

Construction Industry Council
1st Progress Report of Objections Committee

Purpose

This paper sets out the main points discussed at the 1st Meeting of the Objections Committee held on 24 May 2008. The record of attendance is at Annex A.

Issues Discussed

(A) Procedures for the Objections Committee

2. Subject to some minor fine tunings, members agreed to adopt the proposed procedures for the Objections Committee.

(B) Guidelines No. 1 (Procedures and Assessment of Construction Industry Levy) and Guidelines No. 2 (Objection to the Objections Committee)

3. Members reviewed the drafts of the captioned Guidelines and agreed to publish these guidelines in bi-lingual version (ie both English and Chinese). Legal advice will also be sought in respect of the form and content of these guidelines. Guidelines No. 1 is to be endorsed by the Committee on Administration and Finance. Guidelines No. 2 will be fine-tuned and discussed in the Committee's next meeting. It will be posted on the web site of CIC to inform the public in due course when the procedures relating to objections are well established.

(C) Enquires raised by contractors

4. There were four enquiries cases from the contractors during the period from 1 January to 30 April 2008. The Committee endorsed the replies of the Accounts Department to the contractors. However, members requested the Accounts Department to do the following:

- (i) seek legal advice on the commencement date of a contract under a novation agreement for a case; and
- (ii) clarify the principle of assessment (ie whether the interest on the liquidated damages should be included in the final contract value) for another case.

(D) Objections filed by the Contractors

5. There were seven objection cases filed by contractors during the period from 1 January to 30 April 2008. Members proposed to review these cases by circulation as they considered it would be better to let the objectors know the observations of the Accounts Department before the Committee's deliberation on these objection cases. The Accounts Department was instructed to copy its observations on the cases to the contractors separately and re-submit the relevant documents for the Committee's consideration under the newly established procedures agreed in the meeting.

(E) Any other business

6. Members agreed in the future to post the decisions made by the Objections Committee on a no name basis on the Council's web site as precedent cases for public information.

Secretary, Objections Committee
June 2008

**Construction Industry Council
Objections Committee
1st Meeting held on 24 May 2008 at 9:30 a.m.
in Conference Room, 20th Floor, Alliance Building,
130-136 Connaught Road Central, Hong Kong**

Present

Ms Cheng Yeuk-wah, Teresa Senior Counsel, Des Voeux Chambers
(Convenor)

Prof Ko Jan-ming Vice President, The Hong Kong
Polytechnic University

Mr Lee Shing-see Former Permanent Secretary for the
Environment, Transport and Works

In Attendance

Mr Charles Wong Executive Director (Acting)

Ms Theresa Chan Senior Manager (Finance & eServices)

Mr Alfred Wong Accounting Manager

Mr Wilson Wong Surveying Officer

Ms Vivian Au Accounting Officer (Levy)

Terms of Reference

1. To determine objections to levy and surcharge made under Section 55 of CIC Ordinance.