



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue
Manila



Legal Opinion No.	:	L0-2018-02
Date	:	January 25, 2018

ENGR. JOSEFINO M. MELGAR, JR.
District Engineer
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
Mindoro Occidental District Engineering Office
Regional Office IV-B
Mamburao, Occidental Mindoro

Subject: **Request for Legal Opinion Regarding
the Wordings of Performance Bond
“Up to Final Acceptance of the Project”**

Dear Engr. Melgar:

This refers to your request for legal opinion regarding the interpretation on the words “up to final acceptance of the project” provided as the expiration date in the Performance Bond.

Specifically, you raised the following issues for this Commission’s consideration:

- I. Whether or not the wordings “up to final acceptance of the project” provided as the expiration date in the Performance Bond is valid;
- II. Whether or not in the event that the project is extended (with approved suspensions/time extensions), the contractor is required to post a new bond.

Our Opinion

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On the first issue, this Commission answers in the affirmative.