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

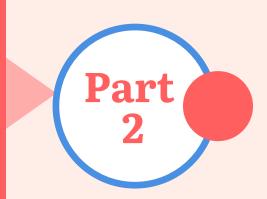
In essence:

- * 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





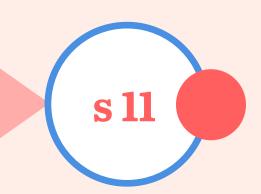
Inability to perform contract

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