

Measures to help businesses and individuals cope with COVID-19

The Ministry of Law rolled out a series of measures to provide a range of reliefs to individuals and businesses impacted by COVID-19. Reliefs were introduced through the COVID-19 (Temporary Measures) Act (“the Act”), and a new Simplified Insolvency Programme.

1. Temporary Relief from Contractual Obligations

Part 2 of the Act provides temporary relief from legal action for businesses and individuals who are unable to fulfil certain contractual obligations because of COVID-19. It came into effect on 20 April 2020.

- As of 23 Feb 2021, **8,655 Notifications for Relief (NFRs)** had been submitted online via FormSG. This excludes NFRs served by individuals and businesses via other modes of service.
 - Most of the NFRs (**66%**) relate to (a) hire-purchase agreements for commercial equipment or vehicles, and (b) leases or licences of non-residential property.
- As of 23 Feb 2021, the Registrar of the Panel of Assessors had received **1,967 Applications for an Assessor’s Determination**, to resolve disputes over whether the reliefs under Part 2 of the Act applied.
 - **Over 250 volunteer professionals** served as Assessors to determine these disputes.

2. Rental Relief Framework

The Rental Relief Framework established an equitable co-sharing of rental obligations between the Government, landlords and tenants, through the provision of rental waivers to eligible SMEs and non-profit organisations. It came into effect on 31 July 2020.

- As of 23 Feb 2021, **116,946 notices of cash grant** had been issued in respect of properties eligible for rental relief.
 - **\$947 million of Government cash grant** had been disbursed.
- As of 23 Feb 2021, the Registrar of Rental Relief Assessors had received **3,373 applications for assessment**, for a rental relief assessor to ascertain (a) a tenant’s eligibility for the rental waivers, (b) a landlord’s eligibility to provide a reduced amount of rental waivers on the basis of financial hardship, or (c) the actual amount of rent to be waived.
 - **20 rental relief assessors**, with professional backgrounds in accountancy and finance, were appointed to determine applications.

3. Simplified Insolvency Programme

The Simplified Insolvency Programme assists micro and small companies that require support to restructure their debts to rehabilitate the business, or wind up the company as the business has ceased to be viable. It was implemented on 29 January 2021.

4. Re-Align Framework

The Re-Align Framework helps small and micro businesses that have been significantly impacted by COVID-19 to renegotiate selected types of contracts, so as to re-align their contracts with the post-COVID-19 business environment. It commenced on 15 January 2021. Affected businesses had until 26 February 2021 to submit a Notice of Negotiation to seek relief under the Framework.

- As of 26 Feb 2021, a total of **493 Notices of Negotiation** had been served using the online electronic system. This excludes Notices served by affected businesses in hard copy, which we are unable to track. The breakdown of the **493** Notices of Negotiation by type of contract is as below:

Category of contract	Notices of Negotiation received
Leases or licences for non-residential immovable property which have a term of 5 years or less	372
Contracts for the sale and purchase of goods and services	49
Rental agreements for commercial equipment and commercial vehicles	37
Hire-purchase or conditional sales agreements for commercial equipment and commercial vehicles (except agreements entered into with banks and finance companies regulated by MAS)	35

- As of 26 Feb 2021, **126 Notices of Revision** had been served using the online electronic system. This is applicable to hirers and renters of commercial equipment or vehicles who wish to take up the Repayment Scheme, to pay outstanding arrears in instalments over a maximum period of 18 months.