



HONG KONG - CONSTRUCTION INDUSTRY SECURITY OF PAYMENT RULES PUBLISHED

The Government of the Hong Kong SAR has introduced the Construction Industry Security of Payment Rules, which set out the court process for applications in respect of adjudication determinations made under Hong Kong's new Construction Industry Security of Payment Ordinance.

On 11 July 2025, the Government of the Hong Kong SAR introduced the Construction Industry Security of Payment Rules to facilitate the implementation of the Construction Industry Security of Payment Ordinance. The Rules set out the practice and procedure to be adopted when applying to the Hong Kong court seeking orders in relation to adjudication determinations made under the Ordinance.

Background

The Construction Industry Security of Payment Ordinance (Cap. 652) (**CISP Ordinance**) was gazetted on 27 December 2024 and will apply to certain construction contracts which are entered into on or after 28 August 2025. In short, the CISP Ordinance introduced a statutory 'security of payment' regime for the adjudication of payment disputes which applies to both public and private sector projects. In December 2024, we published an article¹ which discusses the new regime in more detail.

On 11 July 2025, the Government of Hong Kong SAR (**Government**) gazetted the Construction Industry Security of Payment Rules (Cap. 652A) (**CISP Rules**) to deal with applications made to the Hong Kong court under the CISP Ordinance. The CISP Rules come into force on 5 September 2025.

The CISP Rules

The CISP Rules set out the required practice and procedure relating to:

1. **Enforcement Applications:** applications for leave to enforce a determination made in adjudication proceedings. If leave is granted, the determination can be enforced in the same way as a judgment of the High Court; and
2. **Set Aside Applications:** applications to set aside an adjudicator's determination under the adjudication proceedings.

(together, **CISP Applications**).

Notable features of the CISP Rules:

- The value of the claim dictates the forum in which a CISP Application will be heard:
 - **District Court:** CISP Applications concerning

an adjudicated amount (including interest) of HK\$3,000,000 or less;

- **Court of First Instance:** CISP Applications concerning an adjudicated amount (including interest) in excess of HK\$3,000,000.
- The party making a Set Aside Application must pay as security into the Court the unpaid portion of the adjudicated amount that the Applicant is liable to pay. The rules set out how the amount of security is to be calculated: by adding the total sum awarded to the applicant, plus interest and costs, and then deducting any amount already paid (**Security**). Security must be paid into court within 14 days of the Set Aside Application, failing which the court may dismiss it.
- The Enforcement Application must state the amount which has been paid by the respondent (if any) and the sum(s) outstanding and can be made on an ex parte basis (without notice to the respondent). However, the court can order that the Application be served on the respondent, allowing both parties to attend the hearing and make submissions to the court.
- It will be possible to appeal the court's decision to grant or refuse a CISP Application. An application seeking leave to appeal must be made within 14 days of the court's decision on the CISP Application.

Commentary

As discussed in our previous articles on the CISP Ordinance², the CISP Ordinance comes into force in late August 2025. The purpose of Hong Kong's new adjudication regime is to tackle longstanding payment issues within the construction industry

by introducing an adjudication mechanism designed to ensure that stakeholders receive their entitled payments promptly.

The CISP Rules provides clarity on the practice and procedural aspects of the statutory adjudication regime. In addition to addressing the setting aside and enforcement of adjudication decisions, the CISP Rules also cover matters relating to service, filing, and the transfer of proceedings.

HFW's global construction practice has advised on similar payment adjudication regimes in jurisdictions such as Australia, England and Singapore. If you would like to discuss 'security of payment' in Hong Kong in greater detail, please contact the authors of this article, or your usual HFW contacts.



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¹ <https://www.hfw.com/insights/hong-kong-construction-industry-security-of-payment-bill-passed-by-hong-kong-government>

² <https://www.hfw.com/insights/hong-kong-construction-industry-security-of-payment-bill-passed-by-hong-kong-government>

<https://www.hfw.com/insights/get-ready-to-adjudicate-a-statutory-security-of-payment-regime-is-on-the-horizon-in-hong-kong-2>

<https://www.hfw.com/insights/Construction-Bulletin-March-2023>

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