneering in any form shall not be allowed nor tolerated and anyone doing such shall be automatically disqualified as candidate or nomination for any position and the conduct thereof must be harmonious, peaceful, credible and orderly.

Article IV

Specific Duties and Responsibilities

Section 1. Real Estate Brokers shall:

- (a) Make sure that all agreements, terms and conditions, financial obligations and commitments in real estate transactions are in writing, duly signed by all the parties concerned.
- (b) Not advertise any property listings and/or inventories without written authority from the Client and shall endeavor to offer the same at the authorized amount granted by the client.
- (c) Present all written offers/proposals or counter-offers/proposals to the Client for sound judgement or decision and shall endeavor to make the client conclude to a fair and reasonable contract advantageous to all the parties concern to the transaction and likewise, assist the client or the other party acquire possession and ownership of the property subject to the transaction in accordance with the agreed terms and conditions of the parties.
- (d) Not secure listings/inventories currently exclusively listed with another licensed Real Estate Broker unless said exclusive listing agreement had expired/revoked by the client and the latter offers it to the new licensed Real Estate Broker who did not solicit it or use any unethical means to acquire the said listing agreement.
- (e) In accepting listings/inventories from the Listing Broker, respect the listing agreement of the latter until the expiration thereof.

(f) Not transmit to any Third licensed Real Estate Broker vital informations about the property listings/inventories via electronic mails, SMS or published it any form of announcements/advertisements without the written consent of the Listing Broker.

(g) Not accept any listings/inventories from the Client or any third party which inventories has been previously listed to a licensed Real Estate Broker without conducting inquiries and discussion on the reason for the transfer of professional engagement.

(h) Not put signages or notices on a property for sale, rent or lease it not authorized in writing by the client and shall not be placed on any property by more than one licensed Real Estate Broker.

Section 2. Real Estate Appraisers and Real Estate Consultants shall:

(a) Ensure the highest and best use (HABU) of the property and the equitable distribution of ownership, including its environmental preservation and protection irrespective of political beliefs, cultural background, sect, religion or class.

(b) Not accept contingent professional fee based on a predetermined result or direction that favors the cause of the client. The restriction applies on a professional fee where the Practitioner is acting as an independent practitioner that requires impartiality. Bribery and giving of gratuity for undisclosed professional fees or anything of value in exchange for the procurement of appraisal or consulting engagement is unethical.

(c) Not accept any professional engagement if it is beyond the field of his/her expertise and competence unless a professional assistance shall be obtain from an expert familiar with the subject of the engagement and such fact shall be fully disclosed to the client and included in the written report.

(d) Not render opinion on any engagement/study without carefully investigating, thoroughly analyzing and interpreting all forces/factors affecting the value of the property subject to the engagement. The Practitioner's opinion/advice constitutes professional service that shall entitle a fair and reasonable professional fee. The Officer signing the written report must be licensed Real Estate Appraiser or Consultant duly licensed and registered with the Professional Regulation Commission (PRC).

(e) Only undertake consulting services or engagements in a conduct that is legal, ethical and moral. The Practitioner shall act as neutral third (3rd) party in rendering

balanced appraisal report or consulting services and shall perform the engagements with impartiality and independence without accommodation of personal interests that tend to make misleading or fraudulent reports.

(f) Protect the confidential nature of the engagement under the Principle of Appraiser-Client or Consultant-Client privilege communication, pertaining to factual data obtained as the result of the engagement and shall not disclose any confidential data to anyone except to: (1) the client or the person authorized by the client in writing; (2) Third (3rd) parties authorized by law and (3) duly authorized professional peer reviewer of the engagement. Likewise, it is unethical for a professional peer reviewer to disclose any confidential information or factual data relative to the engagement such as but not limited to written reports, contracts and agreement unless there is a written consent or authority from the client.

(g) Preserve written records of the engagements (work file) for at least five (5) years after the report date or at least two (2) years after final disposition of any judicial proceedings where the testimony of the Practitioner was given, whichever period expires last.

(h) Not have any interest in whatever form on the property subject to the engagement including that of the Practitioners' relatives within fourth (4th) civil degree of consanguinity and affinity. And signatories of juridical persons performing professional appraisal/consulting services must be licensed Real Estate Appraiser or Valuer/Consultant. (i) Not compromise and endanger the professional engagement by delegating the job, profession and responsibilities to any unlicensed and unauthorized individual whether an employee or apprentice/trainee or contractor.

(j) It is unethical for a professional peer reviewer to review the work of another Appraiser/Consultant if he/she does not possess the competency pertaining to the nature of the work being reviewed.

Section 3. Real Estate Government Appraisers and Assessors shall:

- (a) Strictly observe the Code of Conduct of Government Officials and Employees in the exercise of their profession as real estate service practitioner pursuant to RA#6713.

Article V

The Practitioner as a Person

Section 1. A Practitioner, whether as an individual or as member of the firm, or as officer or employee of a juridical person (e.g. corporation, partnership, cooperatives, association) shall be deemed engaged in the practice of real estate service profession within the meaning and intent of Republic Act No. 9646 and its rules and regulations, if he/she:

(a) Advertises or conveys to the public in any manner the impression that he/she is skilled in the knowledge, science and practice of real estate service and is qualified to render professional service as a registered and licensed real estate service professional for a fee or other form of compensation or acting for and in behalf of another involving real estate transactions including the rights and interest on real properties with or without any fee or compensation.

(b) Maintains a regular office for the practice of the profession as a registered real estate service professional where the performance of the professional service is undertaken individually or for a collegial effort or renders professional service in the office of the client or employer.

(c) Prepares, signs or certifies as correct any professional reports, bids, invoices or documents/records of clients/employer intended to be used in securing licenses and permits (e.g. license to sell, etc.) or in securing any loan or mortgages that requires the professional services of a registered real estate service practitioner. And further the Practitioner shall:

(d) Indicate the license number issued by the Commission as indicated in the Certificate of Registration, professional identification card number, PTR number, APO receipt number, the date of issuance and the validity thereof in the documents he/she signs or issues. However, in case of letterhead and dry seal only the license number shall be indicated. Further, for signboard, billboard, advertisements and other forms of published announcements; the Practitioner shall be required to indicate the License Number, Professional Identification Number and the validity thereof.

(e) Cooperate in extending the efficiency of the real estate profession and endeavor to be updated on the latest developments of the profession, laws, rules and the real estate industry by attending continuing professional education courses, sharing or exchanging information and experiences with other professionals and participate in

the APO and other society activities.

(f) Live and cooperate in upholding the integrity and honor of the profession at all times by avoiding all unethical and unprofessional conduct and practices that will discredit and injure the real estate profession, practice self-respect, selflessness as well as in respecting the dignity of human person for the good of humanity.

(g) Not discriminate against person(s) on the basis of race, color, religion, sex, disability, familial status, or national origin.

(h) Not offer or agree to pay/split or rebate any professional fee or compensation or any valuable consideration either directly or indirectly with anybody who is unlicensed individual or unauthorized person to practice real estate service profession nor to cooperate, assist or endorse any transaction or engagement of the profession in violation of any existing law and its rules and regulations.

(i) Be dignified in explaining and discussing his/her work and shall refrain from self-laudatory advertising or propaganda.

(j) Not advertise or cause or allow to be advertised his/her professional attainment or services except in stating qualifications in applications for employment. However, such shall be allowed in publication on authorship of books, technical reports and studies, lectures or papers delivered in conferences and seminars and similar activities which are beneficial to the real estate profession as a whole. Moreover, development and maintenance of Website in the Internet shall not be considered as advertising.

(k) Not seek to obtain clients by solicitation. Advertising is a form of solicitation. Publication of announcement is permitted only for opening of a new office, change in office location or telephone numbers or reorganization of firm or office practice; provided it contains basic information essential to the announcement and is of reasonable size. Announcement of any of the above information may also be made to clients and to individuals other than clients with whom professional contacts are maintained. Listing of firm name in lobby directory of an office building and entrance door solely for the purpose of enabling interested parties to locate an office is permissible but must be in good taste and modest in size.

(l) Recognize Almighty God or Supreme Being as his/her own Creator and Guide for his/her own destiny and reason for living good moral life and exemplary conduct or behavior in the practice of the real estate profession and in dealing with others.

(m) In case called to act as Witness in court or administrative proceedings, he/she shall give testimonies in the most equitable, honest, sincere and professional manner.

Article V

SANCTIONS AND FINAL PROVISIONS

Violation of any provisions of this Code of Ethics and Responsibilities including the Real Estate Service Act (RA#9646) and its implementing rules and regulations shall give rise to any of the sanctions that may be imposed by Accredited and Integrated Professional Organization (APO) or the organization of the Practitioner, without prejudice to any disciplinary action that the Professional Regulation Commission (PRC) may impose upon the recommendation of the Professional Regulatory Board of Real Estate Service (PRBRES) deem expedient thereat, when the proper complaint against the erring real estate service practitioner for alleged misconduct is filed with the PRC in accordance with existing rules and regulations. The following sanctions shall be imposed:

1. Violating any provision of the Code of Ethics and Responsibilities:

- a. First Offense – Reprimand or Warning;
- b. Second Offense – Suspension of APO membership for Two (2) months;
- c. Third Offense – Suspension of APO membership for Four (4) months;
- d. Fourth Offense – Recommended for Suspension of License at the Professional Regulatory Board of Real Estate Service (PRBRES) and at the PRC;
- e. Fifth Offense or Habituality – Recommendation for the Cancellation of License at the PRBRES and at the PRC.

2. Violating any provision of the Real Estate Service Act (RA#9646) and its implementing rules and regulations:

- a. First Offense – Suspension of APO membership for Four (4) months;
- b. Second Offense – Recommended for Suspension of License at the Professional Regulatory Board of Real Estate Service (PRBRES) and at the PRC;
- c. Third Offense or Habituality – Recommendation for the Cancellation of License at the PRBRES and at the PRC.

Article VI
EFFECTIVITY

Section 1. If any provisions or part thereof shall be declared unconstitutional or invalid, such judgment shall neither invalidate nor impair any other provisions or part thereof.

Section 2. This National Code of Ethics and Responsibilities shall take effect after fifteen (15) days following its full and complete publication in any newspaper of general circulation.

- See more at: <http://www.rent.ph/mediacenter/resa-law-code-ethics-responsibilities-real-estate-service-practitioners/#sthash.pQQ57xul.dpuf>

Source: Rent.ph