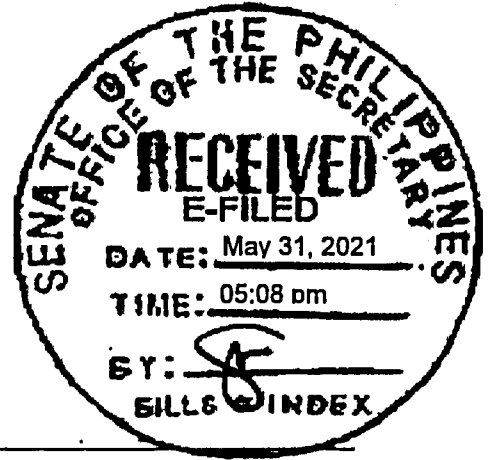


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)



SENATE

COMMITTEE REPORT No. 269

Submitted by the Committee on Trade, Commerce and Entrepreneurship on
May 31, 2021.

Re: Senate Bill No. 2247 Prepared by the Committee

Recommending its approval in substitution of Senate Bill Nos. 1008, 1809, 1889 and
2091, taking into consideration House Bill No. 7808

Sponsor: Senator Aquillino "Koko" Pimentel III

MR. PRESIDENT:

The Committee on Trade, Commerce and Entrepreneurship to which were
referred **Senate Bill No. 1008**, introduced by Senator Win Gatchalian, *entitled:*

**"AN ACT
FURTHER AMENDING REPUBLIC ACT NO. 4566 TO PROMOTE
COMPETITION AND INVESTMENTS IN THE CONSTRUCTION CONTRACTING
SERVICES INDUSTRY, AND FOR OTHER PURPOSES"**

Senate Bill No. 1809, introduced by Senator Ramon "Bong" Revilla, Jr., *entitled:*

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

Senate Bill No. 1889, introduced by Senator Manuel "Lito" M. Lapid, *entitled:*

**"AN ACT
AMENDING REPUBLIC ACT NO. 4566, OTHERWISE KNOWN AS
'AN ACT CREATING THE PHILIPPINE LICENSING BOARD FOR
CONTRACTORS, PRESCRIBING ITS POWERS, DUTIES AND
FUNCTIONS, PROVIDING FUNDS THEREFOR, AND FOR OTHER
PURPOSES,' THEREBY STRENGTHENING THE REGULATORY
POWERS OF THE PHILIPPINE CONTRACTORS ACCREDITATION
BOARD (PCAB)"**

and Senate Bill No. 2091, introduced by Senator Manuel "Lito" M. Lapid, *entitled:*

**"AN ACT
AMENDING SECTIONS 35, 37, 38, 39 AND 40 OF REPUBLIC ACT
NO. 4566, OTHERWISE KNOWN AS THE 'CONTRACTORS' LICENSE
LAW', MODIFYING THE CONTRACTORS' LICENSE RENEWAL
PROCESS, INCREASING FEES, AND IMPOSING PENALTIES FOR
VIOLATIONS THEREOF"**

and taking into consideration House Bill No. 7808, introduced by Reps. Gonzales, et al, *entitled:*

**"AN ACT
AMENDING SECTIONS 35, 37, 38, 39 AND 40 OF REPUBLIC ACT NO. 4566,
OTHERWISE KNOWN AS THE CONTRACTORS' LICENSE LAW, MODIFYING
THE CONTRACTORS' LICENSE RENEWAL PROCESS, INCREASING FEES,
AND IMPOSING PENALTIES FOR VIOLATIONS THEREOF"**

has considered the same and has the honor to report them back to the Senate with the recommendation that the attached **Senate Bill No. 2247** prepared by the Committee, entitled:

**"AN ACT
AMENDING REPUBLIC ACT NO. 4566, AS AMENDED BY
PRESIDENTIAL DECREE NO. 1746, OTHERWISE KNOWN AS THE
CONTRACTORS' LICENSE LAW"**

be approved in substitution of Senate Bill Nos. 1008, 1809, 1889 and 2091, taking into consideration House Bill No. 7808, with Senators Gatchalian, Revilla, Jr., Lapid and Pimentel III, as authors thereof.

Respectfully submitted:

Chairperson:

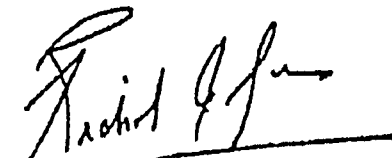

SEN. AQUILINO "KOKO" PIMENTEL III


Vice-Chairpersons:

SEN. WIN GATCHALIAN


SEN. GRACE POE

Members:



SEN. RICHARD J. GORDON


SEN. CYNTHIA A. VILLAR
With Consent

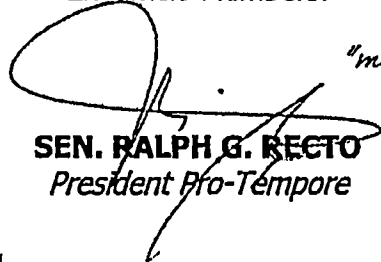

SEN. SONNY ANGARA

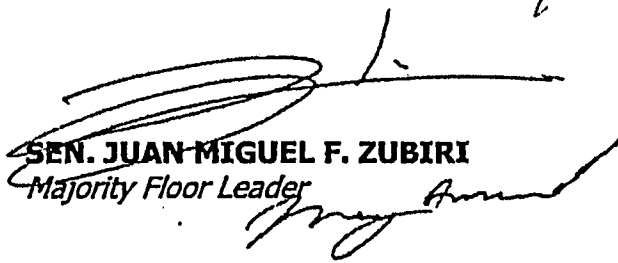

SEN. MARIA LOURDES NANCY S. BINAY


SEN. LEILA M. DE LIMA


SEN. FRANCIS "KIKO" N. PANGILINAN

Ex-Officio Members:

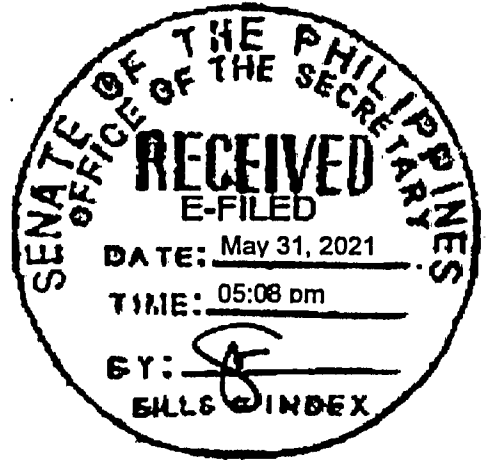

"may amend"
SEN. RALPH G. RECTO
President Pro-Tempore


SEN. JUAN MIGUEL F. ZUBIRI
Majority Floor Leader
May Amend


"might amend/interpellate"
SEN. FRANKLIN M. DRILON
Minority Floor Leader

HON. VICENTE C. SOTTO III
Senate President
Senate of the Philippines
Pasay City

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



SENATE

S. No. 2247

(In Substitution of SB Nos. 1008, 1809, 1889 and 2091,
taking into consideration HB No. 7808)

Prepared by the Committee on Trade, Commerce and Entrepreneurship with
Senators Gatchalian, Revilla, Lapid and Pimentel III, as authors thereof.

**AN ACT
AMENDING REPUBLIC ACT NO. 4566, AS AMENDED BY
PRESIDENTIAL DECREE NO. 1746, OTHERWISE KNOWN AS THE
CONTRACTORS' LICENSE LAW**

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

1 **Section 1.** Section 23 of Republic Act No. 4566, as amended, is hereby
2 amended to read as follows:

3 "Section 23. *Issuance of Licenses.* Upon the payment of the
4 corresponding fee and the filing of the application, and after examination and
5 investigation as may be required, the Board within fifteen (15) days after the
6 approval of the application shall issue a license to the applicant permitting him
7 to engage in business as a contractor under the terms of this Act for [the
8 ~~remaining part of the fiscal year~~] **ONE (1) YEAR FROM THE DATE OF**
9 **ISSUANCE. APPLICATIONS SHALL BE ACTED UPON WITHIN THE**
10 **PERIOD PROVIDED FOR UNDER REPUBLIC ACT NO. 11032 OR THE**
11 **EASE OF DOING BUSINESS AND EFFICIENT GOVERNMENT SERVICE**
12 **DELIVERY ACT OF 2018."**

13

1 **Sec. 2.** Section 35 of Republic Act No. 4566, as amended, is hereby deleted,
2 and replaced with a new Section 35, to read as follows:

3 **"SECTION 35. PROHIBITED ACTS. THE FOLLOWING ARE**
4 **PROHIBITED UNDER THIS ACT:**

5 **(a) ANY CONTRACTOR WHO, FOR A PRICE, COMMISSION,**
6 **FEE OR WAGE, SUBMITS OR ATTEMPTS TO SUBMIT A BID TO**
7 **CONSTRUCT, OR CONTRACTS TO OR UNDERTAKES TO**
8 **CONSTRUCT, OR ASSUMES CHARGE IN A SUPERVISORY**
9 **CAPACITY OF A CONSTRUCTION WORK WITHIN THE PURVIEW**
10 **OF THIS ACT, WITHOUT FIRST SECURING A LICENSE TO**
11 **ENGAGE IN THE BUSINESS OF CONTRACTING IN THE**
12 **PHILIPPINES SHALL BE PENALIZED WITH A FINE OF NOT LESS**
13 **THAN ONE HUNDRED THOUSAND PESOS (P100,000.00) BUT**
14 **NOT MORE THAN FIVE HUNDRED THOUSAND PESOS**
15 **(P500,000.00) AND THE EQUIVALENT OF ONE-TENTH OF ONE**
16 **PERCENT (0.1%) OF THE PROJECT COST. FURTHERMORE, THE**
17 **OFFENDING PARTY SHALL BE PROHIBITED FROM OBTAINING**
18 **A CONTRACTOR'S LICENSE FOR A PERIOD OF ONE (1) YEAR**
19 **FROM THE TIME HE OR SHE IS FOUND GUILTY UNDER THIS**
20 **PROVISION.**

21
22 **(b) THE SAME FINE MENTIONED IN THE IMMEDIATELY**
23 **PRECEDING PROVISION SHALL BE IMPOSED UPON TWO OR**
24 **MORE LICENSEES, EACH OF WHOM HAS BEEN ISSUED A**
25 **LICENSE TO ENGAGE SEPARATELY IN THE CAPACITY OF A**
26 **CONTRACTOR BUT SHALL JOINTLY SUBMIT A BID OR**
27 **OTHERWISE ACT IN THE CAPACITY OF A CONTRACTOR**
28 **WITHOUT SECURING AN ADDITIONAL LICENSE FOR ACTING**
29 **IN THE CAPACITY OF SUCH A JOINT VENTURE OR**
30 **COMBINATION IN ACCORDANCE WITH THE PROVISIONS OF**
31 **THIS ACT. THE LICENSES OF THE OFFENDING PARTIES SHALL**
32 **BE AUTOMATICALLY REVOKED AND THEY SHALL BE**

1 PROHIBITED FROM OBTAINING A CONTRACTOR'S LICENSE
2 FOR A PERIOD OF ONE (1) YEAR FROM THE TIME THE
3 LICENSEES ARE FOUND GUILTY UNDER THIS PROVISION.

4
5 (c) IT SHALL BE UNLAWFUL FOR ANY PERSON WHO IS A
6 MANAGING PARTNER, OFFICER OR EMPLOYEE OF A LICENSED
7 PARTNERSHIP, CORPORATION, FIRM, ASSOCIATION OR
8 OTHER ORGANIZATION TO INDIVIDUALLY ENGAGE IN THE
9 CONSTRUCTING BUSINESS OR INDIVIDUALLY ACT IN THE
10 CAPACITY OF A CONTRACTOR WITHIN THIS JURISDICTION
11 WITHOUT HAVING A LICENSE IN GOOD STANDING TO SO
12 ENGAGE OR ACT. ANYONE FOUND TO BE IN VIOLATION OF
13 THIS PROVISION SHALL BE PENALIZED WITH A FINE OF NOT
14 LESS THAN ONE HUNDRED THOUSAND PESOS (P100,000.00)
15 BUT NOT MORE THAN FIVE HUNDRED THOUSAND PESOS
16 (P500,000.00). FURTHERMORE, THE OFFENDING PARTY SHALL
17 BE PROHIBITED FROM OBTAINING A CONTRACTOR'S LICENSE
18 FOR A PERIOD OF ONE (1) YEAR FROM THE TIME HE OR SHE IS
19 FOUND GUILTY UNDER THIS PROVISION.

20
21 (d) ANY PERSON WHO SHALL PRESENT OR FILE THE LICENSE
22 CERTIFICATE OF ANOTHER, GIVE FALSE EVIDENCE OF ANY
23 KIND TO THE BOARD OR TO ANY MEMBER THEREOF IN
24 OBTAINING A CERTIFICATE OR LICENSE, IMPERSONATE
25 ANOTHER, OR USE AN EXPIRED OR REVOKED CERTIFICATE OR
26 LICENSE SHALL BE PENALIZED WITH A FINE OF NOT LESS
27 THAN FIVE HUNDRED THOUSAND PESOS (P500,000.00) BUT
28 NOT MORE THAN ONE MILLION PESOS (P1,000,000.00) AND
29 THE PENALTY OF IMPRISONMENT OF NOT LESS THAN ONE (1)
30 YEAR BUT NOT MORE THAN SIX (6) YEARS. THE PENALTIES
31 PROVIDED IN THIS SECTION ARE WITHOUT PREJUDICE TO
32 ANY LIABILITY FOR THE VIOLATION OF ANY OF THE

1 **PROVISIONS OF THE REVISED PENAL CODE, AS AMENDED, OR**
2 **OTHER SPECIAL LAWS."**

3
4
5 **Sec. 3.** Sections 37 and 38 of Republic Act No. 4566, as amended, are hereby
6 deleted.

7 **Sec. 4.** Section 39 of Republic Act No. 4566, as amended, is hereby amended
8 to read as follows:

9 "Section [39] **37. Fee.** The amount of fees prescribed by this Act shall
10 be as follows:

- 11 (a) [Fifty] **FIVE THOUSAND** pesos for an original license;
12 (b) [Sixty] **SIX THOUSAND** pesos for examination of an applicant;
13 (c) [Fifty] **FIVE THOUSAND** pesos for annual renewal."

14 **THE BOARD IS AUTHORIZED TO COLLECT, RETAIN AND UTILIZE**
15 **OR APPLY ALL FEES, FINES, AND OTHER CHARGES COLLECTED BY IT**
16 **UNDER THIS ACT TO AUGMENT ITS ACCREDITATION AND LICENSING**
17 **OPERATIONS, THE PROVISIONS OF ANY LAW TO THE CONTRARY**
18 **NOTWITHSTANDING. THE BOARD, IN CONSULTATION WITH ITS**
19 **STAKEHOLDERS, IS AUTHORIZED TO ADJUST THE FEES NOT MORE**
20 **THAN ONCE EVERY THREE (3) YEARS, BUT IN NO CASE SHALL THE FEES**
21 **BE ADJUSTED OR INCREASED BY MORE THAN FIFTEEN PERCENT**
22 **(15%)."**

23
24 **Section 5.** Section 40 of Republic Act No. 4566, as amended, is hereby amended
25 to read as follows:

26 "Section [40] **38. Renewal.** A license [~~may be renewed by the filing of a~~
27 ~~renewal application with the registrar not later than June thirtieth of each fiscal~~
28 ~~year, accompanied by the annual renewal fee. A license renewed thereafter shall~~
29 ~~be subject to an additional fee of Twenty Pesos] **ISSUED PURSUANT TO THE**
30 **PROVISIONS OF THIS ACT SHALL BE VALID FOR ONE (1) YEAR FROM**
31 **THE DATE OF ITS APPROVAL.** A license renewed thereafter shall be subject to~~

1 [~~an~~—additional] A RENEWAL fee of [~~Twenty~~] FIVE THOUSAND Pesos
2 (P5,000.00) PURSUANT TO SECTION 37 OF THIS ACT.

3 IN CASE THE CONTRACTOR HAS BEEN IN OPERATION IN GOOD
4 STANDING FOR TWENTY-FIVE (25) YEARS OR MORE, IT MAY RENEW
5 ITS LICENSE EVERY THREE (3) YEARS. IF IT HAS BEEN IN OPERATION
6 IN GOOD STANDING FOR TEN (10) YEARS BUT NOT MORE THAN
7 TWENTY-FIVE (25) YEARS, IT MAY RENEW ITS LICENSE EVERY TWO (2)
8 YEARS. IF IT HAS BEEN IN OPERATION IN GOOD STANDING FOR LESS
9 THAN TEN (10) YEARS, IT SHALL RENEW ITS LICENSE EVERY YEAR.

10 APPLICATIONS AND ALL OTHER REQUIREMENTS FOR LICENSE
11 RENEWAL MAY BE FILED WITH THE BOARD OR ITS DESIGNATED
12 AGENCIES EITHER IN PERSON OR THROUGH ONLINE NOT EARLIER
13 THAN NINETY (90) DAYS BUT NOT LATER THAN THIRTY (30) DAYS
14 BEFORE THE EXPIRATION OF THE LICENSE.”

15
16 **Sec. 6.** Section 41 of Republic Act No. 4566, as amended, and the following
17 sections, are hereby renumbered accordingly.

18 **Sec. 7. *Separability Clause.*** – Should any provision or part of this Act be
19 declared unconstitutional or invalid, the other provisions and parts hereof not affected,
20 and insofar as they are separable from the invalid ones, shall remain in full force and
21 effect.

22 **Sec. 8. *Repealing Clause.*** – All laws, decrees, orders, issuances rules and
23 regulations or parts thereof which are inconsistent with this Act are hereby repealed
24 or modified accordingly.

25
26 **Sec. 9. *Effectivity.*** – This Act shall take effect fifteen (15) days after its
27 publication in the *Official Gazette* or in at least two (2) newspapers of general
28 circulation.

29
30 *Approved.*