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## Welcome

We are pleased to have two very topical articles by authoritative guest writers on what is now the 10th Year Anniversary of ADR Partnership Limited and the ADR Digest.

The first is by Vincent Connor, Partner and Head of the Hong Kong Office at Pinsent Masons who reviews the recent update to the UK Society of Construction Law Delay and Disruption Protocol and what it specifically means to Hong Kong and elsewhere in the region. The first Protocol was published in 2002 to provide guidance on some of the common delay and disruption issues that arise on construction projects. It is now superseded by the new 2017 edition to take into account developments in English law, technology and construction industry practice.

Our second guest writer, David Greig, Principal of Greig Consulting in association with ADR Partnership Ltd provides a review of an often contentious subject, the correcting of programme errors prior to carrying out delay analysis. David provides examples of typical errors which sometimes occur and how they might be corrected with the aim of producing a workable and effective baseline programme that fairly reflects the effects of delaying events.

**James B Longbottom**  
Managing Director



## The Updated SCL Delay and Disruption Protocol: Evolution, Not Revolution



By **Vincent Connor** Partner  
Head of Hong Kong Office, Pinsent Masons

### Introduction

Industry body The Society of Construction Law (SCL) has published a long-awaited new edition to its advisory protocol on delay and disruption events.

The SCL Delay and Disruption Protocol ("the Protocol") sets out a scheme for dealing with delay and disruption during the construction process in a "*balanced and viable*" manner.

The stated aim of the Protocol is "*to be consistent with good practice*", as opposed to being consistent with best practice, and is intended to equally reflect the interest of all parties to the construction process. However, whether in fact it will help parties resolve the often contentious (or simply rejected) extension of time (EOT) entitlements remains to be seen.

The new edition, which was published in February 2017, takes into account developments in the law, technology and construction industry practice since the first edition was published in 2002. The revisions also reflect industry feedback, the increase in both number and scale of large projects over the years and "*anecdotal evidence*" being used for international, as well as UK, projects.

The Protocol has no legal force, save where it is adopted into a contract and the SCL does not propose that it should be a contract document. To emphasise this, the model contract clauses, which were included in the first edition of the Protocol, have now been deleted.

## The second edition of the Protocol has some notable and key changes from its predecessor, specifically in relation to concurrent delay, presenting and analysing delay and record keeping.

Rather than overhauling the original Protocol, the second edition updates and clarifies guidance around issues including concurrent delay, analysis of delays and record-keeping. In particular, it provides a definition of concurrency - a subject on which a great deal of commentary exists in law - without setting any hard and fast rules.

### Concurrent Delay

The Protocol's approach to concurrent delay is to try and provide some clarity in respect of an entitlement to EOT.

The Protocol acknowledges the tension in respect of concurrency given the differing views on the correct approach to dealing with it when analysing an EOT entitlement and given that there are differences as to the meaning of concurrent delay. To address this, the Protocol defines concurrency in a manner that is intended as a compromise which takes account of all competing arguments.

The Protocol defines concurrent delay as the occurrence of two or more delay events at the same time, one of which is an 'employer risk' event and the other a 'contractor risk' event. The effects of both these events must be felt at the same time. However, the SCL also recognises that the term is often also used to describe a situation where two or more delay events arise at different times, with the effect felt at the same time.

In either case, the Protocol seeks to make clear that concurrent delay should not become an issue unless both employer and contractor risk events lead to a delay to completion.

In considering whether any concurrent delay exists the Protocol recommends that a common sense approach be taken. Specifically it recognises that delay analysis is rarely accurate down to individual days and that a margin for imprecision should be taken into account when reaching conclusions on concurrency.

Building on the definition of concurrency, the Protocol then deals with the question of whether employer delay is an effective cause of delay to completion where it occurs after the contractor delay begins, but then continues in parallel with the contractor delay. It recommends that, in these circumstances, the employer risk event should not be seen as causing delay to completion and that therefore there is no concurrency in these cases.

However, on one view, this is broadly in line with the Hong Kong law position on concurrency. In *Hong Kong (SAR) Hotel Ltd v. Wing Key Construction Co Ltd*<sup>1</sup> the courts have recently appeared to adopt the decision in *City Inn v. Shepherd Construction*. There it was held that the apportionment approach could be followed when there are concurrent delays to the works. A claim will fail if the event relied upon was not

a dominant cause. Where there are competing concurrent causes of delay and neither can be described as the dominant cause, the Court concluded that it may be open to the Contract Administrator, Engineer, Architect or Tribunal to apportion the delay between the competing causes, approaching the issue in a fair and reasonable manner. However, in practice, this will depend on the terms of the contract too.

*City Inn v. Shepherd Construction* has been rejected by the Courts in England & Wales<sup>2</sup>. As such, the English law approach remains to recognise that a contractor is entitled to an extension of time, but not an apportionment. This is in line with the Malmaison approach which is the benchmark for concurrent delay under English law and stems from the well-known case of *Henry Boot Construction (UK) Limited v Malmaison Hotel (Manchester) Limited*<sup>3</sup>.

Also, similar to the approach adopted by the Protocol, the Hong Kong position is that the relevant event must have caused actual or likely delay, which is a matter of fact.

Hong Kong contractors and employers will have their own views as to how reliable the Protocol is in this respect. Mid-project, certifiers in Hong Kong are unlikely to meaningfully address apportionment. In practice, this is may be more likely to have effect before a tribunal at the dispute resolution stage of a project.

### Method of Delay Analysis

The updated Protocol also focuses more sharply on methods of delay analysis, including a helpful list of analysis methods with explanations and comparisons of their relative merits. It then goes on to provide guidance as to which method may be the most appropriate. The choice of the most suitable method will depend on the contract, the nature of the particular events, the project, the records and programme information available, the form of assessment and the value of the project or dispute. The costs of the analysis will also need to be considered.

The Protocol sets out and explains six most commonly used methods of delay but also recognises that in particular circumstances other methods may reasonably be used.

Regardless of which method is used, the overriding objective is to ensure that any conclusions reached are appropriate from a "common sense perspective". The Protocol recommends that parties agree an appropriate method before each party embarks upon significant work on an after the event delay analysis, in order to avoid or minimise disputes regarding methodology. The Protocol warns that failure to consult on this may be taken into account in awarding and allocating recoverable costs during dispute resolution processes.

### Record Keeping

The importance of record keeping is also stressed in the updated Protocol. It provides guidelines on the maintenance and storage of records and programmes. The parties are encouraged to consider at the outset what type of records should be produced, who is responsible for producing and checking those records and the frequency in which the records should be updated or produced, and the distribution list for the records.

The Protocol encourages all parties to the contract to prepare, store and maintain accurate records with a sufficient level of detail which is proportionate to the scale of the project. A recommended format is set out. The Protocol also expressly recognises the use of Building Information Modelling and advises that a specific agreement is reached regarding its content, use and ownership.

The position in Hong Kong, as set out in *Chun Wo Building Construction Ltd v. Metta Resources Ltd*<sup>4</sup>, accords with these suggestions, as the courts have recently emphasised the importance of keeping and maintaining accurate contemporaneous records and the weight that they hold when arguing a case.

This is an attempt to prevent disputes relating to the level of record-keeping required. The Protocol specifically recommends that record keeping obligations are considered when preparing tender documents so that tenderers accurately price in respect of it. Establishing consensus at the start of a project as to the level and form of relevant records required for EOT entitlement purposes should be a useful thing but is rarely done in practice in Hong Kong.

The Protocol sets out categories of records which should be kept which can be a useful list for employer's to utilize against contractors. However, ultimately, our experience is that it lacks the probative impact of single event specific records showing what follow on tasks and resources were stopped, delayed or re-sequenced because of individual events. It is therefore questionable how helpful the Protocol guidelines on record keeping will truly be in practice.

### Disruption

The Protocol now also includes a separate section on Disruption, reflecting its status as separate and distinct from delay. This is a useful separation which also reflects the separate treatment of the two concepts in many standard form conditions of contract in Hong Kong.

The objective of any such analysis, according to the Protocol, is to demonstrate productivity loss in plant or labour in order to claim the loss and expense caused by the disruption events for which the employer is responsible. It recommends that compensation for any such disruption be by the actual reasonable costs incurred, plus a reasonable allowance for profit if the contract allows it.

The Protocol then sets out and explains various methods of disruption analysis and states that the primary focus is on the direct labour and task-specific plant resources which are disrupted, though it does acknowledge that there may also be indirect resources which are impacted.

### Practical Tips & Conclusion

The second edition of the Protocol has some notable and key changes from its predecessor, specifically in relation to concurrent delay, presenting and analysing delay and record keeping. It recognises that there are a variety of ways of analysing delay on construction and engineering projects. Largely, however, the guidance has been updated to bring it in line with legal developments and industry practice.

The Protocol is based on the English law position. Given the influence of English law in Hong Kong, it is therefore more relevant to Hong Kong contractors and employers than elsewhere in the region. However, what we are seeing, for instance in Malaysia is that the Malaysian Society of Construction Law has recently published its own supplement to the first edition of the Protocol in an attempt to bridge any mismatches between the Protocol and local conditions. It is yet to be seen whether other countries will follow suit and whether doing so will boost the application of the Protocol in Asia.

It is envisaged that direct effect of the Protocol will be limited in that we are unlikely to see it adopted in contracts specifically. The indirect effect of the Protocol mid-project might be experienced best if the SCL and other industry organisations

In all likelihood, the usual limitations which we experience in Hong Kong will exist regardless of the Protocol. For instance, Hong Kong certifiers will often probably still not consider themselves to have the mandate from employers to certify as freely as they should, which is a much bigger problem than any Protocol can address.

embark on a process of engagement with professional institutions to which Hong Kong certifiers belong, to imbed the useful principles which will assist in assessment of EOT entitlements.

In all likelihood, the usual limitations which we experience in Hong Kong will exist regardless of the Protocol. For instance, Hong Kong certifiers will often probably still not consider themselves to have the mandate from employers to certify as freely as they should, which is a much bigger problem than any Protocol can address.

Meanwhile, what is crucial to bear in mind is the context for which the Protocol may be used in assessing EOT by an Engineer, Architect, Contract Administrator or even an arbitral tribunal. Contractors in particular should follow the specific guidance on records and methods of analysis in order to enhance their position in dialogue with certifiers mid-project and in order to best prepare for EOT and disruption claims to be advanced formally through arbitration at a later stage. Therefore, although the revised Protocol does not represent a revolution, at least this evolutionary step can be used to effect.

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Vincent Connor is a Partner and Head of the Hong Kong Office of Pinsent Masons. He is a legal adviser to the Infrastructure sector and specialises in construction and engineering law. Vincent is a solicitor advocate, having been granted higher rights of audience to appear in the High Court, Court of Appeal and Court of Final Appeal in Hong Kong. He has also been granted full registration as a registered foreign lawyer before the Singapore International Commercial Court (SICC). He is Chairman of the International Infrastructure Forum of The British Chamber of Commerce in Hong Kong.

Vincent was assisted in the writing of this article by his colleagues at Pinsent Masons in Hong Kong and London, Monique Hansen and Alice Chester.



#### Footnotes:

1. *Hong Kong (SAR) Hotel Ltd v. Wing Key Construction Co Ltd* - [2016] HKCU.
2. See for example: *De Beers UK Limited v. Atos Origin I.T. Services UK Ltd* [2010] EWHC 3276 and *Adyard Abu Dhabi v. SD Marine Services* [2011] EWHC 848 (Comm).
3. *Henry Boot Construction (UK) Limited v. Malmaison Hotel (Manchester) Ltd.* (1999) 70 Con LR 32.
4. *Chun Wo Building Construction Ltd v. Metta Resources Ltd* [2016] HKCFI 1357.

# Delay Analysis – Correcting for Programme Errors



By **David Greig** Principal, Greig Consulting  
in association with ADR Partnership Ltd

## Introduction

Delay analysis has to be based on sound programmes, usually prepared by the contractor. However, programmes frequently contain errors, which need to be identified and corrected prior to analysis commencing.

Dynamic (logic linked and criticality assessed) programmes became possible thanks to planning software. Complex projects are required to have a programme for monitoring, be dynamic to reflect progress and whereby impacts can be reflected and appropriate adjustments made. Dynamic programmes are not necessarily suitable as a compensation programme.

Claims for extension of time usually include a delay analysis exercise that presents an assessment of time entitlement resulting from certain owner risk and/or neutral events. They commonly rely on the contractor's programmes. A programme may have sufficient progress monitoring and updating though may, nonetheless, contain errors not apparent earlier and which potentially inhibit delay analysis.

Programme errors are either conceptual, in that the contractor's planning is flawed, or, structural, in that it incorporates incorrect programming practises. Contractors may seek to correct the programme to provide a suitable base for analysis though contract administrators may seek to ensure any corrections do not especially favour the contractor.

Given the time need, uncertainty and need to retain baseline characteristics corrections ought to be limited to corrections to structural matters and any obvious isolated conceptual errors that significantly distort forecasts and results.

## Types of Programme Errors

There are fundamentally two types of programming errors:

- a) Conceptual errors are those which directly concern how the project was planned and reflected in the programme. The programme itself may be correctly constructed though reflecting an incorrect concept.

- b) Structural errors arise from the way in which the data is entered into the programme (by the planning software), though the contractor's planning intentions may be sound.

Identification of conceptual errors requires a degree of project knowledge, understanding of the contractor's intent and how the programme is structurally constructed. Correcting many conceptual errors may significantly change the programme, which presents a challenge when presenting the corrected programme for analysis and may attract criticism of manipulation.

Conversely, structural errors can be identified by direct examination alone and can be done mostly independent of any project knowledge. Correcting structural errors is more straight-forward for the parties to accept since they originate more from poor programming.

Programmes can usually be made more realistic, though to do this extensively can be exhaustive. Effective delay analysis requires a suitable programme, though not all errors need be corrected. Given the time needed, uncertainty and need to retain baseline characteristic corrections ought to be limited to corrections to structural matters and any obvious isolated conceptual errors that significantly distort forecasts and results. All significant programme errors ought to be identified, examined and the reasoning behind their correction or non-correction explained.

## Contract Requirements

The precise requirements for programme composition differ from contract to contract. Programmes can mean different things to different parties or stakeholders. Basic requirements of a compensation programme are:

1. that it depicts the scope of work required;
2. that it depicts the contractor's intent;
3. that it satisfies contract intermediary and completion requirements;
4. that activities depict discrete components of work;
5. that it is current to the identified status date;
6. that activity constraints are employed where appropriate;
7. that it contains sufficient inter-activity linkage and reasoned sequences; and
8. that it is dynamic enabling identification of the critical path(s).

If a programme fails to meet any of the above it could be said to be in error.

## Authorities for Correcting Errors

Pickavance, in his authoritative text *Delay and Disruption in Construction Contracts*, states that before adopting a programme as a base-line for the purpose of cause and effect analysis, the programme must be checked to ensure that it is satisfactory for that purpose because, if there are errors in the programme, any subsequent conclusions drawn from a comparison between the programme and impacts on it may be wrong. By correcting the programme, to an adjusted master programme and basing its analysis only on the adjusted master programme, the analyst removes from any future comparison the effect of the Contractor's programming or estimating errors. However, Pickavance warns there is always more than one way of efficiently constructing a project, so it is wise not to be overly critical or allow subjective preferences to dictate unnecessary modifications.

The Society of Construction Law Delay and Disruption Protocol



(Second Edition) also suggests any patently unreasonable or unrealistic logic, constraints or durations should be corrected by agreement.

### Recording Programme Errors

Once identified, a proposed compensation programme should be accompanied by a description of the programme examination conducted detailing all errors encountered. The first step is to examine the programme and identify all errors which might impact the contractor's and/or owners liabilities as well as entitlements. Record or note as appropriate:

1. Programme details;
2. All accompanying comments / method statements;
3. Contract administrator's response; and
4. Whether the programme was approved etc.

For each programme error, record:

5. Activity(s) number, description and pertinent details;
6. Description of the error;
7. When observed by the contractor;
8. Contract administrator's comments; and
9. Opinion of liability.



### Correction of Typical Errors

Table 1 below lists some typical conceptual and structural errors and the suggested corrections which might be considered. It may not be possible to correct for conceptual errors. In such cases remarks should be recorded, explaining if a possible correction is not possible. All structural errors ought to be corrected.

**Table 1: Correction of Typical Errors**

Topic	Comment
<b>Conceptual Errors</b>	
Scope of the programme	<ul style="list-style-type: none"> <li>• Programme to reflect entire scope of remaining works</li> <li>• Baseline programmes to reflect contracted scope of work</li> <li>• Revised programmes to include for all remaining works and variation works</li> <li>• Necessary works not adequately covered by the programme to be included</li> </ul>
Activity scope and durations	<ul style="list-style-type: none"> <li>• Overly long durations replace with a series of new subordinate activities</li> <li>• Overly short activities to be extended to shortest duration reasonably possible</li> </ul>
Compliance to contract	<ul style="list-style-type: none"> <li>• Ensure that the contract programme requirements are accommodated</li> <li>• Review the particular contract requirements</li> </ul>
Mitigation programmes	<ul style="list-style-type: none"> <li>• Revised programmes should reflect the contractor's actual intentions</li> <li>• Mitigation programmes not to over-estimate ability to recovery delay</li> <li>• Consult contract administrator if any unrealistic programme is intended for analysis</li> </ul>
<b>Structural Errors</b>	
Activity status	<ul style="list-style-type: none"> <li>• No activities commencing later than the programme data date to have actual dates or progress shown</li> <li>• Activities and / or events completing prior to the programme data date should refer to actual dates</li> <li>• Recorded percentage complete should reflect the actual status of progress achieved on data date.</li> </ul>
Constraints	<ul style="list-style-type: none"> <li>• Use of activity constraints should be kept to a minimum</li> <li>• Remove applied activity constraints which inhibit a dynamic programme</li> <li>• Activity constraints should reflect achievement of contractual requirements</li> </ul>
Logic links	<ul style="list-style-type: none"> <li>• Inter-activity logic links should reflect the construction logic</li> <li>• FS links are ideal though SS and FF links are also useful if suitable</li> <li>• FS links with overly long lag periods to be explained or removed</li> <li>• Avoid SF links and activities with no successor</li> <li>• Remove all negative lags</li> <li>• Correct for necessary missing logic links</li> </ul>
Total float	<ul style="list-style-type: none"> <li>• Overly long total float to be examined</li> <li>• Negative float suggests that completion or a milestone will not be met</li> </ul>
The programme is not dynamic	<ul style="list-style-type: none"> <li>• Identify and correct any blocking linkage and constraints</li> <li>• Re-examine where the critical path deviates from the original</li> <li>• Establish causes</li> </ul>

Implemented corrections should... not favour one party over the other, but reflect how any competent contractor might likely programme the project.

### Incorporation of Corrections

On the basis that a programme contains errors and the parties agree that some form of correction is needed, the parties may still have different opinions as to how corrections ought to be incorporated. The primary purpose of identifying and implementing programme corrections is to ensure that the compensation programme is workable and that it represents how the parties agreed the Works were intended to be done. Implemented corrections should therefore not favour one party over the other, but reflect how any competent contractor might likely programme the project.

### Conclusion

Correcting programmes for the purpose of assessing contractor's entitlement and / or culpability is both a reasonable practise and necessary. Learned authorities support the view that the programme should be made workable if it is not currently workable, though they do not describe exactly how the correction process ought to be conducted. To attempt to conduct a delay analysis exercise based on a programme that contains errors will likely provide a result inconsistent with reality and which fails to provide a fair apportionment of responsibility.

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## Promotions at ADR

We are pleased to announce the promotions of **Kaymond Lam** to Associate Director and **David Robson** to Managing Consultant.



**Kaymond Lam** *BEng (Hons), LLB (Hons), MA (ArbDR), MSc, DIC, MHKIE, MICE, CEng, FHKI Arb, PCLL* - Associate Director

Kaymond Lam joined ADR 10 years ago and is a Chartered Engineer with a Degree in Law, a Master Degree in Arbitration and Dispute Resolution, post graduate certificate in laws (PCCL) and a Fellow of the Hong Kong Institute of Arbitrators. He has extensive experience in commercial and claims management on building and civil engineering projects in Hong Kong and Asia and a strong technical and analytical background which has served clients well over the years in the preparation of complex claims for delay and disruption and formal dispute proceedings.



**David Robson** *BSc (Hons), MRICS* - Managing Consultant

David Robson joined ADR 6 years ago and is a Chartered Quantity Surveyor and a Member of the Royal Institution of Chartered Surveyors. He has extensive experience working at a senior level in the commercial management of construction projects in Hong Kong. David is highly experienced in the preparation, assessment and defence of contractual claims for extensions of time, prolongation and variations and has assisted the quantum expert on a number of high profile final account arbitrations.

Both Kaymond and David are dedicated professionals that bring a wealth of expertise in commercial and contractual management to ADR and its clients. Please join us on congratulating them on their new positions.

# The Hong Kong Policy Address & Policy Agenda for 2017

The Policy Address given by Leung Chun-ying, Chief Executive on 18th January 2017 outlined the following new building and infrastructure projects.

## MTR Rail Projects under detailed planning

Northern Link and Kwu Tung Station	<ul style="list-style-type: none"> <li>Connects West Rail Line and Lok Ma Chau Spur Line of the East Rail Line and includes a new station at Kwu Tung.</li> </ul>
Tuen Mun South Extension	<ul style="list-style-type: none"> <li>Extension of Tuen Mun Line from Tuen Mun Station to Tuen Mun South Station (near Tuen Mun Ferry Pier).</li> </ul>
East Kowloon Line	<ul style="list-style-type: none"> <li>New line connecting Kwun Tong Line at Diamond Hill Station to the Tseung Kwan O Line at Po Lam Station, including four new stations.</li> </ul>

## CEDD Deep Caverns under public consultation

Diamond Hill Reservoir	<ul style="list-style-type: none"> <li>Relocate Diamond Hill Fresh Water and Salt Water Service Reservoirs to caverns releasing about 3 hectares of land for housing and other purposes.</li> </ul>
Sham Tseng Sewage Treatment Works	<ul style="list-style-type: none"> <li>Relocate sewage treatment works to caverns releasing 1.1 hectares of land for housing and other purposes.</li> </ul>
Sai Kung Sewage Treatment Works	<ul style="list-style-type: none"> <li>Relocate sewage treatment works to caverns releasing about 2.2 hectares of land for housing and other purposes.</li> </ul>
Sha Tin Sewage Treatment Works	<ul style="list-style-type: none"> <li>Relocate sewage treatment works to caverns releasing about 2.8 hectares of land for housing and other purposes.</li> </ul>

## CEDD Underground Spaces under public consultation

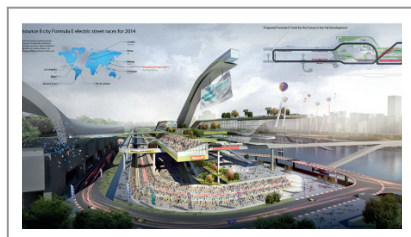
Causeway Bay	<ul style="list-style-type: none"> <li>Identify the potential for underground space developments and to formulate Underground Master Plans to guide the future underground space development.</li> </ul>
Happy Valley	
Admiralty / Wan Chai	
Tsim Sha Tsui	

## Other Projects

Airport Authorities SKYCITY	<ul style="list-style-type: none"> <li>Scheduled to be opened in 2021, the Phase 1 development of SKYCITY will include a hotel of 450-750 rooms with a gross floor space of about 33,700 square metres and a unique, captivating RDE space of about 195,000 square metres.</li> </ul>
Kai Tak Fantasy Project	<ul style="list-style-type: none"> <li>Concept of an 'edutainment' destination (i.e. a hybrid of education and entertainment), reflecting Kai Tak's unique aviation, maritime and transportation history.</li> </ul>
Kwun Tong Action Plan	<ul style="list-style-type: none"> <li>Facilitate the transformation of Kowloon East into another Core Business District (CBD2).</li> </ul>



Conceptual image of SKYCITY.



One of the concepts for the Kai Tak Fantasy Project.



Kwun Tong area.

## Arbitration Ordinance (Cap 609) Lapse of the Automatic Opt-in Provisions by 1 June 2017

Under the repealed Arbitration Ordinance (Cap 341), there were separate regimes for the conduct of domestic and international arbitrations in Hong Kong.

In June 2011, a new Arbitration Ordinance came into effect. The re-enacted Arbitration Ordinance (Cap 609) unified the domestic and international arbitration regimes of the repealed Arbitration Ordinance (Cap 341). With the reform, it was intended that more international arbitrations will be attracted to Hong Kong.

During the first six years, the re-enacted Ordinance (Cap 609) allowed parties to an arbitration agreement to automatically opt-in to the domestic regime. This provision is encapsulated in Section 100 of the Arbitration Ordinance (Cap 609). Opt-in provisions automatically applied in certain cases and all the provisions in Schedule 2 applied, subject to section 102, to an arbitration when the agreement is a domestic arbitration, and the:

- a) arbitration agreement was entered into before the commencement of the Ordinance; or

- b) arbitration agreement was entered into at any time within a period of 6 years after the commencement of the Ordinance.

As the automatic opt-in provisions will lapse on 1 June 2017, parties to an arbitration agreement concluded on or after that date will have to expressly opt-in to the provisions pursuant to Section 99 of Cap 609, which provides that "any or all of the following provisions are to apply".

Opt-in Provisions	Overview of the Provision
Section 1 of Schedule 2	If the parties fail to agree on the number of arbitrators, any dispute referred to arbitration is to be submitted to a sole arbitrator
Section 2 of Schedule 2	The Courts may order two or more arbitral proceedings to be consolidated, heard at the same time, or one immediately after the other
Section 3 of Schedule 2	Empowers the Court to decide on any question of law
Sections 4 and 7 of Schedule 2	Allows the arbitral award to be challenged at Court on the ground of serious irregularity affecting the arbitral tribunal, proceedings or award
Sections 5, 6 and 7 of Schedule 2	Allows appeals to the Court against an arbitral award on a question of law

The implications are that contract drafters should consider whether it is appropriate to include any of the opt-in provisions into contracts which provides for arbitration of disputes.

# ADR | Diary

## Forthcoming Events 2017

3 Jun	The Chartered Institute of Arbitrators (East Asia Branch) – Introduction to International Arbitration - HKIAC
8 Jun	ADR Partnership 10th Anniversary Cocktail Party – The China Club
16 Jun	Legal and Contracting Essentials for Belt and Road Infrastructure Projects – The University of Hong Kong
20 Jul	The Lighthouse Club Hong Kong – Eddie Ward Dinner
22 Sep	The Lighthouse Club – Contractor's Dinner
15-19 Oct	The Hong Kong International Arbitration Centre's HK Arbitration Week
29 Oct	The Society of Construction Law Hong Kong Cocktail Party – The China Club
1 Nov	The Society of Construction Law Hong Kong One Day Conference

Based in Hong Kong, ADR Partnership Limited is a dynamic practice of construction professionals providing specialist commercial and contractual services to the construction industry.

If you would like to discuss any of the articles published in this Digest or your project requirements, please contact James Longbottom, Patrick O'Neill or David Longbottom at ADR Partnership Limited on **(852) 2234 5228** or e-mail us at [info@adrpartnership.com](mailto:info@adrpartnership.com)

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