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COVID-19 (TEMPORARY MEASURES) ACT 2020 (ACT 14 OF 2020)

COVID-19 (TEMPORARY MEASURES) (TEMPORARY RELIEF FOR INABILITY TO PERFORM CONTRACTS) (AMENDMENT NO. 2) REGULATIONS 2020

In exercise of the powers conferred by section 19 of the COVID-19 (Temporary Measures) Act 2020, the Minister for Law makes the following Regulations:

Citation and commencement

1. These Regulations are the COVID-19 (Temporary Measures) (Temporary Relief for Inability to Perform Contracts) (Amendment No. 2) Regulations 2020 and come into operation on 31 July 2020.

New regulations 3B to 3E

2. The COVID-19 (Temporary Measures) (Temporary Relief for Inability to Perform Contracts) Regulations 2020 (G.N. No. S 303/2020) are amended by inserting, immediately after regulation 3A, the following regulations:

“Prescribed contracts for section 7A of Act

3B.—(1) The following descriptions of scheduled contracts are prescribed for the purposes of section 7A(1)(a) of the Act:

- (a) a hire-purchase agreement or conditional sale agreement as defined under the Hire-Purchase Act (Cap. 125), where the good hired or conditionally sold under the agreement is —
 - (i) any plant, machinery or fixed asset located in Singapore, where such plant, machinery or fixed asset is used for manufacturing, production or other business purposes; or

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- (ii) a commercial vehicle,
but does not include an agreement that is entered into with a bank licensed under the Banking Act (Cap. 19) or a finance company licensed under the Finance Companies Act (Cap. 108);
- (b) a lease of —
- (i) any plant, machinery or fixed asset located in Singapore, where such plant, machinery or fixed asset is used for manufacturing, production or other business purposes; or
- (ii) a commercial vehicle, except —
- (A) a private hire car as described in the Second Schedule to the Road Traffic Act (Cap. 276); and
- (B) a taxi as described in the Second Schedule to the Road Traffic Act;
- (c) an event contract;
- (d) a tourism-related contract;
- (e) a construction contract or supply contract;
- (f) an agreement between a housing developer and a purchaser for the sale and purchase of a unit of housing accommodation.

(2) In paragraph (1), “commercial vehicle”, “housing accommodation”, “housing developer” and “unit” have the meanings given by paragraph 2 of the Schedule to the Act.

Prescribed rate for section 7A(2) of Act

3C.—(1) For the purposes of section 7A(2) of the Act, the total sum of the interest and other charges (however described) must not exceed the amount equal to 5% per annum on the outstanding sum that is due and payable under the contract.

(2) For the purposes of paragraph (1), the outstanding sum mentioned in that paragraph does not include any late payment interest, or late payment charges, added to the outstanding sum on or after 1 February 2020.

Prescribed condition for section 7B(2)(b) of Act

3D. For the purposes of section 7B(2)(b) of the Act, the prescribed condition is that the lessee or licensee could not, by taking reasonable steps, have avoided the subject inability.

Prescribed amount for section 7B(2) of Act

3E.—(1) For any period the subject inability subsists that falls between 7 April 2020 and 18 June 2020 (both dates inclusive) (called in this paragraph the relevant period), the prescribed amount for the purposes of section 7B(2) of the Act is as follows:

- (a) in respect of any period in the relevant period, where the lessee or licensee carried on its business, undertaking or work at the property (called in this paragraph the operating period) — the lower of the following:
 - (i) the amount payable by the lessee or licensee under the lease or licence for the subject inability for the operating period;
 - (ii) at the option of the lessor or licensor, either —
 - (A) the rent payable by the lessee or licensee for the operating period, as if the lease or licence were in force during that period based on the last rent payable; or
 - (B) the market rent of the property for the operating period;
- (b) in respect of any other period in the relevant period — an amount equal to the total amount of service charge, maintenance charge and public utility charge payable under the lease or licence for that other period, as if

the lease or licence were in force during that other period.

(2) For any period the subject inability subsists that does not fall between 7 April 2020 and 18 June 2020 (both dates inclusive) (called in this paragraph the relevant period), the prescribed amount for the purposes of section 7B(2) of the Act is as follows:

- (a) in respect of any period in the relevant period, where the lessee or licensee carried on its business, undertaking or work at the property (called in this paragraph the operating period) — the lower of the following:
 - (i) the amount payable by the lessee or licensee under the lease or licence for the subject inability for the operating period;
 - (ii) at the option of the lessor or licensor, either —
 - (A) the rent payable by the lessee or licensee for the operating period, as if the lease or licence were in force during that period based on the last rent payable; or
 - (B) the market rent of the property for the operating period;
- (b) in respect of any other period in the relevant period — the lower of the following:
 - (i) the amount payable by the lessee or licensee under the lease or licence for the subject inability for that other period;
 - (ii) at the option of the lessor or licensor, either —
 - (A) 50% of the rent payable by the lessor or licensee for that other period, as if the lease or licence were in force during that other period based on the last rent payable; or

(B) 50% of the market rent of the property for that other period.

(3) For the purposes of paragraphs (1)(a) and (2)(a), the carrying on of any business, undertaking or work by the lessee or licensee at the property does not include the carrying on of any activity by the lessee, licensee, or any other person, for the purpose of maintaining the property —

(a) in a clean and sanitary condition; or

(b) in a state of good repair.

(4) In this regulation —

“rent” means the total amount payable by a lessee or licensee for the lease or licence of the property, including any service charge, maintenance charge and public utility charge;

“subject inability” means the subject inability mentioned in section 7B(1)(b) of the Act.”.

[G.N. No. S 377/2020]

Made on 30 July 2020.

LOH KHUM YEAN
*Permanent Secretary,
Ministry of Law,
Singapore.*

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