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SINGAPORE NEWS FLASH

THINKING GLOBALLY

COVID-19 Update
APRIL 2020

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→ COVID-19 Update

An unfortunate and consistently high number of daily COVID-19 cases have forced the Singaporean government to address this health and subsequently economic crisis. Within the past days several measures

have been launched which will heavily affect business in Singapore. In the following, we would like to provide you with an overview about these measures:

CIRCUIT BREAKER

On Friday 3 April 2020, the Prime Minister addressed the nation and prepared the country for an elevated set of safe distancing measures which shall, at first instance, be in place from 7 April to 4 May 2020 (inclusive). These circuit breaker measures were introduced just a day after the Infectious Diseases (Workplace Measures to Prevent the Spread of Covid-19) Regulations 2020 took effect. This set of Regulations has already addressed several actions to ensure safe distancing at workplaces and to implement telecommuting. The circuit breaker goes further as it directs that all business that cannot be conducted through telecommuting from home shall be suspended from 7 April to 4 May 2020 (both dates included). Only essential services and their related supply chains as well as entities which are part of a global supply chain are exempted from the suspension. Entities which provide essential services must comply with certain rules. Entities which do not fall under the list of essential

services might apply for exemption in order to maintain a skeletal team at their business premises or to open at specific limited times. More information can be found on the following website: <https://covid.gobusiness.gov.sg/>

In order to avoid non-compliance, business should carefully assess if they fall under essential services. If that is the case, you will need to submit by end of 13 April 2020 details and a declaration under the following link: <https://form.gov.sg/#!/5e87c80db9fb330011c9473e>.

In case telecommuting is not practical for your business and you believe that there are grounds for an exemption, you can fill in such application under the previously provided link. There are also options to amend previous applications or to apply for a time-limited exemption. You will need to log in with your CorpPass.

In case you are unsure if your business qualifies as an essential service, we would advise you to obtain specific confirmation before you continue your business at your business premise.

SINGAPORE SOLIDARITY BUDGET

For a second time, the Singapore Budget 2020 has been amended. The Solidarity Budget 2020 was introduced on 6 April 2020 and will extend the COVID-19 related measures with an additional SGD 5.1. billion. Among others, the following support measures are highly relevant to our clients:

ENHANCED JOB SUPPORT SCHEME ("JSS")

In order to save jobs in Singapore, the Singaporean government will pay 75 per cent on the first SGD 4,600 salary for local employees (i.e. Singapore Citizens and Singapore Permanent Residents) for the month April 2020. The JSS pay-out will be brought forward to April 2020 instead of May 2020. From May 2020, the introduced JSS based on the Resilience Budget 2020 will apply. That means 75 per cent wage support for aviation and tourism sector, 50 per cent for the food service sector and 25 per cent for all other sectors on the first SGD 4,600 salary for local employees for the designated period.

The JSS will apply automatically. Thus, no application is required. The Inland Revenue Authority of Singapore will notify eligible employers.

FOREIGN WORKER LEVY

The Solidarity Budget issues a waiver of the monthly Foreign Worker Levy for April 2020. Furthermore, a Foreign Worker Levy rebate of SGD 750 will be granted in April 2020 for levies paid in 2020 for each Work Permit or S-Pass holder.

ENTERPRISE FINANCING SCHEME

The Enterprise Financing Scheme (EFS), an umbrella financing scheme under the Enterprise Singapore will be further amended. The Government's risk sharing will be raised now to 90 per cent for EFS-Trade Loan, EFS-SME Working Capital Loan and Temporary Bridging Loan Programs.

FURTHER INFORMATION

You can find further information also about the previous budgets under the following link https://www.singaporebudget.gov.sg/budget_2020.

Please feel free to contact us if you need further information about any specific measure or scheme.

COVID-19 (TEMPORARY MEASURES) BILL

The Resilience Budget as well as the Solidarity Budget both referred to upcoming legal changes with regards to legal obligations which cannot be performed due to COVID-19 as well as passing on property tax rebates from landlords to tenants. The issues have been addressed in the COVID-19 (Temporary Measures) Bill ("Bill") which is intended to pass in Parliament on 7 April 2020. In the following, we would like to highlight the main points of the Bill:

TEMPORARY RELIEF FOR INABILITY TO PERFORM CONTRACTS

The Bill intends to provide relief to parties of certain contracts that are unable to fulfil their contractual obligations due to COVID-19. Contracts which are covered under the Bill are, among others, lease contracts, construction contracts, supply contracts, contracts in relation to goods and services for events and certain loan facilities. The Bill refers to contractual obligations under these contracts that are to be performed on or after 1 February 2020, for contracts that were entered into or renewed before 25 March 2020.

In order to protect contractual parties of the mentioned contracts of implications caused by non-performance due to COVID-19, the Bill prohibits certain legal actions against the non-performing party, such as court and insolvency proceedings, enforcement of securities over property, forfeitures of deposits, call on performance bonds or termination of lease of non-residential premises. The Minister of Law will appoint assessors to resolve potential disputes in relation to this Bill.

TEMPORARY RELIEF FOR FINANCIAL DISTRESSED INDIVIDUALS, FIRMS AND BUSINESS

In order to help individuals and companies in financial distress the Bill increases monetary thresholds for bankruptcy (individuals) from SGD 15,000 to SGD 60,000 and for insolvency (business) from SGD 10,000

to SGD 100,000. Directors shall be temporarily relieved from their obligations to prevent their companies trading while insolvent if the debts are incurred in the company's ordinary course of business. If debt are incurred fraudulently, the director remains criminally liable.

TEMPORARY MEASURES FOR CONDUCT OF MEETINGS

The Bill also addresses alternative arrangements for meetings, such as board of directors or shareholder meetings where the law or the company's constitution requires such meeting in person, subject to further orders by the Minister. Such alternative arrangements could be meetings by electronic communication or changes in the notice of the meeting, quorums or participating and voting by electronic means and/or by proxy.

TEMPORARY MEASURES FOR COURT PROCEEDINGS

Subject to conditions, the Bill stipulates that remote communication technology can be used in court proceedings.

TEMPORARY MEASURES CONCERNING REMISSION OF PROPERTY TAX

Finally, the Bill requires owners of property who benefit from property tax rebates as issued in the Resilience Budget and highlighted in our previous Newsflash, to pass on these benefits to the tenants. This will be made mandatory.

CONTACT FOR MORE INFORMATION



Dr. Paul Weingarten
Partner
T +65 6238 6770
paul.weingarten@roedl.com

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Publisher:
Roedl & Partner Singapore Pte. Ltd.
1 Scotts Road, #21-10 Shaw Centre
Singapore 228208
Tel.: +65 6238 6770 | Fax:+65 6238 6630
www.roedl.com/singapore

Responsible for the content:
Dr. Paul Weingarten – paul.weingarten@roedl.com

Layout:
Dr. Paul Weingarten – paul.weingarten@roedl.com

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