THE POTENTIAL OF THE CONSTRUCTION INDUSTRY PAYMENT AND ADJUDICATION ACT (CIPAA) 2012 TOWARDS SOLVING PAYMENT DISPUTE IN THE MALAYSIAN CONSTRUCTION INDUSTRY

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Dissertation submitted in partial fulfilment of the requirements for the award of the degree of

Master of Science
(Facilities Management)

Faculty of Architecture, Planning & Surveying

December 2013
AUTHOR'S DECLARATION

I declared that the work in this dissertation was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is a result of my own work, unless otherwise indicated or acknowledged as referenced work. This dissertation has not been submitted to any other academic institutions or non-academic institutions for any degree or qualifications.

In the event that my dissertation is found violate the conditions mentioned above, I voluntarily waive the right to conferment of my degree and degree to be subjected to the disciplinary rules and regulations of Universiti Teknologi MARA, Malaysia.

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Dissertation Title : The Potential of the Construction Industry Payment And Adjudication Act (CIPAA) 2012 Towards Solving Payment Dispute in the Malaysian Construction Industry

Signature of Candidate : 

Date : December 2013
ACKNOWLEDGEMENT

Alhamdulillah, praise to Allah, Lord of Universe and may peace and blessing be upon His beloved Prophet Muhammad S.A.W. First and foremost I would like to thank Allah because with His Love and Will, I was able to complete this dissertation. I wish to extend my sincere appreciation to everybody who contributed to the accomplishment of this dissertation.

I would like to convey my thousand appreciations to my supervisor, Assc. Prof. Dr. Faridah Binti Ismail, for her advice, assistance, unfailing support and contribution of ideas in preparing this dissertation. The completion of this dissertation would not be possible without her conscientious guidance and encouragement.

I am grateful to my beloved parents and my siblings who prayed for me and never stop giving me encouragement and full support in order for me to complete my dissertation. I am also indebted to all my friends for their warmth and unwavering support. Last but not least, I would like to thank all parties that involve directly and indirectly in this research. Thank you.
ABSTRACT

The Construction Industry Payment and Adjudication Act (CIPAA) seek to provide the construction industry players an alternative avenue to resolve the disputes quickly and at affordable costs. The current modes of construction dispute resolution by way of arbitration or court litigation take months and quite typically years to complete. Nevertheless, the CIPAA is still at its early stage of implementation, though the full impact of the Act can solve the problem regarding on payment in the Malaysian Construction Industry is yet to be tested. Therefore the aim of this research is to evaluate the potential used of the CIPAA to solve payment disputes in the Malaysian construction industry. The first objective is to determine the significance of the CIPAA in the Malaysian construction industry. It was found through literature review that there were four main features of the CIPAA which significant in improving the Malaysian construction industry. The second objective is to analyse the CIPAA provisions towards solving a payment dispute. Content analysis on the CIPAA provision and Court Cases reported in a Malaysian Law Journal which available in the database of LexisNexis website is the research approach utilized. The findings revealed that there are two provisions under CIPAA that addressed on payments which are prohibition of conditional payment and provides the default payment provisions in a construction contract. The third objective is to evaluate the potential acceptance of the CIPAA among practitioners. Semi structured interview was conducted with practitioners who have a strong knowledge on the CIPAA. Most of the respondents agree that the CIPAA can solve the payment problem and further mentioned that CIPAA can make the involved parties to be more professional in managed the contract.
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