



Republic of the Philippines
Professional Regulation Commission
Manila

**The Professional Regulatory
Board of Architecture
(PRBoA)**



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25 July 2008

Confidential Party

United Architects of the Philippines (UAP)
c/o UAP Head Office, Quezon City, Metro Manila

SUBJECT : **CLARIFICATION RE PRBOA RESOLUTION 05-2007**

REFERENCE : Your **Request for Clarification** dated 18 July 2008 (read by the undersigned 21 July 2008) concerning **Rule II. Registration Section 2.2 of PRBoA Resolution No. 05-2007**, implementing **Section 37 of Republic Act No. 9266** (The Architecture Act of 2004 and its 2004 IRR)

Dear Arch. _____,

Warm greetings from the Professional Regulatory Board of Architecture (**PRBoA**)!

Your request for clarification mentions the following:

- 1) "Can **one (1) registered and licensed architect (RLA)** holding **seventy-five percent (75.0%)** of the shares and with non-RLAs/non-professionals holding the balance of twenty-five percent (25.0%) of the shares in a planned architectural firm, form such a firm that can be duly registered with the **SEC** and **PRC**?";
- 2) "Can **two (2) or more RLAs** holding 75.0% of the shares/ ownership and with non-RLAs/non-professionals holding the balance of 25.0% of the shares/ownership in a planned architectural firm, form such a firm that can be duly registered with the **SEC** and **PRC**?"; and
- 3) "Does the law (**R.A. No. 9266**) and its derivative regulations require three (3) **RLAs** to be the owners, shareholders, members, incorporators, directors, executive officers in forming an architectural firm?".



Before fully responding to Your queries, the PRBoA, through the undersigned, initially **refers** to the following provisions of the PRBoA resolution under consideration, of the IRR of R.A. No. 9266 and of R.A. No. 9266 itself, viz:

1) **Section 2 of Rule II of the PRBoA Resolution No. 05-2007** which states:

"SEC. 2. Qualifications for Registration. - a firm, company, partnership, corporation or association may be registered or licensed as such for the practice of architecture, provided that

- 1) **only Filipino citizens properly registered and licensed as architects under R.A. No. 9266** may, among themselves, or together with **allied technical professionals**, form and obtain registration as a firm, company, partnership, association or corporation for the practice of architecture;
- 2) **registered and licensed architects shall compose at least seventy-five percent (75%) of the owners, shareholders, members, incorporators, directors, executive officers, as the case may be;**
- 3) **individual members** of such a firm, company, partnership, corporation or association shall be responsible for their **individual and collective acts** as an entity and as provided by law; and
- 4) such a **firm, partnership, corporation or association** shall be **registered with the DTI or the Securities and Exchange Commission (the "SEC") and the Board.**"

5) part of the **legal basis** for all of the foregoing is **Section 37 of Rule IV of the 2004 IRR of R.A. No. 9266**, which states:

"SECTION 37. Limitation to the Registration of a Firm, Company, Partnership, Corporation or Association. The practice of architecture is a professional service, admission to which shall be determined upon the basis of **individual personal qualifications**. However, a firm, company, partnership, corporation or association may be registered or licensed as such for the practice of architecture under the following conditions:

- a) **Only Filipino citizens** properly registered and licensed as architects under R.A. No. 9266 may, among themselves, or together with **allied technical professionals**, form and obtain registration as a firm, company, partnership, association or corporation for the practice of architecture;
- b) Registered and licensed architects shall compose **at least seventy-five percent (75%)** of the owners, shareholders, members, incorporators, directors, executive officers, **as the case may be;**
- c) Individual members of such firm, partnership, association or corporation shall be responsible for their **individual and collective acts** as an entity and as provided by law;
- d) Such firm, partnership, association or corporation shall be registered with the Securities and Exchange Commission and the Board.

The Board subject to approval by the Commission shall issue a certificate of registration to such firm, company, partnership, corporation or association upon grant of registration." (*emphases and underscoring supplied*)



3) the main legal basis for all of the foregoing is **Section 37 of R.A. No. 9266**, which states:

"Sec. 37. Limitation to the Registration of a Firm, Company, Partnership, Corporation or Association. -

The practice of architecture is a professional service, admission to which shall be determined upon the basis of individual personal qualifications. However, a firm, company, partnership, corporation or association may be registered or licensed as such for the practice of architecture under the following conditions:

- a. **Only Filipino citizens** properly registered and licensed as architects under this Act may, among themselves, or together with allied technical professionals, form and obtain registration as a firm, company, partnership, association or corporation for the practice of architecture;
- b. Registered and licensed architects shall compose **at least seventy-five percent (75%)** of the owners, shareholders, members, incorporators, directors, executive officers, as the case may be;
- c. Individual members of such firm, partnership association or corporation shall be responsible for their **individual and collective acts** as an entity and as provided by law;
- d. Such firm, partnership, association or corporation shall be registered with the Securities and Exchange Commission and Board."
(emphases and underscoring supplied)

In consideration of the foregoing queries and provisions (PRBoA resolution, IRR and law) just quoted, the PRBoA hereby clarifies that:

- 1) **one (1) registered and licensed architect (RLA)** holding a minimum seventy-five percent (75.0%) of the shares and with non-RLAs/non-professionals holding the balance of twenty-five percent (25.0%, per **Rule II. Sec. 3** of Resolution 05-2007) of the shares in a planned architectural firm i.e. partnership or corporation CANNOT form such a firm nor duly register the same with the SEC and PRC, to attain the status of a **registered architectural firm (RAF)**; this is because the **operative phrase in Sec. 37.b of R.A. No. 9266** i.e. the **main legal basis**, is "registered and licensed architects" (plural form) i.e. more than one (1) RLA required to form the RAF in either its partnership or corporate form; however, one (1) RLA may still legally form a sole proprietorship and register the same with the DTI and the PRC;
- 2) **two (2) or more RLAs** holding a minimum 75.0% of the shares/ ownership and with non-RLAs/non-professionals holding the balance of 25.0% of the



- shares/ownership in a planned architectural firm i.e. partnership or corporation CAN form such a firm and duly register the same with the **SEC** and **PRC**, for the said firm to attain **RAF** status; and
- 3) the law (**R.A. No. 9266**) and its derivative regulations **does not** specifically require three (3) **RLAs** to be the owners, shareholders, members, incorporators, directors, executive officers in forming and duly registering an architectural firm, as the **operative phrase** in **Sec. 37.b of R.A. No. 9266** i.e. the **main legal basis**, is **"as the case may be"**; this is interpreted by the **PRBoA** as follows:
- a) registered and licensed architects (**RLAs**) shall compose **at least seventy-five percent (75%)** of the **owners, shareholders and incorporators** i.e. a minimum of two (2) **RLAs** must own at least 75.0% of the registered architectural firm (**RAF**);
- b) **RLAs** shall compose **at least 75%** of the **directors** (policy-makers) and of **executive officers** (management/ policy implementors) of the **RAF** i.e. prorating is required **but** the **assignment of positions** must **not** fall below the minimum 75% required; for instance, if there are five (5) **RAF** directors or officers, four (4) directors and/or 4 officers must be **RLAs**; and
- c) **RLAs** shall compose **at least 75%** of the **members** of the **RAF**; this interpretation must be qualified since there is need to clearly define the meaning of the word **"members"** i.e. which may refer to natural entities who may have a direct stake e.g. shares, permanent employment status, etc. in the **RAF** or which may also refer to both the **RAF** management and in-house staff (key, technical, administrative, support or even networked individuals); in such a case, the **PRBoA** will find it **difficult** to require at least a 75% **RLA** composition since most of the staff who may qualify as **members** are clearly non-**RLAs** e.g. apprentices, graduates of architecture who have not taken or who previously failed the architect's licensure examination (**ALE**), graduates of other courses that are not regulated by the **PRC**, etc; the **PRBoA** may subsequently issue a **separate** Resolution to define the term **"members"** as found in **Sec. 37.b of R.A. No. 9266**.

This **clarification** is issued to You only for legal use and for other purposes fully allowed under Philippine law (and possibly under applicable international laws).

Yours sincerely,
For the PRBoA

Armando N. ALLÍ
Chairman