

CONSTRUCTION INDUSTRY ARBITRATION COMMISSION

4/F Jupiter I Building, 56 Jupiter Street, Bel-Air Village, Makati City
Telephone No. 897-0853 / Telefax: 897-9313



RESOLUTION NO. 01-2005

Amendments to CIAC Resolution No. 06-2004

(Policy Guidelines Governing the Acceptance/Processing of Cases Filed By or Against Contractors Not Licensed by the Philippine Contractors Accreditation Board)

WHEREAS, the Construction Industry Arbitration Commission (CIAC) promulgated Resolution No. 06-2004 on 25 June 2004, to reconcile the laws governing the CIAC and the Philippine Contractors Accreditation Board (PCAB), with respect to the treatment of construction cases filed with the CIAC where one of the parties is not a licensed contractor as defined by Republic Act No. 4566 or the Contractor's Licensing Law and its Implementing Rules and Regulations (IRR);

WHEREAS, Resolution No. 06-2004 aims to curb the illegal practice by these unlicensed contractors from engaging in any construction activities without first securing the requisite and appropriate contractor's license from PCAB;

WHEREAS, the Resolution provides, among others, that if the claimant-contractor or the respondent-contractor, as the case maybe, has no valid contractor's license at the time of filing the case, and has neither such valid license during the execution of the contract nor has a pending application therefor with the PCAB, the claimant shall not be allowed to file a case, assert his claims and pray for affirmative relief if he is the claimant-contractor, or in the case of the respondent, he shall be allowed file his answer for purposes of defending himself but is precluded from interposing counterclaims or praying for affirmative relief; at the CIAC;

WHEREAS, while said provision strengthened the Contractor's Licensing Law, it tends to defeat the purpose and spirit of E.O. 1008 or the Construction Industry Arbitration Law, which is to provide a fair and speedy resolution of construction disputes lodged with the CIAC; moreover, there is no provision under E.O. 1008 which requires a contractor be licensed by PCAB before it could avail of the facilities of CIAC;

WHEREAS, there is a need to amend the foregoing provision of Resolution 06-2004 so as not to prejudice the rights of these unlicensed contractors from availing the facilities of the CIAC;

WHEREAS, Sections 6 and 21 of Executive Order No. 1008 empowers the CIAC to enunciate policies and prescribe rules and procedures for construction arbitration and to formulate necessary rules and procedures for construction arbitration;

NOW, THEREFORE, THE CONSTRUCTION INDUSTRY ARBITRATION COMMISSION, by virtue of the powers vested in it by law, do hereby **RESOLVES**, as it hereby **RESOLVED**, to introduce the following amendatory provision to CIAC Resolution No. 06-2004, to wit:

"xxx xxxx

1. Complainant:

- a. xxx
- b. xxx

- c. ~~Except under the conditions stated in par. a hereof, if the claimant-contractor has no valid contractor's license or at the time of filing the case, the claimant shall not be allowed to file a case at the CIAC.~~

If the claimant-contractor has neither a valid contractor's license at the time of filing the case nor has filed any application for the same, he shall be allowed to file a case, assert his claims and pray for affirmative relief, PROVIDED, however, that he files an application for contractor's license with the PCAB within a period of thirty (30) days from the date of filing his Request for Arbitration with the CIAC and shows proof of such filing to the Commission.

Claimant-contractor's failure to comply herewith shall be a ground for the suspension of the proceedings until such application for contractor's license has been filed or dismissal of the case, where appropriate. In case of dismissal, any fees paid shall be deemed forfeited in favor of the CIAC.

2. Respondent:

a. xxx

b. xxx

- c. ~~Except under the conditions stated in par. a hereof, if the respondent-contractor has no valid contractor's license at the time of filing of the case with the CIAC, the respondent shall be allowed to file his answer and defend himself but he shall not be allowed to file his counterclaims or pray for affirmative relief.~~

If the respondent-contractor has neither a valid contractor's license at the time of filing the case nor has filed any application for the same, he shall be allowed to file his answer, interpose counterclaims and pray for affirmative relief, PROVIDED, however, that he files an application for contractor's license with the PCAB within a period of thirty (30) days from the date of filing his answer with the CIAC and shows proof of such filing to the Commission.

In the event that the Respondent-contractor's fails to comply herewith, his answer will be admitted for the purpose of defending himself but his counterclaims, if there be any, shall not be given due course, nor shall he be entitled to pray for affirmative relief.

In all situations not provided for herein, the Commission shall treat the same on a case-to case basis.

These policy guidelines shall take effect fifteen days from receipt by the U.P. Law Center, Office of the National Administrative Registrar and shall cover all cases filed upon its effectivity.

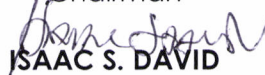
UNANIMOUSLY APPROVED.

Done in the City of Makati, Philippines this 2nd day of March 2005.

THE COMMISSION


SEDFREY A. ORDONEZ

Chairman


ISAAC S. DAVID

Member