



GOA REAL ESTATE REGULATORY AUTHORITY

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F.No: 1/RERA/Circulars/2019/317

Date: 09/05/2023

CIRCULAR

Sub: Landlord/Investor having area revenue share in real estate project to be treated as promoter and opening of separate bank account by such landowner /promoter or investor /promoter who is entitled to a share of the total area developed should also open a separate bank account for deposit of 70% of the sale proceeds realized from the allottees of their share.

Ref: Circular No.11/35/2017-DMA/3390(A) dated 13/02/2018

The Goa RERA had earlier issued above mentioned circular on the subject cited above, the Authority has felt the need for re-examining the above circular keeping in view the provisions under Section 2(zk) of the Real Estate (Regulation and Development) Act, 2016 which defines "Promoter".


- 2) The Section 2(zk) of the Real Estate (Regulation and Development) Act, 2016 defines "Promoter" of a real estate project. The "Explanation" under the provisions of section 2(zk), which states that "For the purposes of this clause, where the person who constructs or converts a building into apartments or develops a plot for sale and the persons who sells apartments or plots are different persons, both of them shall be deemed to be the

promoters and shall be jointly liable as such for the functions and responsibilities specified, under this Act or the rules and regulations made thereunder.

- 3) The Authority has also noted development of real estate project through Joint Development Agreement (JDA) route between the land owners and promoter. The Authority is of the view that, the terms and conditions, the role and responsibilities of the landowner and the promoter differs from case to case.
- 4) Therefore, In partial modification of Circular No.11/35/2017-DMA/3390(A) dated 13/02/2018 issued by the Goa Real Estate Regulatory Authority on the above mentioned subject it has been henceforth decided as follows:-
 - (i) Under the joint development agreement route, wherein the land owner contributes land for construction of real estate project and the promoter who invests money for construction of the real estate project shall be deemed to be the promoters and shall be jointly liable for functions and responsibilities specified.
 - (ii) Only one separate bank account for the project will be opened by the promoter in a "Scheduled Bank" to park the seventy percent of the amount realized for the real estate project from the allottees from time to time to cover the cost of construction and the land cost and shall be used only for that purpose. The operation of such account should be as per provisions under Section 4(2)(l)(D) of the Real Estate (Regulation and Development) Act, 2016.

(iii)The landowner/promoter even though entitled to a share of the total area to be developed under “Joint Development Agreement” route shall not be permitted to open a separate bank account.

5) This issues with approval of the Goa Real Estate Regulatory Authority.


(Sampurna Bhagat)
Dy.T.P(RERA)

Copy to:

- 1)The President, CREDAI -GOA, 315, Gera Imperium -II, Patto Plaza, Panaji, Goa 403001
- 2)The Chairman, PNS, 501, Radiance Kotwal Park, Near Bodyline Gym, Opposite Ved Mandir,Trimbak Road, Tilakwadi, Nashik, 422002
- 3)The President, WIRC Goa Institute of Chartered Accountants of India, 201/2, 2nd Floor, Kamat Towers, Patto Plaza, Patto Centre, Panaji, Goa 403001.
- 4)Technical Setion (Goa RERA)