

SBF and SMC Sign A Memorandum Of Understanding To Promote Mediation For Tenancy Disputes

[12 October 2015] Singapore – SBF and SMC signed a memorandum of understanding (MOU) today to promote mediation as the preferred dispute resolution channel for commercial tenancy disputes under the Fair Tenancy Framework (FTF). The MOU was signed by Mr Ho Meng Kit, CEO of SBF, and Mr Loong Seng Onn, Executive Director of SMC.

Mediation under the FTF

Launched in January this year, the FTF was developed on the principle of fairness for all contracting parties. The Framework aims to achieve the following results through a three-pronged approach which includes greater rental data transparency, improving education and awareness, as well as identifying a preferred dispute resolution channel. The approach includes:

- helping tenants and landlords of business premises to understand key terms and conditions of a lease agreement;
- educating tenants and landlords of their respective roles and responsibilities; and
- highlighting the implications of prevalent industry lease clauses

Under the third initiative of the FTF, mediation is recognised as a cost-effective and efficient means to resolve contractual disputes between tenants and landlords of commercial premises, given the long-drawn and costly alternative of litigation.

This is evident in the total number of cases mediated at SMC increasing dramatically over the years. The cases have – more than doubled now when compared to the end of 2009. Out of 102 tenancy matters mediated at SMC, about 75% were settled. In one SMC tenancy dispute, the matter, which would have taken about two years to reach the court, was scheduled for mediation within 15 working days after submission of the request. The case was settled through mediation at SMC within one day.

Memorandum of Understanding

The main features of the MOU are:

1. SBF and SMC will jointly promote the use of mediation as a method for resolving tenancy disputes;
2. SMC will provide mediation services which cater to the requirements of tenants and landlords in line with the Fair Tenancy Framework; and
3. SBF and SMC will jointly develop training programmes, seminars and workshops to cater to the intent of the FTF.

To facilitate the adoption of mediation for tenancy disputes, SMC will introduce a fast-track to expedite the process of mediation from the point of referral. SMC will also offer preferential mediation rates for tenancy-related cases which arise from, or are related to the FTF (see Annex A for details).

Going forward, SBF and SMC will enhance outreach efforts through the development of joint training programmes, seminars and workshops relating to FTF.