

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



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SENATE
PROPOSED SENATE RESOLUTION NO. 1623

RECORDED BY: 

Introduced by SENATOR FERDINAND R. MARCOS, JR.

**A RESOLUTION DIRECTING THE APPROPRIATE SENATE COMMITTEE TO
CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ABOUT THE DESIRED
ECONOMIC POLICY DIRECTION OF THE PHILIPPINES WITH REGARD TO
FOREIGN PARTICIPATION IN THE OWNERSHIP AND OPERATION OF
CORPORATIONS AND FIRMS ENGAGED IN THE BUSINESS OF CONSTRUCTION
OF BUILDINGS AND OTHER INFRASTRUCTURE IN THE PHILIPPINES**

WHEREAS, in 1965, Republic Act (R.A.) No. 4566 or the "Contractor's License Law" established the Philippine Licensing Board for Contractors, which, in 1980, became the Philippine Contractors Accreditation Board (PCAB) by virtue of Presidential Decree No. 1746;

WHEREAS, under Section 17 of R.A. No. 4566, the PCAB is authorized to "adopt reasonably necessary rules and regulations to effect the classification of contractors in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which he is classified to engage";

WHEREAS, the PCAB has proposed amendments to the Implementing Rules and Regulations of R.A. No. 4566, particularly dealing with restrictions on the extent of foreign equity participation in corporations and entities engaging in the business of construction of buildings and infrastructure in the Philippines;

WHEREAS, it seems that neither the 1987 Constitution, nor R.A. No. 4566 nor any other existing national law clearly and categorically sets foreign equity limits in corporations and entities engaged in the construction business in the Philippines;

WHEREAS, the Securities and Exchange Commission (SEC) has issued a legal opinion in 2009 to the effect that a one hundred percent (100%)-foreign-owned construction firm, without being the project proponent, can undertake the "construction stage" of an infrastructure project, subject to certain minimum paid-up capital requirements.

WHEREAS, the establishment of foreign equity restrictions in particular fields of economic activity is an important question of national policy, which needs to be thoroughly and extensively discussed and studied by Congress, in consultation with appropriate government agencies, such as the National Economic Development Authority (NEDA), the Philippine Contractors Accreditation Board (PCAB), Department of Trade and Industry (DTI), the Securities and Exchange Commission (SEC), among others, and key stakeholders in the Philippine construction industry and other relevant private sector groups;

NOW, THEREFORE, BE IT RESOLVED, that the Senate direct the appropriate Senate Committee to conduct an inquiry, in aid of legislation, about the desired economic policy direction of the Philippines with regard to foreign participation in the ownership and operation of corporations and firms engaged in the business of construction of buildings and other infrastructure in the Philippines, in light of the economic implications to the country and the relevant provisions of the Constitution and other existing legislation.

Adopted,


FERDINAND R. MARCOS, JR.