

Construction & Projects

Further Extension of Relief Periods for Built Environment Sector under COVID-19 (Temporary Measures) Act

Introduction

COVID-19 has adversely affected the Built Environment ("**BE**") sector in a multitude of aspects, causing delays in projects, increased costs and shortages of materials and manpower. To address this, the Government has provided legislative relief for the sector through the COVID-19 (Temporary Measures) Act ("**Act**").

Although the BE sector has made steps towards recovery, it has been noted that some firms are still facing challenges. The Government has thus announced the further extension of certain prescribed periods for legislative relief relating to the BE sector under the Act. While the prescribed periods were due to end on 31 December 2021, the relief periods under Part 2 and Part 8B have been extended to **28 February 2022**, and the relief period under Part 10A has been extended to **31 March 2022**.

In this Update, we summarise the scope of the extensions and the relief under the respective Parts of the Act.

Extension of Relief Periods

| Relevant Provisions | Relief Measures | Previous End of Relief Period | Extended End of Relief Period | Deadline for Application |
|---------------------|---|-------------------------------|---|---|
| Part 2 of the Act | Provides temporary relief, upon service of a Notification for Relief, from stipulated types of legal and enforcement actions in relation to the inability to perform contractual obligations due to COVID-19. | 31 December 2021. | 28 February 2022 for construction contracts and supply contracts, or any performance bond granted thereto. | Notification for Relief must be served by 28 February 2022 . |
| Part 8B of the Act | Requires co-sharing of additional non-manpower qualifying costs between | 31 December 2021. | 28 February 2022 for all construction | Claims for qualifying costs within |

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|---------------------|---|-------------------------------|--|--|
| | contracting parties due to delays caused by COVID-19. Cost-sharing relief percentage remains at 50% of the qualifying costs, subject to a monthly cap of 0.2% of contract sum per month and a total 1.8% of the contract sum. | | contracts prescribed under Part 8B. | the prescribed period may be included in regular payment claims. |
| Part 10A of the Act | Provides a relief framework to allow contractors to seek a determination from an Assessor to adjust the contract sum in order to address the increase in foreign manpower salary costs due to COVID-19. | 31 December 2021. | 31 March 2022 for all construction contracts prescribed under Part 10A. | Applications for Assessor's determination must be made by 31 May 2022 . |

Concluding Words

While the relief periods under the Act have been extended a number of times so as to accommodate the lasting impact of COVID-19, the Ministry of National Development has indicated in its press release of 27 December 2021 (available [here](#)) that, barring any unforeseen circumstances, this will be the final extension for Part 2 and Part 8B.

It may also be noted that the extension of the relief period for Part 10A is for a longer period of three months. This is in light of the continued increase in foreign manpower salary costs experienced by contractors. The extension of relief period is also intended to complement the extension of Foreign Worker Levy rebates for the same duration.

Visit our [COVID-19 Resource Centre](#) for views from our lawyers across the region on common issues and legal implications brought about by COVID-19. For specific inquiries, please reach out to your relationship partner or send an email to our [COVID-19 Legal Team](#).

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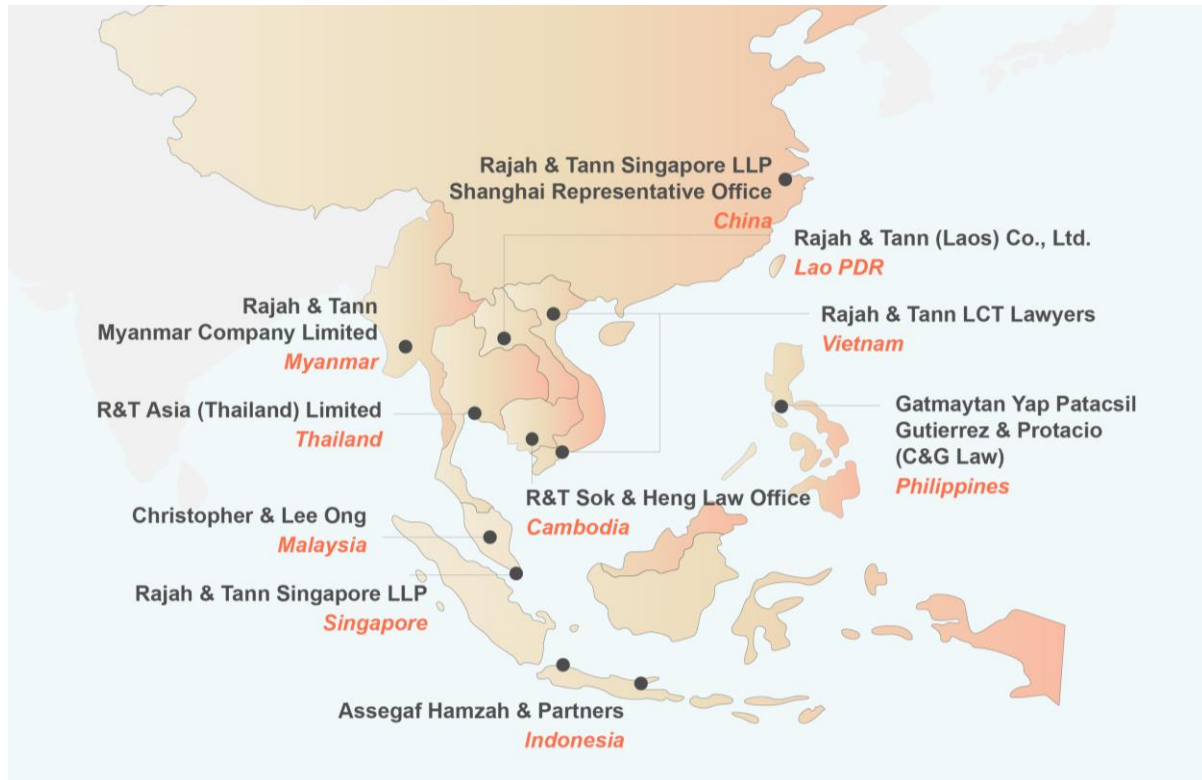
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