

Sale of Goods (Amendment) Bill

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Bill No: 33/1996

Read the first time: 28th October 1996

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Expenditure of Public Money

Sale of Goods (Amendment) Bill

Bill No. 33/1996

Read the first time on 28th October 1996.

An Act to amend the Sale of Goods Act (Chapter 393 of the 1994 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title, commencement and application

1.—(1) This Act may be cited as the Sale of Goods (Amendment) Act 1996 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

(2) This Act shall have effect in relation to contracts of sale of goods made on or after (but not to those made before) the commencement of this Act.

Amendment of section 11

2. Section 11(3) of the Sale of Goods Act (referred to in this Act as the principal Act) is amended by deleting the word “Where” in the first line and substituting the words “Subject to section 35A, where”.

Amendment of section 14

3. Section 14 of the principal Act is amended —

(a) by deleting subsection (2) and substituting the following subsections:

“(2) Where the seller sells goods in the course of a business, there is an implied condition that the goods supplied under the contract are of satisfactory quality.

(2A) For the purposes of this Act, goods are of satisfactory quality if they meet the standard that a reasonable person would regard as satisfactory, taking account of any description of the goods, the price (if relevant) and all the other relevant circumstances.

(2B) For the purposes of this Act, the quality of goods includes their state and condition and the following (among others) are in appropriate cases aspects of the quality of goods:

- (a) fitness for all the purposes for which goods of the kind in question are commonly supplied;
- (b) appearance and finish;
- (c) freedom from minor defects;
- (d) safety; and
- (e) durability.

(2C) The condition implied by subsection (2) does not extend to any matter making the quality of goods unsatisfactory —

- (a) which is specifically drawn to the buyer's attention before the contract is made;
- (b) where the buyer examines the goods before the contract is made, which that examination ought to reveal; or
- (c) in the case of a contract for sale by sample, which would have been apparent on a reasonable examination of the sample.”; and

(b) by deleting subsection (6).

Amendment of section 15

4. Section 15 of the principal Act is amended —

- (a) by deleting paragraph (b) of subsection (2);
- (b) by deleting the words “rendering them unmerchantable,” in subsection (2)(c) and substituting the words “making their quality unsatisfactory,”; and
- (c) by deleting subsection (3).

New section 15A

5. The principal Act is amended by inserting, immediately after section 15, the

following heading and section:

“Miscellaneous

Modification of remedies for breach of condition in non-consumer cases

15A.—(1) Where in the case of a contract of sale —

(a) the buyer would, apart from this subsection, have the right to reject goods by reason of a breach on the part of the seller of a condition implied by section 13, 14 or 15; but

(b) the breach is so slight that it would be unreasonable for the buyer to reject them,

then, if the buyer does not deal as consumer, the breach is not to be treated as a breach of condition but may be treated as a breach of warranty.

(2) This section applies unless a contrary intention appears in, or is to be implied from, the contract.

(3) It is for the seller to show that a breach fell within subsection (1)(b).”

Amendment of section 16

6. Section 16 of the principal Act is amended by deleting the word “Where” and substituting the words “Subject to section 20A, where”.

Amendment of section 18

7. Section 18 of the principal Act is amended by inserting, immediately after paragraph (2) of Rule 5, the following paragraphs:

“(3) Where there is a contract for the sale of a specified quantity of unascertained goods in a deliverable state forming part of a bulk which is identified either in the contract or by subsequent agreement between the parties and the bulk is reduced to (or to less than) that quantity, then, if the buyer under that contract is the only buyer to whom goods are then due out of the bulk —

(a) the remaining goods are to be taken as appropriated to that contract at the time when the bulk is so reduced; and

(b) the property in those goods then passes to that buyer.

(4) Paragraph (3) applies also, with the necessary modifications, where a bulk is reduced to (or to less than) the aggregate of the quantities due to a single buyer under separate contracts relating to that bulk and he is the only buyer to whom goods are then due out of that bulk.”.

New sections 20A and 20B

8. The principal Act is amended by inserting, immediately after section 20, the following sections:

“Undivided shares in goods forming part of bulk

20A.—(1) This section applies to a contract for the sale of a specified quantity of unascertained goods if the following conditions are met:

- (a) the goods or some of them form part of a bulk which is identified either in the contract or by subsequent agreement between the parties; and
- (b) the buyer has paid the price for some or all of the goods which are the subject of the contract and which form part of the bulk.

(2) Where this section applies, then (unless the parties agree otherwise), as soon as the conditions specified in paragraphs (a) and (b) of subsection (1) are met or at such later time as the parties may agree —

- (a) property in an undivided share in the bulk is transferred to the buyer; and
- (b) the buyer becomes an owner in common of the bulk.

(3) Subject to subsection (4), for the purposes of this section, the undivided share of a buyer in a bulk at any time shall be such share as the quantity of goods paid for and due to the buyer out of the bulk bears to the quantity of goods in the bulk at that time.

(4) Where the aggregate of the undivided shares of buyers in a bulk determined under subsection (3) would at any time exceed the whole of the bulk at that time, the undivided share in the bulk of each buyer shall be reduced proportionately so that the aggregate of the undivided shares is equal to the whole bulk.

(5) Where a buyer has paid the price for only some of the goods due to him out of a bulk, any delivery to the buyer out of the bulk shall, for the purposes of this section, be ascribed in the first place to the goods in respect of which payment has been made.

(6) For the purposes of this section, payment of part of the price for any goods shall be treated as payment for a corresponding part of the goods.

Deemed consent by co-owner to dealings in bulk goods

20B.—(1) A person who has become an owner in common of a bulk by virtue of section 20A shall be deemed to have consented to —