

# **Town Councils (Penalties and Interest for Late Payment of Improvement Contributions) Rules 2005**

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## **THE SCHEDULE Penalties for Late Payment of Improvement Contributions**

**No. S 773**

**TOWN COUNCILS ACT  
(CHAPTER 329A)**

**TOWN COUNCILS (PENALTIES AND INTEREST FOR LATE PAYMENT OF**

## IMPROVEMENT CONTRIBUTIONS) RULES 2005

In exercise of the powers conferred by section 24I(1)(d) of the Town Councils Act, the Minister for National Development hereby makes the following Rules:

### **Citation and commencement**

1. These Rules may be cited as the Town Councils (Penalties and Interest for Late Payment of Improvement Contributions) Rules 2005 and shall come into operation on 5th December 2005.

### **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% point per annum above the rate of interest declared from time to time under section 6 of the Central Provident Fund Act (Cap. 36);

“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 Housing and Development Act (Cap. 129);

“instalment” means such amount payable by a lessee or owner to a Town Council at such monthly intervals as are specified in an instalment plan;

“instalment plan” means any agreement between a lessee or owner and a Town Council for the payment by the lessee or owner of his improvement contributions by instalments;

“lessee or owner” means the person who is the owner of the flat at the time the improvement contribution is determined by the Town Council under section 24D(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.

### **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 him and in arrears.

(2) Subject to paragraphs (1) and (4), where any improvement contribution or part thereof is in arrears, there shall be imposed the following penalties:

(a) in respect of the amount of improvement contribution or part thereof outstanding on the first day of the first month immediately following any grace period —

(i) the penalty specified in the second column of the Schedule opposite the range in the first column thereof within which falls that amount so outstanding; plus

(ii) \$2; and

(b) in respect of the amount of improvement contribution or part thereof that continues to be outstanding on the first day in the next or any subsequent month — the penalty specified in the second column of the Schedule opposite the range in the first column thereof within which falls the amount that is from time to time so outstanding on the first day of each such month.

(3) Subject to paragraphs (1) and (5), where an instalment or part thereof is in arrears, there shall be imposed the following penalties:

(a) in respect of the amount of instalment or part thereof outstanding on the first day of the first month immediately following any grace period —

(i) the penalty specified in the second column of the Schedule opposite the range in the first column thereof within which falls that amount so outstanding; plus

(ii) \$2; and

(b) in respect of the amount of instalment or part thereof that continues to be outstanding on the first day in the next or any subsequent month — the penalty specified in the second column of the Schedule opposite the range in the first column thereof within which falls the amount of the instalment or part thereof, together with such other instalments or parts thereof, that are from time to time outstanding on the first day of each such month.

(4) The amount of \$2 referred to in paragraph (2)(a)(ii) shall be payable only once in respect of an improvement contribution or any part thereof that is in arrears even though it continues to be in arrears during the period referred to in paragraph (2)(b).