

UNIVERSITI TEKNOLOGI MARA

**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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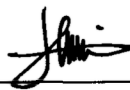
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ABSTRACT

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.

TABLE OF CONTENTS

AUTHOR'S DECLARATION	i
ACKNOWLEDGEMENT	ii
ABSTARCT	iii
TABLE OF CONTENTS	iv
CASES	viii
LIST OF FIGURES	x
LIST OF TABLES	xi
LIST OF ABBREVIATION	xii
CHAPTER 1	1
INTRODUCTION	1
1.1 BACKGROUND	1
1.2 PROBLEM STATEMENT	3
1.3 AIM AND OBJECTIVES	6
1.4 SCOPE OF STUDIES	6
1.5 SIGNIFICANCE OF STUDY	6
1.6 CHAPTER OUTLINE	7
CHAPTER 2	9
LITERATURE REVIEW	9
2.1 INTRODUCTION	9
2.1 CIPAA BACKGROUND	9
2.1.1 The CIPAA's Journey	11
2.1.2 The associated enactment worldwide	14