

A BILL

i n t i t u l e d

An Act to amend the Construction Industry Payment and Adjudication Act 2012.

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ENACTED by the Parliament of Malaysia as follows:

Short title and commencement

1. (1) This Act may be cited as the Construction Industry Payment and Adjudication (Amendment) Act 2024.

(2) This Act comes into operation on a date to be appointed by the Minister by notification in the *Gazette*.

Amendment of section 4

2. The Construction Industry Payment and Adjudication Act 2012 [Act 746], which is referred to as the “principal Act” in this Act, is amended in section 4—

(a) by inserting after the definition of “payment” the following definition:

‘ “President” means the President of the Asian International Arbitration Centre Court of Arbitration;’
and

(b) by deleting the definition of “KLRCA”.

Amendment of section 12

3. Subsection 12(6) of the principal Act is amended by substituting for the words “Director of the KLRCA” the words “Asian International Arbitration Centre”.

Amendment of section 16

4. Subsection 16(2) of the principal Act is amended by substituting for the words “Director of the KLRCA” the words “Asian International Arbitration Centre”.

Amendment of section 19

5. Section 19 of the principal Act is amended—

- (a) in subsection (2), by substituting for the words “KLRCA’s” the words “Asian International Arbitration Centre’s”;
- (b) in subsection (4), by substituting for the words “Director of the KLRCA” the words “Asian International Arbitration Centre”;
- (c) in subsection (5), by substituting for the words “Director of the KLRCA” the words “Asian International Arbitration Centre”; and
- (d) in subsection (6), by substituting for the words “Director of the KLRCA” the words “Asian International Arbitration Centre”.

Amendment of section 21

6. Paragraph 21(b) of the principal Act is amended by substituting for the words “Director of the KLRCA” the word “President”.

Amendment of section 23

7. Section 23 of the principal Act is amended—

- (a) in the shoulder note, by substituting for the words “**Director of the KLRCA**” the word “**President**”;
- (b) in subsection (1), by substituting for the words “Director of the KLRCA” the word “President”; and
- (c) in paragraph (3)(b), by substituting for the words “Director of the KLRCA” the word “President”.

Amendment of section 32

8. Section 32 of the principal Act is amended—

- (a) in the shoulder note, by substituting for the word “**KLRCA**” the words “**Asian International Arbitration Centre**”; and
- (b) by substituting for the word “KLRCA” the words “Asian International Arbitration Centre”.

Amendment of section 33

9. Section 33 of the principal Act is amended—

- (a) in subsection (1), by substituting for the word “KLRCA” the words “Asian International Arbitration Centre”; and
- (b) in subsection (2), by substituting for the word “KLRCA” the words “Asian International Arbitration Centre”.

Amendment of section 34

10. Section 34 of the principal Act is amended—

- (a) in the shoulder note, by substituting for the word “**KLRCA**” the words “**Asian International Arbitration Centre**”; and
- (b) in subsection (1), by substituting for the word “KLRCA” the words “Asian International Arbitration Centre”.

Amendment of section 39

11. Section 39 of the principal Act is amended by substituting for the word “KLRCA” the words “Asian International Arbitration Centre”.

Amendment of section 40

12. Section 40 of the principal Act is amended by substituting for the word “KLRCA” the words “Asian International Arbitration Centre”.

Saving

13. All appointments made by the Director of the KLRCA before the coming into operation of this Act shall, on the coming into operation of this Act, be deemed to have been made by the President of the Asian International Arbitration Centre Court of Arbitration and shall continue to remain in force and have effect until revoked by the President of the Asian International Arbitration Centre Court of Arbitration.

EXPLANATORY STATEMENT

This Bill seeks to amend the Construction Industry Payment and Adjudication Act 2012 (“Act 746”) to provide for the change of name of Kuala Lumpur Regional Centre for Arbitration to Asian International Arbitration Centre and to be in line with the execution of the Supplementary Agreement between the Government of Malaysia and the Asian-African Legal Consultative Organization relating to the Asian International Arbitration Centre in Kuala Lumpur dated 20 February 2024.

2. *Clause 1* contains the short title and the provision on the commencement of the proposed Act.

3. *Clause 2* seeks to amend section 4 of Act 746 to introduce the definition of “President” into Act 746 which refers to the President of the Asian International Arbitration Centre Court of Arbitration who will replace the Director of the Asian International Arbitration Centre (formerly known as the Director of KLRCA). This is to reflect the restructuring initiatives of the Asian International Arbitration Centre to be in line with the execution of the Supplementary Agreement between the Government of Malaysia and the Asian-African Legal Consultative Organization relating to the Asian International Arbitration Centre in Kuala Lumpur. This *clause* also seeks to delete the definition of “KLRCA” consequential to the change of name of KLRCA to Asian International Arbitration Centre.

4. *Clause 3* seeks to amend subsection 12(6) of Act 746 to require an adjudicator to serve a copy of the adjudication decision that he made to the Asian International Arbitration Centre as an adjudication body which shall be responsible *inter alia* for providing administrative support for the conduct of adjudications.
5. *Clause 4* seeks to amend subsection 16(2) of Act 746 by substituting the term “Director of KLRCA” with the term “Asian International Arbitration Centre” to require the adjudicated amount pursuant to an adjudication decision or part of it to be deposited with the Asian International Arbitration Centre.
6. *Clause 5* seeks to amend section 19 of Act 746 relating to adjudicator’s fees and expenses by substituting the term “KLRCA” with the term “Asian International Arbitration Centre” consequential to the change of the centre’s name. This *clause* also seeks to substitute the term “Director of KLRCA” with the term “Asian International Arbitration Centre” in subsections 19(4), (5) and (6) of Act 746 to require the adjudicator’s fees and expenses to be deposited with the Asian International Arbitration Centre.
7. *Clauses 6* and *7* seek to amend paragraph 21(b) and section 23 of Act 746 respectively to substitute the term “Director of the KLRCA” with the term “President” as defined in *clause 2*.
8. *Clauses 8, 9, 10, 11* and *12* seek to amend sections 32, 33, 34, 39 and 40 of Act 746 respectively to substitute the term “KLRCA” with the term “Asian International Arbitration Centre” consequential to the change of the centre's name.
9. *Clause 13* deals with saving provision.

FINANCIAL IMPLICATIONS

This Bill will involve the Government in extra financial expenditure the amount of which cannot at present be ascertained.

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