



Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



EIGHTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 7816

Introduced by **REPRESENTATIVE JOEL MAYO Z. ALMARIO**

EXPLANATORY NOTE

It is the declared policy of the state to develop a self-reliant and independent national economy effectively controlled by Filipinos and it also recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.

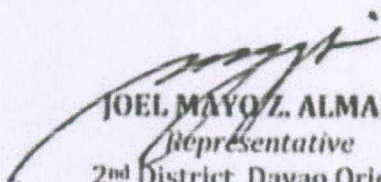
The Build-Build-Build Program of the National Government will not only improve the current state of infrastructure in the Philippines, but will also generate income to our local construction stakeholders.

Under the current Contractors' License Law, foreign contractors can apply for regular contractor license thereby effectively putting them on equal footing with their local contractor counterparts. This imminent imbalance of capital and trade will result in an unjust treatment with our local contractors and will inevitably result in the transfer of wealth to a foreign entity.

The local 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 incentive to our local construction stakeholders through prioritization.

Hence, the approval of this bill is earnestly sought.


JOEL MAYO Z. ALMARIO
Representative
2nd District, Davao Oriental



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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.'**

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

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

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

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

12
13 **Sec. 2.** Section 20 of the of Republic Act No. 4566 is hereby amended to read as
14 follows:

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

26 officer of such firm and that he exercises or is in a position to
27 exercise authority over the contracting business of his principal or
28 employer in the following manner: (1) to make technical and
29 administrative decisions; and, (2) to hire, superintend, promote,
30 transfer, lay off, discipline or discharge employees.

31
32 **Section 20-b. Qualifications of foreign applicants for contractors'**
33 *licenses.* No foreign entities shall be given license to operate in the
34 Philippines unless otherwise certified by the Board that no other
35 local contractors are capable of undertaking certain project applied
36 for. The foreign applicant shall have all the necessary qualifications
37 in the preceding Section and none of the disqualifications as found in
38 this Act."

39
40 **Sec. 3. Repealing Clause** - All laws, presidential decrees, executive orders, and
41 rules and regulations, or parts thereof, which are inconsistent with the provisions
42 of this Act are hereby repealed or modified accordingly.

43
44 **Sec. 4. Effectivity Clause** - This Act shall take effect fifteen (15) days after its
45 publication in the *Official Gazette* or in a newspaper of general circulation.

46
47 *Approved.*