

## **Annex A – Frequently Asked Questions**

### **Who will the proposed legislation apply to?**

The proposed legislation will apply to qualifying retail premises which are (i) held under a lease agreement with a tenure of one year or more; and (ii) permitted to be used by URA and other authorities for specified categories of Food & Beverage, Retail, and Lifestyle use. It is intended to apply to lease agreements between landlords and master tenants, as well as those between master tenants and sub-tenants. Similar to the Code of Conduct for the Leasing of Retail Premises in Singapore, the proposed legislation does not apply to industrial, commercial, or residential leases.

### **How will the proposed legislation and Code of Conduct benefit landlords and tenants of qualifying retail premises?**

The proposed legislation and Code of Conduct address long-standing tenancy issues for the retail, food and beverage (F&B), and lifestyle sectors by establishing industry norms on tenancy practices and terms. The Code of Conduct sets out guidelines for the negotiation of lease agreements in 11 areas, including rental structure, third-party fees (including electricity costs), pre-termination by landlords or tenants, and data sharing. The proposed legislation will also set out a process for resolving disputes after lease agreements have been signed.

### **How was the Code developed? Will it be updated in future?**

The leasing principles in the Code were co-created through extensive discussions between retail industry landlord and tenant representatives during deliberations of the Fair Tenancy Pro Tem Committee between Jun 2020 to Mar 2021. The Code was a positive step towards forming a symbiotic and collaborative relationship between parties. It reflects the retail industry landlords' and tenants' common position on the appropriate market practices for lease agreements, guided by the principles of transparency, fairness, reciprocity, and sustainability.

The Code will continue to be a living document. Proposed amendments to keep the leasing principles relevant and up to date can be submitted to the FTIC at [www.ftic.org.sg](http://www.ftic.org.sg). Further resources on the leasing principles in the Code are on the FTIC's website.

### **What consequences will there be for non-compliance with the Code?**

The proposed legislation will mandate that landlords and tenants of qualifying retail premises comply with the leasing principles in the Code of Conduct. First, failure to submit a 'declaration of permitted deviation' within 14 days of lease signing will mean that the relevant term of the lease agreement will be deemed void. Second, parties will be required to undergo mediation to resolve complaints of non-compliance with the Code. If mediation does not result in an agreed outcome, the complainant can request the authorised dispute resolution body to appoint an adjudicator to decide the dispute. The adjudicator will have the power to determine any dispute even if one party does not cooperate with dispute resolution proceedings. Parties can apply to the Courts to register a mediated settlement agreement or an adjudicator's determination to be enforced in the same manner as an order of court.