



**THE STATUTES OF THE REPUBLIC OF SINGAPORE**

**SUPPLY OF GOODS ACT**

**(CHAPTER 394)**

**(Original Enactment: U.K. 1982, c. 29)**

**REVISED EDITION 1999**

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# Supply of Goods Act

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An Act to amend the law with respect to the terms to be implied in certain contracts for the transfer of the property in goods and in certain contracts for the hire of goods and for connected purposes.

[12th November 1993\*]

## PART I

### *Contracts for Transfer of Property in Goods*

#### **The contracts concerned**

1.—(1) In this Act, “contract for the transfer of goods” means a contract under which one person transfers or agrees to transfer to another the property in goods, other than an excepted contract.

(2) For the purposes of this section, an excepted contract means any of the following:

- (a) a contract of sale of goods;
- (b) a hire-purchase agreement;
- (c) a transfer or agreement to transfer which is made by deed and for which there is no consideration other than the presumed consideration imported by the deed; or
- (d) a contract intended to operate by way of mortgage, pledge, charge or other security.

(3) For the purposes of this Act, a contract is a contract for the transfer of goods whether or not services are also provided or to be provided under the contract, and, subject to subsection (2), whatever is the nature of the consideration for the transfer or agreement to transfer.

#### **Implied terms about title, etc.**

2.—(1) In a contract for the transfer of goods, other than one to which subsection (3) applies, there is an implied condition on the part of the transferor that in the case of a transfer of the property in the goods he has a right to transfer the property and in the case of an

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\* Date when this Act was made applicable by the Application of English Law Act (Cap. 7A).

agreement to transfer the property in the goods he will have such a right at the time when the property is to be transferred.

(2) In a contract for the transfer of goods, other than one to which subsection (3) applies, there is also an implied warranty that —

- (a) the goods are free, and will remain free until the time when the property is to be transferred, from any charge or encumbrance not disclosed or known to the transferee before the contract is made; and
- (b) the transferee will enjoy quiet possession of the goods except so far as it may be disturbed by the owner or other person entitled to the benefit of any charge or encumbrance so disclosed or known.

(3) This subsection applies to a contract for the transfer of goods in the case of which there appears from the contract or is to be inferred from its circumstances an intention that the transferor should transfer only such title as he or a third person may have.

(4) In a contract to which subsection (3) applies, there is an implied warranty that all charges or encumbrances known to the transferor and not known to the transferee have been disclosed to the transferee before the contract is made.

(5) In a contract to which subsection (3) applies, there is also an implied warranty that none of the following will disturb the transferee's quiet possession of the goods, namely —

- (a) the transferor;
- (b) in a case where the parties to the contract intend that the transferor should transfer only such title as a third person may have, that person;
- (c) anyone claiming through or under the transferor or that third person otherwise than under a charge or encumbrance disclosed or known to the transferee before the contract is made.

**Implied terms where transfer is by description**

3.—(1) This section applies where, under a contract for the transfer of goods, the transferor transfers or agrees to transfer the property in the goods by description.

(2) In such case there is an implied condition that the goods will correspond with the description.

(3) If the transferor transfers or agrees to transfer the property in the goods by sample as well as by description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.

(4) A contract is not prevented from falling within subsection (1) by reason only that, being exposed for supply, the goods are selected by the transferee.

**Implied terms about quality or fitness**

4.—(1) Except as provided by this section and section 5 and subject to the provisions of any other enactment, there is no implied condition or warranty about the quality or fitness for any particular purpose of goods supplied under a contract for the transfer of goods.

(2) Where, under such a contract, the transferor transfers the property in goods in the course of a business, there is an implied condition that the goods supplied under the contract are of satisfactory quality.

[44/96]

(2A) For the purposes of this section and section 5, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the price (if relevant) and all the other relevant circumstances.

[44/96]

(3) The condition implied by subsection (2) does not extend to any matter making the quality of goods unsatisfactory —

- (a) which is specifically drawn to the transferee's attention before the contract is made;

- (b) where the transferee examines the goods before the contract is made, which that examination ought to reveal; or
- (c) where the property in the goods is transferred by reference to a sample, which would have been apparent on a reasonable examination of the sample.

[44/96]

(4) Subsection (5) applies where, under a contract for the transfer of goods, the transferor transfers the property in goods in the course of a business and the transferee, expressly or by implication, makes known —

- (a) to the transferor; or
- (b) where the consideration or part of the consideration for the transfer is a sum payable by instalments and the goods were previously sold by a credit-broker to the transferor, to that credit-broker,

any particular purpose for which the goods are being acquired.

(5) In that case there is, subject to subsection (6), an implied condition that the goods supplied under the contract are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied.

(6) Subsection (5) does not apply where the circumstances show that the transferee does not rely, or that it is unreasonable for him to rely, on the skill or judgment of the transferor or credit-broker.

(7) An implied condition or warranty about quality or fitness for a particular purpose may be annexed by usage to a contract for the transfer of goods.

(8) The preceding provisions of this section apply to a transfer by a person who in the course of a business is acting as agent for another as they apply to a transfer by a principal in the course of a business, except where that other is not transferring in the course of a business and either the transferee knows that fact or reasonable steps are taken to bring it to the transferee's notice before the contract concerned is made.

(9) [*Deleted by Act 44/96*]

### **Implied terms where transfer is by sample**

**5.**—(1) This section applies where, under a contract for the transfer of goods, the transferor transfers or agrees to transfer the property in the goods by reference to a sample.

(2) In such a case, there is an implied condition —

- (a) that the bulk will correspond with the sample in quality;
- (b) that the transferee will have a reasonable opportunity of comparing the bulk with the sample; and
- (c) that the goods will be free from any defect, making their quality unsatisfactory, which would not be apparent on reasonable examination of the sample.

[44/96]

(3) [*Deleted by Act 44/96*]

(4) For the purposes of this section, a transferor transfers or agrees to transfer the property in goods by reference to a sample where there is an express or implied term to that effect in the contract concerned.

### **Modification of remedies for breach of statutory condition in non-consumer contracts for transfer of goods**

**5A.**—(1) Where in the case of a contract for the transfer of goods —

- (a) the transferee would, apart from this subsection, have the right to treat the contract as repudiated by reason of a breach on the part of the transferor of a condition implied by section 3, 4 or 5(2)(a) or (c); but
- (b) the breach is so slight that it would be unreasonable for the transferee to do so,

then, if the transferee does not deal as consumer, the breach is not to be treated as a breach of condition but may be treated as a breach of warranty.

[44/96]

(2) This section applies unless a contrary intention appears in, or is to be implied from, the contract.

[44/96]

(3) It is for the transferor to show that a breach fell within subsection (1)(b).

[44/96]

### *Contracts for hire of goods*

#### **The contracts concerned**

6.—(1) In this Act, “contract for the hire of goods” means a contract under which one person bails or agrees to bail goods to another by way of hire, other than a hire-purchase agreement.

(2) For the purposes of this Act, a contract is a contract for the hire of goods whether or not services are also provided or to be provided under the contract, and whatever is the nature of the consideration for the bailment or agreement to bail by way of hire.

#### **Implied terms about right to transfer possession, etc.**

7.—(1) In a contract for the hire of goods, there is an implied condition on the part of the bailor that in the case of a bailment he has a right to transfer possession of the goods by way of hire for the period of the bailment and in the case of an agreement to bail he will have such a right at the time of the bailment.

(2) In a contract for the hire of goods, there is also an implied warranty that the bailee will enjoy quiet possession of the goods for the period of the bailment except so far as the possession may be disturbed by the owner or other person entitled to the benefit of any charge or encumbrance disclosed or known to the bailee before the contract is made.

(3) This section does not affect the right of the bailor to repossess the goods under an express or implied term of the contract.

#### **Implied terms where hire is by description**

8.—(1) This section applies where, under a contract for the hire of goods, the bailor bails or agrees to bail the goods by description.

(2) In such a case, there is an implied condition that the goods will correspond with the description.

(3) If under the contract the bailor bails or agrees to bail the goods by reference to a sample as well as a description, it is not sufficient that the bulk of the goods corresponds with the sample if the goods do not also correspond with the description.

(4) A contract is not prevented from falling within subsection (1) by reason only that, being exposed for supply, the goods are selected by the bailee.

### **Implied terms about quality or fitness**

**9.**—(1) Except as provided by this section and section 10 and subject to the provisions of any other enactment, there is no implied condition or warranty about the quality or fitness for any particular purpose of goods bailed under a contract for the hire of goods.

(2) Where, under such a contract, the bailor bails goods in the course of a business, there is an implied condition that the goods supplied under the contract are of satisfactory quality.

[44/96]

(2A) For the purposes of this section and section 10, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the consideration for the bailment (if relevant) and all the other relevant circumstances.

[44/96]

(3) The condition implied by subsection (2) does not extend to any matter making the quality of goods unsatisfactory —

- (a) which is specifically drawn to the bailee's attention before the contract is made;
- (b) where the bailee examines the goods before the contract is made, which that examination ought to reveal; or
- (c) where the goods are bailed by reference to a sample, which would have been apparent on a reasonable examination of the sample.

[44/96]

(4) Subsection (5) applies where, under a contract for the hire of goods, the bailor bails goods in the course of a business and the bailee, expressly or by implication, makes known —

- (a) to the bailor in the course of negotiations conducted by him in relation to the making of the contract; or
- (b) to a credit-broker in the course of negotiations conducted by that broker in relation to goods sold by him to the bailor before forming the subject-matter of the contract,

any particular purpose for which the goods are being bailed.

(5) In that case there is, subject to subsection (6), an implied condition that the goods supplied under the contract are reasonably fit for that purpose, whether or not that is a purpose for which such goods are commonly supplied.

(6) Subsection (5) does not apply where the circumstances show that the bailee does not rely, or that it is unreasonable for him to rely, on the skill or judgment of the bailor or credit-broker.

(7) An implied condition or warranty about quality or fitness for a particular purpose may be annexed by usage to a contract for the hire of goods.

(8) The preceding provisions of this section apply to a bailment by a person who in the course of a business is acting as agent for another as they apply to a bailment by a principal in the course of a business, except where that other is not bailing in the course of a business and either the bailee knows that fact or reasonable steps are taken to bring it to the bailee's notice before the contract concerned is made.

(9) [*Deleted by Act 44/96*]

### **Implied terms where hire is by sample**

**10.**—(1) This section applies where, under a contract for the hire of goods, the bailor bails or agrees to bail the goods by reference to a sample.

- (2) In such a case, there is an implied condition —
  - (a) that the bulk will correspond with the sample in quality;
  - (b) that the bailee will have a reasonable opportunity of comparing the bulk with the sample; and

- (c) that the goods will be free from any defect, making their quality unsatisfactory, which would not be apparent on reasonable examination of the sample.

(3) [*Deleted by Act 44/96*]

(4) For the purposes of this section, a bailor bails or agrees to bail goods by reference to a sample where there is an express or implied term to that effect in the contract concerned.

### **Modification of remedies for breach of statutory condition in non-consumer contracts for hire of goods**

**10A.**—(1) Where in the case of a contract for the hire of goods —

- (a) the bailee would, apart from this subsection, have the right to treat the contract as repudiated by reason of a breach on the part of the bailor of a condition implied by section 8, 9 or 10(2)(a) or (c); but
- (b) the breach is so slight that it would be unreasonable for the bailee to do so,

then, if the bailee does not deal as consumer, the breach is not to be treated as a breach of condition but may be treated as a breach of warranty.

[44/96]

(2) This section applies unless a contrary intention appears in, or is to be implied from, the contract.

[44/96]

(3) It is for the bailor to show that a breach fell within subsection (1)(b).

[44/96]

### *Exclusion of implied terms, etc.*

### **Exclusion of implied terms, etc.**

**11.**—(1) Where a right, duty or liability would arise under a contract for the transfer of goods or a contract for the hire of goods by implication of law, it may (subject to subsection (2) and the Unfair Contract Terms Act) (Cap. 396) be negated or varied by express

agreement, or by the course of dealing between the parties, or by such usage as binds both parties to the contract.

(2) An express condition or warranty does not negative a condition or warranty implied by the preceding provisions of this Act unless inconsistent with it.

(3) Nothing in the preceding provisions of this Act prejudices the operation of any other enactment or any rule of law whereby any condition or warranty (other than one relating to quality or fitness) is to be implied in a contract for the transfer of goods or a contract for the hire of goods.

## PART II

*(Sections 12 to 16 relating to supply of services not applicable)*

## PART III

17. *[This section, which makes minor and consequential amendments, is omitted.]*

### **Interpretation**

18.—(1) In this Act —

“bailee”, in relation to a contract for the hire of goods, means (depending on the context) a person to whom the goods are bailed under the contract, or a person to whom they are to be so bailed, or a person to whom the rights under the contract of either of those persons have passed;

“bailor”, in relation to a contract for the hire of goods, means (depending on the context) a person who bails the goods under the contract, or a person who agrees to do so, or a person to whom the duties under the contract of either of those persons have passed;

“business” includes a profession and the activities of any Government department or local or public authority;

“credit-broker” means a person acting in the course of a business of credit brokerage carried on by him;

“credit brokerage” means the effecting of introductions —

- (a) of individuals desiring to obtain credit to persons carrying on any business so far as it relates to the provision of credit;
- (b) of individuals desiring to obtain goods on hire to persons carrying on a business which comprises or relates to the bailment of goods under a contract for the hire of goods; or
- (c) of individuals desiring to obtain credit, or to obtain goods on hire, to other credit-brokers;

“enactment” means any legislation (including subsidiary legislation) of Singapore;

“goods” includes all personal chattels (including emblements, industrial growing crops, and things attached to or forming part of the land which are agreed to be severed before the transfer or bailment concerned or under the contract concerned) other than things in action and money;

“hire-purchase agreement” has the same meaning as in the Hire-Purchase Act (Cap. 125);

“property”, in relation to goods, means the general property in them and not merely a special property;

“transferee”, in relation to a contract for the transfer of goods, means (depending on the context) a person to whom the property in the goods is transferred under the contract, or a person to whom the property is to be so transferred, or a person to whom the rights under the contract of either of those persons have passed;

“transferor”, in relation to a contract for the transfer of goods, means (depending on the context) a person who transfers the property in the goods under the contract, or a person who

agrees to do so, or a person to whom the duties under the contract of either of those persons have passed.

[44/96]

(2) In subsection (1), in the definitions of “bailee”, “bailor”, “transferee” and “transferor”, a reference to rights or duties passing is to their passing by assignment, operation of law or otherwise.

(3) For the purposes of this Act, the quality of goods includes their state and condition and the following (among others) are in appropriate cases aspects of the quality of goods:

- (a) fitness for all the purposes for which goods of the kind in question are commonly supplied;
- (b) appearance and finish;
- (c) freedom from minor defects;
- (d) safety; and
- (e) durability.

[44/96]

(4) References in this Act to dealing as consumer are to be construed in accordance with Part I of the Unfair Contract Terms Act (Cap. 396).

[44/96]

(5) For the purposes of this Act, it is for the transferor or bailor claiming that the transferee or bailee does not deal as consumer to show that he does not.

[44/96]

### **Short title and transitional**

**19.—**(1) This Act may be cited as the Supply of Goods Act.

(2) Nothing in this Act applies in relation to a contract made before 12th November 1993 except in so far as it was applicable by virtue of section 5 of the Civil Law Act (Cap. 43) in force before that date.

LEGISLATIVE HISTORY  
SUPPLY OF GOODS ACT  
(CHAPTER 394)

This Legislative History is provided for the convenience of users of the Supply of Goods Act. It is not part of the Act.

**1. U.K. 1982, c. 29 — Supply of Goods and Services Act 1982**

Dates of First, Second and Third Readings : Dates not available

Date of commencement : 12 November 1993

**2. 1994 Revised Edition — Supply of Goods Act**

Date of operation : 20 May 1994

**3. Act 44 of 1996 — Supply of Goods (Amendment) Act 1996**

Date of First Reading : 28 October 1996  
(Bill No. 34/96 published on  
29 October 1996)

Date of Second and Third Readings : 7 November 1996

Date of commencement : 1 January 1997

**4. 1999 Revised Edition — Supply of Goods Act**

Date of operation : 1 August 1999