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)

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.

It is important to amend the said law in order to promote competition in the industry, increase capability and promote transfer of technology for our local contractors and nationals to learn from and adapt international best practices, expertise and technology.

The Philippine government should ensure a level-playing field that would generate growth due to knowledge generation, expansion of product variety, and an upgrade on product quality in the construction industry. In this proposal, the welfare of our Filipino contractors, Filipino workers Filipino manufacturers are adequately safeguarded.

In view of the foregoing, the immediate passage of this bill is most earnestly sought.

Luis Raymundo "Larry" F. Villafuerte, Jr.
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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. A new paragraph is hereby added to Section 17 of Republic Act No. 4566, or "An Act Creating the Philippine Licensing Board for Contractors, Prescribing its Powers, Duties and Functions, Providing Funds Therefor, and for other Purposes" to read as follows:

"Section 17. Power to classify and limit operations. The Board may adopt reasonably necessary rules and regulations to effect the classification of contractors in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which he is classified to engage, as respectively defined in section nine. A license may make application for classification and be thus classified in more than one classification if the licensee meets the qualifications prescribed by the Board for such additional classification or classifications. No additional application or license fee shall be charged for qualifying or classifying a licensee in additional classifications.

TO ENSURE THE PROPER AND EFFECTIVE MONITORING AND REGULATION OF THEIR ACTIVITIES, AND THE ENFORCEMENT OF LAWS AGAINST ALL KINDS OF CONTRACTORS, FILIPINO-OWNED OR FOREIGN, AS DEFINED UNDER EXISTING LAWS, THE BOARD MAY ALSO ISSUE AND ADOPT THE NECESSARY RULES AND REGULATIONS TO EFFECT REASONABLE CLASSIFICATION OF SUCH CONTRACTORS.
NO FOREIGN CONTRACTOR SHALL BE GRANTED A LICENSE AS A CONTRACTOR, EXCEPT FOR A SPECIAL LICENSE TO UNDERTAKE A SINGLE SPECIFIC PROJECT WHICH SHALL BE SUBJECT TO THE FOLLOWING REQUIREMENTS OR CONDITIONS:

a) THAT THERE MUST BE A DESIGNATION OR APPOINTMENT OF A FILIPINO RESIDENT AGENT TO ACCEPT SUMMONS AND OTHER LEGAL PROCESSES ON BEHALF OF THE FOREIGN CONTRACTOR FOR THE ENTIRE DURATION OF THE PROJECT AND/OR THE DURATION OF ANY ACTION OR PROCEEDING ARISING FROM OR IN CONNECTION WITH SUCH PROJECT;

b) THAT THE FOREIGN CONTRACTOR SHALL ENSURE TECHNOLOGY TRANSFER, SKILLS TRAINING AND CAPACITY BUILDING OF LOCAL CONTRACTORS TO BE REFLECTED IN ITS LICENSE APPLICATION AND SUBJECT TO REGULAR PROGRESS REPORTING AND MONITORING;

c) THAT THE PROJECT IS FOREIGN FINANCED/INTERNATIONALLY-FUNDED;

d) THAT THE FOREIGN CONTRACTOR WILL ONLY EMPLOY FILIPINO NATIONALS, EXCEPT FOR HIGHLY-TECHNICAL POSITIONS AFTER A DETERMINATION BY THE DEPARTMENT OF LABOR AND EMPLOYMENT (DOLE) OF THE NON-AVAILABILITY OF A FILIPINO NATIONAL WHO IS COMPETENT, ABLE AND WILLING TO PERFORM SAID FUNCTIONS OR SERVICES; PROVIDED, THAT THE FOREIGN CONTRACTOR SHALL ENSURE TECHNOLOGY TRANSFER, SKILLS TRAINING AND CAPACITY BUILDING FOR FILIPINO NATIONALS IN CONNECTION HEREWITH; AND

e) THAT THE FOREIGN CONTRACTOR SHALL ONLY USE LOCALLY-SOURCED CONSTRUCTION MATERIALS AND COMPONENTS, EXCEPT FOR SPECIFIC MATERIALS AND COMPONENTS DETERMINED BY THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) TO BE NOT AVAILABLE OR MANUFACTURED LOCALLY.

THESE RULES AND REGULATIONS SHALL NOT OPERATE AS A BARRIER TO ENTRY, NOR PROHIBIT, LIMIT OR RESTRICT THE PARTICIPATION OF QUALIFIED AND COMPLIANT FOREIGN CONTRACTORS IN THE CONSTRUCTION INDUSTRY.”

Sec. 2. Repealing Clause. – All laws, presidential decrees, executive orders, proclamations, rules and regulations, or any part thereof, which are inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

Sec. 3. Separability Clause. – If any provision or part of this Act, or the application thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this Act shall not be affected thereby.
Sec. 4. Effectivity Clause. – This Act shall take effect fifteen (15) days from its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,