

CONSTRUCTION

Summary

Most Danish construction contracts are based on agreed documents. The agreed documents "AB 92" and "ABR 89" are commonly acceded to, both in small private construction agreements and in major construction contracts.

How are construction contracts regulated 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, these are based on agreed documents; most commonly applied is the AB 92, which is applicable to both small private construction agreements and major construction contracts, irrespective of the nationality of the contractor.

Contracts applied by the developer and the developer's technical adviser are typically based on the provisions of the ABR 89.

What should you be aware of when applying AB 92 and ABR 89?

The AB 92 and ABR 89 are a set of contract provisions decided on in 1989 and 1992 by the Danish construction industry. However, as for all standard agreements, it is always important to ensure that all aspects not regulated by the provisions are covered by the individual contract such as, the contents of the individual assignment.

What is the main content of AB 92?

Amongst other things, AB 92 contains provisions mainly about:

- The basis of the agreement
- The offer and acceptance
- 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
- Litigation

What is the main content of ABR 89?

Amongst other things, ABR 89 contains provisions mainly about:

- Requirements for the technical counselling agreement
- Remuneration
- Copyright

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- Deadlines
- Liability in case of breach or delay
- Postponement and suspension of duties
- Litigation

Litigation when adopting AB 92 or ABR 89

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

Is it a good idea to agree on a standard document?

AB 92 and ABR 89 govern the interests of both the contractor and the entrepreneur or the contractor and the technical adviser, respectively, and are up to date with the problems that might occur. It is therefore a good idea to agree on AB 92, ABR 89 or a similar agreed document. However, the 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 or ABR 89 and the special provisions add or remove provisions in the general provisions, so that the agreement fits the matter between the parties.

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