

L.D.B 15/2014

## **THE CONSTRUCTION INDUSTRY DEVELOPMENT ACT, No. 33 OF 2014**

REGULATIONS made by the Minister of Urban Development, Water Supply and Housing Facilities under Section 58 of the Construction Industry Development Act, No. 33 of 2014, read with Sub section (1) of Section 36 of the aforesaid Act.

**MAHINDA RAJAPAKSA,**

Minister of Urban Development, Water Supply and Housing Facilities.

Colombo,  
08th June, 2020.

1. These regulations may be cited as the Construction Industry Development (Guidelines for Disciplinary Procedure for Registered Contractors) Regulations of 2020.

2. Every complaint against a contractor registered under the provisions of the Construction Industry Development Act, No. 33 of 2014, shall be made in writing to the Director General of the Construction Industry Development Authority (hereinafter referred to as the “Authority”).

3. Any registered contractor who commits an act or omission specified in Column I of the Schedule hereto shall be subject to the sanction or penalty specified in Column II to the Schedule to these regulations.

4. (1) Where any complaint against the registered contractor on an allegation that such contractor has obtained the registration by submitting fraudulent documents, such registration shall be suspended forthwith until conclusion of inquiry, if there is a *prima facie* evidence.

(2) Where there is a court proceeding or arbitration relating any occurrence of any act or omission specified in paragraph (a), (b), (c), (d) and (e) of item (2) of the Schedule hereto, the inquiry shall be suspended forthwith until conclusion of court proceeding or arbitration.

5. Upon the receipt of complaint under Regulation 2, the Director General shall within a period of seven days of the receipt of such complaint, refer such complaint to the Disciplinary Committee appointed by the Minister.

6. (1) The Disciplinary Committee, shall, within a period of thirty days of a reference of a complaint, notify the contractor against whom the complaint has been made, by registered post and direct him to show cause within thirty days as to why any sanction or penalty shall not be imposed on him.

(2) The Disciplinary Committee shall record all relevant evidence.

(3) The Disciplinary Committee may collect evidence by calling for necessary documentation, visiting the sites and obtaining details from the relevant organizations.

(4) The Disciplinary Committee shall analyze the evidence and make recommendations to the Authority with reasons therefor.

7. The Disciplinary Committee shall conclude their investigation and submit its recommendations to the Director General of the Authority within a period of ninety days from the date of reference of such complaint to Disciplinary Committee.

8. The Director General shall, on receipt of such recommendations impose such sanction or penalty and inform complainant accordingly by a registered post together with a copy of such recommendation to the contractor within a period of seven days of such recommendation by registered post.

9. Any person aggrieved by a decision of the Director General may, within thirty days of the date of receipt of the written communication such person of such decision appeal against such decision to the Appeals Board established under the Construction Industry Development Act.

10. In these regulations -

“Director General” means the Director General of the Construction Industry Development Authority appointed under Section 15 of the Construction Industry Development Act, No. 33 of 2014.

SCHEDULE

(Regulation 3)

ACT OR OMISSION AND SACTION OR PENALTY

| No. | Column I<br>(Act or Omission)  | Column II<br>(Saction or Penalty)  |
|-----|--|--|
| 1.  | (a) Tempering or unauthorized entry or alternation to the Registration Record Book of the Authority  | 1st Instance - suspension of registration for one year and<br>2nd Instance - cancellation of registration for three years  |
|     | (b) Contractor has obtained registration with the Authority by fraud or misrepresentation  | 1st Instance - suspension of registration for a period of one year<br>2nd Instance - cancellation of registration for a period of three years                                |
| 2.  | (a) Terminating of contract  | 1st Instance - Downgrade by one grade<br>2nd Instance is occurred within 5 years - cancellation of registration for a period of two years                                    |
|     | (b) Sub-letting of the Contract without authority  | 1st Instance - issuing a warning letter to the contractor<br>2nd Instance - suspension of registration for one year  |
|     | (c) Submission of fraudulent documents to the client or collusion to fix contract price<br>(i) where bonds are concerned<br>(ii) other instances | (i) Cancellation of registration for two years<br>(ii) 1st Instance - suspension of registration for one year<br>2nd Instance - cancellation of registration for three years |
|     | (d) Professional Negligence, Lack of Competency, Moral Turpitude, Malpractice, Fraud or Dishonesty   | Suspension of registration for one year with a maximum fine equivalent to five times the annual registration fee   |
|     | (e) Termination due to poor performance  | Downgrade by one grade   |

SCHEDULE (Contd.)

| No. | Column I<br>(Act or Omission)   | Column II<br>(Saction or Penalty)  |
|-----|---|--|
| 3.  | (a) Where an accident at a work site or in its immediate proximity results in the death of a persons(s) at the worksite or its immediate proximity and a resulting inquiry proves the accident was a result of failure or negligence by the contractor to implement proper safety procedures and practices and ensure their observance by all persons on the work site.                   | Downgrade by one grade for two years ; and impose a fine similar to two times of Annual Registration Fee of the Highest Grade (main or specialist) applicable to the contractor at the time of default       |
|     | (b) Where an accident at a work site, or in its immediate proximity, results in the permanent disability to a person(s) at the work site or its immediate proximity, and a resulting inquiry proves the accident was a results of failure or negligence by the contractor to implement proper safety procedures and practices and ensure their obsevances by all persons on the work site | Downgrade by one grade for one year, and impose a fine similar to the Annual Registration Fee of the Highest Grade (main or specialist) applicable to the contractor at the time of default.                 |
|     | (c) Where a accident at a work site, or in its immediate proximity, results in the partial disability to a person(s) at the work site or its immediate proximity, and resulting inquiry proves the accident was a result of failure or negligence, by the conractor to implement proper safety procedures and practices and ensure their observance by all person on the work site.       | Downgrade by one grade for six months, and impose a fine similar to half times of the Annual Registration Fee of the Highest Grade (main or specialist) applicable to the contractor at the time of default. |
| 4.  | Detection of Mosquito Breeding Grounds  | 1st and 2nd instance - display the name in the website of the Authority as an errant contractor<br><br>3rd instance - downgrade by one grade.  |