

CLIENT UPDATE
2 MAY 2020

**UPDATE #1 - ADJUDICATION MATTERS DURING
THE EXTENDED MOVEMENT CONTROL ORDER
("MCO") PERIOD**

1. Further to our previous [Client Update dated 28 April 2020](#) on the above matter, the Prime Minister of Malaysia had recently announced on 1st May 2020 that the Government is allowing the reopening of businesses from 4th May 2020. Following the said announcement, the Asian International Arbitration Centre ("AIAC") has also [announced](#) on 1st May 2020 that it will reopen its premises from 4th May 2020.
2. As a result, AIAC will resume acceptance of physical service of documents as well as registration of all adjudication matters under the Construction Industry Payment & Adjudication Act 2012 ("**CIPAA 2012**").
3. Although AIAC will register new adjudication matters, it will however **put on hold** all appointment requests, decisions and/or approvals requiring the Director of the AIAC's consideration until an announcement is made on the appointment of a new Director of AIAC ("**Announcement**").
4. The matters being put on hold would include the *Request to the Director of AIAC to Appoint an Adjudicator (Form 5)* under **Section 21(b)(i) of CIPAA 2012**. As such, the appointment of adjudicators by the Director of AIAC (being the most common mode of appointment) for new adjudication matters would effectively be suspended pending the said Announcement.

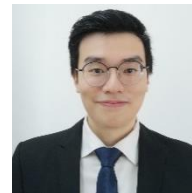
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5. Essentially, this would temporarily stall any new adjudication proceedings where an adjudicator has not been appointed – unless **both parties** agree to appoint an adjudicator on their own in accordance with **Section 21(a) of CIPAA 2012** (and not go through the Director of the AIAC under **Section 21(b) of CIPAA 2012**).
6. Given the circumstances above, please note:
 - (a) that if you are the **Unpaid Party/Claimant**, any adjudication matters **which have not been previously registered** with the AIAC under CIPAA 2012 can be registered from 4th May 2020 onwards;
 - (b) that if you are the **Non-Paying Party/Respondent**, the Unpaid Party/Claimant can register any **new adjudication matters** with the AIAC under CIPAA 2012 from 4th May 2020 onwards, if they have not already done so.

However, as stated in paragraph 5 above, the appointment of an adjudicator by the Director of the AIAC would be temporarily put on hold until the said Announcement. This would temporarily stall the adjudication proceedings – unless **both parties** agree to appoint an adjudicator on their own.

7. As before, existing and ongoing adjudication proceedings remain unaffected and would continue as usual.

As this is a developing matter, we will keep you updated if there are any changes or developments.

This publication is written by [Wilson Ho](#) (Partner) and Gary Hwang (Pupil). For more information with regards to adjudication matters and how the MCO has affected the same, please do not hesitate to contact [Wilson Ho](#) (wilson@hopartnership.com) or [Bryan Ho](#)

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