

GUIDE FOR Construction contractors and suppliers

Do you qualify for relief?

- ✓ Construction and supply contracts¹
- ✓ Entered into contract before 25 March 2020
- ✓ **Unable to perform obligations** (e.g. meet delivery deadline) on or after 1 February 2020, **due to COVID-19**

The Act does not apply if your case has any of the following factors:

- ✗ Inability to perform obligations for reasons unrelated to COVID-19
- ✗ Unfulfilled obligations before 1 February 2020 and damages paid before 20 April 2020



What does the relief do?

During the prescribed period:

- You will not be liable for breach of contract or damages for being unable to perform your obligations if the defence is proved
- Your client cannot call on any performance bond granted to the contract
- Your client cannot start or continue court or insolvency proceedings against you

Take the chance to re-organise your business and discuss new contract terms and deadlines with your client.

Take note

- Obligations are not waived, they need to be fulfilled after the prescribed period. Discuss with your client if you want a waiver
- If you terminate your contract, you are still liable for charges and other penalties listed in the contract

How to get relief?

Serve a Notification for Relief on your client, using the form at www.mlaw.gov.sg/covid19-relief/notification-for-relief. The relief applies after the Notification is served.

What is the prescribed period?

The prescribed period is 6 months starting from 20 April 2020 (i.e. until 19 October 2020).

What if my client does not agree?

Your client may not agree that relief applies, e.g. your inability to perform obligations is not due to COVID-19. Please discuss with your client and try to reach a compromise.

If you cannot agree, either of you may apply for an Assessor from the Ministry of Law to make a determination. The determination will aim to be fair to both parties. Possible outcomes may include: postponement of delivery deadline; or termination of contract, if other contractors are able to complete the project. The determination by the Assessor is binding on the parties, and is not appealable.

¹ Within the meaning of section 2 of the Building and Construction Industry Security of Payment Act (Cap. 30B)