

Categories of Contracts Covered and Relief Available

1. The COVID-19 (Temporary Measures) Act covers the following contracts:
 - a. Loans by banks and finance companies to Singapore SMEs:
 - i. Secured against commercial or industrial immovable property in Singapore; or
 - ii. Secured against plant, machinery or fixed assets in Singapore which are used for manufacturing, production or other business purposes.
 - b. Construction contracts or supply contracts (e.g. contract for the supply of materials), or any performance bond granted thereto
 - c. Event or tourism-related contracts (e.g. venue or catering for weddings; cruises, hotel accommodation bookings)
 - d. Hire-purchase agreements or conditional sales agreements for plant or machinery used for commercial purposes or commercial vehicles
 - e. Leases or licences of non-residential property (e.g. lease for factory premises)
2. The Act covers relevant contractual obligations that are to be performed on or after 1 February 2020, for contracts that were entered into before 25 March 2020.
3. After a Notification for Relief is served, the Act prohibits a contracting party who is served the Notification from taking certain legal actions against a non-performing party, including:
 - a. Starting or continuing court proceedings or insolvency proceedings
 - b. Enforcing security over commercial or industrial immovable property
 - c. Enforcing security over plant, machinery or fixed assets that are used for manufacturing, production or other business purposes
 - d. Terminating lease or licence of commercial or industrial property, on the basis of non-payment of rent
 - e. Repossession of any goods under a hire-purchase agreement
4. Additionally, for event and tourism-related contracts:
 - a. Where a deposit has been taken by the service provider, deposits may not be forfeited once a Notification for Relief is served. If the parties are unable to reach a compromise, an Application to PACT for an Assessor's Determination may be made. An Assessor may determine whether it is just and equitable in the circumstances of the case for the deposit or any part of

the deposit to be forfeited, or for the deposit to be applied to a rescheduled event.

- b. The Act provides that if COVID-19 materially caused the inability to perform the obligation in the contract, this would be a defence to any claim for the payment of a cancellation fee in respect of that obligation.
5. For construction and supply contracts, contractors will not be liable for breach of contract or delay in relation to any inability to supply goods or services materially caused by COVID-19. Calling on a performance bond in relation to such inability will also be prohibited.