

HOUSING AND DEVELOPMENT ACT  
(CHAPTER 129, SECTION 65K)

HOUSING AND DEVELOPMENT (INTEREST AND PENALTIES  
FOR LATE PAYMENT OF IMPROVEMENT CONTRIBUTIONS)  
RULES

ARRANGEMENT OF RULES

Rule

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[15th October 2005]

**Citation**

1. These Rules may be cited as the Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules.

**Definitions**

2. In these Rules, unless the context otherwise requires —

“3-month compounded SORA”, in relation to a period, means —

- (a) if the period or a part of the period falls within the 6-month period beginning on 1 April of a calendar year, then, in relation to the period or the part (as the case may be) — the compounded average of the SORA values for the 3-month period immediately

before 1 March of the same calendar year, as determined and published by the Monetary Authority of Singapore on its website at <http://www.mas.gov.sg> or (where the website is unavailable to the public) in one or more other forms that are readily accessible by the public; or

- (b) if the period or a part of the period falls within the 6-month period beginning on 1 October of a calendar year, then, in relation to the period or the part (as the case may be) — the compounded average of the SORA values for the 3-month period immediately before 1 September of the same calendar year, as determined and published by the Monetary Authority of Singapore on its website at <http://www.mas.gov.sg> or (where the website is unavailable to the public) in one or more other forms that are readily accessible by the public;

*[S 701/2023 wef 01/11/2023]*

“grace period”, in relation to any improvement contribution or instalment in arrears, means the period —

- (a) starting on the date the improvement contribution or the instalment (as the case may be) first falls in arrears; and
- (b) ending on the last day of the month in which that date falls;

“HDB concessionary interest rate” means the interest rate of 0.1% per annum above the rate of interest declared from time to time under section 6(4) of the Central Provident Fund Act (Cap. 36) for the amount standing to the credit of a member of the Fund in his ordinary account;

“HDB market interest rate” means the interest rate (other than the HDB concessionary interest rate) applicable from time to time to mortgages granted by the Board before 1st January 2003 to its lessees to purchase a flat under Part IV of the Act;

“instalment” means any amount payable by a lessee or owner to the Board at monthly intervals under an instalment plan;

“instalment plan” means any agreement between the Board and a lessee or owner for the payment of any improvement contribution due from the lessee or owner in such monthly instalments and at such times as are specified in the instalment plan;

“lessee or owner” means the person who is the owner of the flat at the time the improvement contribution is determined by the Board under section 65D(3) of the Act and includes an equitable owner, an administrator and executor of a deceased owner, a person who has purchased a leasehold interest in the flat and a purchaser under an agreement for a lease;

“member of the Fund” and “ordinary account” have the same meanings as in section 2(1) of the Central Provident Fund Act;

*[S 701/2023 wef 01/11/2023]*

“Singapore Overnight Rate Average” or “SORA” means the volume-weighted average rate of borrowing transactions in the unsecured overnight interbank Singapore dollar cash market in Singapore between 8 a.m. and 6.15 p.m., as determined and published by the Monetary Authority of Singapore on its website at <http://www.mas.gov.sg> or (where the website is unavailable to the public) in one or more other forms that are readily accessible by the public.

*[S 701/2023 wef 01/11/2023]*

### **Calculation of penalties for improvement contribution or instalment in arrears**

3.—(1) No penalty under this rule shall be payable by a lessee or owner during the grace period in respect of any improvement contribution or instalment, or any part thereof, due from the lessee or owner and in arrears.

(2) Subject to paragraph (1), any lessee or owner who fails to pay to the Board any improvement contribution or instalment due from him shall be liable to pay to the Board, in respect of the improvement

contribution or instalment or any part thereof in arrears, a penalty specified in paragraph (3) for the period in which the improvement contribution or instalment or part thereof is in arrears.

*[S 701/2023 wef 01/11/2023]*

(3) The penalty mentioned in paragraph (2) is a sum that is calculated at a rate of 4.5%-point above the 3-month compounded SORA for the period in which the improvement contribution or instalment or part thereof is in arrears.

*[S 701/2023 wef 01/11/2023]*

### **Interest on late payment**

4.—(1) No interest under this rule shall be payable by a lessee or owner during the grace period in respect of any improvement contribution, or any part thereof, due from him and in arrears.

(2) Subject to paragraph (1), where any improvement contribution or part thereof is in arrears, the Board shall be entitled to impose interest on the lessee or owner for late payment of the amount in arrears, at the following rates:

- (a) where he is the lessee or owner of a flat that is not a commercial property —
  - (i) if he is a citizen of Singapore, the prevailing HDB concessionary interest rate on the first day of each month the improvement contribution or part thereof is in arrears; or
  - (ii) in any other case, the prevailing HDB market interest rate on the first day of each month the improvement contribution or part thereof is in arrears; or
- (b) where he is the lessee or owner of a commercial property (irrespective of citizenship), 4.5%-point above the 3-month compounded SORA for the period in which the improvement contribution or part thereof is in arrears.

*[S 701/2023 wef 01/11/2023]*

(3) Such interest shall —

- (a) be payable from the first day of the first month immediately following any grace period for that improvement contribution or part thereof until all of the improvement contribution is paid to the Board; and
- (b) be calculated on the first day of each month on the improvement contribution or part thereof from time to time outstanding (together with interest) at the end of the immediately preceding month.

(4) The prevailing HDB concessionary interest rate and the HDB market interest rate shall be published on the Internet website of the Board.

#### **Deferred payment of improvement contributions, etc.**

5.—(1) A lessee or owner may, with the prior written consent of the Board, defer payment to the Board of the whole or any part of his improvement contribution or an instalment, which is in arrears, for such period as may be specified by the Board.

(2) Notwithstanding any deferment granted by the Board under this rule to the owner or lessee to pay the whole or any part of his improvement contribution which is in arrears, the interest under rule 4 shall remain payable in respect of the improvement contribution or part thereof in arrears.

(3) Notwithstanding anything in rule 3, where the Board has granted any deferment under this rule to the owner or lessee to pay the whole or any part of his improvement contribution or an instalment which is in arrears, no penalty shall be payable by him in respect of the improvement contribution or instalment, or part thereof, during the period of the deferment.

(4) If payment of only part of any improvement contribution or instalment is deferred under this rule, the rest of the improvement contribution or instalment (as the case may be) shall still be due on the date on which the whole of the improvement contribution or instalment would otherwise be due, and rules 3 and 4 shall apply

as if the rest of the improvement contribution or instalment were the whole improvement contribution or instalment.

### **Recovery of other moneys**

6. Nothing in these Rules shall prejudice any right of action or other remedy of the Board for the recovery of other moneys due to the Board, including any interest for late or deferred payment or any liquidated damages or in respect of any antecedent breach by the lessee or owner under any agreement.

### **Application of payments**

7. The Board may, in its discretion, apply any moneys paid by the lessee or owner firstly towards the payment of any penalty or interest payable under these Rules and subsequently apply any balance thereof towards payment of any amount of outstanding improvement contribution or any instalment.

### **Remission**

8. The Board may, in its discretion, remit wholly or in part any penalty or interest payable under these Rules.

### **Savings**

9. All acts done and all penalties and interest imposed before 15th October 2005 under the revoked Housing and Development (Interest and Penalties for Late Payment of Improvement Contribution) Rules (R 8, 1996 Ed.) shall continue to have effect and be deemed to have been done and imposed under these Rules.

*[G.N. Nos. S 660/2005; S726/2007; S 214/2008]*

LEGISLATIVE HISTORY  
HOUSING AND DEVELOPMENT (INTEREST AND PENALTIES  
FOR LATE PAYMENT OF IMPROVEMENT CONTRIBUTIONS)  
RULES  
(CHAPTER 129, R 8)

This Legislative History is provided for the convenience of users of the Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules. It is not part of these Rules.

**1. G. N. No. S 194/1995 — Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules 1995**

Date of commencement : 1 May 1995

**2. 1996 Revised Edition — Housing and Development (Interest and Penalties for Late Payment of Improvement Contribution) Rules**

Date of operation : 1 May 1995

**3. G. N. No. S 2/2001 — Housing and Development (Interest and Penalties for Late Payment of Improvement Contribution) (Amendment) Rules 2001**

Date of commencement : 4 January 2001

**4. G. N. No. S 660/2005 — Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules 2005**

Date of commencement : 15 October 2005

**5. G. N. No. S 726/2007 — Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) (Amendment) Rules 2007**

Date of commencement : 1 January 2008

**6. G. N. No. S 214/2008 — Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) (Amendment) Rules 2008**

Date of commencement : 1 May 2008

**7. 2010 Revised Edition — Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules**

Date of operation : 31 May 2010

**8. 1996 Revised Edition — Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules 1996**

Date of operation : 31 December 9999

**9. G.N. No. S 701/2023 — Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) (Amendment) Rules 2023**

Date of commencement : 1 November 2023