

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



What does the relief do?

- The inability to supply goods or materials due to COVID-19 is a defence to a claim for breach of contract, damages or liquidated damages
- The other party cannot call on any performance bond granted pursuant to the contract **for the prescribed period**
- The other party cannot start or continue court or insolvency proceedings against you **for the prescribed period**

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

How to get relief?

Serve a Notification for Relief on the other party or parties to the contract, the guarantor or surety of the obligation and the issuer of the related performance bond (if any), 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 the other party does not agree?

The other party may not agree that relief applies, e.g. your inability to perform obligations is not due to COVID-19. Please discuss with the other party 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. For construction and supply contracts, the determination will be limited to whether there is an inability to perform the obligation, and whether the inability is due to COVID-19. The determination will aim to be fair to both parties. 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)