

Construction Industry Council
Committee on Subcontracting

Meeting No. 001/14 of the Committee on Subcontracting for 2014 was held on 21 January 2014 (Tuesday) at 2:30pm at Meeting Room 1, CIC Headquarters, 15/F Allied Kajima Building, 138 Gloucester Road, Wan Chai, Hong Kong].

Summary Notes of the Committee on Subcontracting Meeting No. 001/14.

Agenda Item	Paper	Major Resolutions/ Progress Highlights
1.1	CIC/SBC/R/004/14	<u>Confirmation of the Progress Report of the Previous Meeting</u> Members confirmed the progress report of the previous meeting held on Tuesday, 21 November 2013.
1.2	-	<u>Matters Arising from the Last Meeting</u> -
1.3	CIC/SBC/P/001/14 (for discussion)	Task Force on the Adoption of Dispute Resolution Advisor System to the Subcontract HKCA strongly objected to extend the current Dispute Resolution Advisor (DRA) system adopted in Main Contract (between Employer and Main Contractor) to Subcontract (between Main Contractor and Subcontractor), in particular the use of the same Dispute Resolution Advisor (i.e. same person) acting for both the Main Contract and the Subcontracts within the same project. It was agreed that the Task Force will explore a different system similar to but not a direct extension of the current DRA system adopted in Main Contract to the Subcontract. Chairman and some Members considered that pilot schemes should be conducted at the first instance so as to ascertain more details about the benefits and constraints in the adoption of such a dispute avoidance mechanism in the Subcontracts for developing the scheme.
1.4	CIC/SBC/P/002/14 - CIC/SBC/P/007/14 (for discussion)	Standard Contract Provisions for Domestic Subcontracts The first and second rounds of the discussions were completed; the third round of the discussion would begin after the 3 months' industry consultation period ending on 15 April 2014. ICAC expressed their disappointment about the Task Force's decision on refusing the ICAC's recommendation on adding to the Standard Form an anti-bribery clause and therefore

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		<p>did not endorse the draft Standard Form in this respect. The Task Force and Com-SBC opined that the principle of this Standard Form is to produce precise and simple document; and avoid repeating requirements which are already required under relevant legislation. Members also agreed that:</p> <ol style="list-style-type: none">1. this version of the draft Standard Form should be published on CIC's website for industry's access aiming to collect more views from the industry on this draft.2. both English and Chinese versions of the draft Standard Form should be subject to legal vetting including the usage of language to improve readability. The Secretariat was directed to consider engaging suitable consultant or advisor as appropriate.
1.5	CIC/SBC/P/008/14 (for discussion)	Enhancements to Subcontractor Registration Scheme Chairman suggested the Task Force considering setting out some initiatives for the adoption of the SRS in private sector. HKCA requested for the implementation of mandatory of SRS. The new Task Force was requested to review the existing information in SRS office to consider if they are sufficient for developing the mechanism with a view to studying the necessity of mandatory registration of subcontractors.
1.6	CIC/SBC/P/009/14 (for information)	Update on SRS Operations It is targeted to reduce the turnaround time of processing application from 8 weeks to 6 weeks in 2014.
1.7	CIC/SBC/P/010/14 (for information)	Update on the Working Group on Security of Payment Legislation for the Construction Industry Development Bureau advised that Members could further express their views on the proposal in the upcoming 3 months industry consultation starting from March 2014.
1.8		Any Other Business -