



S E N A T E

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 JR., 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
2 amended, is hereby amended to read as follows:

3 “Section 23. *Issuance of Licenses.* – Upon the
4 payment of the corresponding fee and the filing of
5 the application, and after examination and
6 investigation as may be required, the Board within

1 fifteen (15) days after the approval of the application
2 shall issue a license to the applicant permitting him
3 to engage in business as a contractor under the
4 terms of this Act for ~~the remaining part of the fiscal~~
5 ~~year]~~ ONE (1) YEAR FROM THE DATE OF
6 ISSUANCE. APPLICATIONS SHALL BE ACTED
7 UPON WITHIN THE PERIOD PROVIDED FOR
8 UNDER REPUBLIC ACT NO. 11032 OR THE EASE
9 OF DOING BUSINESS AND EFFICIENT
10 GOVERNMENT SERVICE DELIVERY ACT OF
11 2018.”

12 SEC. 2. Section 35 of Republic Act No. 4566, as
13 amended, is hereby deleted, and replaced with a new
14 Section 35, to read as follows:

15 ~~[Section 35. Penalties. Any contractor who, for~~
16 ~~a price, commission, fee or wage, submits or~~
17 ~~attempts to submit a bid to construct, or contracts~~
18 ~~to or undertakes to construct, or assumes charge in~~
19 ~~a supervisory capacity of a construction work~~

1 ~~within the purview of this Act, without first~~
2 ~~securing a license to engage in the business of~~
3 ~~contracting in this country; or who shall present or~~
4 ~~file the license certificate of another, give false~~
5 ~~evidence of any kind to the Board, or any member~~
6 ~~thereof in obtaining a certificate or license,~~
7 ~~impersonate another, or use an expired or revoked~~
8 ~~certificate, or license, shall be deemed guilty of~~
9 ~~misdemeanor, and shall, upon conviction, be~~
10 ~~sentenced to pay a fine of not less than five~~
11 ~~hundred pesos but not more than five hundred~~
12 ~~pesos.]~~

13 “SEC. 35. *PROHIBITED ACTS.* – THE FOLLOWING
14 ARE PROHIBITED UNDER THIS ACT:

15 (A) ANY CONTRACTOR WHO, FOR A PRICE,
16 COMMISSION, FEE OR WAGE, SUBMITS OR
17 ATTEMPTS TO SUBMIT A BID TO
18 CONSTRUCT, OR CONTRACTS TO OR
19 UNDERTAKES TO CONSTRUCT, OR ASSUMES

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

18 (B) THE SAME FINE MENTIONED IN THE
19 IMMEDIATELY PRECEDING PROVISION
20 SHALL BE IMPOSED UPON TWO OR MORE

1 LICENSEES, EACH OF WHOM HAS BEEN
2 ISSUED A LICENSE TO ENGAGE
3 SEPARATELY IN THE CAPACITY OF A
4 CONTRACTOR BUT SHALL JOINTLY SUBMIT
5 A BID OR OTHERWISE ACT IN THE CAPACITY
6 OF A CONTRACTOR WITHOUT SECURING AN
7 ADDITIONAL LICENSE FOR ACTING IN THE
8 CAPACITY OF SUCH A JOINT VENTURE OR
9 COMBINATION IN ACCORDANCE WITH THE
10 PROVISIONS OF THIS ACT. THE LICENSES OF
11 THE OFFENDING PARTIES SHALL BE
12 AUTOMATICALLY REVOKED AND THEY
13 SHALL BE PROHIBITED FROM OBTAINING A
14 CONTRACTOR'S LICENSE FOR A PERIOD OF
15 ONE (1) YEAR FROM THE TIME THE
16 LICENSEES ARE FOUND GUILTY UNDER
17 THIS PROVISION.

18 (C) IT SHALL BE UNLAWFUL FOR ANY PERSON
19 WHO IS A MANAGING PARTNER, OFFICER OR
20 EMPLOYEE OF A LICENSED PARTNERSHIP,

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

1 (D) ANY PERSON WHO SHALL PRESENT OR FILE
2 THE LICENSE CERTIFICATE OF ANOTHER,
3 GIVE FALSE EVIDENCE OF ANY KIND TO THE
4 BOARD OR TO ANY MEMBER THEREOF IN
5 OBTAINING A CERTIFICATE OR LICENSE,
6 IMPERSONATE ANOTHER, OR USE AN
7 EXPIRED OR REVOKED CERTIFICATE OR
8 LICENSE SHALL BE PENALIZED WITH A FINE
9 OF NOT LESS THAN FIVE HUNDRED
10 THOUSAND PESOS (P500,000.00) BUT NOT
11 MORE THAN ONE MILLION PESOS
12 (P1,000,000.00) AND THE PENALTY OF
13 IMPRISONMENT OF NOT LESS THAN ONE (1)
14 YEAR BUT NOT MORE THAN SIX (6) YEARS.
15 THE PENALTIES PROVIDED IN THIS
16 SECTION ARE WITHOUT PREJUDICE TO ANY
17 LIABILITY FOR THE VIOLATION OF ANY OF
18 THE PROVISIONS OF THE REVISED PENAL
19 CODE, AS AMENDED, OR OTHER SPECIAL
20 LAWS.”

1 SEC. 3. Sections 37 and 38 of Republic Act No. 4566,
2 as amended, are hereby deleted.

3 SEC. 4. Section 39 of Republic Act No. 4566, as
4 amended, is hereby amended to read as follows:

5 “Section [~~39~~] 37. *Fee.* – The amount of fees prescribed
6 by this Act shall be as follows:

7 (a) [~~Fifty~~] FIVE THOUSAND pesos for an original
8 license;

9 (b) [~~Sixty~~] SIX THOUSAND pesos for examination of
10 an applicant;

11 (c) [~~Fifty~~] FIVE THOUSAND pesos for annual
12 renewal.”

13 THE BOARD IS AUTHORIZED TO COLLECT,
14 RETAIN AND UTILIZE OR APPLY ALL FEES, FINES,
15 AND OTHER CHARGES COLLECTED BY IT UNDER
16 THIS ACT TO AUGMENT ITS ACCREDITATION AND
17 LICENSING OPERATIONS, THE PROVISIONS OF
18 ANY LAW TO THE CONTRARY
19 NOTWITHSTANDING. THE BOARD, IN
20 CONSULTATION WITH ITS STAKEHOLDERS, IS

1 AUTHORIZED TO ADJUST THE FEES NOT MORE
2 THAN ONCE EVERY THREE (3) YEARS, BUT IN NO
3 CASE SHALL THE FEES BE ADJUSTED OR
4 INCREASED BY MORE THAN FIFTEEN PERCENT
5 (15%).”

6 SEC. 5. Section 40 of Republic Act No. 4566, as
7 amended, is hereby amended to read as follows:

8 “Section [40] 38. *Renewal*. – A license [~~may be~~
9 ~~renewed by the filing of a renewal application with the~~
10 ~~registrar not later than June thirtieth of each fiscal~~
11 ~~year, accompanied by the annual renewal fee. A license~~
12 ~~renewed thereafter shall be subject to an additional fee~~
13 ~~of Twenty Pesos]~~ ISSUED PURSUANT TO THE
14 PROVISIONS OF THIS ACT SHALL BE VALID FOR
15 ONE (1) YEAR FROM THE DATE OF ITS APPROVAL.
16 A license renewed thereafter shall be subject to [~~an~~
17 ~~additional~~] A RENEWAL fee of [~~Twenty~~] FIVE
18 THOUSAND Pesos (P5,000.00) PURSUANT TO
19 SECTION 37 OF THIS ACT.

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

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

1 SEC. 6. Section 41 of Republic Act No. 4566, as
2 amended, and the following sections, are hereby
3 renumbered accordingly.

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

9 SEC. 8. *Repealing Clause.* – All laws, decrees,
10 orders, issuances rules and regulations or parts thereof
11 which are inconsistent with this Act are hereby repealed or
12 modified accordingly.

13 SEC. 9. *Effectivity.* – This Act shall take effect
14 fifteen (15) days after its publication in the *Official Gazette*
15 or in at least two (2) newspapers of general circulation.

Approved,