

Supply of Goods (Amendment) Bill

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Bill No: 34/1996

Read the first time: 28th October 1996

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Explanatory Statement

Expenditure of Public Money

Supply of Goods (Amendment) Bill

Bill No. 34/1996

Read the first time on 28th October 1996.

An Act to amend the Supply of Goods Act (Chapter 394 of the 1994 Revised Edition) and to make a minor amendment to the Unfair Contract Terms Act (Chapter 396 of the 1994 Revised Edition) in relation to contracts for the supply of goods.

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 Supply 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 for the transfer or hire of goods made on or after (but not to those made before) the commencement of this Act.

Amendment of section 4

2. Section 4 of the Supply of Goods Act (referred to in this Act as the principal Act) is amended —

(a) by deleting subsections (2) and (3) and substituting the following subsections:

“(2) Where, under such a contract, the transferor transfers the property in 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 section and section 5, 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.

(3) 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 transferee’s attention before the contract is made;

(b) where the transferee examines the goods before the

contract is made, which that examination ought to reveal; or

- (c) where the property in the goods is transferred by reference to a sample, which would have been apparent on a reasonable examination of the sample.”; and

(b) by deleting subsection (9).

Amendment of section 5

3. Section 5 of the principal Act is amended —

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

New section 5A

4. The principal Act is amended by inserting, immediately after section 5, the following section:

“Modification of remedies for breach of statutory condition in non-consumer contracts for transfer of goods

5A.—(1) Where in the case of a contract for the transfer of goods —

- (a) the transferee would, apart from this subsection, have the right to treat the contract as repudiated by reason of a breach on the part of the transferor of a condition implied by section 3, 4 or 5(2)(a) or (c); but
- (b) the breach is so slight that it would be unreasonable for the transferee to do so,

then, if the transferee 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 transferor to show that a breach fell within subsection (1)(b).”.

Amendment of section 9

5. Section 9 of the principal Act is amended —

- (a) by deleting subsections (2) and (3) and substituting the following subsections:

“(2) Where, under such a contract, the bailor bails 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 section and section 10, 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 consideration for the bailment (if relevant) and all the other relevant circumstances.

(3) 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 bailee’s attention before the contract is made;
- (b) where the bailee examines the goods before the contract is made, which that examination ought to reveal; or
- (c) where the goods are bailed by reference to a sample, which would have been apparent on a reasonable examination of the sample.”; and

- (b) by deleting subsection (9).

Amendment of section 10

6. Section 10 of the principal Act is amended —

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

New section 10A

7. The principal Act is amended by inserting, immediately after section 10, the following section:

“Modification of remedies for breach of statutory condition in non-consumer contracts for hire of goods

10A.—(1) Where in the case of a contract for the hire of goods —