

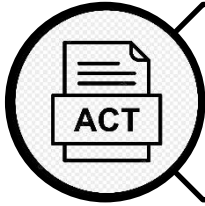


Uttar Pradesh Real Estate Regulatory Authority (UP RERA)

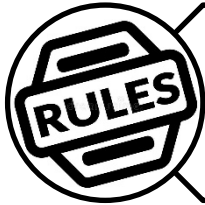
Understanding of The RERA Act and Rules 2016

Real Estate Agent Training & Certification Programme

What you must know



Act: Real Estate (Regulation and Development) Act 2016 is an Act of the Parliament of India applicable to all the States and the Union Territories



Rules: U.P. Real Estate (Regulation and Development) Rules, 2017 promulgated on 27th October 2016.



Agreement for Sale Rules: U.P. Real Estate (Regulation and Development) (Agreement for Sale/Lease) Rules 2018, promulgated on 17th October 2018.



Regulations: U.P. Real Estate Regulatory Authority (General) Regulations 2019 notified on 27th February 2019.

Object of the Act

○ **Promotion of Real Estate:** Focus on promotion of the the real estate sector.

1. Transparency and Efficiency: Ensuring transparency and efficiency in the sale of plots, apartments, or buildings.

1. Consumer Protection: Priority on the protection of consumer interests.

1. Focus of the Act: The Act and Rules aim at achieving these goals, with focus on protecting consumer interest.

1. Beneficial Legislation: The Act is designed to meet societal housing needs and secure positive action in favour of consumers.

1. Training Objective: The aim is to empower the real estate agents and equip them with tools for transparency, efficiency, and accountability.

Real Estate Agent – Definition

2 (zm) **"real estate agent"** means any person, who **negotiates** or **acts on behalf of** one person in a **transaction of transfer** of his **plot, apartment or building**, as the case may be, in a **real estate project**, by way of **sale**, with another person or transfer of plot, apartment or building, as the case may be, of any other person to him and receives **remuneration or fees** or any other charges for his services whether as **commission** or otherwise and includes a person who introduces, through any medium, **prospective buyers and sellers** to each other for negotiation for sale or purchase of plot, apartment or building, as the case may be, and includes **property dealers, brokers, middlemen** by whatever name called.

Real Estate Project: Registration, Extension and Revocation of Registration

- ✓ **Project Registration Requirement: (Sec-3)** Projects over 500 m² or 8 apartments must be registered with RERA.
- ✓ **Application for registration: (Sec-4, Rule-3)** application for registration must confirm to the requirements of these provisions.
- ✓ **Registration Certificate: (Sec-5)** Issued in Form C, detailing project start and completion dates with a unique QR code and key terms.
- ✓ **Ongoing Projects: (Sec-3)** Projects ongoing as of 1st May 2017 must be registered with RERA.
- ✓ **Force Majeure Extension: (Sec-6)** Registration can be extended on account of war, earthquake or other natural calamities affecting regular development of the project.
- ✓ **Extension in normal conditions: (Sec-6, Rule-7)** Registration can be extended for up to 12 months in aggregate under reasonable circumstances, if no default by promoter .
- ✓ **Revocation:** Registration can be revoked after a show cause notice.
- ✓ **Facilitation of Completion:** RERA may facilitate project completion of such projects through the competent authority, AOA, or other means.



Miscellaneous provisions for Project Accounts, Transfers Extensions and Withdrawals

Project Bank Accounts: {Sec-4(2)(I)(D)} Utilization of money collected from allottees and project finance for construction and development of project and withdrawal on the basis of certificates of Architect, Engineer and Chartered Accountant. Three bank accounts for every project as per regulation-53 and Bank Account Directions, 2020 as revised on 11-05-2026.

Transfer of projects: (Sec-15) Majority rights and liabilities under the project can be transferred with the consent of at least two third allottees of the project without any alteration of the date of completion. Detailed scheme laid down under regulation-50 and office order dated 26-11-2024.

Extension: (Sec-6, Rule-7) Policy for extension, including extension beyond twelve months, laid down under regulation-49 and office order dated 18-02-2025.

Withdrawal of Registration: RERA Act does not have provision for withdrawal of registration. Taking into account special circumstances, policy for withdrawal of registration laid down under regulation-51 and office order dated 29-02-2024.

Real Estate Agents: Registration, Renewal, Suspension and Revocation of Registration (Sec-9, Rule-9, 10, 11, 12)

- ✓ **Mandatory Registration:** Real estate agents must register with the Authority.
- ✓ **Application Process:** Apply online using Form-G with the required fee and documents.
- ✓ **Approval or Rejection:** The Authority may approve or reject the application.
- ✓ **Validity of Registration:** Registration remains valid for 10 years.
- ✓ **Renewal:** Registration can be renewed for 5 years if the agent is in compliance with the Act, Rules, and Regulations.
- ✓ **Suspension/Revocation:** Registration may be suspended or revoked for breaches of the Act and Rules, misrepresentation or fraud, after giving the agent opportunity of hearing.



Real Estate Agents - Regulatory Compliances and Ethical Practices (Sec-10, Rule-13)

- ✓ **No Sale in Unregistered Projects:** Must not facilitate sale or purchase in unregistered projects.
 - ✓ **Maintain Records:** Must maintain prescribed books of accounts and documents.
 - ✓ **Avoid Unfair Practices:** Must not get involved in any unfair trade practices.
 - ✓ **No False Claims:** Must not claim approvals that the promoter or agent do not have.
 - ✓ **No False Representations:** Must not make false or misleading representation regarding the services.
 - ✓ **No Misleading Advertisements:** Must not permit publication of misleading or false advertisements.
 - ✓ **No False Promises:** Must not make false promises regarding the project or units.
- ✓ **Provide Information:** Must ensure delivery of all required information and documents to the allottee.
 - ✓ **Authorized Listings:** Must not facilitate sale in a project unless listed as an agent under the same.
 - ✓ **Written Authorization Mandatory:** Must not facilitate sale or purchase without written authorization from the promoter.
 - ✓ **Advertise with Approval:** Must not publish any advertisement without written approval of the promoter.
 - ✓ **Advertisement Requirements:** Must include UPRERA web link, RERA registration number, QR Code, and Project Collection Account in all ads.

Agreement for Sale, Conveyance Deed and Possession (Sec-13 and Agreement for Sale/Lease Rules, 2018)

- ✓ **Advance Payment:** Not more than 10% of the unit cost can be received from the allottee before executing the Agreement for Sale.
- ✓ **Format Requirement:** The Agreement for Sale must be in the format prescribed in the notification dated 17th October 2018.
- ✓ **Conveyance Execution:** Promoter must obtain the OC/CC of the project and execute the conveyance deed within 3 months of OC/CC, in the name of the allottee and of common areas in the name of the AOA.



Functions and duties of promoter (Sec-11), Rights and Duties of Allottees (Sec-19)

Sec-11- promoter is responsible for performance or duties as per Sec-11.

Sec-12- promoter is responsible for veracity of promotions and advertisements.

Regulation-52- promoter is required to follow the marketing and promotion guidelines as issued by the Authority from time to time.

Sec-14- promoter is responsible for completion of project as per sanctioned specifications and not entitled to make major changes without complying with the provisions of Sec-14.

Sec-17- promoter is responsible for execution of conveyance deed in favour of the allottee and association of allottees, as the case may be.

Sec-19- allottee is entitled to the rights guaranteed under Sec-19 and also to discharge his obligations provided therein.

Complaints and Reliefs (Sec-31, Rule-33 and 34)

- ✓ **Right to Possession: (Sec-18)** Allottee has the right to possession of his unit as per the AFS.
- ✓ **Right to Refund: (Sec-18)** Allottee has right to refund with interest on withdrawal from the project and right to interest for delay.
- ✓ **Right to AFS Terms: (Sec-18 and 19)** Allottee has the right to enforce the performance of the terms of the AFS.
- ✓ **Right to Compensation: (Sec-71 and 72)** Allottee can demand compensation- complaint in Form-N.
- ✓ **Complaints:** The allottee, the Promoter and the Agent have the right to file complaints against each other- complaint to Authority in Form-M.
- ✓ **Recovery of Money: (Sec- 40(1), Rule-23)** Money payable under RERA orders is recoverable as arrears of land revenue.
- ✓ **Order Enforcement: (Sec-40(2), Rule-24)** Orders other than money orders are enforced like a decree of the Principal Civil Court.



Powers and Functions of the Authority

- ✓ **Recommendations to Government: (Sec-32)** Power to recommend to the Government measures for promoting a healthy, transparent, and competitive real estate sector.
- ✓ **Compliance Enforcement: (Sec-34)** Power to ensure compliance of all obligations cast upon the promoters, agents, and allottees.
- ✓ **Powers to Investigate: (Sec-35)** Authority has powers to investigate the affairs of promoters, agents, and allottees.
- ✓ **Issuing Orders and Directions: (Sec-36 and 37)** Power to issue orders and directions to the promoters, agents, and allottees.
- ✓ **Penalty and Interest: (Sec-38)** Authority has powers to impose penalties or interest for contravention of obligations.



Penalties for Offenses under RERA Act

Promoter



- ☒ **Non-registration of a project:** Penalty up to 10% of project cost; continued violation may lead to imprisonment (up to 3 years), fine further (up to 10%), or both.
- ☐ **Violation of Section 4:** Penalty up to 5% of project cost.
- ☐ **Violation of other sections, rules, or regulations:** Penalty up to 5% of project cost.
- ☐ **Violation of Authority orders:** Penalty up to 5% of project cost.
- ☐ **Violation of Appellate Tribunal orders:** Imprisonment up to 3 years, fine up to 10% of project cost, or both.

Agent



- ☐ **Violation of Section 9/10:** Fine of Rs. 10,000/- per day, up to 5% of the cost of plot/apartment or building.
- ☐ **Violation of Authority Orders:** Daily penalty extending up to 5% of cost of plot/apartment or building.
- ☐ **Violation of Appellate Tribunal Orders:** Imprisonment up to 1 year and fine up to 10% of the cost of unit

Allottee



- ☐ **Violation of the orders of the Authority:** Up to five percent of the cost of unit.
- ☐ **Violation of the orders of the Appellate Tribunal:** Imprisonment up to 1-year and fine up to 10% of cost of unit.

In case of offence by the companies, the company as well as its directors and officers responsible for or connected with the act constituting the offence, shall be held responsible and punished accordingly.

Real Estate Appellate Tribunal

- ✓ **Appeals: {Sec-43(5), Sec-44}** Appeals against orders of the Authority or Adjudicating Officer lie with the Tribunal, with a 2-month limitation for filing.
- ✓ **Preconditions for Promoter Appeals: (Sec-43(5))** Promoters must pay at least one-third of the penalty and/or the entire amount due to the allottee, including principal, interest, and compensation, to file an appeal.
- ✓ **Timely Disposal:** The Tribunal aims to resolve appeals within 60 days, with reasons recorded for any delay.
- ✓ **Second Appeal: (Sec-58)** Decisions of the Tribunal can be challenged in the High Court within 60 days.
- ✓ **Enforcement and Penalties:** The violation of the orders of the Tribunal are punishable with penalty and sentence. For penalty Tribunal can make a reference to the Authority and for criminal prosecution to the court of judicial magistrate.



Key Legal Provisions and Representation Guidelines

- ✓ **Legal Representation: (Sec-56)** Parties may be represented by a chartered accountant, company secretary, cost accountant, advocate, or its officer. Allottees may also be represented by their spouse or close relatives, such as parents, children, or siblings.
- ✓ **Bar of Jurisdiction (S-79):** No Civil Court has jurisdiction in any matter falling under the jurisdiction of the Authority, Adjudicating Officer, or Appellate Tribunal.
- ✓ **Application of other laws (S-88):** The provisions of this Act are in addition to and not in derogation of provisions of any other law for the time being in force.
- ✓ **Overriding Effect (S-89):** In case of a conflict, the provisions of this Act prevail over other laws currently in force.

