



Ministry of Urban Development and Housing

**Guidelines for Temporary Registration of Foreign Contractors in Engagement of Identified Construction Work** 



**Construction Industry Development Authority (CIDA)** 



GUIDELINES FOR TEMPORARY REGISTRATION OF FOREIGN CONTRACTORS IN ENGUAGEMENT

OF IDENTIFIED CONSTRUCTION WORK CIDA Publication No: CIDA/ GLR/ 06

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## Ministry of Urban Development and Housing



## Guidelines For Temporary Registration of Foreign Contractors in Engagement of Identified Construction Work



CONSTRUCTION INDUSTRY
DEVELOPMENT AUTHORITY (CIDA

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## 1.0 Instructions for Foreign Contractors intending to obtain Temporary Registration in engagement of Identified Construction Projects (The application for registration should be read in conjunction with this Instructions)

#### 1.1 Temporary Registration Certificate for Foreign Contractor

Any Foreign Contractor who wishes to carry out any "Construction Contract" as a Contractor / Sub Contractor / JV Partner shall obtain a Temporary Registration Certificate for Foreign Contractor; upon the succeeding its bid, as per Clause 39 and subsequent gazette 2085/19 of 23.08.2018, of Construction Industry Development Act No 33 of 2014.

#### 1.2 Conditions for Temporary Registration Certificate for Foreign Contractor

A Temporary Registration Certificate for Foreign Contractor is the permission to carry out identified construction works stated in such Registration Certificate for Foreign Contractor. The validity period for Registration Certificate of a Foreign Contractor as a Main or Sub Contractor/Joint Venture partner / consortium partners as indicated in the offer letter of work submitted (from the start work date until the expiry of the defect liability period).

Where for some reason the project completion date is extended, the contractor shall apply to CIDA within fourteen (14) days of the expiry date of the Registration Certificate to extend the validity period of the Registration Certificate.

In case of a JV, Consortium or a Sub Contract, involved with a local Contractor, only the Foreign Contractor's component is required to obtain the Temporary Registration.

#### 1.3 Requirements for Applications

Completed application shall be submitted with following:

- a) Published Tender advertisement and a letter from the client intending to award the Contract.
- b) Contract data to confirm commencement and completion of the project
- c) Certified Company profile with a copy of Business Registration Local
- d) Company's financial statements
- e) Details of Professional and other staff
- f) Details of past performance
- g) Details of imported plant & machinery

#### 1.4 Benefits of Registration

Under the provisions of clause 48 (7) of CID Act 33 of 2014, the authority will analyze the availability of local labour and grant permissions for successful registered organizations to obtain VISA for craftsman categories, liaising with the Line Ministry.

#### 1.5 Fee for Temporary Registration Certificate for Foreign Contractor

The registration fee for foreign contractors is 0.01% of the Contract value and appropriate taxes(Value Added Tax etc) calculated from the start date to the expiry of defects liability period of the Project to be paid in USD or local currency. (Registration certificate is issued for the periodfrom the start date to the expiry of defect liability period).

The registration fees shall be paid upon registration.

# 1.6 Fee for Extension/Renewal of Registration based on variations/ additions to original scope.

If the Project value is increased due to additional work or variations an additional fee will be charged based on the same criteria.

If a time extension occurs, the validity period of the certificate will be extended accordingly.

#### 1.7 Processing Time

If the application is complete and is in order, the applicant will be notified within one (01) week of the date of submission of application.

#### 1.8 Project Closure

When the Project is completed, the incumbent contractor is required to submit a copy of the project handover/completion to CIDA for information recording purposes, in order to proceed with section 55 of the CID Act.

# 2.0 Instructions to Clients/ Client Organizations on Registration of Foreign Contractors for Projects (Private & Public Projects)

- 2.1 Prior to the engagement of a Foreign Contractor the Client shall communicate the intension of awarding the contract to the successful Bidder and other Bidders.
- 2.2 If an appeal process is ensued and once the appeal process is over, Clients should inform CIDA on confirmation of the Successful Bidder.
- 2.3 Then the Foreign Contractor should submit an application to CIDA attaching the **letter** of intending to award the contract.
- 2.4 Then CIDA will start processing the application for registration of the Foreign Contractor.
- 2.5 Upon evaluation of the Application, if the qualification requirements are fulfilled by the incumbent Applicant, CIDA will issue the "Certificate of Temporary Registration" for the period of the project on payment of the registration fee.
- 2.6 As per the regulations, Client Organizations should issue the letter of Acceptance only to Foreign Contractors who have obtained the Temporary Registration and produced their certificate of registration with CIDA to the client organization.
- 2.7 Once the Project is successfully completed, a copy of the Completion Certificate shall be copied to CIDA, for recording purposes.
- 2.8 Similarly work extensions and disputes/ terminations shall also be duly informed to the Authority CIDA.



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