

**“DON’T WORRY, IT’S A STANDARD CONTRACT.
PLEASE SIGN HERE, HERE AND HERE”**

Recently, after having found the perfect premises for our new office, we were given a thick set of documents (the Tenancy Agreement together with all the “standard” terms and conditions) and were told “Can you please sign here, here and here?” Being lawyers, it was an occupational hazard that we just had to go through all the documents together with all the small fine print.

Given that it was late in the afternoon, the estate agent seemed anxious to “seal the deal” and said to us “Don’t worry, this is a standard contract. All the tenants sign the same documents.” we smiled and continued reading...

Question to ask yourself : “How often have we “sign” documents without knowing the terms and conditions?”

If your reply is “This doesn’t apply to me. I don’t sign agreements often.” then would you will be surprise to know that for the most of us, signing agreements without knowing that we have done so, probably happens on a daily basis?

The term “signing documents” include not only the obvious act of having your physical signature imprinted on a written document. It also includes some of the following common situations:

- when you press on the **“I AGREE”** button (at an ATM machine)
- when you click on the **“I ACCEPT”** box (for online transactions)

So what exactly are the implications of your actions?

The law provides that when you “sign” any documents, you are bound by every single clause/term and condition in the document, even if you did not read it or if you did not understand it.

“But that’s not fair!”

Unfortunate, but true!

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Is there any way out of it? Well, there are grounds in which a contract may not be enforceable even if it was signed.

Generally speaking, the grounds include situations where the contract is illegal. An illegal contract is one which is prohibited by statute or one which is against public policies.

Another situation where a contract may not be enforceable is where the contract includes an unreasonable exclusion clause. An exclusion clause is simple one which tries to exclude a party’s responsibility (whether wholly or partially).

Another situation where a contract may not be enforceable is where one part is induced to enter into the contract by means of some wrongful conduct. The most common example of such a situation is misrepresentation.

In our daily lives, we would have, at some time or other, met salesmen who make promises on a product. After we purchase the product, we bring it home and discover that the product does not live up to the promises made by the salesmen. Depending on the extent of the promises made, such contract may be held unenforceable.

In the recent Lehman Brothers’ minibond saga, many investors (in an attempt to claim that the contract is null and void) claimed that they were misled into thinking that they were buying a form of corporate bonds and were unaware that the bonds were guaranteed by the troubled Lehman Brothers. The relevant authorities are still investigating as to whether or not the various financial institutions are in breach for misrepresentation.

In this case, fortunately for some, the rules relating to the sale of financial products are governed by specific statutes in Singapore. Such rules include the “need to know your customer”. As such, even if a case for misrepresentation cannot be made, it may be possible to rely on the fact that the financial products were mis-sold due to the profile of the investor and circumstances (e.g. the old & uneducated persons).

So what should we do?

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Well, for small matters, it’s probably okay to just let it go. But for major transactions, its really important to read and understand all the terms and conditions which you are agreeing to. Sometimes, by reading the agreement, you might just find some really onerous clause being slipped into the “standard” agreement. In such situations, you may wish to negotiate with the other part to delete or amend the particular clause.

Basic Action Tips

- Read the whole agreement – each and every clause in the agreement.
- Do you understand what you are reading? If not, ask someone.
- Is the clause acceptable to you? If not, try to get it deleted or amended.
- If you don’t understand or if the other party refuses to delete or amend the clause, don’t sign the agreement. Get proper advice before signing.

What We Do

Business Law – We advise businesses in all stages of its life cycle - from start-up and growing it through acquisitions and restructures; to retiring from the business by selling or handing it over to the next generation. Your business too will face different funding, organizational and legal challenges as it goes through different stages of its life cycle.

Estate Planning – You have worked your whole life to establish your estate, why not take the time to protect it. A proper estate plan will protect your loved ones from having to deal with the troubles and costs involved with probate court. We make Estate Planning easy to understand. We help create a legally binding directive that helps your loved ones when it counts the most. We offer guidance to help simplify the process for your loved one. No matter the size of your estate, we provide an entire plan designed for your individual needs.

Our Approach

Our Approach is Simple

Personal. Honest. Decisive.

We provide frank, insightful analysis and practical solutions.

We don't believe in doing anything less.

The information contained here is only intended to provide general information on the subject covered. Nothing in this publication should be treated as specific professional legal advice concerning any particular business, operational or other situations with which you might be faced. Please seek professional advise before taking any action.

If you need a trusted legal advisor at hand to help you navigate the complexities of the law and to keep you safe from unsuspecting pitfalls, contact us.

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