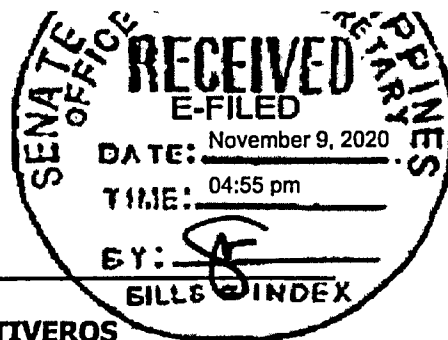


**SENATE**

**S.B. No. 1906**



**INTRODUCED BY SENATOR RISA HONTIVEROS**

**AN ACT  
AMENDING SECTIONS 19 AND 20 OF REPUBLIC ACT NO. 4566 ENTITLED "AN  
ACT CREATING THE PHILIPPINE LICENSING BOARD FOR CONTRACTORS,  
PRESCRIBING ITS POWERS, DUTIES AND FUNCTIONS, PROVIDING FUNDS  
THEREFOR, AND FOR OTHER PURPOSES"**

**EXPLANATORY NOTE**

Under the 1987 Constitution Article 2, Section 19, "It is a declared state policy to develop a self-reliant and independent national economy effectively controlled by Filipinos." Likewise, in the same Article, Section 20, "the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments."

The need for massive infrastructure development is equally important to achieving sustainable and inclusive growth. Aside from generating employment and spur countryside development, it would generate income to our local construction stakeholders. The local construction industry directly employs more than 4 million Filipinos and millions more indirectly benefit from the industry.

Under the current Contractors License Law, foreign contractors can apply for regular contractor's license thereby effectively putting them on equal footing with their local contractor counterparts. Without regulation to their entry, including the influx of foreign construction workers, it will spell the demise of the local construction industry with the entry of unqualified foreign contractors, thereby also endangering public safety.

The unregulated entry of foreign contractors leads to an imbalance of capital and trade. It will not level the playing field, as foreign capital has no borders and will inevitably result in the transfer of wealth to a foreign entity.

in light of the pandemic, the local economy must be secured from any external shocks and volatility of global markets. The domestic contractor stakeholders shall be given the priority in construction activities in the Philippines. Therefore, in order to fully protect the interests of the Philippines in relation to construction, safeguards have to be put in the current Contractors' License Law to restrict foreigners from regularly undertaking construction activities in the Philippines.

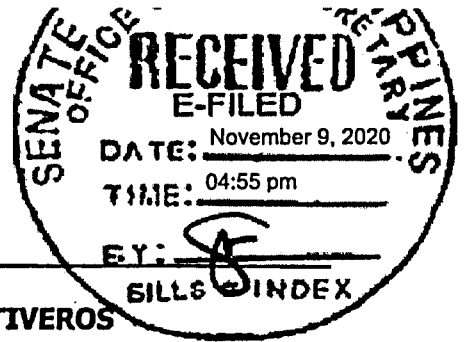
This measure seeks to put qualifications on foreign participation in the construction activities in the Philippines. This measure will also give incentives to our domestic construction stakeholders through prioritization.

Hence, the approval of this bill is earnestly sought.

*Risa Hontiveros*  
**RISA HONTIVEROS**  
Senator

SENATE

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

1 Section 1. Section 19 of the Republic Act No. 4566 is hereby amended to read as  
2 follows:

3 "Section 19. Examinations required. In accordance with the rules and  
4 regulations promulgated by it, the Board may investigate, classify, and  
5 qualify applicants for contractors' licenses by written or oral examination, or  
6 both.

7 Upon due examination, the Board shall certify that no other local contractor  
8 can undertake a certain project before a foreign entity be granted a  
9 contractor license to operate in the Philippines."

10 Sec. 2. Section 20 of the Republic Act No. 4566 is hereby amended to read as  
11 follows:

12 "Section 20-a. Qualifications of Filipino applicants for contractors' licenses.  
13 The Board shall require an applicant to show at least two years of  
14 experience in the construction industry, and knowledge of the building,  
15 safety, health and all laws of the Republic of the Philippines and the  
16 rudimentary administrative principles of the contracting business as the  
17 Board deems necessary for the safety of the contracting business of the  
18 public. For the purpose of this section, a partnership, corporation, or any  
19 other organization may qualify through its responsible managing officer  
20 appearing personally before the Board who shall prove that s/he is a bona  
21 fide responsible officers of such firm and that s/he exercises or is in a

1 ~~person or business entity, and the following manner: (1) to make technical and~~  
2 or employer in the following manner: (1) to make technical and  
3 administrative decisions; and, (2) to hire, superintend, promote, transfer,  
4 lay off, discipline or discharge employees.

5 Section 20-b. Qualifications of foreign applicants for contractors' licenses.

6 No foreign entities shall be given license to operate in the Philippines unless  
7 otherwise certified by the Board that no other local contractors are capable  
8 of undertaking certain project applied for. The foreign applicant shall have  
9 all the necessary qualifications in the preceding Section and none of the  
10 disqualifications as found in this Act."

11 Sec. 3. *Repealing Clause.* – All laws, presidential decrees, executive orders, and  
12 rules and regulations, or parts thereof, which are inconsistent with the provisions of this  
13 Act are hereby repealed or modified accordingly.

14 Sec. 4. *Effectivity.* – This Act shall take effect fifteen (15) days after its complete  
15 publication in at least two (2) national newspapers of general circulation.

Approved,