IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

[2026] SGSCT 3

Small Claims Tribunals Claim No 13436 of 2025

Between

(1) JFO

… *Claimant*

And

(1) JFN

… *Respondent*

GROUNDS OF DECISION

[Small Claims Tribunals — Jurisdiction — Whether the tribunal had jurisdiction to hear a claim grounded on a letter of intent to rent residential premises when no lease was executed]

[Landlord And Tenant — Creation of tenancy — Whether a letter of intent to rent residential premises gave rise to a lease]

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JFO
v
JFN

[2026] SGSCT 3

Small Claims Tribunals Claim No 13436 of 2025
Tribunal Magistrate Leon Abraham Tan
16 September 2025

20 April 2026

Tribunal Magistrate Leon Abraham Tan:

Introduction

1 [JFO] (the "**Claimant**") wanted to rent a residential apartment at [address redacted] (the "**Apartment**") that belonged to **[JFN]** (the "**Respondent**"). To express his interest whilst the terms of the lease were being negotiated, the Claimant paid $8,500 to the Respondent as a good faith deposit ("**GFD**") pursuant to a letter of intent ("**LOI**") dated 25 March 2025. When negotiations fell through and a tenancy agreement was not executed, the Claimant sued the Respondent in the Small Claims Tribunals ("**SCT**") to recover the GFD.

2 The facts of this case were, by and large, not complicated. However, since it was undisputed that a tenancy agreement was never executed, this dispute raised a threshold issue: namely, whether the tribunal had jurisdiction

to hear a claim premised on the LOI in the absence of a lease? After careful consideration, I concluded that the SCT did not have jurisdiction to hear the claim and discontinued it pursuant to s 5(5) of the Small Claims Tribunals Act 1984 (2020 Rev Ed) ("**SCTA**"). I set out my reasons in this Grounds of Decision.

Preliminary issue of jurisdiction and the parties' arguments

3 At the outset, it should be noted that the parties essentially blamed each other for the breakdown of negotiations after the LOI was signed and payment of the GFD. However, the differing accounts given by the parties were irrelevant because the relevant inquiry here was whether the claim was one "relating to a contract for the lease of residential premises that does not exceed [two] years" (see para 1(c) of the Schedule of the SCTA). If it was not, then the Claimant would not have a "specified claim" as required under s 5(1)(a) of the SCTA. Consequently, the Claimant would not have satisfied one of the jurisdictional requirements under s 5 of the SCTA, and the claim must be discontinued.

4 On the one hand, the Claimant argued that his claim fell within the SCT's jurisdiction because the substance of the dispute related to a lease of residential premises. Essentially, the Claimant argued that para 1(c) of the Schedule of the SCTA should be read broadly to encompass a claim founded on an LOI instead of a lease.

5 On the other hand, the Respondent argued that the claim fell outside the SCT's jurisdiction since a tenancy agreement was not executed in the end. Hence, there was no "contract for the lease of residential premises" as required under para 1(c) of the SCTA.

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Decision

Principles of statutory interpretation

6 Since the determination of the foregoing jurisdictional issue was an exercise of statutory interpretation, I begin by stating the applicable principles.

7 The starting point of the exercise was s 9A(1) of the Interpretation Act 1965 (2020 Rev Ed), which required a court to adopt a purposive approach and favour an interpretation that promoted the underlying objective of a statute.

8 The purposive approach entailed applying the following three-step analytical framework (see *Tan Cheng Bock v Attorney-General* [2017] 2 SLR 850 ("***Tan Cheng Bock***") at [37]):

> (a) firstly, ascertain the possible interpretations of the provision, having regard not just to the text of the provision but also to the context of that provision within the written law as a whole;
>
> (b) secondly, ascertain the legislative purpose or object of the statute; and
>
> (c) thirdly, compare the possible interpretations of the text against the purposes or objects of the statute.

9 However, as observed elsewhere, the second and third steps are often merged in practice because the process of ascertaining the legislative purpose of a statutory provision necessarily entailed comparing possible interpretations against the purpose of the statute in question (see *Hossain Rakib v Ideal Design & Build Pte Ltd* [2023] 5 SLR 1529 ("***Hossain Rakib***") at [35]). Hence, in this

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case, after ascertaining the possible interpretations (*i.e.*, the first step), I went on to consider the second and third steps together.

First step: ascertaining the possible interpretations

10 Beginning with the first step, I was of the view that two possible interpretations emerged from the plain text of para 1(c) of the Schedule of the SCTA.

(a) The first interpretation, as argued by the Claimant, was a broad one. It entailed that provision encompassing a claim founded on an LOI even though no lease was executed because such a claim could be said to be one "relating to a contract for the lease of residential premises" (the "**First Interpretation**").

(b) The second interpretation, which was favoured by the Respondent, entailed a narrower approach: for a claim to come under that provision, the claim had to be premised on a lease, and not merely a LOI, so that the claim could be said to be one "relating to a contract for the lease of residential premises" (the "**Second Interpretation**").

Second and third steps: ascertaining the legislative purpose and comparing possible interpretations against the objects of the statute

11 Between the two possible interpretations, which should be preferred? The answer turned on whether a broad or narrow view of para 1(c) of the Schedule of the SCTA should be adopted. And this, in turn, hinged on the legislative purpose of that provision.

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The legislative purpose of the Schedule of the SCTA

12 When ascertaining said legislative purpose, the court must first pay attention to the general purpose of the part of the statute in which that provision appeared, before looking to the specific purpose behind the provision in question (see *Hossain Rakib* at [36]). Accordingly, I began by outlining the purpose of the Schedule of the SCTA.

13 The first port of call was the text of the SCTA itself (see *Tan Cheng Bock* at [54(c)(ii)]). In this regard, the relevant text from the SCTA that touched on the Schedule were s 5(1)(a) and s 2(1). When read together, they stipulated that the SCT had jurisdiction only to hear and determine a "specified claim", and that a claim would be such if it fell within one of the categories listed in the Schedule of the SCTA. In my view, the text of those two provisions revealed that the legislative purpose of the Schedule was to delineate the contours of the SCT's subject-matter jurisdiction – *i.e.*, the *type* of cases that the SCT could hear. As will be seen below, this purpose was also confirmed by extraneous material such as the legislative history and parliamentary debates of the SCTA (see *Tan Cheng Bock* at [54(c)(iii)(A)]).

14 For background, the SCT was established pursuant to the enactment of the Small Claims Tribunals Act 1984 (Act 27 of 1984) ("**SCTA 1984**"), and it remains constituted today as one of the subordinate courts of the State Courts (see s 3(1) of the State Courts Act 1970 (2020 Rev Ed)).

15 Since its inception, the SCT was never a tribunal with an unlimited subject-matter jurisdiction. As explained by Prof S Jayakumar, the then Minister for Labour and Second Minister for Law and Home Affairs, during the Second Reading of the Small Claims Tribunals Bill (Bill 10 of 1984), the tribunal was

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deliberately established to hear only a narrow range of disputes to ensure that it served as a quick, inexpensive and accessible forum for the adjudication of straightforward claims. Furthermore, the tribunal's subject-matter jurisdiction was meant to be "experimental" to start with; with time and experience, the Government would then consider expanding it incrementally (see *Singapore Parliamentary Debates, Official Report* (24 August 1984) vol 44 at cols 1999, 2002 and 2015). Hence, under s 5(1) of the SCTA 1984, the tribunal's original subject-matter jurisdiction was limited to disputes relating to a contract for the sale of goods or the provision of services.

16 The rationale of maintaining the SCT as a tribunal with a tightly scoped subject-matter jurisdiction remained true even after three decades. This was evinced by the fact that, when the Government sought to expand various aspects of the tribunal's jurisdiction in 2018, Edwin Tong Chun Fai ("**Mr Tong**"), the then Senior Minister of State for Law, made the following remarks in his speech during the second reading of the Small Claims Tribunals (Amendment) Bill (Bill No 23 of 2018):

> In expanding the jurisdiction of the Tribunals, we have sought to strike a balance between the objectives of enhancing access to justice while ensuring that the Tribunals stay true to the purpose of providing effective and swift redress for small claims. If the Tribunals' jurisdiction is expanded too far, they will have to deal with not just an increased caseload but the cases will also involve more complex and complicated legal issues. This is undesirable as cases involving such complex issues are best dealt with in the usual civil courts which remain accessible and which parties can still avail themselves of.

17 Subsequently, as the SCT's subject-matter jurisdiction expanded in a piecemeal manner over the years, s 20 of the Small Claims Tribunals (Amendment) Act 2018 (No 33 of 2018) was eventually enacted to consolidate the types of disputes that may be heard into the Schedule that presently exists under the SCTA.

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18 Therefore, the foregoing not only confirmed that the legislative purpose of the Schedule of the SCTA was to delineate the contours of the tribunal's subject-matter jurisdiction, but it also showed that the same was tightly scoped so that the tribunal would stay true to its purpose of providing a speedy and inexpensive forum for adjudication for certain types of claims. Crucially, any expansion would require legislative intervention by the Government. Moreover, Mr Tong's remarks during the second reading of the Small Claims Tribunals (Amendment) Bill (Bill No 23 of 2018), as reproduced at [16] above, underscored the fact that the SCT was created as an exception to litigation in the civil courts – *i.e.,* if a dispute fell within the tribunal's jurisdiction, a claimant could pursue his claim there; otherwise the default position would be for him to litigate in the civil courts. Drawing the strands together, the foregoing strongly suggested that a narrow interpretation of the SCT's subject-matter jurisdiction should always be preferred to ensure that the tribunal does not abrogate the boundaries demarcated by Parliament and expand its jurisdiction without legislative intervention.

19 This conclusion was, in my view, also fortified by one design feature of the SCTA – *i.e.*, the clear asymmetry in a party's right to appeal when the tribunal decides on its jurisdiction. As explained by Tribunal Magistrate Chua Wei Yuan (as he then was) in his unreported decision for SCT/17455/2023 that was delivered on 20 February 2024: if the tribunal discontinued a claim under s 5(5) of the SCTA, that decision was unappealable. In contrast, if the tribunal decided that it had jurisdiction to hear a claim and determined it on the merits, that decision was liable to be appealed to the General Division of the High Court under s 38(1)(b) of the SCTA on the basis that the claim was out of jurisdiction. This asymmetry showed that Parliament regarded the error of the SCT expanding its jurisdiction beyond what was provided for in legislation as being serious enough to warrant appellate intervention. In contrast, it was not so if the

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tribunal were to decline (albeit erroneously) to hear a case for want of jurisdiction. Therefore, the fact that this asymmetry was baked into the SCTA strongly suggested that a narrow interpretation should be preferred over a broad one.

The legislative purpose of para 1(c) of the Schedule of the SCTA

20 Turning next to the legislative purpose of para 1(c) of the Schedule of the SCTA. The plain text of that provision showed that its purpose was to enable the SCT to hear claims relating to contracts for the lease of residential premises that did not exceed two years. To my mind, the ordinary meaning of the text in that provision required claims to be grounded on a lease and that nothing short of that would suffice.

21 Furthermore, said purpose was also confirmed by the parliamentary debate for the Small Claims Tribunals (Amendment) Bill (Bill 29 of 2005). During the second reading of that Bill, Prof S Jayakumar, the then Deputy Prime Minister and Minister for Law, explained that the amendment would "expand the jurisdiction of the SCT, to allow it to determine claims arising from short-term residential tenancy agreements not exceeding two years", and that this would "benefit both landlords and tenants, as it provides them with a speedy and cost effective means of resolving some of their disputes" (see *Singapore Parliamentary Debates, Official Report* (21 November 2005) vol 80 at col 1829). Notably, there was no mention of claims being founded on anything other than a lease (*e.g.*, an LOI). Moreover, the reference to "tenancy agreements" and "landlords and tenants" reinforced the point that claims could only be brought if there was a lease in place to begin with, and that the Government did not envisage the SCT hearing cases brought by *prospective* landlords or tenants based on LOIs. Therefore, I found that the parliamentary

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debate for said Bill that introduced para 1(c) of the Schedule of the SCTA (in its previous incarnation) confirmed that that provision's purpose was to enable the SCT to hear claims grounded on leases alone.

Comparing the possible interpretations against the relevant legislative purposes

22 Having established the relevant legislative purposes above, I proceeded to compare the possible interpretations against them:

(a) On the one hand, the First Interpretation would go against the grain of the overall purpose of the Schedule of the SCTA and the specific purpose of para 1(c) found therein. This was because adopting it would have entailed the SCT taking a broad view of its subject-matter jurisdiction and effectively expanding that provision to include claims founded on LOIs without legislative intervention.

(b) On the other hand, the Second Interpretation was not only consistent with the specific legislative purpose of para 1(c) of the Schedule of the SCTA, but it was also in keeping with the need to interpret the SCT's subject-matter jurisdiction narrowly to avoid going beyond the boundaries that Parliament had carefully demarcated.

23 In conclusion, I was of the view that the First Interpretation was untenable and that the Second Interpretation clearly prevailed.

Application of the correct interpretation to the facts

24 Returning to the facts of the case, it was undisputed that the parties did not execute a tenancy agreement. Instead, they only signed the LOI dated 25

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March 2025.

25 However, could the LOI be said to be a lease? The answer must clearly be no because a lease is not simply an agreement to occupy a particular space for rent – rather it confers an estate on the occupier of the premises that, subject to the terms of the lease, is enforceable against all others (see Robert Megarry & William Wade, *The Law of Real Property* (Martin Dixon, Janet Bignell & Nick Hopkins eds) (Thomson Reuters, 10th Ed, 2024) at para 16-001 and Lye Lin Heng, Koh Swee Yen and Elaine Chew, *Lye Lin Heng's Landlord and Tenant Law in Singapore* (LexisNexis, 2nd Ed, 2020) at p 3). In this case, the LOI was only an agreement to negotiate in good faith and subsequently execute a tenancy agreement. The LOI did not confer an estate in the Apartment on the Claimant. Indeed, clause 11 of the LOI expressly stated that the "creation of the lease of the [Apartment] is subject to contract." Thus, a lease could not have existed since a tenancy agreement was never executed. Accordingly, the Claimant did not have a "specified claim" because he could not rely on para 1(c) of the Schedule of the SCTA since he did not have a "contract for the lease of residential premises". Consequently, he did not satisfy the requirement under s 5(1)(a) of the SCTA and his claim fell outside the tribunal's jurisdiction.

Conclusion

26 In conclusion, the claim was discontinued pursuant to s 5(5) of the SCTA. Additionally, the parties were informed that no decision had been made

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on the merits and that the Claimant was free to pursue his claim in the appropriate forum.



Leon Abraham Tan
Tribunal Magistrate

The claimant in person;
The respondent in person.

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