Contract & Construction Consultants

Interim payment under the JCT 2016 Standard Building Sub-Contract

Do the Sub-Contract Particulars state that clause 4.6.2 applies?

Yes

The Sub-contractor shall submit monthly Payment Applications to the Contractor stating the sum the Sub-Contractor considers will become due at the due date and the basis on which the sum has been calculated.

Payment Application received not later than 4 days prior to the Interim Valuation Date.

No

Due date is 16 days after date of receipt of Payment Application

No

The Sub-Contractor may make a Payment Application in respect of an interim payment to the Contractor either:
1. So as to be received no later than 4 days prior to the Interim Valuation Date for the relevant period; or
2. At any time after the 5 day period after the date which the Contractor is required to give a Payment Notice, if he has not done so and no prior application was made.

Yes

The monthly due dates for interim payments shall be 12 days after the relevant Interim Valuation Date, commencing with the Interim Valuation Date next following the commencement of the Sub-Contract Works on Site (unless an earlier date is specified by the Sub-Contract Particulars).

Has the Contractor given a Payment Notice within 5 days past the due date to the Sub-Contractor, specifying the sum he considers to be or have been due on the due date and the basis on which that sum was calculated?

Yes

No

Sub-Contractor to make Payment Application, if it has not done so previously

Payment must be made by the Final Date for Payment which is 14 days after due date (or where no Payment Notice given, postponed by number of days between the end of the 5 day period for issuing that notice and the subsequent Payment Application), either:
1. For the sum specified in the Payment Notice, subject to any Pay less Notice; or
2. For the sum specified in the Payment Application if no Payment Notice was given, subject to any Pay Less Notice

If the Contractor intends to pay less than the sum stated as due from any Payment Notice or Payment Application they shall give a Pay Less Notice not later than 5 days before its final date for payment.

Payment is late

Interest is payable on the late payment

Payment not made

Contractor can give notice of intention to suspend Works to the Employer, and if within 7 days after the notice payment is still not made he then has the right to suspend works

Payment is made on time

No further action

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