



PRESS RELEASE

Commencement of Amendments to COVID-19 (Temporary Measures) Act

1. Amendments to the COVID-19 (Temporary Measures) Act (the "Act") and related subsidiary legislation came into force today. These changes strengthen the legal reliefs and mechanisms available to support businesses and individuals in riding out the impact of the COVID-19 pandemic. The changes include:
 - a. Expanded powers for rental relief assessors; and
 - b. The commencement of Part 8 of the Act, which provides a mechanism for parties to specified contracts to obtain relief if they are affected by a delay or breach in a construction or supply (or related) contract, and such delay or breach is materially caused by COVID-19.

(A) Expanded powers for rental relief assessors

2. Rental relief assessors can now make determinations on disputes relating to the actual amount of rent to be waived under the rental relief framework, where the amount is affected by any of the following factors:
 - a. The amount of maintenance and service charges¹, especially where such charges are not explicitly listed in the lease or licence agreement
 - b. The amount that can be offset by assistance provided by the landlord earlier
 - c. Tenant(s) occupying the property for only a part of the relief period
 - d. Sub-division of the property, i.e. there are multiple sub-tenants, not all of whom may be eligible for the waivers
3. The expanded powers only apply to unresolved disputes involving any of the above. The rental relief assessors will not review existing arrangements that have been mutually agreed upon between landlords and tenants on the implementation of the rental waivers.
4. Landlords or tenants who have disputes relating to the actual amount of rent to be waived may now submit applications for a rental relief assessor's determination, following the timelines below. While late applications may still be considered on a case-by-case basis, we strongly encourage applicants to abide

¹ Maintenance and service charges are excluded from the rental waivers.

by the timelines for submission of an application as far as possible, for speedier resolution of disputes.

- a. If IRAS' notice of cash grant, or copy of the notice, was received on or before 30 September 2020: Submit application by 14 October 2020.
 - b. If IRAS' notice of cash grant, or copy of the notice, is received after 30 September 2020²: Submit application within 10 working days after receiving the notice. For example, if the notice is received on 1 October 2020, the application should be submitted by 15 October 2020.
5. Please refer to Annex A for a summary of the process to apply for a rental relief assessor's determination. More information is available at <https://go.gov.sg/rentalreliefassessment>.
 6. Minor technical amendments have also been made to relevant subsidiary legislation, to clarify the eligibility criteria for Rental Relief and landlord's financial hardship. More information on the rental relief framework is available at <https://go.gov.sg/rentalrelief>.

(B) Implementation of Part 8

7. Part 8 of the Act also came into force today. It provides a mechanism for parties in the three situations described below to obtain relief, if they are affected by delays or breaches in construction or supply (or related) contracts which are materially due to COVID-19.
 - a. Relief for renters of goods used for construction work who are liable for additional rental expenses: A person who has rented goods for use in construction work may apply for relief if he is or will be liable to his supplier for additional rental expenses due to a delay or breach in a construction or supply (or related) contract. For example, a contractor may have rented goods (e.g. scaffolding material, hand drills) from a supplier to perform works under a construction contract that the contractor has with a third party. If the construction works are delayed due to the COVID-19 situation, the contractor may be liable for additional rental expenses. The contractor may apply for relief under Part 8 in respect of the additional rental expenses.
 - b. Relief for tenants of non-residential property who are unable to carry out or complete renovation or fitting out works during their rent-free period: A tenant of non-residential property may be granted a rent-free period³ to carry out renovation or fitting out works. Such a tenant may have lost the benefit of the rent-free period if its contractors were unable to carry out or complete the renovation or fitting out works due to the COVID-19 situation. The tenant may

² The majority of qualifying property owners would have received the notice of cash grant by mid-August 2020. Qualifying property owners or tenants who have not received the notice may make manual applications to IRAS by 21 October 2020, at www.go.gov.sg/applicationcg.

³ The contract may also provide for a period of reduced rent instead.

apply for relief under Part 8 in respect of the rent-free period that it was not able to utilise.

- c. Relief for landlords who are unable to deliver possession or allow use of the property under a lease or licence of non-residential property: A landlord of non-residential property may be unable to deliver possession to the tenant by the date stipulated in the lease or licence, due to COVID-19 related delays in a separate construction contract that the landlord has with a third party. The landlord may apply for relief under Part 8 in respect of its inability to meet the delivery date to the tenant.
8. Additionally, to be eligible for relief:
 - a. The affected contract must be in force at any time between 1 February 2020 and 31 March 2021 (both dates inclusive);
 - b. The affected contract must be entered into before 25 March 2020;⁴ and
 - c. The delay or breach in the construction or supply (or related) contract must occur between 1 February 2020 and 31 March 2021 (both dates inclusive).
 9. Parties may apply for relief under Part 8 by submitting an application to the Registrar. Applications must be submitted by **31 May 2021**.
 10. If it is just and equitable in the circumstances, an Assessor appointed by the Ministry of Law may adjust the contractual terms listed below, to mitigate the impact of the delay or breach in the construction or supply (or related) contract on the applicant:
 - a. Where a contractor is liable for additional rental expenses for goods used for construction work: The Assessor may adjust the date by which the renter must return the goods, or the rental rate payable for the duration that the renter holds possession of the goods.
 - b. Where a tenant of non-residential property is unable to carry out or complete renovation or fitting out works during its rent-free period: The Assessor may adjust the contractual term in the lease or licence which provides for the rent-free period, e.g. extend the rent-free period.
 - c. Where a landlord is unable to deliver possession under a lease or licence of non-residential property: The Assessor may adjust the date stipulated in the lease or licence for delivery of possession of the property to the tenant.
 11. Once an application for relief under Part 8 is filed, no party to the contract can commence court or arbitral proceedings, or proceedings under the Building and Construction Industry Security of Payment Act ("SOPA"), in relation to the subject

⁴ Leases or licences of non-residential property renewed on or after 25 March 2020, either automatically or in exercise of a right of renewal in the lease or licence agreement, are also eligible.

of the application. This moratorium on legal proceedings will be in place until a determination under Part 8 is issued or the application is rejected or withdrawn. Similarly, no application for relief under Part 8 can be filed if court, arbitral or SOPA proceedings have already commenced in relation to the subject of the intended application.

12. Further details on the scenarios under which Part 8 may apply are set out in Annex B. More information is available at <https://go.gov.sg/part8relief>.

**MINISTRY OF LAW
30 SEPTEMBER 2020**

When To Seek Assessment

When implementing the rental waivers under the rental relief framework, we strongly encourage landlords and tenants to share information readily and work out mutually agreeable arrangements. However, if a compromise cannot be reached, you may apply for an assessment by a rental relief assessor.



When should you go to an assessor?

For landlords and tenants

If you cannot agree on the actual amount of rent to be waived, where any of the factors below are involved:

- Amount of maintenance and service charges
- Amount that can be offset by earlier assistance from landlord
- Tenant occupying property for only a part of the relief period
- Sub-division of property to multiple tenants

If you received IRAS' notice of cash grant or a copy of the notice on or before 30 September 2020, and have yet to reach a mutual agreement on the rental waivers: Apply for assessment by **14 October 2020**.

If you receive IRAS' notice of cash grant or a copy of the notice after 30 September 2020: Apply for assessment **within 10 working days** after receiving the notice.

For landlords only

If you cannot agree with your tenant on:

- Tenant's eligibility for the waivers, or
- Your eligibility to provide a reduced amount of Additional Rental Relief

Apply for assessment **within 10 working days** after receiving IRAS' notice of cash grant or a copy of the notice.

The following issues cannot be determined by a rental relief assessor:

1. Disputes over the type of property

Waivers are based on the property's approved use. If the use has changed, inform IRAS

2. Non-rent issues, e.g. inability to vacate or reinstate premises, lease termination

Landlord and tenant should negotiate and come to a mutual agreement

3. Landlord imposes new contractual terms as condition to provide waivers

Eligible tenants do not have to pay rent (excluding maintenance and service fees) for the relevant months. Landlords should not impose conditions before providing waivers

4. Whether tenant must pay maintenance and service fees

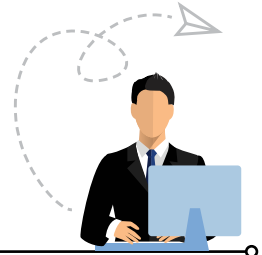
Eligible tenants must pay maintenance and service fees for the relevant months

Assessment Process

STEP 1

"Applicant" (landlord or tenant) submits application

- Using online Form 1 or Form 1A, depending on type of application
- With supporting documents
- Before submitting application, landlord may choose to send tenant written request for relevant documents. Tenant should respond within 5 working days. If landlord is satisfied with the documents, there is no need to proceed with the application



STEP 2

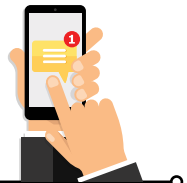
[Within a few days] Registrar acknowledges receipt of application via email



STEP 3

[Within 5 working days] Applicant serves copy of application and Registrar's acknowledgement on the other party (the "Respondent"), the property owner, intermediary landlords and tenant-occupier of the prescribed property

- Via email, registered post, internet-based messaging service (e.g. WhatsApp, WeChat), or contact form on Respondent's website/blog/social media



STEP 4

[Within 1 working day] Applicant submits declaration of service to the Registrar

- Using online Form 7
- Registrar's acknowledgement email (at Step 2) will contain more instructions



STEP 5

[Within 5 working days of Step 3] Respondent may choose to submit a response

- Using online Form 8
- Respondent must also serve copy of the response on the Applicant via email, registered post, internet-based messaging service or contact form on Applicant's website/blog/social media

STEP 6

Clarifications and hearing (if required)

- Applicant / Respondent to submit additional documents if requested
- If necessary, the rental relief assessor may arrange for a physical or virtual hearing



STEP 7

Assessor issues determination

- Determination is binding on all landlords and tenants of the prescribed property, and is not appealable
- Applicant to serve copy of the determination on the Respondent, property owner, intermediary landlords and tenant-occupier



Relief for contracts affected by construction delays

Contracts for rental of construction goods

Do you qualify for relief?

- ✓ You entered into a contract before 25 March 2020 for the rental of goods used for construction work¹
- ✓ The contract is in force at any time between 1 February 2020 and 31 March 2021
- ✓ You are liable for additional rental expenses due to a delay or breach in another construction or supply (or related) contract
- ✓ The delay or breach is materially caused by COVID-19 and occurs between 1 February 2020 and 31 March 2021
- ✓ You were unable to reasonably avoid liability for the additional rental expenses

Relief is not available if:

- ✗ Your liability for additional rental expenses is due to reasons other than a delay or breach in a construction or supply (or related) contract
- ✗ Court or arbitral proceedings on the same matter have commenced against you



What does the relief do?

If you submit an Application for relief under Part 8, an Assessor may adjust the following contractual terms, if it is just and equitable in the circumstances:

- The date by which you are required to return the rented goods
- The rental rate for the duration that you hold possession of the rented goods

After you have served the Application on the other party to the contract, there will be a moratorium on the commencement of other proceedings. The other party to the contract cannot start court, arbitral or SOPA proceedings against you in relation to the subject of your Application. This moratorium will end on the earlier of the:

- Withdrawal or rejection of your Application; or
- Issuance of the Assessor's determination

Take note

- The final amount that you are liable for to your supplier may vary, depending on other factors that fall outside the scope of the Assessor's determination.

How to apply for relief?

Submit an Application to the Registrar, using the form at www.go.gov.sg/part8application, by **31 May 2021**. We are unable to accept Applications submitted after that date.

¹ This means a contract for the rental of plant or materials for use in connection with the carrying out of construction work.

Relief for contracts affected by construction delays

Rent-free period for non-residential leases or licences

Do you qualify for relief?

- ✓ You are a tenant of a non-residential property. Your lease or licence was:
 - Entered into or renewed before 25 March 2020; or
 - Originally entered into before 25 March 2020, and renewed automatically or in exercise of a right of renewal on or after 25 March 2020
- ✓ The lease or licence is in force at any time between 1 February 2020 and 31 March 2021
- ✓ The lease or licence provides for a rent-free period for renovation or fitting out works
- ✓ The renovation or fitting out works could not be carried out during the rent-free period due to a delay or breach in a separate construction or supply (or related) contract
- ✓ The delay or breach is materially caused by COVID-19 and occurs between 1 February 2020 and 31 March 2021
- ✓ You were unable to reasonably avoid the inability to carry out the renovation or fitting out works

Relief is not available if

- ✗ Your inability to carry out the renovation or fitting out works is due to reasons other than a delay or breach in a construction or supply (or related) contract
- ✗ Court or arbitral proceedings on the same matter have commenced against you

What does the relief do?

If you submit an Application for relief under Part 8, an Assessor may adjust the contractual term in the lease or licence which provides for the rent-free period, if it is just and equitable in the circumstances. For example, the Assessor may extend the rent-free period.

After you have served the Application on your landlord, there will be a moratorium on the commencement of other proceedings. The landlord cannot start court or arbitral proceedings against you in relation to the subject of your Application. This moratorium will end on the earlier of the:

- Withdrawal or rejection of your Application; or
- Issuance of the Assessor's determination

Take note

- If you are eligible for rental relief, the Assessor may consider any overlap between the original rent-free period and the period covered by the rental relief framework. They may adjust the rent-free period accordingly, e.g. by shifting the commencement date of the rent-free period to after the rental relief period.

How to apply for relief?

Submit an Application to the Registrar, using the form at www.go.gov.sg/part8application, by **31 May 2021**. We are unable to accept Applications submitted after that date.



Relief for contracts affected by construction delays

Delivering possession under a non-residential lease or licence

Do you qualify for relief?

- ✓ You are a landlord of a non-residential property.
The lease or licence was:
 - Issued or renewed before 25 March 2020; or
 - Originally issued before 25 March 2020, and renewed automatically or in exercise of a right of renewal on or after 25 March 2020
- ✓ The lease or licence is in force at any time between 1 February 2020 and 31 March 2021
- ✓ You are unable to deliver possession or allow the use of the property to your tenant by the date stated in the lease or licence, due to a delay or breach in a construction or supply (or related) contract
- ✓ The delay or breach is materially caused by COVID-19 and occurs between 1 February 2020 and 31 March 2021
- ✓ You were unable to reasonably avoid the inability to deliver possession by the date stated in the lease or licence

Relief is not available if:

- ✗ Your inability to deliver possession is due to reasons other than a delay or breach in a construction or supply (or related) contract
- ✗ Court or arbitral proceedings on the same matter have commenced against you

What does the relief do?

If you submit an Application for relief under Part 8, an Assessor may, if it is just and equitable in the circumstances, adjust the contractual term in the lease or licence which provides for delivering possession or allowing the use of the property by a stipulated date. For example, the Assessor may defer the contractual date of possession or use.

After you have served the Application on your tenant, there will be a moratorium on the commencement of other proceedings. The tenant cannot start court or arbitral proceedings against you in relation to the subject of your Application. This moratorium will end on the earlier of the:

- Withdrawal or rejection of your Application; or
- Issuance of the Assessor's determination

How to apply for relief?

Submit an Application to the Registrar, using the form at www.go.gov.sg/part8application, by **31 May 2021**. We are unable to accept Applications submitted after that date.

