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Procurement Policies Department
Business Development Group

28 March 2022

Dear Sir/Madam,

EXTENSION OF RELIEF PERIOD UNDER PART 10A OF THE COVID-19 (TEMPORARY MEASURES) ACT FOR CONSTRUCTION CONTRACTS IN THE BUILT ENVIRONMENT SECTOR

Objective

This circular informs the Built Environment (“BE”) sector on the extension of the prescribed period for legislative relief (“relief period”) in Part 10A of the COVID-19 (Temporary Measures) Act (“COTMA”) from the current end date of 31 March 2022 to 30 June 2022.

Background

2 COTMA Part 10A was passed in the Parliament on 11 May 2021 to provide an additional legislative relief to ensure that everyone along the value chain steps up to co-share the increase in foreign manpower salary costs due to the COVID-19 pandemic. While COTMA Part 10A was originally intended to end on 30 September 2021, the relief period had been extended twice in view of the continued impact of COVID-19 on the BE sector.

3 The Government has worked closely with the industry to facilitate the inflow of foreign workers in a safe manner, such as the industry-led end-to-end process. With the easing of border restrictions and resumption of entry approvals, the inflow of foreign construction manpower has improved in recent months. The recently announced streamlining of entry requirements¹ will also help to accelerate the entry of workers needed for construction projects and alleviate manpower cost pressures on contractors.

Extension of the relief period for COTMA Part 10A by three months to 30 June 2022

4 While the increased inflow of construction workers would address the industry’s concern about manpower shortage, the BE sector is still recovering from the manpower shortage and also that the elevated foreign manpower salary costs will take time to moderate. In view of this, **the Government will extend the relief period for COTMA Part 10A for three months, from the current end date of 31 March 2022 to 30 June 2022.** This is part of a broader package of support measures introduced to help the BE sector in managing the higher foreign manpower salary costs, complementing the extension of the Foreign Worker Levy (FWL) rebate per Work Permit Holder (WPH) of \$250 per month for April-May 2022 and \$200 for June 2022, as earlier announced by MOM on 27 March 2022.

¹ See BCA-MOM-EDB Joint Industry Circular dated 6 March 2022 on Streamlining of Entry Requirements for Construction, Marine Shipyard and Process (CMP) Sectors Work Pass Holders to Improve Workforce Resiliency.

5 Contractors can apply for an Assessor to seek a determination to adjust the contract sum for the increase in foreign manpower salary costs, in respect of Work Permit Holders, due to COVID-19 during the period from 1 October 2020 to **30 June 2022** (i.e. a 3-month extension), if contracting parties are unable to reach an amicable outcome. ***Contractors may submit an application for an Assessor's determination up to two months after the end of the relief period, i.e. latest by 31 August 2022.*** The application for an Assessor's determination can be made at <https://go.gov.sg/cotma10a>.

Further information

6 We would like to emphasise that the reliefs related to the BE sector under COTMA are meant to be time-limited. As the sector continues to recover and the inflow of construction workers starts to meet the numbers required by the industry, firms should prepare for the relief under COTMA Part 10A to end. As we shift towards living with COVID-19, BE sector firms will need to work more closely together, so as to ensure business sustainability and longer-term resilience of the BE sector.

7 More details on COTMA Part 10A can be found at <https://go.gov.sg/cotma10a>. Please direct your queries to <https://www.bca.gov.sg/feedbackform/> if you have any clarifications on this circular.

Thank you.

Yours faithfully

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for CHIEF EXECUTIVE OFFICER
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(Transmitted via email)

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All companies registered or listed in BCA's Builders Licensing Scheme (BLS), Contractors Registration System (CRS) and Public Sector Panels of Consultants (PSPC)

All Part 10A assessors (through the Part 10A Registrar)