

Annex B: Repayment Scheme for arrears under hire-purchase agreements and rental agreements for commercial equipment and vehicles

Eligibility for Repayment Scheme	<p>Businesses and individuals that meet the eligibility criteria for the Re-Align Framework, and who are party to a hire-purchase or rental agreement for commercial equipment or vehicles.</p> <p>If a party chooses to take up the Repayment Scheme, they cannot make use of the renegotiation or termination reliefs under the Re-Align Framework, and vice versa.</p>
Period of arrears covered	1 February 2020 to the date before the service of the Notice of Revision.
Period of repayment	Up to a maximum of 18 months. This period of repayment may extend beyond the existing period provided in the contract for repayment.
Instalment amount	Equal monthly instalments over the period of repayment
Applicable interest rate	Capped at 5% per annum, or the contractual interest rate, whichever is lower.
First instalment payment to be made by	The first instalment must be paid within one month after the period of six weeks after the Bill comes into force.
How to apply	The eligible hirer or renter must serve a Notice of Revision on all parties to the contract and all interested parties (e.g., guarantor, surety or issuer of any performance bond or equivalent in relation to the hirer / renter's obligations under the contract) within six weeks after the Bill comes into force.