



## Media Release

### *Immediate Release*

# Code of Conduct to be Introduced for Leasing of Retail Premises<sup>1</sup>

**26 March 2021, Singapore** –The Fair Tenancy Pro Tem Committee was formed in June 2020 to strengthen collaboration between landlords and tenants, with the intent to address long-standing tenancy issues for the retail, food & beverage (F&B), and lifestyle sectors, and establish industry norms on tenancy practices and terms.

2 The Fair Tenancy Pro Tem Committee, chaired by Mr Michael Lim Choo San, Chairman of Nomura Singapore, comprises 18 key representatives from both the landlord and tenant communities, industry experts and members from academia.

3 The landlord community is represented by the Real Estate Developers' Association of Singapore (REDAS) and REIT Association of Singapore (REITAS). The tenant community is represented by members of the Fair Tenancy Framework Industry Committee (FTFIC), which was formed with representation from the Singapore Business Federation SME Committee (SBF SMEC), Association of Small & Medium Enterprises (ASME), Restaurant Association of Singapore (RAS), Singapore Retailers Association (SRA) and Singapore Tenants United for Fairness (SGTUFF).

4 The Singapore Business Federation (SBF) facilitated the work of the Committee and discussions between landlords and tenants over the last nine months. During the course of the discussions, members sought regular feedback from their respective constituents to ensure that the concerns are adequately addressed. The Committee focused on three specific areas during the discussions – rental data transparency to ensure parties make informed decisions, regulation of conduct to prevent the inclusion of unfair tenancy practices and behaviour, and an enforceable dispute resolution mechanism.

5 Through the deliberations, the Committee has developed a Code of Conduct (CoC) for Leasing of Retail Premises in Singapore. The CoC's three objectives are to provide a set of guidelines to enable a fair and balanced position in lease negotiation,

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<sup>1</sup> Qualifying retail premises are premises which are (1) held under a lease agreement entered into on or after 1 Jun 2021 with a tenure of more than one year; and (2) permitted to be used by the Urban Redevelopment Authority (URA) and other relevant authorities for food & beverage, retail, and lifestyle uses. Please refer to the Code of Conduct for further details.

to develop a governance framework to ensure compliance by the industry, and to introduce an accessible dispute resolution framework.

6 The CoC sets out guidelines for the negotiation of lease agreements in 11 areas, including rental structure, third-party fees, pre-termination by landlords or tenants, and data sharing. The CoC is applicable to all qualifying retail premises in Singapore, and these retail premises can be housed in standalone commercial buildings such as shopping centres, office buildings, shop houses, MRT stations, or other types of buildings.

7 The CoC also sets out a process for resolving disputes after lease agreements have been signed. Through this process, either the landlord or the tenant may escalate the matter to the Singapore Mediation Centre (SMC) within 14 days to resolve the dispute or disagreement.

8 The members of the Committee have committed to adopt and abide by the CoC from 1 June 2021. They also pledged to encourage their stakeholders in the retail, F&B, and lifestyle sectors to adhere to the guidelines. The Committee has recommended to the Government for compliance with the CoC to be made mandatory via legislation.

9 A Fair Tenancy Industry Committee (FTIC) will be formed by 1 June 2021 to serve as the custodian of the CoC and to monitor industry compliance. Representatives from both the landlord and tenant communities, as well as other independent representatives, will be on the Committee.

10 In the event of non-compliance by either landlord or tenant during lease negotiations, the matter can be referred to the FTIC. FTIC will provide advice regarding the CoC and keep track of instances of non-compliance. For individual cases of disputes, both landlords and tenants will also have access to dispute resolution mechanisms through the Singapore Mediation Centre. SBF will host and provide secretariat support to the FTIC and will work with the other trade associations and chambers to educate industry members on the CoC.

11 The Committee has submitted its report to the Minister for Trade and Industry Mr Chan Chun Sing and Minister for Home Affairs and Minister for Law Mr K Shanmugam. The report details the outcome of the Committee's deliberations and its recommendations.

12 Mr Michael Lim, Chairman of the Fair Tenancy Pro Tem Committee said, "I am glad that the tenants and landlords were able to reach a consensus on many issues on rental and tenancy. The jointly developed industry-led Code is a significant milestone and marks substantive progress from when we first started. I am confident that it will set the standards for future lease negotiations and raise the vibrancy and competitiveness of the retail industry moving forward."

13 Mr Lam Yi Young, CEO of SBF said, "SBF is pleased to be able to play a facilitative role in establishing a more collaborative landlord-tenant eco-system. The work of the Committee highlighted the important symbiotic relationship between landlords and tenants, and the deliberation process helped to foster greater mutual

trust between both parties. This, in turn, will help create a more conducive business environment for the retail sector.”

14 The list of members of the Fair Tenancy Pro Tem Committee is appended below as Annex A.

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**About Singapore Business Federation (新加坡工商联合总会)**

As the apex business chamber, the Singapore Business Federation (SBF) champions the interests of the business community in Singapore in trade, investment and industrial relations. Nationally, SBF acts as the bridge between businesses and government in Singapore to create a conducive business environment. Internationally, SBF represents the business community in bilateral, regional and multilateral fora for the purpose of trade expansion and business networking. For more information, please visit our website: [www.sbf.org.sg](http://www.sbf.org.sg)

## Annex A – Members of the Fair Tenancy Pro Tem Committee

Name	Designation
<b>Mr Michael Lim Choo San, Chairman</b>	Chairman, Nomura Singapore Limited Member, Public Service Commission
<b>Mr Andrew Kwan</b>	President, Restaurant Association of Singapore Council Member, SBF Founder/ Group MD, Commonwealth Capital Group
<b>Mr Andrew Lim</b>	Immediate Past President, REITAS Group CFO, CapitaLand Limited
<b>Mr Ashish Manchharam</b>	Founder, 8M Real Estate
<b>Mr Chia Ngiang Hong</b>	President, REDAS Council Member, SBF Group GM, City Development Ltd
<b>Mr Desmond Sim</b>	Head of Research, CBRE
<b>Ms Jesline Goh</b>	REDAS Member Chief Investment & Asset Officer, UOL Group Limited
<b>Mr Keith Chua</b>	Vice President, RAS Executive Chairman, ABR Holdings
<b>Mr Kurt Wee</b>	Chairman, FTFIC President, ASME Council Member, SBF Chair, SBF SME Committee
<b>Mr Lam Yi Young</b>	CEO, SBF
<b>Mr Logan Wong</b>	Founder, Pure Senses Pte Ltd
<b>Mr Low Chee Wah</b>	Vice President, REITAS CEO, Frasers Property Retail Ltd
<b>Prof Lye Lin-Heng, Irene</b>	Adjunct Professor, Faculty of Law, National University of Singapore (NUS)
<b>Mr Png Cheong Boon</b>	CEO, Enterprise Singapore
<b>Mr R. Dhinakaran</b>	President, Singapore Retailers Association

	Council Member, SBF MD, Jay Gee Melwani Group
<b>Prof Sing Tien Foo</b>	Head, NUS Department of Real Estate
<b>Ms Susan Leng</b>	REITAS Member CEO, SPH REIT Management
<b>Mr Terence Yow</b>	President, SGTUFF MD, Enviably Me