



## **BOARD RESOLUTION No. 123 Series of 2022**

### **IMPLEMENTATION FOR THE LICENSING OF SMALL-SCALE CONTRACTORS, OTHERWISE KNOWN AS “PAKYAW CONTRACTORS LICENSE.”**

WHEREAS, Paragraph 2, Section 5 of RA 4566, known as the Contractors' License Law, provides that the Board may, with the approval of the President of the Philippines, issue such rules and regulations as may be deemed necessary to carry out the provisions of this Act, to adopt a code of ethics for contractors and to have an official seal to authenticate its official documents;

WHEREAS, Section 2.1 (c) of the Implementing Rules and Regulations (IRR) gives the members of the Board the authority to issue rules and regulations, subject to confirmation of the Authority for implementation of R.A. 4566 as amended by P.D. 1746;

WHEREAS, Section 5.10 of the IRR of R.A. 4566 empowers the Board to add to, delete from, amend, revise or otherwise update the requirement and procedure for categorization;

WHEREAS, there are individuals who engage in the business of contracting without a valid contractor's license, so as project owners in the private sector who does not require the same.

WHEREAS, a number of individuals operate with the mistaken belief that a mere possession of a DTI business registration or a SEC registration is sufficient to operate legitimately as contractor doing construction business.

WHEREAS, there are contractors who engage the services of unlicensed subcontractor/specialty contractors. Also, there are technology professionals who participate in business activities that requires a contractors' license.

WHEREAS, an exemption from having said license are only for residential buildings built by and for the exclusive use of the project owner, so as construction activities not exceeding the amount of Php 10,000.00 for a single project, but with a total of Php 25,000.00 for the entire year.

WHEREAS, the mandate of PCAB is for protecting the safety and security of the public. And to promote the development of the construction industry by formulating policies that will enhance efficiency and effectiveness of contractors prosecuting project for the public;



**Construction Industry Authority of the Philippines  
PHILIPPINE CONTRACTORS ACCREDITATION BOARD**

An Attached Agency of the Department of Trade and Industry

📍 5F Executive Building Center 369 Sen. Gil J. Puyat Ave., Makati City 1209, Philippines

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NOW THEREFORE, for and in consideration of the foregoing premises, PCAB in its endeavor to encourage unlicensed contractors to legitimize their operations, the Board hereby **RESOLVES** as it is hereby **RESOLVED** to create a new license for Small Scale Contractors, otherwise known as **“Pakyaw Contractors License”**. The guidelines for which are as follows:

**1. PURPOSE**

- 1.1 To encourage all starting contractors to acquire a valid contractor’s license.
- 1.2 To provide an opportunity for all smalls scale contractors to legitimize their construction operations.
- 1.3 To lessen and avoid untoward incidents that may violate public security and safety.
- 1.4 To promote awareness to private project owners to hire licensed contractors.

**2. COVERAGE**

- 2.1 A Pakyaw License shall apply to:
  - a. All Proprietorship type of registration only
  - b. The scope covers Private Projects only

**3. MECHANICS**

- 3.1 All applications must be filed Online
- 3.2 All applicants must have a DTI Business Name Registration (Territorial scope shall be at least Municipal Level)
- 3.3 The Audited Financial Statement (AFS) must have an equity/net worth of at least Php 20,000.00

**4. AUTHORIZED MANAGING OFFICER (AMO) QUALIFICATIONS**

- 4.1 The age requirement must be at least 18 years old
- 4.2 Must secure a National Certification (NC) 2 issued by TESDA in a construction related competency
- 4.3 Must have completed the one (1) day Safety Seminar
- 4.4 Must have completed the one (1) day AMO Entrepreneurial Course

**5. CATEGORY AND CLASSIFICATION**

- 5.1 The license is valid for one (1) year from the date of its issuance, and shall be renewed annually
- 5.2 The license cannot be upgraded to a Category Trade/E or higher



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## 6. FEES

6.1 Filing Fee shall be Php 500.00 only

6.2 Renewal Fee shall be Php 500.00 only



## 7. EFFECTIVITY CLAUSE

7.1 This shall take effect fifteen (15) days from the date of its publication in a newspaper of general circulation in the Philippines.

UNANIMOUSLY APPROVED

15 July 2022

Makati City, Philippines

PERICLES P. DAKAY  
Chairman

ARTHUR N. ESCALANTE  
Member

ERNI G. BAGGAO  
Member

Attested by:

HERBERT D.G. MATIENZO  
Executive Director

SERGIE T. RETOME  
Board Secretary



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