

**PRESS RELEASE****Further Extension of Relief Periods under the COVID-19 (Temporary Measures) Act for Specified Contracts**

1. The Ministry of Law (“MinLaw”) will further extend the relief period for certain contracts that Part 2 of the COVID-19 (Temporary Measures) Act (the “Act”) covers. The Act allows for parties in seven categories of contracts to obtain temporary relief from certain legal and enforcement actions, if they are unable to perform their contractual obligations because of COVID-19.
2. MinLaw announced on 12 October 2020 that the relief periods under this Part of the Act will be extended to 19 November 2020 or later. To ensure that businesses continue to obtain temporary relief from legal and enforcement actions until the implementation of the recently announced Re-Align Framework and the relief for delay in the delivery of possession under Part 8C of the Act, MinLaw will further extend the relief periods under the Act for the following contracts:
  - (a) Hire-purchase and conditional sales agreements for commercial equipment or commercial vehicles, excluding those entered into with banks or finance companies regulated by the Monetary Authority of Singapore (MAS) – from 19 November 2020 to **31 January 2021**;
  - (b) Rental agreements for commercial equipment or commercial vehicles – from 19 November 2020 to **31 January 2021**; and
  - (c) Options to purchase and sale and purchase agreements with developers<sup>1</sup> – from 31 December 2020 to **31 March 2021**.
3. The relief periods for other contracts under the Act remain unchanged. (Refer to the Annex for a summary of the relief periods.)

**Extension of Relief Periods for Hire-Purchase and Rental Agreements for Commercial Equipment or Commercial Vehicles**

4. Under the Re-Align Framework, eligible hirers or renters of commercial equipment or commercial vehicles may take up a Repayment Scheme to pay outstanding arrears in instalments. To take up this Repayment Scheme, the agreement must still be in force and the hirer or renter must serve notice on all

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<sup>1</sup> For the purposes of the relief under the Act, HDB’s agreements for lease (AFLs) will have the same treatment as sale and purchase agreements.

parties to the contract within six weeks of the Re-Align Framework coming into force.

5. As such, to provide relief from termination or legal and enforcement actions on these contracts before the commencement of the Re-Align Framework, the relief periods for these contracts will be extended to **31 January 2021**. This will give hirers and renters, who have served or need to serve a Notification for Relief under the Act, the opportunity to take up the Repayment Scheme.
6. For hire-purchase agreements, only agreements that are not entered into with banks or finance companies regulated by MAS will be covered by the extension of the relief period to 31 January 2021. The relief period for agreements with entities regulated by MAS will still expire on 19 November 2020.

### **Extension of Relief Periods for Options to Purchase and Sale and Purchase Agreements**

7. The Ministry of National Development (MND) announced on 3 November 2020 additional relief measures under the Act to support stakeholders in the built environment sector affected by disruptions to construction timelines resulting from the COVID-19 pandemic. This includes the relief for delay in the delivery of possession in agreements for the sale and purchase of residential, commercial and industrial properties under Part 8C.
8. The relief periods under Part 2 of the Act for options to purchase and sale and purchase agreements between developers and purchasers for residential, commercial and industrial properties will be extended to **31 March 2021**.
9. The extension will assist purchasers of residential, commercial and industrial properties who require more time to make their payments, particularly those who pay developers directly without taking a bank loan, with minimal impact to developers' cash flow. It will also allow developers and purchasers to seek temporary protection from being sued during the relief period, if they are unable to perform any contractual obligations due to COVID-19.
10. More details on Part 8C and when it will be brought into force will be shared in due course.

### **No Further Extension of Relief Periods for Other Contracts**

11. The relief periods for other contracts under the Act remain unchanged. In particular, the relief periods for secured loans to SMEs and leases and licences of non-residential property will end on 19 November 2020. This means that after 19 November 2020, parties to such contracts may commence or resume legal and enforcement action, as provided for in their contracts and in general law, even if they were served a Notification for Relief before that date. Parties will no longer be able to serve Notifications for Relief or Applications for an Assessor's Determination.

12. Tenants of non-residential properties who are eligible under the Re-Align Framework will still be able to use the Framework when it comes into effect, even if their lease or licence of non-residential property is terminated after the expiry of the relief period on 19 November 2020. This is because the Re-Align Framework provides for eligible parties to seek adjustment of obligations<sup>2</sup> for contracts terminated on or after 2 November 2020.

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<sup>2</sup> Under the Re-Align Framework, parties will still be liable for outstanding debts and obligations even if the contract has been terminated. This is no different from how parties who have served a Notification for Relief under the Act are liable for their accrued arrears and obligations upon the expiry of the relief period.

**Annex – Relief Periods for Contracts Covered by the COVID-19 (Temporary Measures) Act**

Relief period ends on:	Categories of contracts
19 November 2020	<ul style="list-style-type: none"> <li>• Loans to SMEs secured by certain collateral in Singapore</li> <li>• Leases and licences of non-residential property</li> <li>• Hire-purchase and conditional sales agreements for commercial vehicles or plant/machinery used for commercial purposes, entered into with banks or finance companies regulated by the Monetary Authority of Singapore</li> </ul>
31 December 2020	<ul style="list-style-type: none"> <li>• Event and tourism-related contracts</li> </ul>
31 January 2021	<ul style="list-style-type: none"> <li>• Hire-purchase and conditional sales agreements for commercial vehicles or plant/machinery used for commercial purposes, that are <i>not</i> entered into with banks or finance companies regulated by the Monetary Authority of Singapore <i>[extended from 19 November 2020]</i></li> <li>• Rental agreements for commercial equipment or commercial vehicles <i>[extended from 19 November 2020]</i></li> </ul>
31 March 2021	<ul style="list-style-type: none"> <li>• Options to purchase and sale and purchase agreements with developers <i>[extended from 31 December 2020]</i></li> <li>• Construction contracts or supply contracts, or any performance bond granted thereto</li> </ul>