CYPRUS SCIENTIFIC AND TECHNICAL CHAMBER ETEK ALTERNATIVE DIPPUTE RESOLUTION (ADR) CENTRE

ETEK ADJUDICATION RULES

2020 EDITION

PREFACE

Implementing Adjudication in Construction Contracts in Cyprus constitutes a particularly important step in addressing - on time and efficiently - the problems that emerge during their execution, and would otherwise result in the waste of financial and human resources, as well as in serious delays in projects' completion. However, despite the immediate positive impact that the implementation of Adjudication could have on the construction industry, up to this day, no framework has been set for this purpose. ETEK ADR (Alternative Dispute Resolution) Committee has prepared ETEK Adjudication Rules, with the purpose of bridging this gap and offering to the industry, and ultimately to the broader society, an efficient tool for the tackling of the above-mentioned issues, in accordance with national standards and practices.

The first edition of ETEK Adjudication Rules is the result of a persistent and systematic work over a period of three years, from an enthusiastic team, comprising the following fellow members:

ETEK ADR Committee's Coordinator Costas Allayiotis, Civil Engineer, Arbitrator, Registered Mediator

ETEK ADR Committee's Deputy Coordinator Eur. Ing. Platonas Stylianou, Civila Endineer, Senior Arbitrator, HTI Dipl., B. Eng. (Hons), MSc, MCS, CEng, FICE, FCIArb, Registered Mediator

ETEK ADR Committee's Members

Nicos M. Elia BSc, LLb Hons (Lon), MRICS, FCIArb, CEDR Accredited Mediator Construction Lawyer, Chartered Quantity Surveyor, Arbitrator, Mediator Marina Kyprianou Dracou, Architect Engineer RIBA ARB, Arbitrator FCIArb DipArb, Registered Mediator,

Andreas C. Lakkotripis, Civil Engineer M.Sc. (Constructions), Arbitrator, and Varnavas Lambrou, Civil Engineer, Arbitrator, B. Eng. (Hons), MSc, LLM, MCIArb.

Summarizing this preface, special thanks are given to ETEK's Legal Consultant 'Tassos Papadopoulos & Associates LLC' Law Firm and especially to Mr. Nikos Papaefstathiou, for the flawless cooperation during the legal processing of the first edition of ETEK Adjudication Rules.

Costas Allayiotis, on behalf of ETEK ADR Committee

Editing: Myrto Voreakou, ETEK Scientific Officer January 2020

CYPRUS SCIENTIFIC AND TECHNICAL CHAMBER ETEK ADJUDICATION RULES

THE CSTC ADJUDICATION RULES

 (1) These Adjudication Rules (the "Rules") are issued by the Cyprus Scientific and Technical Chamber (the "ETEK").

(2) These Rules may be cited as the Adjudication Rules of the Cyprus Scientific and Technical Chamber or as the Adjudication Rules of ETEK or as the Adjudication Rules of the Chamber.

(3) These Rules shall apply where the Contracting Parties (the "Parties") in any Agreement or in any Authorisation to a Registered Engineer or to a Design Firm for the provision of services (the "Contract"), agree that, subject to any written amendment to the Rules by the Parties, any disputes or differences or disagreements that may arise or that may have arisen between them ("the Dispute"), will be dealt by Adjudication in accordance with these Rules.

(4) These Rules shall also apply in any referral agreement for Adjudication, whenever the Parties agree that any disputes or differences or disagreements will be dealt by Adjudication according to these Rules.

NOTICE OF INTENTION TO REFER A DISPUTE TO ADJUDICATION

2. (1) Any party to a Contract (the "Referring Party"), who wishes to resolve any Dispute with any other Party or Parties, may give written notice (the "Notice of Adjudication"), of his intention to refer any dispute arising under the Contract, to Adjudication.

(2) The Notice of Adjudication shall be given by the Referring Party to every other party to the Contract (the "Respondents").

- (3) The Notice of Adjudication shall set out briefly:
 - (a) the nature and a brief description of the Dispute;
 - (b) all the Parties involved;
 - (c) details of where and when the Dispute arose;
 - (c) the nature of the claim and the redress sought; and

(d) the names and addresses of the Contracting Parties (including, where appropriate, the addresses which the Parties have specified for giving notices).

 (1) After giving the Notice of Adjudication and subject to any agreement between the Parties to the Dispute as to who shall act as an Adjudicator—

(a) the Referring Party shall request the person (if any) named in the Contract to act as an Adjudicator, or

(b) where no person is named in the Contract or where the person named has already declared that he is unwilling or unable to act as an Adjudicator, another person shall be appointed to act as an Adjudicatorin accordance with the procedure in Rule 26 of these Rules.

(2) A person requested to act as an Adjudicator in accordance with the provisions of paragraph (1) of this Rule shall declare in writing whether he is willing to act no later than two days from the receipt of Notice to act.

- **4.** Any request submitted in accordance with Rule 3 or Rule 6 must always be accompanied by a copy of the Notice of Adjudication.
- 5. (1) Any person requested or appointed to act as an Adjudicator in accordance with Rule 3 or Rule 6 shall always be a natural person acting in his personal capacity. A person requested to act as an Adjudicator shall acknowledge and declare to the Parties in writing, before accepting his appointment, that he has no interest, financial or otherwise, in any matter relating to the Dispute.

(2) The Adjudicator shall not accept his appointment if he knows or ought to have known that he has any kind of interest and / or any kind of relation in connection to the Dispute or the Parties.

6. (1) Where an Adjudicator, who is named in the Contract informs the Parties that he is unable or unwilling to act, or fails to respond in accordance with paragraph (2) of Rule 3, the Referring Party may:

(a) request another person (if any) specified in the Contract to act as an Adjudicator; or

(b) act in accordance with Rule 26 to select another person to act as an Adjudicator.

(2) The person requested to act as an Adjudicator in accordance with the provisions of paragraph (1) of Rule 6 shall declare in writing whether he is willing to act within two days of receiving the Request.

- 7. (1) Where an Adjudicator is appointed in accordance with Rule 3 or Rule 6, the Referring Party shall, not later than seven days as from the date of the Notice of Adjudication or from the date of the appointment of the Adjudicator, whichever occurred later, refer the Dispute in writing (the "Referral Notice") to the Adjudicator.
 (2) The Referral Notice shall be accompanied by copies of, or relevant extracts from, the Contract and such other documents that the Referring Party intends to rely on.
 (3) The Referring Party shall, at the same time that he submits the documents referred to in paragraphs (1) and (2) of this Rule to the Adjudicator, send copies of those documents to every other party to the Dispute.
- **8.** (1) The Adjudicator may, with the consent of all the Parties to the Dispute, adjudicate at the same time on more than one dispute under the same Contract.

(2) The Adjudicator may, with the consent of all the Parties to this Dispute, adjudicate at the same time on related disputes under different contracts, irrespective of whether one or more of those Parties are a party to those disputes.

(3) All the Parties to the Dispute may agree to extend the period within which the Adjudicator may reach a decision in relation to all or any of those disputes.

(4) Where an Adjudicator ceases to act because a Dispute will be adjudicated by another person in relation to this paragraph, the Adjudicator's fees and expenses shall be determined in accordance with Rule 24.

9. (1) An Adjudicator may resign at any time by giving notice in writing to the Parties.

(2) An Adjudicator must resign where the Dispute is the same or substantially the same as one which has previously been referred to adjudication and a decision has been issued in that adjudication.

(3) Where an Adjudicator ceases to act under paragraph (1) of Rule 9:

(a) The Referring Party may serve a new notice under Rule 2 and shall request from another person to act as an Adjudicator in accordance with Rules 3 to 7; and

(b) If requested by the new Adjudicator and insofar as it is reasonably practicable, the Parties shall provide him with copies of all the documents which were submitted in the previous procedure.

(4) Where an Adjudicator resigns in the circumstances referred to in paragraph (2) of Rule 9 or where a dispute varies significantly from the Dispute set out in the Referral Notice and for this reason he is not competent to decide, the Adjudicator shall be entitled to be paid such reasonable amount as he may determine by way of fees as well as any expenses reasonably incurred by him. The Parties shall be jointly and severally liable for any outstanding sum following any determination on how the payment shall be apportioned.

- **10.** Where any Party to the Dispute objects to the appointment of a particular person as an Adjudicator, that objection shall not invalidate the Adjudicator's appointment nor any decision he may reach in accordance with Rule 20.
- 11.(1) The Parties may at any time agree to revoke or terminate the appointment of the Adjudicator. The appointment of the Adjudicator cannot be revoked or terminated by only one of the Parties. The Adjudicator shall be entitled to the payment of such reasonable amount as he may determine by way of fees and expenses reasonably incurred by him. The Parties shall be jointly and severally liable for any outstanding sum following any determination on how the payment shall be apportioned.

(2) Where the revocation or termination of the appointment of the Adjudicator is due to the default or misconduct of the Adjudicator, the Parties shall not be liable to pay the Adjudicator's fees and expenses.

POWERS OF THE ADJUDICATOR

- **12.**The Adjudicator shall:
 - (a) act impartially when carrying out his duties and shall do so in accordance with any relevant terms of the Contract and shall reach his Decision in accordance with the applicable law in relation to the Contract; and
 - (b) avoid incurring unnecessary costs.
- **13.** The Adjudicator may take the initiative in ascertaining the facts and the applicable law, which are necessary to determine the Dispute and shall decide on the procedure to be followed in the Adjudication. In particular he may:

(a) request any Party to the Contract to supply him with such documents as he may reasonably require, including, any written statement from any Party to the

Contract supporting or supplementing the Referral Notice and any other documents submitted under paragraph (2) of Rule7;

(b) decide the language or languages to be used in the Adjudication and whether a translation of any document is to be provided and if so by whom;

(c) meet and question any of the Parties to the Contract and their representatives;

(d) subject to obtaining any necessary consent from any third party or parties, make such site visits and inspections as he considers appropriate, whether accompanied by the Parties or not;

(e) subject to obtaining any necessary consent from any third party or parties, carry out any tests or experiments;

(f) obtain and consider witness statements and submissions, as required by the circumstances,

(g) give directions for the timetable of the Adjudication, any deadlines, or limits as to the length of written oral submissions, to be complied with;

(h) provided he gives prior notice to the Parties of his intention, appoint a legal, financial and technical adviser to study any specialized matter in order to assist him in carrying out the Adjudication; and

(i) issue any other directions in relation to the conduct of the adjudication.

- **14.** The Parties shall comply with any request or direction of the Adjudicator in relation to the Adjudication.
- **15.** If, without sufficient justification, a Party fails or neglects to comply with any request, direction or timetable of the Adjudicator made in accordance with his powers, fails to produce any document or written statement requested by the Adjudicator, or in any other way fails to comply with a requirement under these Rules in relation to the Adjudication, the Adjudicator may;

(a) continue the adjudication in the absence of the Party or the document or the requested written statement;

(b) draw such inferences from the failure to comply, which in the Adjudicator's opinion are justified under the circumstances; and

(c) reach a decision on the basis of the information before him giving such weight as he thinks fit to any evidence submitted to him not within the deadline requested or directed by him.

16. (1) Subject to any contrary agreement between the Parties, and subject to the terms of paragraph 16(2), any Party may be assisted by, or represented by, such advisers or representatives (whether legally qualified or not) ashe considers appropriate.
(2) Where the Adjudicator is considering oral evidence or representations, a Party to

the Dispute cannot be represented by more than one person, unless the Adjudicator gives directions to the contrary.

- 17. The Adjudicator shall consider any relevant information submitted to him by any of the Parties and shall disclose to the Parties any information taken into account in reaching his Decision.
- **18.** The Adjudicator and any Party to the Dispute shall not disclose to any other person any information or document provided to him in connection with the Adjudication which the Party supplying it has indicated it as confidential, except to the extent that is necessary for the purposes of, or in connection with the Adjudication.
- 19.(1) The Adjudicator shall reach his Decision not later than-

(a) forty-two days after the submission of the Referral Notice mentioned in paragraph (1) of Rule7; or

(b) fifty-six days after the submission of the Referral Notice if the Referring Party consents; or

(c) such period exceeding the forty-two days after the submission of the Referral Notice, as the Parties to the Dispute may agree to after the submission of the Referral Notice.

(2) Where the Adjudicator fails, for any reason, to reach his decision in accordance with paragraph (1) of this Rule:

(a) any of the Parties to the Dispute may serve a new notice under Rule 2 and shall request a new Adjudicator to act in accordance with Rules 3 to 7; and

(b) if requested by the new Adjudicator and insofar as it is reasonably practicable, the Parties shall supply him with copies of all the documents made available to the previous Adjudicator.

(3) As soon as possible after the Adjudicator has reached a decision, he shall deliver a copy of that Decision to each of the Parties to the Contract or the nominating body, as the case may be.

THE ADJUDICATOR'S DECISION

20. The Adjudicator shall decide all the matters of the Dispute and shall issue his Decision as provided for in Rule19. In reaching his decision the Adjudicator may take into account any other matters which the Parties agree should be within the scope of the Adjudication or which are matters under the Contract which he considers are necessarily connected with the Dispute. In particular he may—

(a) open up, revise and review any Decision taken or any certificate issued by any person referred to in the Contract unless the Contract states that the Decision or certificate is final and conclusive;

(b) decide that any of the Parties is liable to make a payment under the Contract, when the payment is due and the deadline for payment;

(c) having regard to any term of the Contract relating to the payment of interest, decide the circumstances in which, the rates at which and the periods for which simple or compound rates of interest shall be paid.

- 21. In the absence of any directions by the Adjudicator in relation to the time for executing his Decision, the Parties shall be required to comply with any decision of the Adjudicator immediately upon delivery of the decision to the Parties in accordance with this paragraph.
- **22.** If requested by at least one of the Parties, the Adjudicator shall provide reasons for his decision.

RESULTS OF THE DECISION

23.(1) In his Decision, the Adjudicator may, if he thinks fit, order any of the Parties to comply imperatively with his Decision or any part of it.

(2) The Decision of the Adjudicator shall be binding on the Parties and the Parties shall comply with it immediately.

(3) The decision may be revised only by mutual agreement of the Parties, or by an Arbitration Procedure or by a Competent Court.

ADJUDICATOR'S FEES AND EXPENSES

24. The Adjudicator shall be entitled to payment of his fees and the reasonable expenses incurred by him. The Parties shall be jointly and severally liable for any outstanding sum following the determination on how the payment shall be apportioned. If the Parties give an extension of time to the Adjudicator for the issuance of his Decision, then the Adjudicator is entitled to issue an invoice for interim payment.

ADJUDICATOR'S LIABILITY

25. The Adjudicator shall not be liable for anything done or omitted in the discharge or purported discharge of his functions as Adjudicator unless the act or omission was done in bad faith, and any employee or agent of the Adjudicator shall be similarly protected from liability.

ADJUDICATOR SELECTION PROCESS

26. Where Adjudication is provided for in a Contract, and no person is named in the Contract to act as an Adjudicator, or the person named to act as an Adjudicator has already declared that he is unwilling or unable to act, or the Adjudicator who had been appointed has resigned or failed to reply that he can act as an Adjudicator within two days from the date of receipt of the Notice of Adjudication from the Referring Party, or failed to issue a Decision within the specified time limits, then the Adjudicator or the new Adjudicator, depending on the case, shall be appointed in accordance with the procedure provided for in this Rule below.

(1) As soon as possible after the Dispute has arisen, any Party shall, by letter, invite the other Party to a meeting within a specified time period (which time period shall not be less than 7 days) for the joint appointment of a mutually agreed Adjudicator to act as a jointly appointed Adjudicator to resolve the Dispute. Unless the Parties mutually agree otherwise, the procedure for such an appointment will be conducted as follows(a) Each Party shall prepare separately its own list which shall include names of three proposed Adjudicators.

(b) Subsequently, the Parties shall exchange those lists between themselves and any proposed Adjudicator appearing in both lists shall be appointed as the Adjudicator. Provided always that, where there is more than one proposed Adjudicator appearing at the same time in both of those lists, then the person whose name appears first ineither the one or the other list, shall be appointed as an Adjudicator. Where the names of two proposed Adjudicators appear first in those lists, then the appointed Adjudicator shall be the person whose name is drawn by lot between these two proposed Adjudicators.

(c) Finally, where no proposed Adjudicator appears at the same time in both lists, then each Party shall select one proposed Adjudicator from the other Party's list and the appointed Adjudicator shall be the person whose name is drawn by lot between the two proposed Adjudicators selected by the Parties as mentioned above

(2) If, within five days from the expiry of the time period specified in the aforementioned letter the Parties do not, for any reason, jointly appoint a mutually agreed Adjudicator, then any Party shall have the right by registered mail or certified delivery to the other Party:

(a) to name the Adjudicator of his choice;

(b) to demand from the other Party to name the Adjudicator of his own choice; and

(c) to demand from the other Party to attend a meeting within a specified time period (which time period shall not be less than 7 days) in order to mutually agree on an Adjudicator and this selection shall take place at that meeting by a draw between the two Adjudicators previously named by the Parties separately.

(3) If, within seven days of receipt of the aforementioned notice, the other Party, for any reason, refuses or fails to name the Adjudicator of his own choice and to attend that meeting and draw, then the aforementioned refusal or failure, shall be considered on the one hand as a definitive and unequivocal acceptance from the other Party, of the Adjudicator that the first Party had previously named in his aforementioned notice, and on the other hand it will give the right to the first Party to unilaterally appoint the said Adjudicator to act as an Adjudicator to resolve the Dispute.

(4) In case the Adjudicator selected in accordance with the procedure in paragraphs (1) to (3) of Rule 26, either declares to the Parties that he is unable or unwilling to act or has failed to respond in accordance with paragraph (2) of Rule 3, or has resigned in accordance with paragraph (1) of Rule 9, or has failed to reach his decision in accordance with paragraph (1) of Rule19, the Referring Party, when selecting a new Adjudicator may not enforce the provisions of paragraphs (1) to (3) of Rule 26 and refer the matter to the President of ETEK requesting him to appoint a person to act as an Adjudicator in the Dispute. The application shall be accompanied by the Notice of Adjudication of Rule 2.

(5) In any case, the Parties may at any time by a joint letter request from the President of ETEK to appoint a person to act as an Adjudicator in the Dispute. The application shall be accompanied by the Notice of Adjudication of Rule 2.

(6) In any case, the Parties may, at any time, jointly appoint a person to act as an Adjudicator in the Dispute.

ANNEXES

(1) Adjudication Agreement, where the Adjudicator is appointed according to these Rules (Type 1)

(2) Adjudication Agreement, where the Adjudicator is named in the Contract (Type 2)

()		ation Agreement pointed in accordance with the Adjudicatior	
(A)	This Agreement is made on		i Rules)
Between			
	(1)		
And	The Adjudicator ²		
Whereas The Partie	ties in accordance with their Contract/Sub-o	contract/Agreement ³ (the 'Contract') for ⁴	
	On the terms of ⁵		
	In which the provisions for Adjudicati clause of the Contract; and	under the Contract which the Parties w	

in

to

¹Insert the names and addresses of the Parties

²Insert the name and address of the Adjudicator

³Delete as appropriate

⁴Provide a brief description of the Works/Sub-Contract Works

⁵Insert the type of Contract / Subcontract / Agreement and any amendments incorporated therein

It is hereby agreed as follows

Appointment and acceptance

1. The Parties hereby appoint the Adjudicator and the Adjudicator hereby accepts the appointment for resolving the dispute which is briefly set out in the attached notice.

Adjudication Provisions

2 The Adjudicator shall take into account the Adjudication Provisions as if they were all set out in this Agreement.

Adjudicator's fees and reasonable expenses

3 The Parties shall be jointly and severally liable to the Adjudicator for his fees as set out in the Schedule for conducting the Adjudication and for all expenses reasonably incurred by the Adjudicator, as referred to in the Adjudication Provisions.

Inability of Adjudicator to act on the referral

4 If the Adjudicator becomes ill or becomes unfit for any other reason and is unable to complete the Adjudication, he shall immediately give notice to the Parties to such effect.

Termination

5 (1) The Parties may jointly terminate the Adjudication Agreement at any time by giving a written notice to the Adjudicator. Following such termination, the Parties shall, subject to paragraph 5(2) below, pay the Adjudicator his fees or any outstanding amount as well as the reasonable expenses he has incurred prior to the termination.

(2) Where the decision of the Parties to terminate the Adjudication Agreement under clause 5(1) above has been made as a result of the Adjudicator's inability to issue his Decision on the dispute, or has not issued his Decision within the time period in the Adjudication Provisions or not at all, then the Adjudicator shall not be entitled to recover from the Parties any fees or expenses.

As witnessed

Signed by the Parties or their duly authorized representatives and the Adjudicator

Signed by or on behalf of the Parties in the presence of

(1) _____

Signature of the witness

Name of the witness

Address of the witness

(2) _____

In the presence of:

Signature of the witness

Name of the witness

Address of the witness

Signed by the Adjudicator in the presence of:

Signature of the witness

Name of the witness

Address of the witness

Schedule

Adjudicator's Fee

The lump sum fee is €_____ or

the hourly rate of

€_____

	(Applicable where the Adjudicator is named in the Contra-	ct)		
	This Agreement is made on20			
Between	The Parties ⁶			
	(1)			
	(')			
	<u> </u>			
	(2)			
۵ndThe ۵	djudicator ⁷			
Whereas	The Parties, in accordance with the Contract/Sub-contract/Agreement ⁸	(the 'Contract') for ⁹		
	On the terms of ¹⁰			
	In which the provisions for Adjudication ('the Adjudications Provision clause of the Contract; and	ns') are referred to in		
	The Parties have named the Adjudicator in the said Contract.			
⁶ Incort tha	names and addresses of the Parties			
_	name and address of the Adjudicator			
	appropriate			

(Type 2) Adjudication Agreement

⁹Provide a brief description of the Works/Sub-Contract Works

¹⁰Insert the type of Contract / Subcontract / Agreement and any amendments thereto incorporated therein

It is hereby agreed as follows

Appointment and acceptance

1. The Parties hereby appoint the Adjudicator and the Adjudicator hereby accepts such appointment in respect of any dispute that may arise in the said Contract and the Adjudicator will use his best endeavors to be available to consider any referral made to him by either Party to the Contract.

Adjudication Provisions

2 The Adjudicator shall observe the Adjudication Provisions as if they were all set out in this Agreement.

Adjudicator's fees and reasonable expenses

3 The Parties shall be jointly and severally liable to the Adjudicator for his fees as stated in the Schedule for conducting the Adjudication and for all the expenses reasonably incurred by the Adjudicator, as referred to in the Adjudication Provisions.

Inability of Adjudicator to act on the referral

4 If the Adjudicator becomes ill or becomes unfit for any other reason and is unable to complete the Adjudication, he shall immediately give notice to the Parties to such effect.

Termination

- 5 (1) The Parties may jointly:
 - (a).. Terminate the Adjudication Agreement or the adjudication at any time upon written notice to the Adjudicator.
 - (b).. Terminate the adjudication at any time and immediately give written notice to the Adjudicator.

Following such termination, the Parties shall, subject to clause 5(2) below, pay the Adjudicator his fees or any outstanding amount as well as the expenses he has reasonably incurred prior to the termination.

(2). Where the decision of the Parties to terminate the Adjudication Agreement under clause 5(1) above has been made as a result of the Adjudicator's inability to issue his Decision on the dispute or has not issued his Decision within the time limits in the Adjudication Provisions or not at all, the Adjudicator shall not be entitled to recover from the Parties any fees or expenses.

As witnessed

Signed by the Parties or their duly authorized representatives and the Adjudicator

Signed by or on behalf of the Parties in the presence of:

Signed by the Adjudicator in the presence of:

Signature of the witness

Name of the witness

Address of the witness

Schedule

Adjudicator's Fees

The lump sum fee is €_____

or

the hourly rate of

€_____