

CONSTRUCTION INDUSTRY ARBITRATION COMMISSION

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



CIAC RESOLUTION No. 01 - 2006

Recalling CIAC Resolution Nos. 06-2004 and 01-2005

(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, the said Resolution, which was further amended by No. 01-2005, purportedly aims to curb the unauthorized practice by these unlicensed contractors from engaging in any construction activities without first securing the requisite and appropriate contractor's license from PCAB;

WHEREAS, in the recent Supreme Court Decisions Supreme Court, it was held in essence, that a foreign corporation not licensed to do business in the Philippines has the capacity to sue in Philippine Courts to protect its interest [Steel Corporation of the Philippines v. CIAC and The International Steel Services, Inc., G.R. No. 159399, Oct. 22, 2003].

WHEREAS, the rationale of said Supreme Court decision is analogous to the situation contemplated under Resolution Nos. 06-2004 and 01-2005, in that an unlicensed contractor is barred from raising any claim or counterclaims to the prejudice of said contractor;

WHEREAS, while said resolution may have 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, 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 **RECALL** Resolution 06-2004 and 01-2005 and that, henceforth, all contractors or

subcontractors regardless of whether or not they possess a valid contractor's license issued by the PCAB can avail of the CIAC facilities.

BE IT RESOLVED further that upon acceptance of a case filed by an unlicensed contractor, the PCAB shall be notified thereof for any action it may deem necessary.


These policy guidelines shall take effect fifteen days from receipt of the certified copies hereof by the Office of the National Administrative Registrar, University of the Philippines Law Center.


UNANIMOUSLY APPROVED.

19 January 2006, Makati City.

THE COMMISSION


SEDFREY A. ORDOÑEZ
Chairman


ISAAC S. DAVID
Member


SAMSON C. LAZO
Member