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## **No. S 43**

### **CONSUMER PROTECTION (FAIR TRADING) ACT (CHAPTER 52A)**

#### **CONSUMER PROTECTION (FAIR TRADING) (CANCELLATION OF CONTRACTS) (AMENDMENT) REGULATIONS 2014**

In exercise of the powers conferred by sections 11, 18A and 20 of the Consumer Protection (Fair Trading) Act, the Minister for Trade and Industry hereby makes the following Regulations:

#### **Citation and commencement**

1. These Regulations may be cited as the Consumer Protection (Fair Trading) (Cancellation of Contracts) (Amendment) Regulations 2014 and shall come into operation on 1st April 2014.

#### **Amendment of regulation 2**

2. Regulation 2(1) of the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2009 (G.N. No. S 65/2009) (referred to in these Regulations as the principal Regulations) is amended —

(a) by inserting, immediately after the definition of “direct sales contract”, the following definition:

““extended cancellation period” means the period specified in regulation 4(1A);”;

(b) by inserting, immediately after the definition of “initial contact”, the following definition:

““long-term holiday product contract” means a contract between a supplier and a consumer —

(a) the main effect of which is that the consumer, for consideration, acquires the

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right to obtain discounts or other benefits in respect of accommodation; and

(b) which has a duration of more than one year, or contains provision allowing for the contract to be renewed or extended so that it has a duration of more than one year,

irrespective of whether the contract makes provision for the consumer to acquire other services;” and

(c) by inserting, immediately after the words “direct sales contract,” in the definition of “regulated contract”, the words “a long-term holiday product contract,”.

### **New regulations 3A and 3B**

3. The principal Regulations are amended by inserting, immediately after regulation 3, the following regulations:

#### **“Advance consideration**

**3A.** A supplier shall not (either in person or through another person) request or accept any consideration, from —

(a) a prospective consumer in contemplation of a long-term holiday product contract, a time share contract or a time share related contract; or

(b) a consumer under a long-term holiday product contract, a time share contract or a time share related contract before the expiration of the cancellation period.

#### **Product information notice**

**3B.—(1)** A supplier who proposes in the course of his business to enter into a time share contract or a long-term holiday product contract with a prospective consumer shall, prior to the entering of the contract, provide the prospective consumer, free-of-charge, with a product information notice relating to the time share accommodation or long-term holiday product, as the case may be, which complies with paragraph (2).

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(2) A product information notice shall in relation to the time share accommodation or long-term holiday product, as the case may be, set out the information referred to in the Third Schedule in a manner which is —

- (a) clear, comprehensible and accurate; and
- (b) sufficient to enable the prospective consumer to make an informed decision about whether or not to enter into the time share contract or long-term product contract, as the case may be.”.

#### **Amendment of regulation 4**

4. Regulation 4 of the principal Regulations is amended —

- (a) by deleting the word “or” at the end of paragraph (1)(a);
- (b) by deleting sub-paragraph (b) of paragraph (1) and substituting the following sub-paragraphs:

“(b) the day on which the consumer information notice is brought to the attention of the consumer, if the consumer information notice was not brought to the attention of the consumer before or at the time when the regulated contract was entered into; or

- (c) where the regulated contract is a long-term holiday product contract, and neither the information relating to the discounts or other benefits in respect of accommodation which the consumer will acquire under the contract, nor the technical means of accessing such information, was provided to the consumer before or at the time when the contract was entered into, the earlier of the following:

- (i) the day on which such information is provided to the consumer; or

- (ii) the day on which the technical means of accessing such information is provided to the consumer.”;

(c) by inserting, immediately after paragraph (1), the following paragraph:

“(1A) Where consideration is requested or accepted in contravention of regulation 3A, or a contract is entered into in contravention of regulation 3B, the cancellation period shall be extended by 3 months.”;

(d) by inserting, immediately after the words “cancellation period” in paragraph (2), the words “or, where applicable, the extended cancellation period”;

(e) by deleting paragraph (3) and substituting the following paragraph:

“(3) If the consumer affirms the regulated contract at any time after the expiry of 5 days (excluding Saturdays, Sundays and public holidays) after the day on which —

(a) the regulated contract was entered into; or

(b) the consumer information notice was brought to the attention of the consumer,

whichever is the later —

(i) these Regulations shall not prevent the contract from being enforced against the consumer; and

(ii) the consumer may not at any subsequent time give notice of cancellation under paragraph (2).”;

(f) by inserting, immediately after the words “cancellation period” wherever they appear in paragraph (4), the words “or extended cancellation period, as the case may be,”; and

(g) by deleting the words “paragraphs (1) and (2)” in paragraph (5) and substituting the words “paragraph (1), (1A) or (2), or regulation 3A or 3B,”.

### **Deletion and substitution of regulation 9**

5. Regulation 9 of the principal Regulations is deleted and the following regulation substituted therefor:

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**“Burden of proof**

9. In any proceedings taken in any court between the consumer and a supplier where a dispute arises as to whether —

- (a) the product information notice has been provided to the consumer in accordance with regulation 3B(1);
- (b) the product information notice complied with the requirements of regulation 3B(2);
- (c) the consumer information notice has been brought to the attention of the consumer in accordance with regulation 4(1)(b); or
- (d) the consumer information notice informed the consumer of his right to cancel the contract under these Regulations, and contained the information specified in the First Schedule, in accordance with regulation 4(6),

section 18A of the Act shall apply so that the supplier shall bear the burden of proving that the requirement referred to in paragraph (a), (b), (c) or (d), as the case may be, has been complied with.”

**Amendment of First Schedule**

6. The First Schedule to the principal Regulations is amended —

- (a) by deleting paragraph 1 of Part B and substituting the following paragraphs:

“1. The consumer has a right to cancel a regulated contract within 5 days (excluding Saturdays, Sundays and public holidays) after —

- (a) the day on which the consumer entered into the contract;
- (b) the day on which the consumer information notice was brought to his attention, if the consumer information notice was not brought to the attention of the consumer before or at the time he entered into the contract; or
- (c) where the regulated contract is a long-term holiday product contract, and neither the information relating to the discounts or other benefits in respect of accommodation which the consumer will acquire under the contract, nor the technical means of accessing such information (e.g.

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password), was provided to the consumer before or at the time he entered into the contract, the earlier of the following:

- (i) the day on which such information is provided to the consumer; or
- (ii) the day on which the technical means of accessing such information is provided to the consumer.

1A. The supplier must not request or accept payment of any sum or other consideration in contemplation of or under a long-term holiday product contract, a time share contract or a time share related contract from a consumer or prospective consumer before the expiration of the cancellation period referred to in paragraph 1.

1B. The supplier must, prior to entering into a time share contract or long-term holiday product contract with the consumer, provide the consumer with a product information notice containing the information listed in the Third Schedule to the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2009 (the Regulations). The supplier must ensure that the information contained in the product information notice is clear, comprehensible and accurate, and sufficient to enable the consumer to make an informed decision about whether or not to enter into the contract.

1C. If the supplier requests or accepts payment or other consideration in breach of the prohibition referred to in paragraph 1A, or enters into a contract in breach of the requirements referred to in paragraph 1B, the cancellation period of 5 days referred to in paragraph 1 will be extended by a further 3 months (the extended cancellation period).”;

(b) by deleting paragraphs 2 and 3 of Part B and substituting the following paragraphs:

“2. If the consumer affirms the regulated contract at any time after the expiry of 5 days (excluding Saturdays, Sundays and public holidays) after the later of the day on which the regulated contract was entered into and the day on which the consumer information notice was brought to the attention of the consumer, the consumer will lose his right to cancel the contract under the Regulations.

3. If, having cancelled the regulated contract, the consumer enters into a subsequent contract (on substantially the same terms as the cancelled contract) with the supplier at any time before the expiry of the cancellation period or, where applicable, the extended

cancellation period of the cancelled contract, the cancellation period for the subsequent contract will expire when the cancellation period or extended cancellation period (as the case may be) of the cancelled contract would have expired. If, however, the subsequent contract is itself a regulated contract, the consumer can also rely on the cancellation period or, where applicable, the extended cancellation period of the subsequent contract, if the cancellation period or extended cancellation period (as the case may be) of the subsequent contract expires later.”; and

- (c) by deleting “9(b)” in the Schedule reference and substituting “9(d)”.

### **New Third Schedule**

7. The principal Regulations are amended by inserting, immediately after the Second Schedule, the following Schedule:

#### “THIRD SCHEDULE

Regulation 3B(2)

#### ITEMS TO BE INCLUDED IN PRODUCT INFORMATION NOTICE FOR TIME SHARE CONTRACT OR LONG-TERM HOLIDAY PRODUCT CONTRACT

##### Part A

##### Time Share Contract

1. The identity, place of residence and legal status of the supplier(s) which will be party to the contract.
2. The exact nature of the right which is the subject of the contract and, if the accommodation concerned, or any of the accommodation in the pool of accommodation concerned, is situated in a territory outside Singapore —
  - (a) the conditions governing the exercise of that right within that territory; and
  - (b) whether those conditions have been fulfilled and, if they have not, what conditions remain to be fulfilled.
3. When the time share accommodation has been determined, an accurate description of that accommodation and its location.
4. Where the time share accommodation is under construction —
  - (a) the state of completion;
  - (b) a reasonable estimate of the deadline for completion of the time share accommodation;

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- (c) where it concerns specific time share accommodation, the number of the building permit and the name and full address of the competent authority or authorities;
  - (d) the state of completion of the services rendering the time share accommodation fully operational (gas, electricity, water and telephone connections); and
  - (e) where applicable, either or both of the following:
    - (i) a guarantee regarding completion of the time share accommodation and, where appropriate, the conditions governing the operation of that guarantee;
    - (ii) a guarantee regarding reimbursement of any payment made if the accommodation is not completed and, where appropriate, the conditions governing the operation of that guarantee.
5. The services (for example, lighting, water, maintenance and refuse collection) to which the consumer has or will have access and on what conditions.
6. The common facilities, such as swimming pool, sauna, etc., to which the consumer has or may have access, and where appropriate, on what conditions.
7. The principles on the basis of which the maintenance of and repairs to, and the administration and management of, the time share accommodation will be arranged.
8. The exact period within which the right which is the subject of the contract may be exercised and, if necessary, its duration; and the date on which the consumer may start to exercise that right.
9. The price to be paid by the consumer to acquire the right under the contract.
10. An estimate of the amount to be paid by the consumer for the use of common facilities and services, and the basis for the calculation of —
- (a) the amount of charges relating to occupation of the time share accommodation;
  - (b) the mandatory statutory charges (for example, taxes and fees); and
  - (c) the administrative overheads (for example, management, maintenance and repairs).
11. A statement that the acquisitions will not result in costs, charges or obligations other than those specified in the contract.

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12. Whether the consumer has a right to cancel, withdraw from or terminate the contract that is in addition to any right under the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2009.

13. Whether or not it is possible to join a scheme for the exchange or resale of the rights under the contract, and any costs involved should an exchange or resale scheme be organised by the supplier or by a third party designated by him in the contract.

14. Whether any promise for future repayment by the supplier to the consumer of the whole or part of amounts paid, with or without interest, is backed by an insurance bond or banker's guarantee, and if not, information on how such future repayments will be funded.

## Part B

### Long-Term Holiday Product Contract

1. The identity, place of residence and legal status of the supplier(s) which will be party to the contract.

2. Short description of the product.

3. The exact nature and content of the right which is the subject of the contract.

4. The exact period within which the right which is the subject of the contract may be exercised and, if necessary, its duration.

5. The date on which the consumer may start to exercise the right which is the subject of the contract.

6. The price to be paid by the consumer for acquiring the right, including any recurring costs the consumer can expect to incur resulting from acquiring the right to obtain access to the accommodation, travel and any related products or services as specified.

7. An outline of any additional obligatory costs imposed under the contract, the types of costs (for example, annual membership fees), and the amount of each type of costs.

8. A summary of the key services available to the consumer (for example, discounted hotel stays and flights).

9. Whether the costs of obtaining these key services are all included in the costs indicated in paragraphs 6 and 7, and if not, what is included and what has to be paid for (for example, the annual membership fee includes a 3-night stay, and all other accommodation must be paid for separately).

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10. Whether the consumer has a right to cancel, withdraw from or terminate the contract, that is in addition to any right under the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2009.

11. An appropriate and correct description of discounts available for future bookings, illustrated by a set of examples of recent offers.

12. Information on the restrictions on the consumer's ability to use the right which is the subject of the contract, such as limited availability of the key services or the provision of offers on a first-come-first-served basis, and time limits on particular promotions and special discounts.

13. Where appropriate, information on the arrangements for the termination of ancillary contracts and the consequences of such termination.

14. Conditions for terminating the contract, the consequences of termination, and information on any liability of the consumer for any costs which might result from such termination.

15. Indication of the language(s) available for communication with the supplier in relation to the contract, for instance in relation to the handling of queries and complaints.

16. Where applicable, the possibility for out-of-court dispute resolution.”.

### **Savings and transitional provisions**

**8.—**(1) These Regulations shall not apply to any regulated contract entered into before 1st April 2014.

(2) Regulation 3A of the principal Regulations as inserted by these Regulations shall not apply to any consideration requested or accepted before 1st April 2014 from a consumer or prospective consumer under or in contemplation of a long-term holiday product contract, a time share contract or a time share related contract.

(3) Where —

(a) a direct sales contract, time share contractor time share related contract is entered into before 1st April 2014; and

(b) a notice of cancellation of the contract is given on or after that date,

the principal Regulations in force immediately before that date shall continue to apply to any subsequent contract (referred to in regulation 4(4) of the principal Regulations) in relation to the

first-mentioned contract, that is entered into on or after that date, as if these Regulations had not been enacted.

(4) For the purposes of this regulation, a regulated contract that was entered into before 1st April 2014, and that is renewed on the same terms before the expiry of the contract, shall be treated as having been entered into before that date notwithstanding that the renewal may take place on or after that date.

*[G.N. No. S 157/2011]*

Made this 20th day of January 2014.

NG HOW YUE  
*Second Permanent Secretary,  
Ministry of Trade and Industry,  
Singapore.*

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