

Draft Civil Law (Amendment) Bill

Bill No. /2008.

Read the first time on 2008.

A BILL

i n t i t u l e d

An Act to amend the Civil Law Act (Chapter 43 of the 1999 Revised Edition) to provide for contracts entered into by minors who have attained the age of 18 years to have effect as if they were contracts made by persons of full age, to allow such minors to bring certain legal proceedings and actions in their own names as if they were of full age, and to make consequential and related amendments to certain other written laws so as to allow such minors to engage in certain commercial activities.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act may be cited as the Civil Law (Amendment) Act 2008 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 New sections 35 and 36 and Schedule

2. The Civil Law Act is amended by inserting, immediately after section 34, the following sections and Schedule:

“Contracts of minors who have attained 18 years of age

10 **35.**—(1) Except as otherwise provided by this section or by any other written law, as from the appointed day, a contract entered into by a minor who has attained the age of 18 years shall have effect as if he were of full age.

15 (2) Where a minor has, on the appointed day, already attained the age of 18 years, subsection (1) shall apply to him and to contracts entered into by him on and after that day.

(3) Subsection (1) shall not affect or alter —

- 20 (a) a minor’s lack of capacity to enter into contracts arising from reasons other than because of his age; or
- (b) the application of any provision in any other written law stipulating a requirement as to the attainment of a particular age for the purposes of that written law.

(4) The following contracts, if entered into by a minor who has attained the age of 18 years, shall not, by virtue of subsection (1), have effect as if he were of full age:

- 25 (a) any contract for the sale, purchase, mortgage, assignment or settlement of any land (except for a lease of land not exceeding 3 years);
- (b) any contract for a lease of land for more than 3 years;
- 30 (c) any contract whereby the minor’s beneficial interest under a trust is sold or otherwise transferred to another person, or pledged as a collateral for any purpose; and

(d) any contract for the settlement of —

(i) any legal proceedings or action in respect of which the minor is, pursuant to any written law, considered to be a person under disability because of his age; or

5 (ii) any claim from which any such legal proceedings or action may arise.

(5) Subsection (1) does not entitle —

10 (a) a trustee to pay money or deliver property to a minor who has attained the age of 18 years otherwise than in accordance with the terms of the trust; or

15 (b) a minor who has attained the age of 18 years to enter into a contract whereby a trust is extinguished or the terms of a trust are varied, and any such contract entered into by the minor shall not, by virtue of that subsection, have effect as if the minor were of full age.

(6) Nothing in this section shall apply to or affect any contract that was made before the appointed day, and the law in force immediately before that day shall continue to apply in relation to such a contract as if this section had not been enacted.

20 (7) Nothing in this section shall limit or affect the rule of law whereby a minor is not liable in tort for procuring a contract by means of fraudulent representations as to his own age or any other matter.

25 (8) In this section, “appointed day” means the date of commencement of section 2 of the Civil Law (Amendment) Act 2008.

Legal proceedings and actions by minors who have attained 18 years of age

30 **36.—**(1) Notwithstanding any other written law, a minor who has attained the age of 18 years and who is not otherwise under any legal disability —

35 (a) may, in his own name and without a litigation guardian, bring, defend, conduct or intervene in any legal proceeding or action specified in the Schedule as if he were of full age; and

(b) shall not be considered to be a person under disability for the purpose of any such legal proceeding or action.

(2) The Minister may at any time, by order published in the *Gazette*, amend the Schedule.

5

THE SCHEDULE

Section 36

LEGAL PROCEEDINGS AND ACTIONS TO WHICH SECTION 36 APPLIES

10 1. Any legal proceeding or action arising from or in connection with a contract to which the minor is a party, being a contract which, by virtue of section 35, has effect as if the minor were of full age.

2. Any legal proceeding or action arising from or in connection with the minor's acting as —

(a) a director of a company; or

15 (b) a manager of a limited liability partnership.

3. Any legal proceeding or action arising from or in connection with a bill of exchange that has been drawn or indorsed —

(a) by the minor; or

(b) by another person in favour of the minor.

20 4. Where the minor is registered under the Business Registration Act (Cap. 32) to carry on any business (whether as a sole proprietor or in partnership with one or more other persons) —

(a) any legal proceeding or action arising from or in connection with his carrying on of such business; or

25 (b) any legal proceeding or action arising from or in connection with his acting as a person responsible for the management of such business (as defined in section 2(1) of that Act).”.

Consequential and related amendments to other written laws

30 **3.** The provisions of the Acts specified in the first column of the Schedule are amended in the manner set out in the second column thereof.

Savings provision

4.—(1) Nothing in section 3 or the Schedule shall apply to or affect any contract that was made before the date of commencement of this Act, and

the law in force immediately before that date shall continue to apply in relation to such a contract as if this Act had not been enacted.

(2) Nothing in section 3 or the Schedule shall —

- 5 (a) affect or limit any right, privilege, obligation or liability acquired, accrued or incurred under the law in force immediately before the date of commencement of this Act; or
- (b) be taken as prejudicing section 16 of the Interpretation Act (Cap. 1).

THE SCHEDULE

Sections 3 and 4

CONSEQUENTIAL AND RELATED AMENDMENTS TO OTHER WRITTEN LAWS

<i>First column</i>	<i>Second column</i>
<p>(1) Bills of Exchange Act (Chapter 23, 2004 Ed.) Section 22(3)</p>	<p>Delete the words “a minor or corporation” and substitute the words “a person below the age of 18 years or a corporation”.</p>
<p>(2) Companies Act (Chapter 50, 2006 Ed.) Section 145</p>	<p>Delete subsection (2) and substitute the following subsection:</p> <p>“(2) No person other than a natural person who has attained the age of 18 years and who is otherwise of full legal capacity shall be a director of a company.”.</p>

*First column**Second column*

- (3) Conveyancing and Law of
Property Act
(Chapter 61, 1994 Ed.)

Section 40

- (a) Delete the words “the Civil Law Act and”.
- (b) Renumber the section as subsection (1) and insert immediately thereafter the following subsection:

“(2) Subsection (1) does not apply in the case of a lease not exceeding 3 years which is executed by an infant who has attained the age of 18 years as a principal.”.

- (c) Delete the marginal reference “Cap. 43.”.

- (4) Employment Act
(Chapter 91, 1996 Ed.)

Section 12

Delete the words “21 years” in subsections (1) and (2) and substitute in each case the words “18 years”.

- (5) Limitation Act
(Chapter 163, 1996 Ed.)

Section 2

Delete subsection (2) and substitute the following subsection:

“(2) For the purposes of this Act, a person shall be deemed to be under a disability while he is a minor or lacks capacity (within the meaning of the Mental Capacity Act 2008) to conduct legal proceedings, except that where a right of action in respect of any legal proceeding or action specified in the Schedule to the Civil Law Act (Cap. 43) has accrued to a minor who is not mentally disordered and who has attained the age of 18 years, such minor shall not be deemed to be a person under disability for the purposes of this Act.”.

*First column**Second column*

- (6) Limited Liability Partnerships Act
(Chapter 163A, 2006 Ed.)

Section 23

Delete subsection (1) and substitute the following subsection:

“(1) Every limited liability partnership shall ensure that it has at least one manager who —

- (a) is a natural person;
- (b) has attained the age of 18 years and is otherwise of full legal capacity; and
- (c) is ordinarily resident in Singapore.”.

- (7) Settled Estates Act
(Chapter 293, 1985 Ed.)

(a) Section 2

Delete the definition of “settled estates” and substitute the following definition:

“ “settled estates” —

- (a) means all immovable property and all estates or interests therein, which are the subject of a settlement; and
- (b) includes any immovable property of or to which a minor is seised or entitled in his own right other than a lease not exceeding 3 years which is executed by a minor who has attained the age of 18 years as a principal.”.

(b) Section 16(2)

Delete the word “infants” and substitute the word “minors”.

EXPLANATORY STATEMENT

This Bill seeks —

- (a) to amend the Civil Law Act (Cap. 43) to incorporate therein the necessary provisions —
 - (i) to give to contracts entered into by minors who have attained the age of 18 years the same effect as if they were contracts entered into by persons of full age; and
 - (ii) to allow such minors to bring, defend, conduct or intervene in certain legal proceedings or actions in their own names and without a litigation guardian, as if they were of full age; and
- (b) to make consequential and related amendments to certain other written laws so as to allow minors who have attained the age of 18 years to carry out certain commercial activities.

Clause 1 relates to the short title and commencement.

Clause 2 inserts new sections 35 and 36 and a new Schedule.

The new section 35 provides that every contract entered into by a minor who has attained the age of 18 years will have effect as if he were a person of full age, unless otherwise provided by the section itself or by any other written law. A contract made by such a minor will therefore be binding on and enforceable against him as if he were a person of full age.

The new section 35 will apply to all contracts made on or after the commencement of clause 2, but will not affect —

- (a) a minor's lack of capacity to make a valid and binding contract arising from reasons other than his age; or
- (b) any provision in any other written law that stipulates an age requirement for the purposes of that written law.

There are certain types of contracts which, if entered into by a minor who has attained the age of 18 years, will not, by virtue of the new section 35(1), have effect as if the minor were of full age. These contracts are as follows:

- (a) contracts for the sale, purchase, mortgage, assignment or settlement of any land (except for a lease of land not exceeding 3 years);
- (b) contracts for a lease of land for more than 3 years;
- (c) contracts for the sale, transfer or pledge of a minor's beneficial interest under a trust; and
- (d) contracts for the settlement of any legal proceedings or action in respect of which the minor is, pursuant to any written law, considered to be a person under disability because of his age, or of any claim from which any such legal proceedings or action may arise.

As such, if a minor who has attained the age of 18 years enters into such a contract, he will not be bound by it as if he were a person of full age.

The new section 35 does not entitle a minor who has attained the age of 18 years to enter into a contract for the extinguishment or variation of a trust or for the transfer of his beneficial interest under a trust to another person. Nor does the section entitle a trustee to pay money or deliver property to such a minor otherwise than in accordance with the terms of the trust.

The new section 36, which is to be read with the new Schedule, allows a minor who has attained the age of 18 years and who is not otherwise under any legal disability to personally bring, defend, conduct or intervene in any of the legal proceedings or actions specified in the new Schedule. Such a minor will not be considered to be a person under disability in respect of any such legal proceeding or action.

The legal proceedings or actions specified in the Schedule are those that can arise from the contracts or other commercial activities that a minor who has attained the age of 18 years will be able to make or engage in by virtue of the Bill. The Schedule may be amended by the Minister for Law from time to time to expand the list of legal proceedings or actions to which the new section 36 applies.

Clause 3, which is to be read with the Schedule to the Bill, makes consequential and related amendments to certain other written laws. The majority of these amendments are meant to facilitate minors who have attained the age of 18 years entering into valid and binding contracts and engaging in certain commercial activities.

The amendments are as follows:

- (a) section 22 of the Bills of Exchange Act (Cap. 23) is amended to allow for a bill of exchange that is drawn up or indorsed by a minor who has attained the age of 18 years to be enforced against him;
- (b) section 145 of the Companies Act (Cap. 50) is amended to allow a minor who has attained the age of 18 years to be a director of a company;
- (c) section 40 of the Conveyancing and Law of Property Act (Cap. 61) is amended to clarify that a lease not exceeding 3 years that is executed by a minor who has attained the age of 18 years as a principal will not be deemed to be a settled estate within the Settled Estates Act (Cap. 293);
- (d) section 12 of the Employment Act (Cap. 91) is amended —
 - (i) to clarify (in view of the new section 35 of the Civil Law Act (Cap. 43) — see clause 2) that a minor below the age of 18 years is competent to enter into a contract of service; and
 - (ii) to enable a contract of service as an employee to be enforced against a minor who has attained the age of 18 years;
- (e) section 2 of the Limitation Act (Cap. 163) is amended so that the extension of the limitation period for minors under that section will not apply to a minor who has attained the age of 18 years in respect of any action that he is

entitled to bring in his own name by virtue of the new section 36 of the Civil Law Act (Cap. 43) (see clause 2);

- (f) section 23 of the Limited Liability Partnerships Act (Cap. 163A) is amended to enable a minor who has attained the age of 18 years to act as a manager of a limited liability partnership;
- (g) the definition of “settled estates” in section 2 of the Settled Estates Act (Cap. 293) is amended to clarify that, for the purposes of that Act, settled estates will not include leases not exceeding 3 years that are executed by a minor who has attained the age of 18 years as a principal;
- (h) section 16(2) of the Settled Estates Act is amended to substitute the word “infants” with the word “minors”, for consistency in expression with the amended definition of “settled estates”.

Clause 4 contains a saving provision which provides that the amendments made by clause 3 and the Schedule —

- (a) will not affect any contract made before the date of commencement of the Bill;
- (b) will not affect any right, privilege, obligation or liability acquired, accrued or incurred under the law in force immediately before the date of commencement of the Bill; or
- (c) will not prejudice the application of section 16 of the Interpretation Act (Cap. 1) (which deals with the effect of the repeal of any written law).

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.