

## CONSTRUCTION

### Regulation of Construction Contracts in Denmark

Except for procedures based on the Public Procurement Directive and the Danish Procurement Act, no specific Danish legislation exists on the matter of Danish construction contracts. Instead, most Danish construction contracts are based on the agreed documents "AB 92", "ABR 89" and "ABT 93" decided on by the Danish construction industry. These agreed documents are used on both small private construction agreements and major construction contracts, irrespective of the nationality of the contractor.

AB 92, ABR 89 and ABT 93 govern the interests of both the contractor and the entrepreneur or the contractor and the technical adviser, respectively, and are up to date with any problems that may occur. However, an agreed document should not stand alone, and the parties should add or remove provisions in order for the agreement to fit the matter between the parties perfectly. Thus, the parties in Danish construction contracts often make general and special provisions. The general provisions implement AB 92, ABR 89 or ABT 93, and the special provisions amend provisions in the general provisions so that the agreement fits the matter between the parties.

### General Terms of AB 92, ABR 89 and ABT 93

#### *AB 92*

AB 92 handles the general conditions for the provision of works and supplies within the building and engineering sectors. AB 92 mainly contains provisions about:

- the basis of the agreement
- the offer and acceptance
- the transfer of rights and obligations
- security provision and insurance
- performance of the contract
- remedies in case of breach and non-conformity
- the parties' collateral prior to the contract
- organisation of the work schedule for the contract
- progress of the work
- settlement of the price
- one and five year inspections
- special information on cancellation
- Litigation

#### *ABT 93*

ABT 93 handles the general conditions for turnkey contracts. ABT 93 mainly follows the content of AB 92. However, it differs from AB 92 in the way that the rules take into account that the general contractor is not only responsible for the building performance but also for the project management.

## *ABR 89*

ABR 89 handles the general conditions for consulting services.

ABR 89 mainly contains provisions about:

- requirements for the technical counselling agreement
- remuneration
- copyright
- deadlines
- liability in case of breach or delay
- postponement and suspension of duties
- litigation

## **Dispute Resolution**

Should the parties decide to adopt either AB 92, ABR 89 or ABT 93, any dispute arising from the contract should be resolved by the Danish Arbitration Board for the Construction Industry.

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