

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Metro Manila

**FIFTEENTH CONGRESS**  
First Regular Session

**HOUSE BILL No. 4063**

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**Introduced by: HON. ISIDRO Q. LICO**

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**EXPLANATORY NOTE**

Cooperatives exist for the welfare of its members. They provide means to safeguard their members' interests by giving low rates of interest to their deposits and consequently, funds are used to support livelihood activities.

In connection with this, the 1987 Constitution mandates that the Legislature shall ensure that "The promotion of social justice shall include the commitment to create economic opportunities based on freedom of initiative and self-reliance". It has already been settled in numerous jurisprudence that the cooperative movement is one of the entities where social justice must be exemplified. This supports the view that cooperatives are allowed to engage in activities so long as they deem it sufficient for their needs.

Under the present legal set-up of our country, one of the statutes passed is Republic Act 5487 or "The Security Agency Law". It provides for the manner of creation, formation and registration of security agencies.

Along this line, the law was enacted without reference to cooperatives to their capacity to engage in such activity, which the bill presented seeks to amend. Also, the registering authority for cooperatives, the Cooperative Development Authority, is sought to be included in the bill.

The immediate passage of the bill is earnestly sought.

**ORIGINAL SIGNED**  
**HON. ISIDRO Q. LICO**  
*Representative*  
ATING- KOOP Party List

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**“AN ACT AMENDING REPUBLIC ACT NO. 5487, OTHERWISE KNOWN AS “THE  
SECURITY AGENCY LAW, AMENDING FOR THE PURPOSE SECTIONS 3, 4 AND 7, AS  
AMENDED BY PRESIDENTIAL DECREE NO. 1177”**

**Section 1.** *Short Title of Act.* This Act shall be known as " An Act Amending Republic Act No. 5487, otherwise known as “The Security Agency Law”, amending for the purpose sections 3,4 and 7, as amended by Presidential Decree No. 1177”.

**Section 2.** *Scope of this Act.* The organization, operation, business and activities of private detectives, watchmen or security guards agencies shall be governed by the provisions of this Act.

**Section 3.** *Definition of Terms.*

(a) Person. As used in this Act, person shall include not only natural persons but also juridical persons such as corporation, partnership, company or association duly registered with the Securities and Exchange Commission and/or the Bureau of Commerce.

(b) Private Detective Agency. A private detective agency is any person, who, for hire or reward or on commission, conducts or carries on or holds himself or itself out as conducting or carrying on a detective agency, or detective service.

(c) Private Detective. A private detective is any person who is not a member of a regular police agency of the Armed Forces of the Philippines who does detective work for hire, reward, or commission.

(d) Watchman or Security Guard, Watchman or Security Guard Agency. Any person who offers or renders personal service to watch or secure either residential or business establishment, or both, or any building, compound, or area including but not limited to logging concessions, agricultural, mining or pasture lands for hire or compensation, or as an employee thereof shall be known as watchman or security guard; and any person, association, partnership, or corporation, who recruits, trains, muster, furnishes, solicits

individuals or business firms, private or government-owned or controlled corporations to engage his service or those of its watchmen, shall be known as Watchman of Security Guard Agency. (As amended by Pres. Decree No. 11, October 3, 1972.)

to read:

**“Section 3. Definition of Terms.**

*(a) Person. As used in this Act, person shall include not only natural persons but also juridical persons such as corporation, partnership, **cooperative**, company or association duly registered with the Securities and Exchange Commission, the Bureau of Commerce and/or the Cooperative Development Authority.*

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**Section 4. Who May Organize a Security or Watchman Agency.** Any Filipino citizen or a corporation, partnership, or association, with a minimum capital of five thousand pesos, one hundred per cent of which is owned and controlled by Filipino citizens may organize a security or watchman agency: Provided, That no person shall organize or have an interest in, more than one such agency except those which are already existing at the promulgation of this Decree: Provided, further, That the operator or manager of said agency must be at least 25 years of age, a college graduate and/or a commissioned officer in the inactive service of the Armed Forces of the Philippines; of good moral character; having no previous record of any conviction of any crime or offense involving moral turpitude and not suffering from any of the following disqualifications:

- (1) Having been dishonorably discharged or separated from the Armed Forces of the Philippines;
- (2) Being a mental incompetent;
- (3) Being addicted to the use of narcotic drug or drugs; and

(4) Being a habitual drunkard

For purposes of this Act, elective or appointive government employees who may be called upon on account of the functions of their respective offices in the implementation and enforcement of the provisions of this Act and any person related to such government employees by affinity or consanguinity in the third civil degree shall not hold any interest, directly or indirectly in any security guard or watchman agency. (As amended by Pres. Decree No. 11.)

to read:

*"Section 4. Who May Organize a Security or Watchman Agency. Any Filipino citizen or a corporation, **cooperative**, partnership, or association, with a minimum capital of five thousand pesos, one hundred per cent of which is owned and controlled by Filipino citizens may organize a security or watchman agency: Provided, That no person shall organize or have an interest in, more than one such agency except those which are already existing at the promulgation of this Decree: Provided, further, That the operator or manager of said agency must be at least 25 years of age, a college graduate and/or a commissioned officer in the inactive service of the Armed Forces of the Philippines; of good moral character; having no previous record of any conviction of any crime or offense involving moral turpitude and not suffering from any of the following disqualifications:*

- (1) Having been dishonorably discharged or separated from the Armed Forces of the Philippines;*
- (2) Being a mental incompetent;*
- (3) Being addicted to the use of narcotic drug or drugs; and*
- (4) Being a habitual drunkard.*

*For purposes of this Act, elective or appointive government employees who may be called upon on account of the functions of their respective offices in the implementation and enforcement of the provisions of this Act and any person related to such government employees by affinity or consanguinity in the third civil degree shall not hold any interest, directly or indirectly in any security guard or watchman agency. (As amended by Pres. Decree No. 11.)"*

**Section 5. Qualifications Required.** No person shall be employed as security guard or watchman or private detective unless he is: (a) a Filipino citizen; (b) a high school graduate; (c) physically and mentally fit; (d) not less than 21 nor more than 50 years of age; (e) at least 5 feet and 4 inches in height; and (f) suffering none of the disqualifications provided for in the preceding section: Provided, That foreigners who are already employed as watchmen or security guards prior to the approval of this Act shall not be subject to the above-mentioned requirements: Provided, further, That veterans shall be given priority in employment as security guard, watchman or private detective: And provided, finally, That person convicted of any crime involving moral turpitude shall not be employed as security guard, watchman or private detective.

**Section 6. License Necessary.** No person shall engage in the business of, or act either as a private detective, or detective agency; and either engage in the occupation, calling or employment of watchman or in the business of watchman's agency without first having obtained the necessary permit from the Chief, Philippine Constabulary which permit as approved is prerequisite in obtaining a license or license certificate: Provided, That all existing private detective or watchman or security guard agencies shall have a period of one (1) year from the approval of this Act to secure the said license: Provided, further, That existing agencies, and any new agency which may hereafter apply for a license, certify under oath that their private detectives, watchmen or security guards, have received the appropriate training from either the Philippine Constabulary, the National Bureau of Investigation, any local police department, or any other public institution duly recognized by the government to conduct police training.

**Section 7. Application for License.** The application shall be made in writing and shall be filed with the Chief, Philippine Constabulary. It shall contain the full name of the applicant, his age, civil status, his residence, and location of business. If the applicant is a corporation, association or partnership, a copy of the certificate of registration with the Securities and Exchange Commission together with its by-laws and articles of incorporation, with the Bureau of Commerce.

To read:

*"Section 7. Application for License. The application shall be made in writing and shall be filed with the Chief, Philippine Constabulary. It shall contain the full name of the applicant, his age, civil status, his residence, and location of business. If the applicant is a corporation, **cooperative**, association or partnership, a copy of the certificate of registration with the Securities and Exchange Commission or **Cooperative Development Authority** together with its by-laws and articles of incorporation, with the Bureau of Commerce."*

**Section 8. Fees to be Paid and Bonds.** When all requisites for the issuance of the license have been complied with, the Chief of the Philippine Constabulary or his duly authorized representative shall issue a permit for the issuance of such license and register the same in his office, upon payment by the applicant of the fee in accordance with the following schedule:

- (a) the sum of one hundred pesos per annum as national license;
- (b) the sum of fifty pesos per annum as municipal license fee in any city where it may operate, the said fee to be payable to the city treasurer concerned;
- (c) the sum of twenty-five pesos per annum as municipal license fee for any municipality where it may operate, the said fee to be payable to the municipal treasurer concerned;
- (d) the private Detective and Watchman Agency shall in addition to the above pay a fixed Internal Revenue Tax of one hundred pesos per annum in lieu of percentage taxes;

(e) the individual private detective and/or watchman shall pay for Mayor's Permit, Health and/or Sanitary fee an amount not exceeding three pesos per annum and the agency shall pay the sum not exceeding ten pesos for the Mayor's Permit and Health and/or Sanitary fees; and

(f) the Chief of the Philippine Constabulary or his duly authorized representative shall issue an appointment over his signature and affix the seal of his office, to each license and for each such appointment, the sum of one peso shall be paid.

The application shall further be accompanied by a bond issued by any competent or reputable surety or fidelity or insurance company duly accredited by the office of the Insurance Commissioner in the sum of not less than five thousand pesos nor more than ten thousand pesos in the discretion of the Chief, Philippine Constabulary, which bond shall answer for any valid and legal claim against the agency by its clients or employees: Provided, That licenses issued in the province of an authorized representative of the Chief of Constabulary is subject to review by the Chief of Constabulary.

Any provision of this or other law to the contrary notwithstanding, the Chief of Constabulary may, at any time suspend or cancel the licenses of private watchman or security guard agency found violating any of the provisions of this Act or of the rules and regulations promulgated by the Chief of Constabulary pursuant thereto. (This paragraph was inserted by Sec. 3, Pres. Decree No. 11.)

**Section 9. *Employees Need Not be Licensed.*** Every person operating, managing, directing or conducting a licensed private detective or watchmen agency shall also be considered licensed private detective, or watchman and no person shall be employed or used in a private detective work unless he be a licensed private detective or watchman: Provided, That nothing in this section shall be construed as requiring detective license for persons employed solely for clerical or manual work.

**Section 10. *Display of License.*** The license shall be displayed at all times in a conspicuous and suitable place in the agency office or headquarters of the agency and shall be exhibited at the request of any person whose jurisdiction is in relation with the business of the agency or the employees thereof, or of the Chief of the Philippine Constabulary or his duly authorized representative or any peace officer.

**Section 11. *Supervision of the Philippine Constabulary.*** Upon approval of this Act, the Philippine Constabulary shall exercise general supervision over the operation of all private detective and watchman or security guard agencies.

**Section 12. *Powers of City or Municipal Mayors in Cases of Emergency.*** In case of emergency or in times of disaster or calamities where the services of such agencies arise, the City or Municipal Mayor, as director of Civil Defense, may muster or incorporate the services of the agency nearest the area where such emergency, disaster or calamity arises and its duly licensed personnel to help maintain peace and order; and/or the prevention or apprehension of law violators and in the preservation of life and property. Deputized private detectives, watchmen or security guards shall take direct orders from the Chief of Police for the duration of the fire, inundation, earthquakes, riots or other emergencies.

**Section 13. *Issuance of Firearms.*** A watchman or security agency shall be entitled to possess firearms after having satisfactorily passed the requirements prescribed by the Chief, Philippine Constabulary pertinent to the possession of firearm of any caliber not higher than 45 caliber in a number not exceeding one firearm for every two watchmen or security guards in its employ: Provided, however, That a watchman or security agent shall be entitled to possess not more than one riot gun or shotgun in order to provide adequate security when circumstances so demand: Provided, further, That all the firearms mentioned herein shall be carried by the watchman or security guard only during his tour of duty in proper uniform within the compound of the establishment except when he escorts big amounts of cash or valuables in and out of said compound.

**Section 14. *Uniform.*** The uniform of watchman or security guard as well as those organized, maintained or under the employment of the government or any government-owned and/or controlled corporations, agencies or entities, shall be different from the uniform worn and prescribed for members of the Armed Forces of the Philippines, City and Municipal Police Force. The Chief, Philippine Constabulary, through his duly authorized representative shall prescribe the uniform or ornaments, equipment and paraphernalia to be worn by the security guards and watchmen throughout the Philippines.

**Section 15. *Compensation of Watchmen or Security Guards.*** Watchmen or security guards shall receive a salary not lower than that prescribed in the Minimum Wage Law.

**Section 16. *Limitations and Prohibitions.*** 1. On Membership: (a) No agency operating in the City of Manila and suburbs may employ more than 1,000 watchmen or security guards; (b) no agency operating in other cities and first class municipalities may employ more than 500 watchmen or security guards; (c) no agency operating in municipalities other than first class may employ more than 200 watchmen or security guards.

2. On Organization: No person, corporation, partnership or association may organize more than one agency in any one city or municipality.

3. On Service: No agency shall offer, render or accept its services to gambling dens or other illegal enterprises. The extent of the security service being provided by any security agency shall not go beyond the whole compound or property of the person or establishment requesting the security service except when they escort big amount of cash.

**Section 17. *Rules and Regulations by Chief, Philippine Constabulary.*** The Chief of the Philippine Constabulary, in consultation with the Philippine Association of Detective and Protective Agency Operators, Incorporated and subject to the provisions of existing laws, is hereby authorized to issue the rules and regulations necessary to carry out the purpose of this Act.

**Section 18. *Penal Provisions.*** Any violation of this Act or the rule or regulation issued hereunder shall be punished by suspension, or fine not exceeding P200.00 or cancellation of his or its licenses to operate, conduct, direct or manage a private detective, watchman or security guard agency and all its members in the discretion of the court together with the forfeiture of its bond filed with the Philippine Constabulary.

If the violation is committed by those persons mentioned under paragraph two, section four of this Act the penalty shall be imprisonment ranging from one to four years and fine ranging from one to four thousand pesos in the discretion of the court.

**Section 19. *Repealing Clause.*** All laws, rules, resolutions, municipal ordinances, regulations and administrative orders contrary or inconsistent with the provisions hereof are hereby repealed.

**Section 20. *Effectivity.*** This Act shall take effect upon its approval.

*Approved,*