

**BUILDING AND CONSTRUCTION INDUSTRY SECURITY OF  
PAYMENT ACT  
(CHAPTER 30B, SECTION 41)**

**BUILDING AND CONSTRUCTION INDUSTRY SECURITY OF  
PAYMENT REGULATIONS**

**ARRANGEMENT OF REGULATIONS**

**Regulation**

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[1st April 2005]

**Citation**

1. These Regulations may be cited as the Building and Construction Industry Security of Payment Regulations.

## **Definitions**

2. In these Regulations, unless the context otherwise requires —

“main contract” means a contract between an owner and any other person (not being a party to a sub-contract made under that contract) for the carrying out of construction work at or on, or for the supply of goods or services in relation to, a construction site by that other person;

“service address”, in relation to a person, means an address for the service of documents;

“sub-contract”, in relation to a construction site, means a contract for the carrying out of construction work at or on, or for the supply of goods or services in relation to, the construction site, other than the main contract.

## **Agreements excluded from definition of “supply contract”**

3. The definition of “supply contract” in section 2 of the Act does not include agreements which do not contain any provision specifying or identifying the construction site or the construction project in relation to which goods are to be supplied.

## **Contracts excluded from application of Act**

4. Any contract which satisfies the following conditions shall be excluded from the application of the Act:

- (a) the contract is made, in writing, within a period not exceeding 6 months from 1st April 2005;
- (b) the contract is a sub-contract made under a main contract;  
and
- (c) the main contract is made before 1st April 2005.

## **Payment claims**

5.—(1) Where a contract does not contain any provision specifying the time at which a payment claim must be served or by which such time may be determined, then a payment claim made under the contract must be served by the last day of —

- (a) the month following the month in which the contract is made; or
- (b) any subsequent month.

*[S 780/2019 wef 15/12/2019]*

(1A) For the purposes of paragraph (1), only one payment claim made under a contract may be served in each month.

*[S 780/2019 wef 15/12/2019]*

(2) Every payment claim shall —

- (a) be in writing;
- (b) identify the contract to which the progress payment that is the subject of the payment claim relates; and
- (c) contain details of the claimed amount, including —
  - (i) a breakdown of the items constituting the claimed amount;
  - (ii) a description of these items;
  - (iii) the quantity or quantum of each item; and
  - (iv) the calculations which show how the claimed amount is derived.

(3) In this regulation, “month” means a period of time beginning on the first day of each of the 12 calendar months into which a year is divided, and ending on the last day of each of these months.

*[S 780/2019 wef 15/12/2019]*

### **Payment responses in relation to construction contracts**

**6.—(1)** Every payment response provided in relation to a construction contract shall —

- (a) be in writing;
- (b) be addressed to the claimant;
- (c) state “nil” where the respondent does not propose to pay any part of the claimed amount and the reasons therefor; and

- (d) where the response amount is less than the claimed amount —
- (i) contain the amount that the respondent proposes to pay for each item constituting the claimed amount, the reasons for the difference in any of the items and the calculations which show how the amount that the respondent proposes to pay is derived; and
  - (ii) contain any amount that is being withheld, the reason for doing so and the calculations which show how the amount being withheld is derived.

(2) A payment response provided in relation to a construction contract may be varied only by notice in writing which satisfies the following requirements:

- (a) the notice shall be addressed to the claimant;
- (b) the notice shall identify the payment response being varied and state whether the variation would supersede or supplement the payment response;
- (c) where the variation supersedes part of the payment response, the notice shall identify the part of the payment response that is superseded; and
- (d) the variation shall conform with paragraph (1)(c) and (d) as appropriate.

### **Adjudication applications**

7.—(1) Every notice of intention to apply for adjudication shall contain the following particulars:

- (a) the names and service addresses of the claimant and the respondent;
- (b) the date of the notice;
- (c) the particulars of the relevant contract, comprising —
  - (i) the project title or reference, or a brief description of the project;

- (ii) the contract number or a brief description of the contract; and
  - (iii) the date the contract was made;
  - (d) the claimed amount;
  - (e) the response amount (if any); and
  - (f) a brief description of the payment claim dispute.
- (2) Every adjudication application shall —
- (a) contain the names and service addresses of the claimant, the respondent, the principal (if known) and the owner concerned;
  - (b) state whether the relevant contract is a construction contract or a supply contract;
  - (c) contain the particulars of the relevant contract, comprising —
    - (i) the project title or reference, or a brief description of the project;
    - (ii) the contract number or a brief description of the contract; and
    - (iii) the date the contract was made;
  - (d) contain an extract of the terms or conditions of the contract that are relevant to the payment claim dispute; and
  - (e) be accompanied by a copy of the relevant notice of intention to apply for adjudication, a copy of the relevant payment claim and a copy of the payment response (if any) thereto.
- (2A) An adjudicator may, at any time before the making of the determination and on such terms as to costs or otherwise as he thinks just, allow any amendment to correct a clerical mistake in an adjudication application.

*[S 488/2012 wef 01/12/2012]*

*[S 780/2019 wef 15/12/2019]*

(3) The notice that an authorised nominating body is required to serve under section 13(4)(b) of the Act on the principal (if known) and the owner concerned that an adjudication application has been made shall contain the following particulars:

- (a) the names and service addresses of the claimant and the respondent;
- (b) the adjudication application reference number assigned by the authorised nominating body;
- (c) the date of the adjudication application;
- (d) the claimed amount;
- (e) the response amount (if any); and
- (f) a brief description of the payment claim dispute as contained in the adjudication application.

(4) In this regulation, “notice of intention to apply for adjudication” means a notice by which a claimant is required under section 13(2) of the Act to notify a respondent of his intention to apply for adjudication of a payment claim dispute.

### **Adjudication responses**

**8.—**(1) Every adjudication response shall —

- (a) refer to the relevant adjudication application by the adjudication application reference number assigned by the authorised nominating body;
- (b) where the contract that is the subject of the payment claim dispute is a sub-contract, contain the date the main contract is made;
- (c) contain details of the response amount (if any); and
- (d) where the respondent intends to supplement the relevant payment response, contain the additional computations and justifications.

(1A) An adjudicator may, at any time before the making of the determination and on such terms as to costs or otherwise as he thinks

just, allow any amendment to correct a clerical mistake in an adjudication response.

*[S 488/2012 wef 01/12/2012]*

*[S 780/2019 wef 15/12/2019]*

(2) The notice that an authorised nominating body is required to serve under section 15(4)(b) of the Act on the principal (if known) and the owner concerned that an adjudication response has been lodged shall contain the following particulars:

- (a) the names and service addresses of the claimant and the respondent;
- (b) the adjudication application reference number assigned by the authorised nominating body;
- (c) the date of the relevant adjudication application; and
- (d) where the contract that is the subject of the payment claim dispute is a sub-contract, the date the main contract is made.

### **Adjudication determinations**

9.—(1) The notice that an authorised nominating body is required to serve under section 17(8)(b) of the Act on the principal (if known) and the owner concerned that an adjudication determination has been made shall contain the following particulars:

- (a) the names and service addresses of the claimant and the respondent;
- (b) the adjudication application reference number assigned by the authorised nominating body;
- (c) the date of the relevant adjudication application;
- (d) the claimed amount;
- (e) the response amount (if any);
- (f) the adjudicated amount; and
- (g) the date on which the adjudicated amount is payable.

(2) The notice that an authorised nominating body is required to serve under section 17(8)(b) of the Act on the principal (if known) and the owner concerned that an adjudication determination has been amended shall contain the following particulars:

- (a) the names and service addresses of the claimant and the respondent;
- (b) the adjudication application reference number assigned by the authorised nominating body;
- (c) the date of the relevant adjudication application; and
- (d) the particulars of the amendments made to the adjudication determination.

### **Adjudication review applications**

**10.**—(1) A party to an adjudication is entitled to lodge an application for the review of the determination of the adjudicator under section 18 of the Act if —

- (a) the adjudicated amount exceeds the relevant response amount by at least \$100,000; or
- (b) the claimed amount exceeds the adjudicated amount by at least \$100,000.

*[S 780/2019 wef 15/12/2019]*

(2) Every adjudication review application shall —

- (a) contain proof of payment of the adjudicated amount to the authorised nominating body pursuant to section 18(3) of the Act; and

*[S 780/2019 wef 15/12/2019]*

- (b) be accompanied by a copy of the adjudication determination that is the subject of the application.

(3) An authorised nominating body shall, upon receipt of an adjudication review application —



- (a) appoint one review adjudicator if —
  - (i) the adjudicated amount exceeds the relevant response amount by at least \$100,000 but less than \$1 million; or
  - (ii) the claimed amount exceeds the adjudicated amount by at least \$100,000 but less than \$1 million; or

*[S 780/2019 wef 15/12/2019]*

- (b) appoint a panel of 3 review adjudicators if —
  - (i) the adjudicated amount exceeds the relevant response amount by at least \$1 million; or
  - (ii) the claimed amount exceeds the adjudicated amount by at least \$1 million.

*[S 780/2019 wef 15/12/2019]*

### **Eligibility criteria for adjudicators**

**11.—(1)** A person is eligible to be on the register of adjudicators established under section 28(4)(a) of the Act if —

- (a) the person possesses such degree or diploma in architecture, building studies, engineering, environmental studies, law, planning, real estate or urban design, or such other qualification, as may be recognised by the authorised nominating body; and
- (b) the person has working experience of at least 10 years in, or relating to, the building and construction industry in Singapore, and has successfully completed the pre-qualification assessment and training course conducted by the authorised nominating body.

(2) For the purposes of section 29(2) of the Act, a person is not eligible to be an adjudicator in relation to a contract if the person is related to a party to the contract in the following manner:

- (a) the person —
  - (i) is an employee or a partner of the party;

- (ii) is a director or substantial shareholder of the party, where the party is a company or foreign company;
- (iii) is an employee, a director, a substantial shareholder or a partner of any corporation, partnership or limited liability partnership that owns or is owned by the party;
- (iv) is the sole proprietor of the party, where the party is a sole proprietorship; or
- (v) is a spouse, step-parent, stepchild, stepbrother or stepsister of the party,

at any time within the 3 years immediately preceding the date on which the adjudication application is lodged with an authorised nominating body;

*[S 780/2019 wef 15/12/2019]*

- (b) the person is a child, parent or sibling of the party;

*[S 780/2019 wef 15/12/2019]*

- (c) the person, or an affiliate of the person, has assisted the party to prepare any document for, or has provided any advice or service to, the party in relation to the contract or the construction project to which the contract relates.

*[S 780/2019 wef 15/12/2019]*

- (d) *[Deleted by S 780/2019 wef 15/12/2019]*

- (3) In paragraph (2) —

“affiliate”, in relation to a person, means —

- (a) an employee or employer of the person;
- (b) an individual who is employed by the person’s employer, and who supervises or is supervised by the person;
- (c) a director of a company or foreign company in which the person is also a director;
- (d) a partner of a partnership or limited liability partnership in which the person is also a partner;

- (e) a child or stepchild of the person;
- (f) a parent or step-parent of the person; or
- (g) a spouse of the person;

“child” includes an adopted child;

“company”, “corporation” and “foreign company” have the meanings given by section 4(1) of the Companies Act (Cap. 50);

“limited liability partnership” has the meaning given by section 2(1) of the Limited Liability Partnerships Act (Cap. 163A);

“parent” includes an adoptive parent;

“partnership” means —

- (a) a partnership within the meaning given by section 1 of the Partnership Act (Cap. 391); or
- (b) a limited partnership registered under the Limited Partnerships Act (Cap. 163B);

“sibling” means a brother or sister, and includes an adopted brother or sister;

“substantial shareholder”, in relation to a company or a foreign company with a share capital, has the meaning given by section 81 of the Companies Act.

*[S 780/2019 wef 15/12/2019]*

### **Costs of adjudication proceedings**

**12.** For the purposes of section 30(1) of the Act —

(a) the fee payable to an authorised nominating body shall not exceed —

(i) \$600 for each adjudication application; and

*[S 488/2012 wef 01/12/2012]*

(ii) \$1,200 for each adjudication review application;

*[S 488/2012 wef 01/12/2012]*

(b) the fee payable to an adjudicator (excluding a review adjudicator or a panel of review adjudicators) shall be computed on the basis of a rate not exceeding \$300 per hour or \$2,400 per day, and shall not exceed in the aggregate the following maximum amount:

(i) where the claimed amount exceeds \$24,000, 10% of the claimed amount; or

(ii) in any other case, \$2,400; and

*[S 488/2012 wef 01/12/2012]*

(c) the fee payable to a review adjudicator or a panel of review adjudicators shall be computed on the basis of a rate not exceeding \$300 per hour or \$2,400 per day, and shall not exceed in the aggregate the following maximum amount:

(i) where the claimed amount exceeds \$24,000, 10% of the claimed amount; or

(ii) in any other case, \$2,400.

*[S 488/2012 wef 01/12/2012]*

### **Deposit for adjudicator's fees for adjudication proceedings**

**13.—**(1) An authorised nominating body may require the claimant to pay an initial deposit in respect of the fees payable to the adjudicator for the adjudication proceedings, and such initial deposit shall be paid at the time of lodgment of the adjudication application.

(2) Where the adjudicator requests a longer period for making a determination on an application and both the claimant and the respondent agree to that longer period under section 17(1)(b) of the Act, the adjudicator shall immediately inform the authorised nominating body —

(a) of such part, if any, of the claimant's initial deposit that is in excess of his accrued fees for the adjudication; and

(b) to what extent an additional deposit (if any) by the claimant is required in respect of the adjudicator's fees for the additional days to be taken for the adjudication during the longer period,

and the authorised nominating body may require the claimant to pay the additional deposit (if any) within 3 days after being required to do so.

(3) The initial deposit referred to in paragraph (1) shall not exceed —

(a) \$2,400 where the claimed amount does not exceed \$24,000; or

(b) where the claimed amount exceeds \$24,000, 10% of the claimed amount or \$33,600, whichever is the lower.

(4) The initial deposit and the additional deposit referred to in paragraphs (1) and (2) respectively shall not exceed in the aggregate —

(a) \$2,400 where the claimed amount does not exceed \$24,000; or

(b) where the claimed amount exceeds \$24,000, 10% of the claimed amount.

(5) In the event the additional deposit is not fully paid within the time limit referred to in paragraph (2), the claimant is deemed to have withdrawn his agreement to the longer period for making a determination and the adjudicator shall determine the application forthwith.

*[S 488/2012 wef 01/12/2012]*

### **Deposit for review adjudicator's fees for adjudication review proceedings**

**14.—**(1) An authorised nominating body may require the party who lodged the adjudication review application (called in this regulation the review applicant) to pay an initial deposit in respect of the fees payable to the review adjudicator or panel of review adjudicators, as the case may be, for the adjudication review proceedings, and such initial deposit shall be paid at the time of lodgment of the adjudication review application.

*[S 780/2019 wef 15/12/2019]*

(2) Where the review adjudicator or panel of review adjudicators, as the case may be, requests a longer period for making a determination on an application and both the claimant and the respondent agree to that longer period under section 19(3) of the Act, the review adjudicator or panel of review adjudicators, as the case may be, shall immediately inform the authorised nominating body —

- (a) of such part, if any, of the review applicant's initial deposit that is in excess of the accrued fees for the adjudication review; and

*[S 780/2019 wef 15/12/2019]*

- (b) to what extent an additional deposit (if any) by the review applicant is required in respect of the fees of the review adjudicator or panel of review adjudicators, as the case may be, for the additional days to be taken for the adjudication review during the longer period,

*[S 780/2019 wef 15/12/2019]*

and the authorised nominating body may require the review applicant to pay the additional deposit (if any) within 3 days after being required to do so.

*[S 780/2019 wef 15/12/2019]*

(3) The initial deposit referred to in paragraph (1) shall not exceed —

- (a) \$2,400 where the claimed amount does not exceed \$24,000; or
- (b) where the claimed amount exceeds \$24,000, 10% of the claimed amount or \$33,600, whichever is the lower.

(4) The initial deposit and additional deposit referred to in paragraphs (1) and (2) respectively shall not exceed in the aggregate —

- (a) \$2,400 where the claimed amount does not exceed \$24,000; or
- (b) where the claimed amount exceeds \$24,000, 10% of the claimed amount.

(5) In the event the additional deposit is not fully paid within the time limit referred to in paragraph (2), the review applicant is deemed to have withdrawn his agreement to the longer period for making a determination, and the review adjudicator or panel of review adjudicators, as the case may be, shall determine the application forthwith.

*[S 780/2019 wef 15/12/2019]*

*[S 488/2012 wef 01/12/2012]*

### **Electronic methods of service**

**15.** For the purposes of section 37(1)(e) of the Act, a document may be served on a person by sending it —

- (a) to the person's last known account on an instant messaging platform that the person has consented to for service of a document of that kind; and
- (b) in a file format that the parties have agreed to.

*[S 780/2019 wef 15/12/2019]*

### **Code of Professional Conduct and Ethics**

**16.** Every authorised nominating body must comply with the Code of Professional Conduct and Ethics set out in the Schedule.

*[S 780/2019 wef 15/12/2019]*

## **THE SCHEDULE**

Regulation 16

### **CODE OF PROFESSIONAL CONDUCT AND ETHICS**

#### **Professional and ethical conduct**

1. An authorised nominating body must carry out its functions and duties —
  - (a) independently;
  - (b) in a proper and professional manner;
  - (c) with due care and diligence; and
  - (d) in the best interest of the public.
2. An authorised nominating body must not delegate or abrogate any of its functions and duties.

THE SCHEDULE — *continued*

3. An authorised nominating body must —
- (a) safeguard its integrity and standing;
  - (b) uphold a high standard of ethics and service; and
  - (c) not do anything that is likely to diminish public confidence in the system of adjudication under the Act or bring the authorised nominating body into disrepute.

**Duties relating to adjudication process**

4. An authorised nominating body must manage the application for and process of adjudication and adjudication review, including developing and maintaining a complaint or feedback management process to address any complaint (whether written or verbal) about the authorised nominating body or an adjudicator registered with the authorised nominating body.

**Duties relating to adjudicators**

5. An authorised nominating body must manage the selection, training, appointment and monitoring of adjudicators, which includes —
- (a) developing and maintaining an adjudicator training and accreditation programme for persons who intend to be on the register of adjudicators; and
  - (b) providing continuous education for persons who are on the register of adjudicators.

**Duties relating to provision of information**

6. An authorised nominating body must —
- (a) provide regular reports to the Minister on statistics concerning adjudication; and
  - (b) upon the Minister's request, permit the Minister to communicate, copy, modify, publish and use any information or document provided to the Minister under sub-paragraph (a) or section 28(3) of the Act.

**Duties relating to cessation of operations**

7. An authorised nominating body must —
- (a) give the Minister no less than 6 months' written notice if the authorised nominating body is no longer able or willing to perform the functions and duties of an authorised nominating body; and



THE SCHEDULE — *continued*

- (b) provide the Minister with a report of its operations up until the last day of its operations, within 28 days of the cessation of its operations or the Minister's withdrawal of authorisation, as the case may be.

*[S 780/2019 wef 15/12/2019]*

LEGISLATIVE HISTORY  
BUILDING AND CONSTRUCTION INDUSTRY SECURITY OF  
PAYMENT REGULATIONS  
(CHAPTER 30B, RG 1)

This Legislative History is provided for the convenience of users of the Building and Construction Industry Security of Payment Regulations. It is not part of these Regulations.

**1. G. N. No. S 2/2005 — Building and Construction Industry Security of Payment Regulations 2005**

Date of commencement : 1 April 2005

**2. 2006 Revised Edition — Building and Construction Industry Security of Payment Regulations**

Date of operation : 31 August 2006

**3. G.N. No. S 488/2012 — Building and Construction Industry Security of Payment (Amendment) Regulations 2012**

Date of commencement : 1 December 2012

**4. G.N. No. S 780/2019 — Building and Construction Industry Security of Payment (Amendment) Regulations 2019**

Date of commencement : 15 December 2019