The Construction Contracts Act 2013 has been given a commencement date, with the Act to apply to contracts entered into after 25 July 2016.

On 13 April 2016, the Minister for Business and Employment, Mr. Gerald Nash, signed the Construction Contracts Act 2013 (Appointed Day) Order 2016, which gives legal effect to the provisions of the Construction Contracts Act 2013.

Pursuant to Section 12(2) of the Construction Contracts Act 2013, the Order states that the Act shall apply in relation to all Construction Contracts entered into after 25 July 2016.

This has taken some in the construction industry by surprise, with the commencement date just over three months away.

The commencement date allows only a very limited time for the updating of contract forms to address the requirements of the legislation. This may well ensure that contracts that do not satisfy the requirements of the Act will be in use for some time post-25 July 2016, ensuring that the Schedule will apply. Contractors and contract administrators alike will have to grapple with Payment Claim Notices and Responses and satisfying the Act’s requirements will be a challenge for many.

All parties to Construction Contracts entered into from 26 July 2016 onwards, will have a right under the Act to refer a payment dispute for Adjudication. This fast-track means of disposing of claims relating to payment will be new to most in the Irish construction industry and the claims landscape will be significantly altered by its introduction.

It is intended that the Code of Practice Governing the Conduct of Adjudications will be published in the coming weeks, with final comments on the most recent draft having been received from stakeholders. The Code is essential reading for any party involved in Adjudication, as it provides much of the framework within which Adjudications will be conducted.

For further information please contact:

Cathie Shannon
Associate
T: +353 (0) 1 536 9629
E: c.shannon@beale-law.com

April 2016