

## **SELECTED NIGHTLIFE BUSINESSES TO REOPEN UNDER PILOTS; GOVT ANNOUNCES MEASURES FOR NIGHTLIFE BUSINESSES TO PIVOT OR EXIT THE INDUSTRY**

1. The Multi-Ministry Taskforce announced on 20 October 2020 that bars, pubs, nightclubs, discotheques and karaoke lounges (collectively “nightlife establishments”) will not be permitted to reopen in their original form for some time, as the nature of their activities poses a high risk of COVID-19 transmission.
2. The Government has been in close consultation with the nightlife industry to understand their concerns and has agreed to allow a limited number of nightlife establishments to reopen as pilots with stringent safe management measures (SMMs).
3. Even if the pilots turn out well, it is expected that the nightlife industry will not resume operations in their original form for a considerable period. The Government has thus worked out an assistance package to help nightlife establishments pivot to permissible activities or exit the industry.

### Pilot reopening of selected nightlife establishments with stringent SMMs

4. The Ministry of Trade and Industry (MTI) and the Ministry of Home Affairs (MHA) are working with various nightlife business associations to identify a small number of nightlife establishments to participate in the pilots. The pilots aim to establish the viability and robustness of stringent SMMs that will be required to be put in place, and the nightlife industry’s ability to comply with them, before the Government considers allowing any further resumption of nightlife businesses.
5. Participating establishments must adopt stringent SMMs, including:
  - a. Ensuring that all customers wear masks at all times except while eating and drinking (i.e. mask must be worn by customers on the dance floor or while singing);
  - b. Alcohol cannot be sold, served or consumed after 10.30pm;
  - c. Ensuring that all customers entering karaoke lounges and nightclubs had tested negative for COVID-19<sup>1</sup> 24 hours prior to end of the activity at the nightlife establishment; and

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<sup>1</sup> Either through a Polymerase Chain Reaction (PCR) test or an Antigen Rapid Test (ART).

- d. CCTVs must be deployed and activated at all times, to cover all parts of the common areas and rooms used for the activities. Recordings must be stored for at least 28 days, for regular reviews by the enforcement agencies to check for compliance with SMMs.
6. The pilot for pubs and bars will commence by December 2020 and last for a period of two months. As karaoke lounges and nightclubs will be required to ensure that all customers entering their premises had tested negative for COVID-19 within a 24-hour timeframe prior to the end of the activity, their pilots will commence only by January 2021 to allow the establishments more time to make the necessary preparations. The pilots for karaoke lounges and nightclubs will last longer, for a period of three months, as more time is required to assess the readiness of the industry to reopen, in view of the much higher risks and the more stringent SMMs required in these settings.
7. Establishments involved in the pilots must comply with the prescribed SMMs at all times. Establishments found to have breached them will face penalties under the COVID-19 (Temporary Measures) Act 2020, and may be removed from the pilot. Enforcement agencies will monitor participating establishments' and their customers' compliance with the SMMs to assess if it will be safe to allow the industry to resume limited operations after the pilot or remain closed. In the event of a COVID-19 cluster at these establishments, we may suspend or terminate the pilots.

#### Supporting nightlife establishments to pivot their businesses to permissible activities

8. Nightlife establishments are not participating in the pilots may opt to pivot to other permissible activities, such as Food & Beverage (F&B) operations. MTI has worked with regulatory agencies, including the Urban Redevelopment Authority (URA) and the Singapore Food Agency (SFA), to simplify the application process for nightlife establishments looking to pivot to F&B operations (see Advisory Note at <https://covid.gobusiness.gov.sg/faq>). Applications to pivot to alternative commercial uses apart from F&B, such as offices or gyms, will also be assessed by the relevant agencies on a case-by-case basis.
9. From now till 31 March 2021, nightlife establishments that wish to pivot to other permissible activities may apply for a grant of up to \$50,000 from Enterprise Singapore (ESG) to defray qualifying costs incurred during the pivoting process, such as equipment and third-party consultancy costs. ESG is prepared to extend this support to nightlife establishments which had taken the initiative to change their business activity earlier on a case-by-case basis.

## Supporting nightlife establishments intending to exit the industry

10. The Government will also increase support for nightlife establishments exiting the industry. From now till 31 March 2021, firms can apply to ESG for an ex-gratia payment of \$30,000 to defray the costs of the cessation of business. For employees who are retrenched as a result of the cessation, employers should honour retrenchment benefit contractually provided for, or follow the retrenchment benefit norms as stipulated within the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment. For any retrenchment benefit paid to local employees, employers can also seek financial support to defray one month of salary<sup>2</sup> paid to each employee. We will also continue to work with industry partners to assist affected employees to seek alternative employment.
11. Nightlife establishments will only be eligible for either one of the financial support packages described above – either to pivot their business or exit the industry. Interested operators should first reach out to the Singapore Nightlife Business Association (SNBA) at [helpdesk@snba.org.sg](mailto:helpdesk@snba.org.sg) for more information on the financial support packages and how to apply for them. Upon receipt of either one of the financial support package, the firm will not be allowed to participate in the pilot programme nor any subsequent resumption of nightlife operations for at least 12 months<sup>3</sup>.

## Other available support

12. Firms that meet the eligibility criteria<sup>4</sup> may also tap on the Ministry of Law's Simplified Insolvency Programme, which will help them restructure their debts or wind up their company. Sole proprietors and partnerships may tap on the Sole Proprietors and Partnerships (SPP) scheme<sup>5</sup> to restructure their business debts.

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<sup>2</sup> The retrenchment benefit support is up to one-month wage for each retrenched local employee, capped at the nightlife industry median monthly wage of \$3,000 per local employee.

<sup>3</sup> Firms that choose to pivot but did not take up ESG's financial support package will be allowed to revert to their original business activity if the last approved use (i.e. nightlife establishment) of the premises concerned is allowed to operate under the prevailing COVID-19 regulations, and the premises are not located within exclusion areas where the temporary conversion will not apply. For more details, please refer to the advisory note on pivoting process at <https://covid.gobusiness.gov.sg/faq>.

<sup>4</sup> To be eligible for the Simplified Insolvency Programme, which is expected to be rolled out in January 2021, the firm must be a micro and small company, i.e. with annual revenue of less than \$1 million and \$10 million respectively. It must also fulfil the following criteria: total amount of liabilities ≤S\$2m, number of employees ≤30; number of creditors ≤50; and for simplified winding up only, cap of \$50,000 on realisable unencumbered assets.

<sup>5</sup> The SPP scheme, open for applications since 2 November 2020, is administered by Credit Counselling Singapore, with the support of the Association of Banks in Singapore, Monetary Authority of Singapore, Enterprise Singapore (ESG) and the Participating Financial Institutions under the ESG loan schemes. For more information, please visit <https://www.ccs.org.sg/biz-debt-management/spp>.

13. Several businesses may be faced with substantial obligations from contracts entered into before the COVID-19 pandemic. The Ministry of Law has introduced a legislative Re-Align Framework under the COVID-19 (Temporary Measures) Act to allow businesses which have experienced a substantial change in circumstances due to COVID-19, to renegotiate certain prescribed contracts with their counterparties, failing which they may be able to terminate the contract. For more details, please visit [go.gov.sg/re-align](https://go.gov.sg/re-align).
14. The SNBA is working closely with MTI and ESG to provide support for the nightlife industry. Firms are strongly advised to reach out to SNBA, who will be able to provide guidance to nightlife establishments on their next steps, at [helpdesk@snba.org.sg](mailto:helpdesk@snba.org.sg).

**Ministry of Trade and Industry & Ministry of Home Affairs**

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