



# Adopting Dispute Resolution Mechanism for the Construction Industry in Hong Kong and the Greater Bay Area

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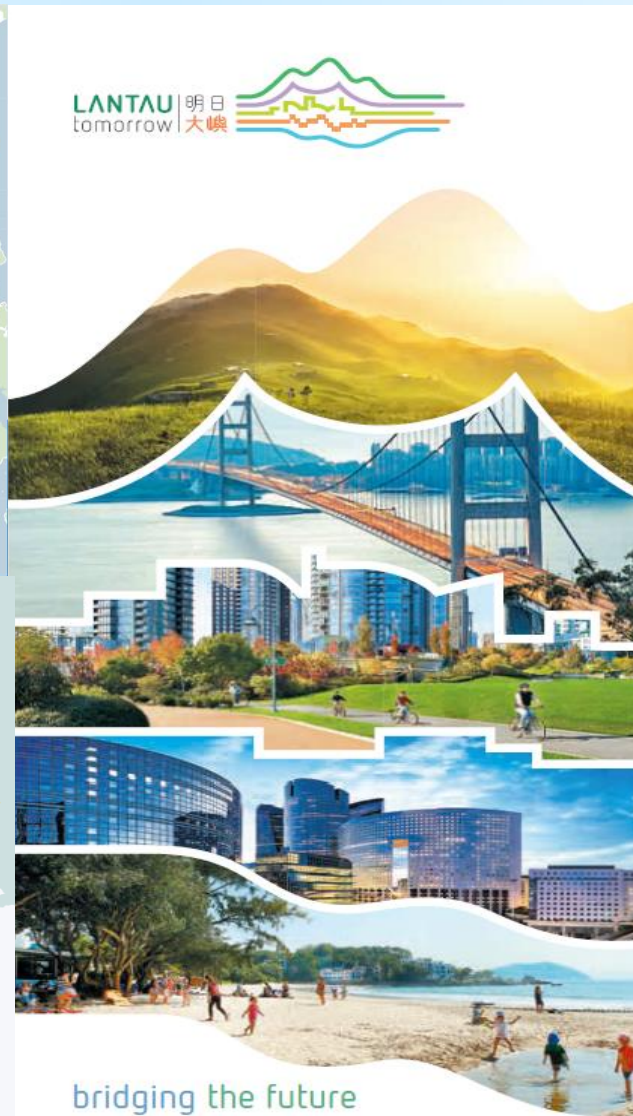
*Permanent Secretary for Development (Works)  
Development Bureau, The Government of the HKSAR*



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# Construction Entering a New Era





# Collaboration for Meeting New Challenges



***Pressing needs to collaborate for challenges ahead!***



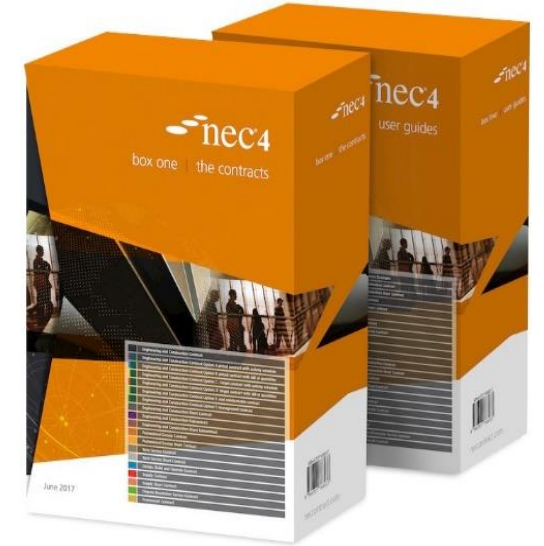
# Dispute Avoidance and Dispute Resolution



*Dispute Resolution Advisors*



*Collaborative Contracting*



# The Government's Policy on Dispute Resolution

- Dispute Resolution Advisors
- NEC
- Mediation

**Facilitative  
and  
Consensual  
Approach**

- Arbitration
- Litigation

**Adversarial  
Approach**

# Dispute Resolution Advisor (DRA)

*First introduced in around 1990 to cater for claims and disputes in hospital construction projects.*

*Jointly appointed by the parties from commencement till the end of the project.*



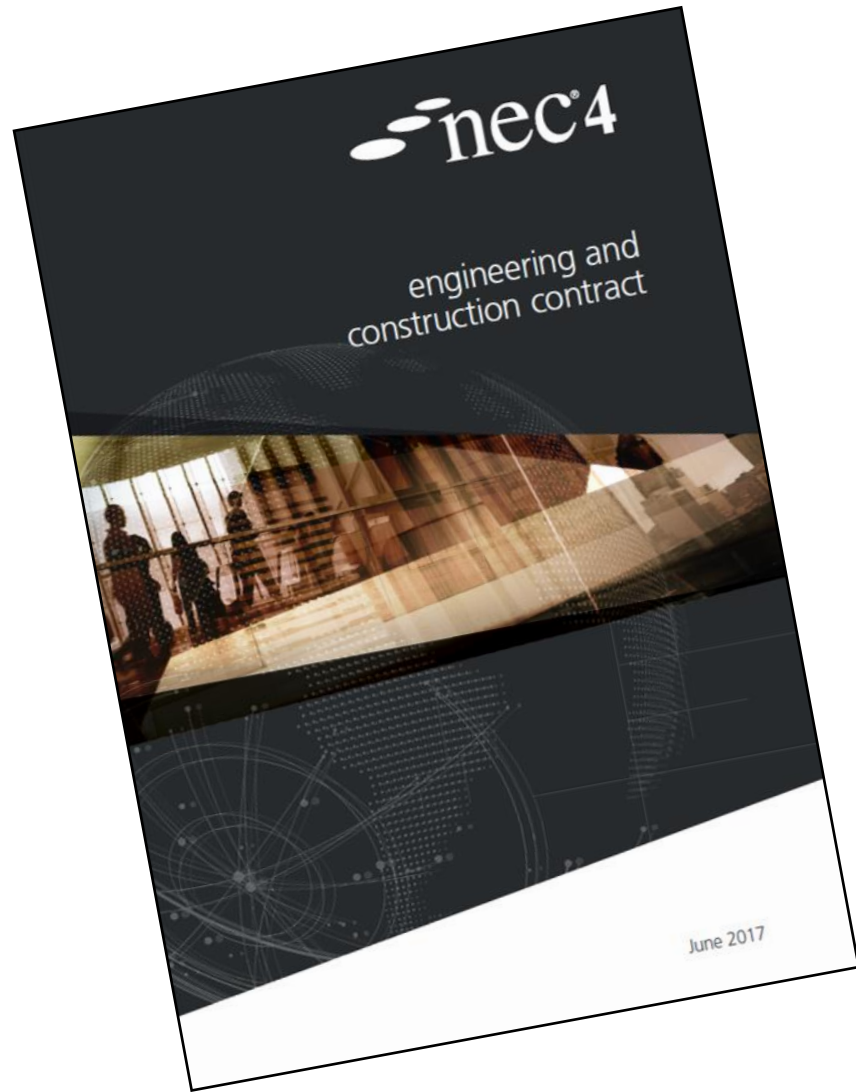
**DRA**

*To give timely advice on potential problems and facilitate win-win outcomes.*

*Of **59** projects using DRA over the past 5 years, formal Notices of Disputes have arisen in **7** projects, of which, only **1** has ended up in mediation.*



# Collaborative Contracting (NEC)



Mutual trust and cooperation

Early warning

Target cost

Pain / gain share

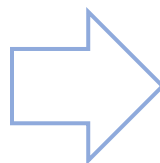
Successfully adopted in  
over **400** works contracts  
and **150** consultancies.

# Mediation

*In 1999, the “settlement of dispute” provision of the General Conditions was expanded.*



*From 1995 to 2000*  
**6** arbitrations recorded



*From 2015 to 2020*  
**1** arbitration recorded, **7** disputes settled through mediation

**Mediation before  
arbitration or litigation**

**Rights to proceed to  
arbitration not affected**

**Number of arbitration  
dropped significantly**



# Security of Payment Legislation (SOPL)







## Registration System in the GBA (大灣區備案制度)



**Enterprises**



**Professionals**

**9 Mainland Cities  
of the GBA**

**Consultant firms  
( AACSB & EACSB )**

Professionals registered with  
the relevant professional  
registration boards

**Qianhai  
Free Trade Area**

**Consultant firms  
( AACSB & EACSB )**

Professionals registered with  
the relevant professional  
registration boards

**Contractors**  
[List of Approved Contractors  
for Public Works +  
List of (certain) Specialist  
Contractors]

Authorised signatory  
of contractors

**Hengqin  
Free Trade Area**

**Consultant firms  
( AACSB & EACSB )**

Professionals registered with  
the relevant professional  
registration boards

+ Companies registered with  
professional institutions /  
associations

**Contractors**  
[List of Approved Contractors  
for Public Works +  
List of (certain) Specialist  
Contractors + Registered Contractors  
of the Buildings Department]

AP, RSE, RGE of the  
Buildings Department

Authorised signatory  
of contractors



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# Hong Kong: International Deal-making and Dispute Resolution Hub



Working Group on the GBA Mediation Platform has been set up to promote the use of mediation and solicit mediation users' confidence within the GBA.





*Thank you*



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