

Press Release

The Hong Kong Institution of Engineers Supports Enactment of Security of Payment Legislation for the Construction Industry Ensuring Construction Progress and Quality

(Hong Kong, 27 November 2023) The Hong Kong Institution of Engineers (“HKIE”) expresses its full support for the enactment of the proposed Security of Payment Legislation for the Construction Industry (“SOPL”) and the introduction of an adjudication mechanism to address the long-standing issue of payment delays in the construction industry. While safeguarding the rights and interests of parties involved in construction projects such as contractors and subcontractors, this legislation will also help ensure the progress and quality of construction projects. The proposed SOPL covers contracts of all Government works and part of the private sector projects up to specified contract values.

Payment delays have been a persistent issue affecting various stakeholders in the construction industry, exerting pressure on project timelines and quality, and impacting the livelihoods of industry workers. To address this long-standing problem, the HKIE has consistently worked with and supported the Government’s efforts in promoting the proposed SOPL and introducing an adjudication mechanism to provide a means for claims, where independent adjudicators will handle disputes over payments. This ensures that construction workers receive their rightful payments on time and enhances the industry’s reputation and efficiency. In the event that claimants do not receive payments within the prescribed period, they also have the right to choose to suspend work to compel the paying party to fulfill its payment obligations.

President Ir Dr Barry Lee stated, “The proposed SOPL and the introduction of an adjudication mechanism are crucial steps for the development of the industry. They not only protect the rights of relevant engineering professionals but also promote the sound development of the industry. We welcome the Government and relevant stakeholders to collaborate to ensure the smooth passage and implementation of this important legislation.”

The HKIE also calls on all parties to work together to create a fair and stable business environment for the construction industry, fostering sustainable development while ensuring timely completion of projects and improving quality and safety standards.

For media enquiries, please contact:

The Hong Kong Institution of Engineers
Corporate Communications Section

Tel: 2895 4446 / Fax: 2882 6825

Email: corpcom@hkie.org.hk