

## FAQs for Master Tenants

### 1. How do I determine who are “Impacted SME” and other sub-tenants?

All sub-tenants are deemed to be “Impacted SMEs”, unless Master Tenant can submit supporting documents to prove otherwise.

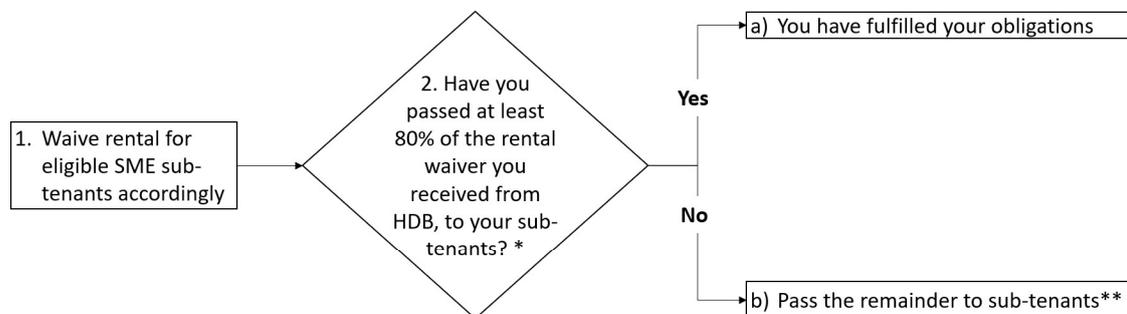
<b>Cat</b>	<b>Type of Sub-Tenant</b>	<b>Defining Characteristics</b>	<b>Supporting Documents Required</b>	<b>Minimum Rental Waiver for Shops and Stalls in Eating Houses &amp; Markets</b>	<b>Minimum Rental Waiver for Offices</b>
A	Impacted SME	Does not fall into other Categories	Nil	4 months (April to July 2020) of sub-tenant’s rent	2 months (April to May 2020) of sub-tenant’s rent
B	Less Impacted SME	Less than 35% drop in average monthly revenue during COVID-19 (average monthly revenue from April to May 2020, compared to April to May 2019, or any other comparable period);	a) Point of Sales records; or b) Income statements from sub-tenant; or c) Written declaration from sub-tenant	2 months (April to May 2020) of sub-tenant’s rent	1 month (April 2020) of sub-tenant’s rent
C	Non-SME	> \$100 million turnover in 2019	a) Written declaration from sub-tenant; or b) To provide sub-tenant’s UEN to HDB for verification by IRAS.	Nil.  (However, master tenant should not take back previous rental waivers from the Unity / Solidarity / Resilience budgets.)	
D	Late Entrant	The sub-tenancy was entered into ON or AFTER 25 March 2020 (excluding renewals).	a) Documentation on sub-tenancy start date		

## 2. What is the purpose of the clause where Master Tenants must also ensure that at least 80% of the rental rebate received from HDB has been passed down to sub-tenant?

This is an additional clause from MOF and Government Landlords (like HDB), to ensure that at least 80% of the total rental rebate received by the Master Tenant is passed down to sub-tenants.

Master Tenants must first meet the required rental waivers under MinLaw's New Rental Relief Framework for SMEs. **This additional clause cannot be used as an excuse to grant less than the required rental waivers.**

Thereafter, the 80% passthrough clause requires Master Tenants to top up the waivers to their sub-tenants if the Master Tenant has not already passed down at least 80% of the rental waiver received from the Government landlord.



\* For Master Tenants who operate part of the space and rent out part of the space, their obligation is to pass down 80% of sub-tenants' share of the rental waiver, where:

$$\text{Sub-Tenants' Share} = \frac{\text{Sub-Tenants' Rent}}{\text{Master Tenant's Rent}}, \text{ capped at 100\%}$$

\*\*Master tenant can work out with Sub-Tenants on how to distribute the remainder in a fair and equitable manner.

## 3. Are previous rental waivers that I have extended to my sub-tenants counted?

Any previous rental waivers granted to your sub-tenants since February 2020 (e.g. as part of previous Budget rental rebates) could be counted toward your rental waiver requirements.

## 4. While I provide rental waiver, can I still collect utilities, service or management fees from my sub-tenants?

Yes, if these are clearly stated as utilities, service or management fees in the tenancy contract. If not, you need to submit documentation to the sub-tenants on the expenses incurred, before charging.

**5. If my sub-tenants have already paid their rents for the relevant months, do I still have to grant them rental waiver?**

Yes, you should then credit the amount already paid, to the sub-tenant, in the form of waiver to be applied in the next month(s) of rent that is due.

For sub-tenants who have terminated their sub-tenancies, there is a need to refund any waived rent that has been paid for the relevant months.

**6. What if my sub-tenant is a sub-tenant whose tenancy was only valid for a partial period for the relevant months?**

You should pro-rate the rental waiver based on the sub-tenant's timeshare of the rental relief period.

For example, if the sub-tenancy was only valid for 1 month within the relevant period, then,

- If the sub-tenant is in Category A, he/she should receive 1 month's waiver,
- If the sub-tenant is in Category B, he/she should receive half month's waiver.

**7a. How do the COVID-19 (Temporary Measures) (Amendment) Bill and COVID-19 (Temporary Measures) (Amendment) Act apply to me as a master tenant of a HDB rental shop?**

The Bill and Act apply to all private landlords as well as master tenants of Government properties such as HDB rental shops. By fulfilling the **rental waiver** commitments in the Letter of Undertaking and FAQs, you are simultaneously complying with part of the obligations under the Act that was passed in Parliament on 5 June 2020.

There are additional details set out in the subsidiary legislation to the COVID-19 (Temporary Measures) (Amendment) Act. If there is any conflict with the conditions set out in the Letter of Undertaking, the subsidiary legislation will take precedence.

**7b. What are other main obligations under the COVID-19 (Temporary Measures) (Amendment) Bill and COVID-19 (Temporary Measures) (Amendment) Act?**

All sub-tenants shall be allowed to **defer payment of part of the rental arrears** accrued from 1 February 2020 to 19 October 2020, and commence repaying the arrears by instalments for up to a maximum of 9 months or the remaining term of tenancy (whichever is shorter), from 1 November 2020, with interest rate capped at 3% per annum.

The Act will provide for a **moratorium on enforcement action for non-payment of rent** for SMEs. Before the Act comes into force, qualifying businesses and individuals who are unable to fulfil their contractual obligations because of COVID-19 can serve a Notification for Relief under the COVID-19 (Temporary Measures) Act.

For more information, please refer to the [MinLaw website](http://mlaw.gov.sg/covid19-relief) (<http://mlaw.gov.sg/covid19-relief>).