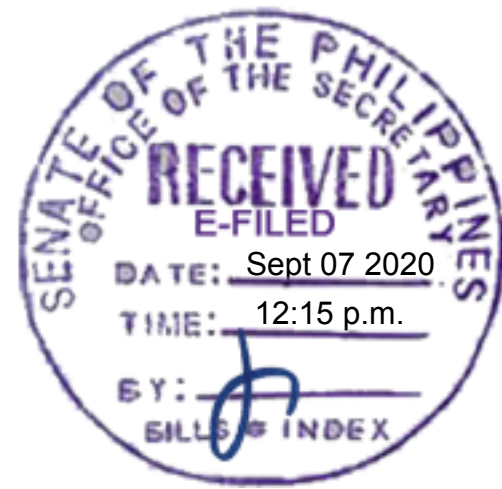


**EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)**



**SENATE
S. No. 1809**

Introduced by SENATOR RAMON BONG REVILLA, JR.

**AN ACT
AMENDING REPUBLIC ACT NO. 4566, OTHERWISE KNOWN AS THE
CONTRACTORS' LICENSE LAW**

EXPLANATORY NOTE

The construction sector is one of the important industries that the government has been focusing on since 2016. This industry's approach to developing the nation is two-pronged in the sense that while it builds the infrastructure requirements of development, it also provides employment and the people needs.

With the vital role that the construction industry plays in national development, it becomes imperative that the State's policies be attuned with the times and adjusted to current standards.

This proposed measure seeks to update our existing legislation on contractors' licenses in the Philippines. Republic Act No 4566, otherwise known as the Contractors' License Law, was enacted back in 1965 to ensure that only qualified and reliable contractors are allowed to undertake construction in the Philippines.

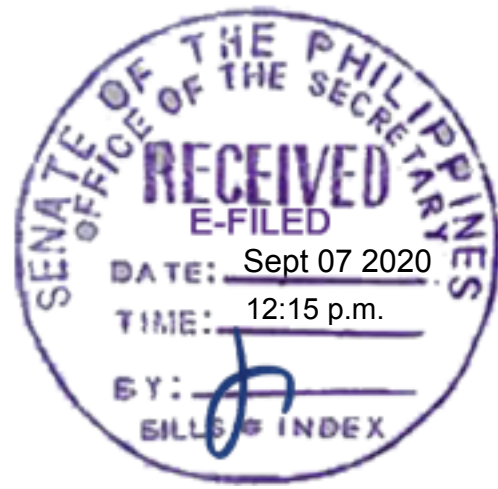
Since 1965, there have been a lot of improvements in the construction industry and thus, our legislation needs to be updated. Firstly, this bill seeks to promote competition in the industry and in doing so, increase capability and promote possible transfer of technology. Secondly, this bill updates the fees and penalties to make it

applicable in present trends. Thirdly, it seeks to adjust the validity of licenses to respond to the call of industry players and in turn encourage them to do business in the country.

In our acknowledgement of the gains that our country will continue to achieve thru the promotion of the construction industry, immediate consideration of this bill is earnestly sought.


RAMON BONG REVILLA, JR.

EIGHTEENTH CONGRESS OF THE)
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S. No. 1809

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AN ACT
AMENDING REPUBLIC ACT NO. 4566, OTHERWISE KNOWN AS THE
CONTRACTORS' LICENSE LAW

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

1 SECTION 1. There is hereby inserted a new Section 2 in Republic Act No. 4566,
2 otherwise known as the Contractors' License Law to read as follows:

3
4 **SEC. 2. DECLARATION OF POLICY. – THE STATE**
5 **RECOGNIZES THE VITAL ROLE OF CONTRACTORS IN THE**
6 **DELIVERY OF RELIABLE, SAFETY-COMPLIANT AND**
7 **QUALITY CONSTRUCTION, BUILDING AND**
8 **ENGINEERING THAT ARE FUNDAMENTAL TO NATIONAL**
9 **DEVELOPMENT.**

10
11 **GIVEN THE COUNTRY'S DEVELOPMENT OBJECTIVES,**
12 **THERE IS A NEED TO SUPERVISE AND REGULATE THE**
13 **PRACTICE OF CONSTRUCTION CONTRACTING FOR**
14 **PUBLIC SAFETY AND ECONOMIC SUSTAINABILITY**
15 **WHILE HARNESSING CAPABILITY OF INDUSTRY**
16 **PLAYERS.**

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Sec. 2. Sec. 9 of RA 4566 is hereby amended to read as follows:

Sec. 9. Definition of Terms. As used in this Act,

(A) x x x

X x x

(F) "LICENSE" REFERS TO AUTHORITY GRANTED BY THE PHILIPPINE CONTRACTORS ACCREDITATION BOARD (PCAB) WITH CONFORMITY WITH THE CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES (CIAP) FOR A PERSON TO ENGAGE IN CONSTRUCTION CONTRACTING IN THE PHILIPPINES WITHIN THE SCOPE AND FIELD OF ITS LICENSE.

Sec. 3. A new Section 10 is hereby inserted to read as follows:

SEC. 10. ELIGIBILITY TO PRACTICE CONSTRUCTION CONTRACTING. ONLY PERSONS, REGARDLESS OF NATIONALITY OR CITIZENSHIP, PROPERLY LICENSED AND REGISTERED WITH PCAB IN CONFORMITY WITH CIAP MAY PRACTICE CONSTRUCTION CONTRACTING IN THE PHILIPPINES.

FOREIGN CONTRACTORS WHO WISH TO PRACTICE CONSTRUCTION CONTRACTING IN THE PHILIPPINES CAN DO SO IF AND ONLY IF THEY MEET THE CRITERIA SET BY PCAB, IN CONFORMITY WITH CIAP.

FURTHER, NO FOREIGN CONTRACTOR SHALL BE GRANTED A LICENSE TO PRACTICE CONSTRUCTION

1 **CONTRACTING IN THE PHILIPPINES, UNLESS THE**
2 **COUNTRY OR STATE OF WHICH THE FOREIGN**
3 **CONTRACTOR IS A SUBJECT OR CITIZEN, SPECIFICALLY**
4 **PERMITS FILIPINO CONTRACTORS TO PRACTICE**
5 **WITHIN ITS TERRITORIAL LIMITS ON THE SAME BASIS**
6 **AS THE SUBJECTS OR CITIZENS OF SAID FOREIGN**
7 **COUNTRY OR STATE UNDER RECIPROCITY AND UNDER**
8 **INTERNATIONAL AGREEMENTS; PROVIDED FURTHER,**
9 **THAT SUCH FOREIGN CONTRACTOR SHALL DULY**
10 **ESTABLISH ITS BUSINESS IN THE PHILIPPINES, AND**
11 **SHALL ENSURE TECHNOLOGY TRANSFER AND CAPACITY**
12 **BUILDING OF LOCAL CONTRACTORS.**

13
14 Sec. 4. Sec. 23 of RA 4566 is hereby amended to read as follows:

15
16 **Section 23. *Issuance of licenses.*** Upon the payment of the
17 corresponding fee and the filing of the application, and after
18 examination and investigation as may be required, the Board
19 within fifteen days after the approval of the application shall issue
20 a license to the applicant permitting him to engage in business
21 as a contractor under the terms of this Act for [~~the remaining~~
22 ~~part of the fiscal year~~] **ONE (1) YEAR FROM THE DATE OF**
23 **ITS ISSUANCE.**

24
25
26 Sec. 5. Sec. 35 of RA 4566 is hereby amended to read as follows:

27
28 Section 35. Penalties. Any contractor who, for a price,
29 commission, fee or wage, submits or attempts to submit a bid to
30 construct, or contracts to or undertakes to construct, or assumes
31 charge in a supervisory capacity of a construction work within
32 the purview of this Act, without first securing a license to engage

1 in the business of contracting in this country; or who shall
2 present or file the license certificate of another, give false
3 evidence of any kind to the Board, or any member thereof in
4 obtaining a certificate or license, impersonate another, or use an
5 expired or revoked certificate, or license, shall be deemed guilty
6 of misdemeanor, and shall, upon conviction, be sentenced to pay
7 a fine of not less than [~~five hundred pesos but not more than five~~
8 ~~thousand pesos~~] **FIFTY THOUSAND PESOS (P50,000.00)**
9 **WHERE THE COST OF THE PROJECT IS NOT MORE THAN**
10 **FIVE HUNDRED MILLION PESOS (P500,000,000.00) AND**
11 **A FINE OF NOT LESS THAN FIVE HUNDRED THOUSAND**
12 **PESOS (P500,000.00) WHERE THE COST OF THE**
13 **PROJECT IS MORE THAN FIVE HUNDRED MILLION**
14 **PESOS (P500,000,000).**

15
16 **IN ADDITION, IF THE OFFENDER IS A FOREIGN**
17 **CONTRACTOR, THE PENALTY OF DEPORTATION SHALL**
18 **BE IMPOSED.**

19
20 Sec. 6. Section 39 of RA no 4566 is hereby amended to read as follows:

21
22 Section 39. fee. The amount of fees prescribed by this Act shall
23 be as follows:

- 24
25 (a) [~~Fifty~~] **FIVE THOUSAND** pesos for an original licenses;
26 (b) [~~Sixty~~] **SIX THOUSAND** pesos for examination of an
27 applicant;
28 (c) [~~Fifty~~] **FIVE THOUSAND** pesos for annual renewal.

29
30 Sec. 7. Section 40 of RA no 4566 is hereby amended to read as follows:

31

1 Section 40. *Renewal*. A license [~~may be renewed by the filing of~~
2 ~~a renewal application with the registrar not later than June~~
3 ~~thirtieth of each fiscal year, accompanied by the annual renewal~~
4 ~~fee. A license renewed thereafter shall be subject to an additional~~
5 ~~fee of Twenty Pesos]~~ **MAY BE RENEWED BY FILING AN**
6 **APPLICATION FOR RENEWAL AT LEAST ONE (1) MONTH**
7 **BEFORE ITS EXPIRY DATE.**

8
9 Sec. 8. *Separability Clause*. If any provision or part hereof, is held invalid or
10 unconstitutional, the remainder of the law or the provision not otherwise affected shall
11 remain valid and subsisting.

12
13 Sec. 9. *Repealing Clause*. All laws, presidential decrees or issuances, executive
14 orders, letter of instructions, administrative order, rule or regulation contrary to, or
15 inconsistent with the provisions of this Act is hereby repealed, modified or amended
16 accordingly.

17
18 Sec. 10. *Effectivity Clause*. This Act shall take effect fifteen (15) days after its
19 publication in at least two (2) newspapers of general circulation.

Approved.