

CIPA Bill 2011 To Have Tremendous Impact On Construction Industry
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KUALA LUMPUR, Feb 11 (Bernama) -- The Construction Industry Payment and Adjudication (CIPA) Bill 2011 will have tremendous impact on the construction industry when it is passed by Parliament.

Kuala Lumpur Regional Centre for Arbitration (KLRCA) director Sundra Rajoo said the bill, approved recently by Cabinet, had gone through the first reading in Parliament on Dec 1, 2011.

It's primary objective is to address critical cash flow issues in the construction industry.

"It aims to hasten the payment process, as well as, provide speedy dispute resolutions for the construction industry through adjudication and fast track arbitration," Rajoo told a seminar on CIPA Bill 2011 here.

He added that the Act would have a tremendous impact as it would help parties involved in construction to regularise their cash flow.

"We anticipate the implementation of the CIPA Bill towards the end of the year," he said, adding that key industries that would be affected would be predominantly construction, mechanical and engineering, oil and gas and telecommunications.

Payment default has been the main issue of dispute in the industry.

The CIPA bill introduces an intervening provisional stage in the dispute resolution process of "pay first argue later".

"Under the CIPA Bill, KLRCA has been appointed the official adjudication authority in Malaysia," said Rajoo.

As such, he said, the centre was responsible for the setting of the competency standards and the criteria required of an adjudicator in Malaysia.

To educate the industry and create awareness on the bill, KLRCA will embark on a nationwide roadshow in Penang on Feb 18 followed by Kuching, Ipoh, Kota Kinabalu, Miri, Johor Bahru and Kuantan.

Meanwhile, professional and chartered engineer, arbitrator, adjudicator, mediator, advocate & solicitor, Ir Harbans Singh K.S. said the bill would prevail over any contract formed between two parties.

"It will also include government agencies," he said, adding that the CIPA bill would benefit the construction industry as it would ensure quality of building materials and jobs with timely payment for projects completed.

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