

Amendments to The Code of Conduct for Leasing of Retail Premises in Singapore (Version 3 dated 1 November 2023)

The following table highlights the amendments to the Code of Conduct for Leasing of Retail Premises in Singapore (Version 2 dated 15 March 2022) with the key changes in **bold**. The amended Code of Conduct (Version 3 dated 1 November 2023) shall take effect from 01 February 2024.

Paragraph/Section	Version 2	Version 3
Introduction / Part C	Data Transparency	Leasing Principles for Confidentiality Clauses and Data Transparency
Introduction	Effective from 1 June 2022	Effective from 1 February 2024
Application of this Code of Conduct	<p>Qualifying Retail Premises are premises which are:</p> <p>3.1: held under a lease agreement entered into on or after 1 June 2021 with a tenure of at least one year; and</p> <p>3.2: permitted to be used by the Urban Redevelopment Authority (URA) and other relevant authorities for any of the following uses</p>	<p>3.1.1 “qualifying lease” means a lease for retail premises (as described below), or an extension or a renewal of such lease, where –</p> <ul style="list-style-type: none"> (a) the agreement for the lease, extension or renewal (as the case may be) is signed on or after 1 February 2024; and (b) the period of the lease or the period of the extension or renewal (as the case may be) is or exceeds one year. <p>3.2 Premises are “retail premises” if they are used primarily for any of the following:</p> <ul style="list-style-type: none"> (a) for the sale of goods by retail; (b) for the supply of services, including, without limitation, any of the uses set out in the table at paragraph 3.5 below.
Application of this Code of Conduct (Table)		Walk-In Bank Branches added to the list of retail premises under: Shop - Services

<p>Part B: Leasing Principles for Key Tenancy Terms – Exclusivity</p>	<p>1.3 A joint declaration by both parties on the inclusion of the exclusivity clause must be made to Fair Tenancy Industry Committee (FTIC) within 14 days after the lease agreement has been signed by both parties</p>	<p>1.3 Landlord must submit the declaration of permitted deviation on the inclusion of the exclusivity clause to FTIC within 14 days (or such other period as may be prescribed by the Act) after the lease agreement has been signed by both parties. In the event landlord fails to submit the declaration of permitted deviation to FTIC in accordance with the requirements of the Act, such exclusivity clause in the lease agreement is deemed to be null and void (without affecting the other provisions of the lease agreement) notwithstanding that landlord and tenant have agreed to the inclusion of such exclusivity clause in the lease agreement. FTIC may charge filing fees for the submission of the declaration of permitted deviation in such amounts as may be specified by FTIC on its website from time to time, and landlord and tenant must share the filing fees on 50:50 basis.</p>
<p>Part B: Leasing Principles for Key Tenancy Terms – Cost to Prepare the Lease Agreement</p>	<p>-</p>	<p>2 A tenant is considered a ‘new tenant’ if at the time of such tenant’s entry into the lease agreement, the tenant does not have a subsisting agreement in respect of the retail premises leased or to be leased under such lease agreement, notwithstanding that the tenant is leasing premises in another building or development owned by the same landlord or the tenant has a subsisting agreement in respect of other premises in the same building or development in which such retail premises is located. For the avoidance of doubt, if the tenant has a subsisting agreement in respect of the retail premises leased or to be leased under</p>

		the qualifying lease and subsequently enters into an agreement for the renewal or extension of the lease in respect of the same retail premises which commences after the expiry of such existing agreement, such tenant will not be considered a 'new tenant' under such agreement for the renewal or extension of the lease of such retail premises.
Part B: Leasing Principles for Key Tenancy Terms – Sales Performance	5.3 A joint declaration by both parties on the inclusion of the sales performance clause must be made to FTIC within 14 days after the lease agreement has been signed by both parties.	5.3 Landlord must submit a declaration of permitted deviation on the inclusion of the sales performance clause to FTIC within 14 days (or such other period as may be prescribed by the Act) after the lease agreement has been signed by both parties. In the event landlord fails to submit the declaration of permitted deviation to FTIC in accordance with the requirements of the Act, such sales performance clause in the lease agreement is deemed to be null and void (without affecting the other provisions of the lease agreement) notwithstanding that landlord and tenant have agreed to the inclusion of such sales performance clause in the lease agreement. FTIC may charge filing fees for the submission of the declaration of permitted deviation in such amounts as may be specified by FTIC on its website from time to time, and landlord and tenant must share the filing fees on 50:50 basis
Part B: Leasing Principles for Key Tenancy Terms – Floor Area Alterations	-	9.2 Instead of a certificate from the registered surveyor confirming the surveyed area of the retail premises leased under a qualifying lease, landlord and tenant may mutually agree to accept certified floor plans or

		building plans from relevant authorities (i.e. HDB, URA, BCA) which indicates the floor area of the retail premises leased under a qualifying lease.
Part B: Leasing Principles for Key Tenancy Terms – Rental Formula	<p>11. Rental Structure</p> <p>11.1 As a general rule, rental formula must be based on a single rental computation throughout the lease term, i.e. the rent structure must not have an “either/or, whichever is higher” formula.</p> <p>11.3 A joint declaration by both parties on the agreed alternative rental structure must be made to FTIC within 14 days after the lease agreement has been signed by both parties.</p>	<p>11. Rental Formula</p> <p>11.1 As a general rule, in a lease agreement, the rental formula must not have an “either/or, whichever is higher” formula or have a GTO Rent component when GTO Rent is more than a specified amount. The rental formula must be based on a single rental computation throughout the lease term.</p> <p>11.3 Landlord must submit a declaration of permitted deviation on the agreed alternative rental formula to FTIC within 14 days (or such other period as may be prescribed by the Act) after the lease agreement has been signed by both parties. In the event landlord fails to submit the declaration of permitted deviation to FTIC in accordance with the requirements of the Act, FTIC may, after making its own assessment, publish any details of non-compliance with the Act or this Code of Conduct, in accordance with the Act. FTIC may charge filing fees for the submission of the declaration of permitted deviation in such amounts as may be specified by FTIC on its website from time to time, and landlord and tenant must share the filing fees on 50:50 basis.</p>
Part C: Leasing Principles for Confidentiality Clauses And Data	In furtherance of the objective of this Code of Conduct as set out in Section 2.1 above, Part C	In furtherance of the objective of this Code of Conduct as set out in Section 2.1 above, Part C

<p>Transparency</p>	<p>of this Code of Conduct sets out the guidelines to allow for more data transparency as agreed by the Fair Tenancy Pro Tem Committee.</p>	<p>of this Code of Conduct sets out the Leasing Principles relating to confidentiality clauses in lease agreements and to allow for more data transparency as agreed by the Fair Tenancy Pro Tem Committee.</p> <p>2. Data Transparency</p> <p>2.1 This Leasing Principle only applies to landlords who collect sales data from tenants as part of the GTO Rent formula.</p> <p>2.2 Landlords who are entitled to collect sales data from tenants as part of the GTO Rent formula under the lease agreement must share sales data metrics by trade category (i.e. total monthly sales and total floor area) on a one-on-one basis before the signing of the lease agreement. The lease agreement must provide that landlords must share such sales data on a bi-annual basis with tenants during the duration of the lease. For reasons of confidentiality, the lease agreement must provide that landlord must not be required to share sales data where the number of tenants for the relevant trade category is less than 3.</p> <p>2.3 For tenants whose lease agreements are entered into prior to the Effective Date and who pay rent under a GTO Rent formula, landlords must share such sales data with such tenants on a bi-annual basis with effect from the Effective Date, regardless of whether or not there is an obligation to do so in the lease agreement</p>
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<p>Part D: Dispute Resolution And Enforcement Of Code Of Conduct Transparency</p>	<p>2.1 In the event of any non-compliance by landlord or tenant with Part B and/or Part C of this Code of Conduct during lease negotiations (e.g. landlord demands that tenant agree to a “mutually agreed” deviation), either party may refer the matter to the Fair Tenancy Industry Committee (FTIC).</p> <p>2.2 The FTIC will monitor the incidence of non-compliance by landlord or tenant with Part B and/or Part C of this Code of Conduct during lease negotiations. If there are many reports made against a particular party, FTIC may name and shame the party for acting in a manner that is against the Code of Conduct and the spirit of the fair tenancy framework.</p>	<p>2.1 In the event that a landlord or tenant fails to have regard to, or adhere with, the principles (as the case may be) in Part A, Part B and/or Part C of this Code of Conduct during lease negotiations (for example, landlord unreasonably demands that tenant agree to a “mutually agreed” deviation), either party may inform the FTIC of the matter.</p> <p>2.2 The FTIC will monitor the incidence of occurrences of events under paragraph 2.1 above during lease negotiations. If there are reports made by either landlord or tenant (the “reporting party”) against the other party (the “other party”) for such incidents on a frequent or regular basis, FTIC may require the reporting party to provide further and better particulars and information in writing to support such reports and provide the other party with the opportunity to provide justifications or make representations in response, so as to facilitate FTIC’s functions under the Act. The FTIC shall not be liable to either landlord or tenant and neither party shall claim against the FTIC for any claims, demands, actions, proceedings, judgements, damages, losses, costs and expenses of any nature which any party may suffer or incur arising out of or in connection with the publication of any details of non-compliance with the Act or this Code of Conduct in accordance with the Act.</p>
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