

Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules

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HOUSING AND DEVELOPMENT ACT (CHAPTER 129, SECTION 65K)

HOUSING AND DEVELOPMENT (INTEREST AND PENALTIES FOR LATE PAYMENT OF IMPROVEMENT CONTRIBUTIONS) RULES

[15th October 2005]

Citation

1. These Rules may be cited as the Housing and Development (Interest and Penalties for Late Payment of Improvement Contributions) Rules.

Definitions

2. In these Rules, unless the context otherwise requires —

“grace period”, in relation to any improvement contribution or instalment in arrears, means the period —

(a) starting on the date the improvement contribution or the instalment (as the case may be) first falls in arrears; and

(b) ending on the last day of the month in which that date falls;

“HDB concessionary interest rate” means the interest rate of 0.1% per annum above the rate of interest declared from time to time under section 6(4) of the Central Provident Fund Act (Cap. 36) for the amount standing to the credit of a member of the Fund in his ordinary account;

“HDB market interest rate” means the interest rate (other than the HDB concessionary interest rate) applicable from time to time to mortgages granted by the Board before 1st January 2003 to its lessees to purchase a flat under Part IV of the Act;

“instalment” means any amount payable by a lessee or owner to the Board at monthly intervals under an instalment plan;

“instalment plan” means any agreement between the Board and a lessee or owner for the payment of any improvement contribution due from the lessee or owner in such monthly instalments and at such times as are specified in the instalment plan;

“lessee or owner” means the person who is the owner of the flat at the time the improvement contribution is determined by the Board under section 65D(3) of the Act and includes an equitable owner, an administrator and executor of a deceased owner, a person who has purchased a leasehold interest in the flat and a purchaser under an agreement for a lease;

“member of the Fund” and “ordinary account” have the same meanings as in section 2(1) of the Central Provident Fund Act.

Calculation of penalties for improvement contribution or instalment in arrears

3.—(1) No penalty under this rule shall be payable by a lessee or owner during the grace period in respect of any improvement contribution or instalment, or any part thereof, due from the lessee or owner and in arrears.

(2) Subject to paragraph (1), any lessee or owner who fails to pay to the Board any improvement contribution or instalment due from him shall be liable to pay to the Board, in respect of the improvement contribution or instalment or any part thereof in arrears, for every month in which the improvement contribution or instalment or any part thereof is in arrears, a penalty until all of the improvement contribution or instalment or part thereof in arrears is paid.

(3) The penalty referred to in paragraph (2) shall be as follows:

- (a) in relation to any flat that is not a commercial property, a sum that is calculated at a rate that is 2% above such rate as may be determined by the Minister for Finance for the financial year in which the improvement contribution or instalment or any part thereof is in arrears, being a determination that takes into account the average prime lending rate for the last quarter of the year immediately preceding that financial year; and
- (b) in relation to a flat that is a commercial property —
 - (i) 8% per annum; or
 - (ii) a sum that is calculated at such rate as may be determined by the Minister for Finance for the financial year in which the improvement contribution or instalment or any part thereof is in arrears.

Interest on late payment

4.—(1) No interest under this rule shall be payable by a lessee or owner during the grace period in respect of any improvement contribution, or any part thereof, due from him and in arrears.

(2) Subject to paragraph (1), where any improvement contribution or part thereof is in arrears, the Board shall be entitled to impose interest on the lessee or owner for late payment of the amount in arrears, at the following rates:

- (a) where he is the lessee or owner of a flat that is not a commercial property —