

# Giving contract parties breathing space

## WHO BENEFITS FROM THIS LAW

The Covid-19 (Temporary Measures) Act offers temporary relief from legal action, on a just and equitable basis, for six months after the Act commences.

It will cover obligations to be performed on or after Feb 1 this year which are affected by reason of Covid-19, for contracts entered into before March 25 this year.



## WHAT CONTRACTS ARE COVERED AND HOW

### COMMERCIAL & INDUSTRIAL PROPERTY LEASES

#### Tenants unable to pay rent

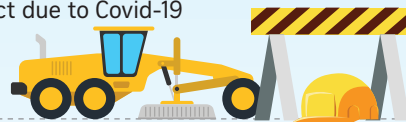
- Landlord cannot terminate your lease
- Suspension of rental payment for up to six months



### CONSTRUCTION & SUPPLY CONTRACTS

#### Contractor unable to meet deadline

- Deferral of contractual obligations
- No liability for non-performance of contract due to Covid-19



### EVENT & TOURISM-RELATED CONTRACTS

#### Event (for example, conference, wedding, tour) unable to proceed

- Deposit cannot be automatically forfeited
- Fair treatment of deposit, taking into account any expenses incurred by service provider



### HIRE-PURCHASE & CONDITIONAL SALES AGREEMENT

#### Hirer/buyer unable to pay instalment

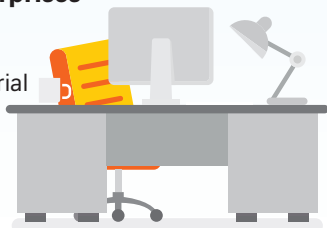
- Goods used for commercial purposes cannot be repossessed
- Court and insolvency proceedings disallowed



### CERTAIN SECURED LOAN FACILITIES

#### Small and medium-sized enterprises unable to repay secured loan

- No enforcement of security (that is, over commercial or industrial property, plant or machinery used for business) located in Singapore
- Court and insolvency proceedings disallowed



## WHAT DO I HAVE TO DO

A notification for relief is required. Details on the process to get relief and resolve disputes will be announced when the Act commences in end April 2020.

For more information, visit [www.mlaw.gov.sg/covid19-relief/faq](http://www.mlaw.gov.sg/covid19-relief/faq)

## HOW THE PROCESS WORKS

Individual or business sends a letter or notice of relief

### If contractual party accepts the notice...

- It cannot take legal or enforcement action against the individual or business.
- For event and tourism-related contracts: It cannot forfeit any deposits that were made.
- For construction and supply contracts: It must relieve a contractor from liability for non-performance.
- Non-compliance will be an offence.

### If parties dispute...

- The Ministry of Law appoints assessor to decide if inability to perform contractual obligations was due to Covid-19.
- Assessor to decide on a just and equitable outcome based on facts of each case.
- Process will take no more than five days, at no cost to either party.
- Assessor's decision is final; no appeals can be made.

At the end of the relief period, the individual or business must fulfil the original contractual obligations.