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**No. S 773**

**TOWN COUNCILS ACT  
(CHAPTER 329A)**

**TOWN COUNCILS (PENALTIES AND INTEREST FOR LATE  
PAYMENT OF IMPROVEMENT CONTRIBUTIONS)  
RULES 2005**

**ARRANGEMENT OF RULES**

**Rule**

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In exercise of the powers conferred by section 24I(1)(d) of the Town Councils Act, the Minister for National Development hereby makes the following Rules:

**Citation and commencement**

1. These Rules may be cited as the Town Councils (Penalties and Interest for Late Payment of Improvement Contributions) Rules 2005 and shall come into operation on 5th December 2005.

**Definitions**

2. In these Rules, unless the context otherwise requires —
- “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% point per annum above the rate of interest declared from time to time under section 6 of the Central Provident Fund Act (Cap. 36);

“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 Housing and Development Act (Cap. 129);

“instalment” means such amount payable by a lessee or owner to a Town Council at such monthly intervals as are specified in an instalment plan;

“instalment plan” means any agreement between a lessee or owner and a Town Council for the payment by the lessee or owner of his improvement contributions by instalments;

“lessee or owner” means the person who is the owner of the flat at the time the improvement contribution is determined by the Town Council under section 24D(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.

### **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 him and in arrears.

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(2) Subject to paragraphs (1) and (4), where any improvement contribution or part thereof is in arrears, there shall be imposed the following penalties:

- (a) in respect of the amount of improvement contribution or part thereof outstanding on the first day of the first month immediately following any grace period —
  - (i) the penalty specified in the second column of the Schedule opposite the range in the first column thereof within which falls that amount so outstanding; plus
  - (ii) \$2; and
- (b) in respect of the amount of improvement contribution or part thereof that continues to be outstanding on the first day in the next or any subsequent month — the penalty specified in the second column of the Schedule opposite the range in the first column thereof within which falls the amount that is from time to time so outstanding on the first day of each such month.

(3) Subject to paragraphs (1) and (5), where an instalment or part thereof is in arrears, there shall be imposed the following penalties:

- (a) in respect of the amount of instalment or part thereof outstanding on the first day of the first month immediately following any grace period —
  - (i) the penalty specified in the second column of the Schedule opposite the range in the first column thereof within which falls that amount so outstanding; plus
  - (ii) \$2; and
- (b) in respect of the amount of instalment or part thereof that continues to be outstanding on the first day in the next or any subsequent month — the penalty specified in the second column of the Schedule opposite the range in the first column thereof within which falls the amount of the instalment or part thereof, together with such other instalments or parts thereof,

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that are from time to time outstanding on the first day of each such month.

(4) The amount of \$2 referred to in paragraph (2)(a)(ii) shall be payable only once in respect of an improvement contribution or any part thereof that is in arrears even though it continues to be in arrears during the period referred to in paragraph (2)(b).

(5) The amount of \$2 referred to in paragraph (3)(a)(ii) shall be payable only once in respect of any instalment plan, regardless of any other instalments in that plan falling in arrears unless the instalments in arrears are not consecutive.

(6) The amount of penalty accrued under paragraph (2) or (3) shall not be added to and shall not be regarded as part of any improvement contribution or instalment outstanding for the purposes of calculating a future penalty.

### **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 Town Council concerned shall be entitled to impose interest on the lessee or owner for late payment of any improvement contribution at the following rates:

(a) where the lessee or owner 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

(b) 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.

(3) Such interest shall —

(a) be payable from the first day of the first month immediately following any grace period for that improvement contribution until all of the improvement contribution is paid to the Town Council concerned; 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 each preceding month.

(4) The prevailing HDB concessionary interest rate or prevailing HDB market interest rate at any particular time shall be the HDB concessionary interest rate or HDB market interest rate, as the case may be, specified by the Board at its Internet website in respect of that particular time.

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

5.—(1) A lessee or owner may, with the prior written consent of the Town Council concerned, defer payment to the Town Council 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 Town Council.

(2) Notwithstanding the granting by a Town Council under this rule of any deferment to pay to it the whole or any part of any 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 a Town Council has under this rule granted any deferment to pay to it the whole or any part of any improvement contribution or an instalment which is in arrears, no penalty shall be payable by a lessee or owner 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 an 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 a Town Council for the recovery of other moneys due to the Town Council, including any interest or penalty for late or deferred payment of conservancy and service charges.

### Application of payments

7. A Town Council 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. A Town Council may, in its discretion, remit wholly or in part any penalty or interest payable under these Rules.

## THE SCHEDULE

Rule 3(2) and (3)

### PENALTIES FOR LATE PAYMENT OF IMPROVEMENT CONTRIBUTIONS

<i>First column</i>	<i>Second column</i>
<i>Total amount of improvement contribution or instalment in arrears</i>	<i>Penalty</i>
Less than or equal to \$100	\$1.00
\$100.01 — \$200	\$1.50
\$200.01 — \$300	\$2.50
\$300.01 — \$400	\$3.00
\$400.01 — \$500	\$4.00
\$500.01 — \$600	\$4.50
\$600.01 — \$700	\$5.00
\$700.01 — \$800	\$6.00
\$800.01 — \$900	\$6.50
\$900.01 — \$1,000	\$7.50

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 THE SCHEDULE — *continued*

\$1,000.01 — \$2,000	\$14.50
\$2,000.01 — \$3,000	\$21.50
\$3,000.01 — \$4,000	\$28.50
\$4,000.01 — \$5,000	\$35.50
\$5,000.01 — \$6,000	\$42.50
\$6,000.01 — \$7,000	\$50.00
\$7,000.01 — \$8,000	\$57.00
\$8,000.01 — \$9,000	\$64.00
\$9,000.01 — \$10,000	\$71.00
\$10,000.01 — \$15,000	\$106.50
\$15,000.01 — \$30,000	\$212.50
\$30,000.01 — \$45,000	\$319.00
more than \$45,000	\$319.00 plus 8 cents for every \$10 or part thereof more than \$45,000.

Made this 28th day of November 2005.

TAN TEE HOW  
*Permanent Secretary,  
 Ministry of National Development,  
 Singapore.*

[ND 311/4-146 Pt 59 Vol. 24; AG/LEG/SL/329A/2002/19 Vol. 1]