

**No. S000 -**

**CONSUMER PROTECTION (FAIR TRADING) ACT 2003  
(ACT OF 2003)**

**CONSUMER PROTECTION (FAIR TRADING)  
(CANCELLATION OF CONTRACTS) REGULATIONS 2003**

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In exercise of the powers conferred by sections 10 and 21 of the Consumer Protection (Fair Trading) Act 2003, the Minister for Trade and Industry hereby makes the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations 2003 and shall come into operation on .

**Definitions**

2. In these Regulations, unless the context otherwise requires —
  - “cancellation period” means the period described in regulation 3(1);
  - “consumer information notice” means a notice in the form set out in the Schedule;
  - “contract” means a direct sales contract or time share contract;
  - “direct sales contract” means a contract for the supply by a supplier of goods or services to a consumer which is made —
    - (a) during an unsolicited visit by a supplier to —
      - (i) the place of residence of the consumer;
      - (ii) the place of residence of another person; or

- (iii) the place of business of the consumer;
- (b) during a visit by a supplier to any place referred to in paragraph (a) at the express request of the consumer where the goods or services to which the contract relates are other than those for which the consumer requested the visit of the supplier, provided that when the visit was requested the consumer did not know, or could not reasonably have known, that the supply of those other goods or services formed part of the business activities of the supplier; or
- (c) after an offer was made by the consumer in respect of the supply by the supplier of the goods or services in the circumstances referred to in paragraph (a) or (b) ;

“time share accommodation” means any living accommodation, in Singapore or elsewhere, used or intended to be used (wholly or partly) for leisure purposes by a class of persons all of whom have rights to use, or participate in arrangements under which they may use, that accommodation or accommodation within a pool of accommodation to which that accommodation belongs;

“time share contract” means a contract which confers or purports to confer on an individual time share rights that are exercisable during a period of not less than 3 years;

“time share rights” means rights to use time share accommodation for a specified or ascertainable period, but does not include rights under a contract of employment or an insurance policy;

“trade-in allowance” means the greater of —

- (a) the price or value of the consumer’s goods as set out in a trade-in arrangement; or
- (b) the market value of the consumer’s goods when taken in trade under a trade-in arrangement;

“trade-in arrangement” means an agreement or arrangement, contained in a direct sales contract or forming the whole or part of a related contract, under which the consumer sells or agrees to sell the consumer’s own goods to the supplier or any other person and the goods are accepted as the whole or part of the consideration under the direct sales contract.

“unsolicited visit” means a visit by a supplier, whether or not he is the supplier who supplies the goods or services, which does not take place at the express request of the consumer and includes a visit which takes place after a supplier

telephones the consumer (otherwise than at his express request) indicating expressly or by implication that he is willing to visit the consumer.

### **Right to cancel contract**

**3.—**(1) A contract may not be enforced against the consumer at any time earlier than 3 days, excluding Saturdays, Sundays and public holidays, after —

- (a) the day on which the contract is entered into; or
- (b) if the consumer information notice has not been brought to the attention of the consumer before or at the time when the contract is entered into, the day on which the consumer information notice is subsequently brought to the attention of the consumer.

(2) Where a consumer has entered into a contract, the consumer may give notice of cancellation of the contract to the supplier or any person designated by the supplier as one to whom notice of cancellation may be given (referred to in this regulation as a designated person) at any time within the cancellation period.

(3) If the consumer, having given notice of cancellation of a contract in accordance with this regulation, affirms the contract at any time before the expiry of the cancellation period, paragraphs (1) and (2) shall continue to apply to the contract as though the contract had not been cancelled and affirmed.

(4) If the consumer, having given notice of cancellation of a contract in accordance with this regulation, affirms the contract at any time after the expiry of the cancellation period, these Regulations shall not prevent the contract from being enforced against the consumer.

(5) Subject to paragraph (6), a notice of cancellation of a contract shall be in the form set out in Parts A and B of the Schedule.

(6) If the consumer information notice has not been brought to the attention of the consumer or properly completed by the supplier, the consumer may give notice of cancellation of a contract by any other notice in writing of the consumer's intention to cancel the contract under these Regulations.

(7) A notice of cancellation of a contract shall be given —

- (a) by delivering it to the supplier or designated person personally;
- (b) by leaving it at, or by sending it by pre-paid post to, an address provided by the supplier in the consumer information notice; or

(c) by sending it by facsimile transmission to a facsimile number provided by the supplier in the consumer information notice.

(8) Notwithstanding paragraph (7), where the supplier has not stated in any consumer information notice given to the consumer any address or facsimile number to which the notice of cancellation shall be sent, the notice may be given by leaving it at or sending it by pre-paid post to —

(a) the usual or last known address of the place of business of the supplier or designated person; or

(b) in the case of a body corporate, its registered office or principal office in Singapore.

(9) A notice of cancellation of a contract sent by a consumer by pre-paid post shall be deemed to have been given at the time of posting, whether or not it is actually received.

(10) Notwithstanding paragraphs (5) to (8), if the supplier agrees to be notified of cancellation of the contract by electronic means, the notice may be given by an electronic record sent in accordance with any specifications of the supplier for that purpose.

#### **Effect of cancellation of contract**

4.—(1) Subject to regulation 3(4), where a consumer gives a notice of cancellation of a contract in accordance with regulation 3 —

(a) the contract shall cease to be enforceable;

(b) any sum which the consumer has paid under or in contemplation of the contract to the supplier, or to any person who is the agent of the supplier for the purpose of receiving that sum, shall be repaid to the consumer by the supplier;

(c) the consumer or any person on his behalf shall have a lien on any goods in the possession of the consumer or any person on his behalf for any sum payable to the consumer under sub-paragraph (b) or paragraph (2)(b);

(d) any security which the consumer has provided in relation to the contract shall be treated as not having had effect and any property lodged with the supplier solely for the purposes of the security shall be returned by him;

(e) subject to regulations 5 and 6, no sum or other consideration may be recovered by or on behalf of the supplier from the consumer in respect of the contract; and

- (f) any other contract arranged by the supplier and entered into by the consumer for the purposes of the contract shall not be enforceable against the consumer.
- (2) In the case of a trade-in arrangement, if the contract is cancelled under regulation 3, the supplier shall either —
- (a) return the goods delivered by the consumer under the trade-in arrangement to the consumer in a condition substantially the same as when they were delivered by the consumer; or
- (b) pay to the consumer a sum equal to the trade-in allowance.
- (3) When a consumer recovers an amount equal to the trade-in allowance, then, if the title of the consumer to goods delivered by the consumer under the trade-in arrangement did not pass from the consumer, the title vests in the person entitled to the title under the trade-in arrangement.
- (4) Subject to paragraph (5), breach of any duty imposed by these Regulations on a supplier or a consumer shall be actionable as a breach of statutory duty in a court of competent jurisdiction.
- (5) In the case of an action for breach of a duty under paragraph (1)(b), the value of the claim shall not exceed \$20,000.
- (6) If, apart from these Regulations, a consumer could have cancelled the contract under any rule of law or any contractual right or other arrangement with the supplier, the fact that the consumer has cancelled the contract pursuant to these Regulations shall not prejudice his right to any compensation that he would have if he had cancelled the contract under that rule of law, contractual right or arrangement.
- (7) In determining the amount recoverable in a claim for compensation under a right referred to in paragraph (6), the court shall take account of any compensation which has been given to the consumer in satisfaction of any claim for a breach of duty under these Regulations relating to the cancellation of the same contract.
- (8) In determining the amount recoverable in a claim by a consumer for breach of duty under these Regulations, the court shall take account of any compensation which has been given to the consumer in satisfaction of any claim for compensation referred to in paragraph (6) relating to the cancellation of the same contract.

**Return of goods by consumer on cancellation of direct sales contract**

**5.—**(1) Subject to paragraph (2), a consumer who has, before cancelling a direct sales contract under these Regulations, acquired

possession of any goods by virtue of the direct sales contract shall —

- (a) be under a duty, subject to any lien, upon the cancellation to restore the goods to the supplier; and
- (b) for the time being to retain possession of the goods and take reasonable care of them.

(2) The consumer shall not be under a duty to restore —

- (a) perishable goods;
- (b) goods which by their nature are consumed by use and which, before the cancellation, were so consumed;
- (c) goods supplied to meet an emergency; or
- (d) goods which, before the cancellation, had become incorporated in any land or thing not comprised in the contract.

(3) In the event that paragraph (2) applies, the consumer shall be under a duty to pay reasonable compensation for the supply of the goods and for the provision of any services in connection with the supply of the goods before the cancellation.

(4) The consumer shall be discharged from any duty to retain possession of the goods or restore them to the supplier at the time he delivers the goods to the supplier or to a person designated by the supplier for such purposes.

### **Compensation for services on cancellation of direct sales contract**

6. Where a consumer cancels a direct sales agreement under these Regulations, the consumer shall be under a duty to pay reasonable compensation for the services supplied under the contract before the cancellation.

### **No imposition of additional duty or liability on consumer**

7.—(1) The supplier shall not by a term in a contract impose, directly or indirectly, any additional duty or liability on the consumer in relation to the duties imposed by these Regulations.

(2) Where any term in a contract is inconsistent with paragraph (1), it shall be void to the extent of such inconsistency.

## THE SCHEDULE

Regulation 2

### CONSUMER PROTECTION (FAIR TRADING) (CANCELLATION OF CONTRACTS) REGULATIONS

#### IMPORTANT INFORMATION ON YOUR RIGHT TO CANCEL

1. You have a right to cancel a direct sales/time share contract within 3 days, excluding Saturdays, Sundays and public holidays, after —
  - (a) the day on which you entered the contract; or
  - (b) if this notice was not brought to your attention before or at the time you entered the contract, the day on which this notice was subsequently brought to your attention.
2. If you wish to cancel the contract under the Regulations, please complete and return the attached Form (Notice of Cancellation) to the supplier or the designated person named in Part A of the Form.

**NOTICE OF CANCELLATION  
UNDER THE CONSUMER PROTECTION  
(FAIR TRADING) (CANCELLATION OF CONTRACTS)  
REGULATIONS**

**Part A**

(To be completed by supplier and given to the consumer)

**Supplier:** (Insert name of supplier)

**Reference:** (Insert supplier's reference number, code or other details to enable the transaction to be identified.)

**Designated person/s to whom notice of cancellation to be given:**  
(Insert name/s and address/es or facsimile number/s)

**Designated person/s to whom goods to be returned:**  
(Insert name/s and address/es or facsimile number/s)

**Part B**

(To be completed by the consumer and returned to supplier or Designated Person ONLY IF YOU WISH TO CANCEL THE CONTRACT under the Consumer Protection (Fair Trading) (Cancellation of Contracts) Regulations.)

I hereby give notice that I wish to cancel my contract referred to in Part A above.

Signature:

Date:

Name:

Address:

Telephone No.(optional):

Fax (optional):

E-mail (optional):