#### Temporary Measures for Reducing the Impact of Coronavirus Disease 2019 (Covid 19) Act 2020 (w.e.f. 23.10.2020)

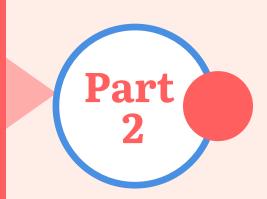
In essence:

- \* regulates contractual obligations
- \* amends specific provisions of law on temporary basis
- \* effective for initial max period of 2 years but may be extended by Prime MInister - not all provisions apply for 2 years



# Important for construction industry:

- \* Part 2 on contractual obligations
- \* Part 11 on housing development



## **Contractual obligations**

Validity: 18.3.2020 to 31.12.2020 (can be extended) 3 important points: # covers inability to perform contractual obligations <u>due to Covid-19</u> # provides for dispute resolution by mediation # saving for rights exercised prior to Covid-19 Act





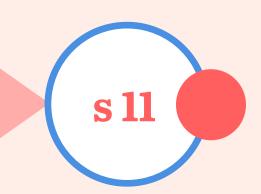
#### Inability to perform contract

# construction contracts, consultancy contracts, supply
contracts

- # must be <u>due to Covid-19 measures</u>
- # no exercise of rights
- employers cannot call PB, terminate, appoint 3rd parties, set-off
- contractors cannot suspend, terminate
- # not automatic EOT/waiver, only suspension for limited
  period

## Mediation

# "may" - means not mandatory# mediation unit set up by Minister of Law



### Saving provision

# any exercise of contractual rights from 18.3.2020 to date of publication of Act deemed valid

#### **IMPORTANT REMINDER**

If your breach of contract is <u>not</u> due to Covid-19 measures, this Act does not assist you.

### Housing development

# retrospective effect from 18.3.2020# covers scheduled agreements by housing developers

# s 34

Part

11

#### No late payment charges on purchasers

# 18.3.2020 to 31.8.2020 # Purchaser can apply for extension until 31.12.2020



# 18.3.2020 to 31.8.2020# Developer can apply for extension until 31.12.2020# Act does NOT say that purchaser cannot terminate

Act does NOT say that either the developer or the purchaser cannot terminate the agreement!



# 18.3.2020 to
31.8.2020 excluded
from calculation of
defects liability period
# may be extended

IMPORTANT:
There is NO
corresponding
extension of DLP for
contractors



# No effect on claims made before



publication of Act # Late payment charges or LAD paid not refundable have expired from 18.3.2020 to 9.6.2020 extended until 31.12.2020