

**CIAP BOARD RESOLUTION
NO. 1 (s. 1997)**

**ADOPTING A POLICY ON THE APPLICATION OF FOREIGN
CONTRACTORS FOR SPECIAL CONTRACTORS LICENCE WITH THE
PHILIPPINE CONTRACTORS ACCREDITATION BOARD (PCAB)**

WHEREAS, the Construction Industry Authority of the Philippines (CIAP), under Sec. 2 of PD 1746 is empowered to promote, accelerate and regulate the growth of the construction industry in conformity with national goals;

WHEREAS, the Philippine Contractors Accreditation Board (PCAB) an implementing agency of CIAP under PD 1746, is tasked, under RA 4566, with the powers and duties to evaluate, approve/disapprove applications for contractor's license;

WHEREAS, the PCAB, in relation to the above, issues special contractor's license to foreign contractors authorizing them to prequalify, bid for and construct specific projects which under Philippine laws and bilateral agreements may be undertaken by foreign contractors;

WHEREAS, the existing requirements for special license applications under Sec. 4.6 of the Implementing Rules and Regulations of RA 4566, do not provide for minimum conditions, required of Filipino regular licensees, showing adequate technical and financial capabilities and track record to undertake specific types and size of projects in the Philippines;

WHEREAS, in order to identify the contracting capabilities of foreign contractors appropriate to the type and size range of project to be undertaken, there is a need for categorization and classification of foreign contractors as well as evaluation of their track record, parallel to the requirements on local contractors;

WHEREAS, Sec. 5.9 of the Implementing Rules and Regulations of RA 4566 and the Revised Guidelines for Registration and Classification of Contractors, provide for categorization and classification of special license contractors;

NOW, THEREFORE, in consideration of the foregoing premises, the Construction Industry Authority of the Philippines (CIAP), RESOLVES as it is hereby RESOLVED to direct PCAB to implement the provisions of Sec. 5.9 of the Implementing Rules and Regulations of RA 4566, and the Revised Guidelines for Registration and Classification subject further to the following terms and conditions:

1. Foreign contractors shall be categorized and classified by the PCAB based on their global technical record and Philippine-based financial and physical resources. For this purpose, the foreign contractors-applicant shall establish a branch or subsidiary office in the Philippines.
2. Unencumbered assets/invested in the Philippines shall be in the form of cash and construction-related equipment, which may neither be repatriated nor withdrawn from the Philippines nor transferred, sold or leased to another within the validity of the license.
3. In case the applicant is a subsidiary of a foreign contractor, a back to back financial guarantee from the parent company shall be required.

4. In the absence of the resident Filipino Agent or where such agent cannot be found at his address of record or upon cessation of the foreign contractor's business in the Philippines, any summons or legal purposes may be served on PCAB as if the same were made upon the firm at its home office.

UNANIMOUSLY APPROVED.

3 April 1997

Approved:

(Sgd) CESAR B. BAUTISTA

Chairman

(Represented by Undersecretary J. Juliano)

(Sgd) GREGORIO R. VIGILAR

Member

(Represented by J. David)

(Sgd) LEONARDO A. QUISUMBING

Member

(Represented by C. Cilindro)

(Sgd) DAVID M. CONSUNJI

Member

(Represented by R. Murga)

(Sgd) ANTON C. KHO

Member

(Sgd) JAIME H. PAJARA

Member

(Represented by L. Madrasto)

(Sgd) FIORELLO R. ESTUAR

Member