

Temporary relief

The laws will apply to five broad types of contracts, specifically in cases where non-fulfillment of contracts was due to Covid-19



LEASES OR LICENCES FOR NON-RESIDENTIAL PROPERTY

No termination of lease or licence due to non-payment of rent.

EXAMPLE

A restaurant's revenue falls due to lower footfall amid the outbreak. After meeting expenses such as wages, it cannot pay rent for February and March. The landlord issues a letter of demand.

If relief is given, it will be an offence for the landlord to terminate the restaurant's lease, repossess the premises, or take court or insolvency proceedings against it.



CONSTRUCTION OR SUPPLY CONTRACTS

Contractors are protected from actions such as court proceedings or a call on a performance bond. They will not be liable for liquidated damages, or delays or non-supply of goods.



EVENT CONTRACTS

Deposits for postponed events cannot be automatically forfeited.

EXAMPLE

A couple decide to postpone an earlier-booked wedding. The hotel says the deposit will be forfeited if the wedding is not held within three months.

The hotel may state its position to the assessor, who may make one of several determinations as to what the hotel has to do, including:

- ***Returning the deposit, in full or part, offsetting reasonably incurred expenses.***
- ***Holding the deposit, for instance if the wedding is postponed.***
- ***Forfeiting the deposit, in full or part, for instance if they cancel the booking and go to another hotel.***



TOURISM-RELATED CONTRACTS

No automatic forfeit of sums paid in relation to travel that cannot proceed. If there is a dispute, the assessor can decide if payments should be returned in full or part, considering legitimate expenses incurred.



CERTAIN SECURED LOAN FACILITIES GRANTED TO SMEs

SMEs are protected from actions such as repossession of real estate or of plant, machinery, and other equipment in Singapore used for business purposes.

EXAMPLE

A private-hire car driver bought his car on a hire-purchase loan last year. With fewer passengers, he cannot afford monthly instalments after meeting family expenses. The finance company sends a letter of demand.

If relief is given, it will be an offence for the finance company to repossess the car or take court or insolvency proceedings against the driver. Depending on circumstances, the assessor may make further determinations, such as having the driver pay one or more instalments.