Bird & Bird ATMD

Legal Update

Legal considerations when launching a gym or fitness establishment

March 2020

Fitness and wellness options in Singapore have been steadily rising thanks in large part to the growing awareness of the manifold benefits of health. This is reflected in the life choices that are now commonplace not just amongst the millennials and Gen Z, but the older population as well - diet, sports, wellness and leisure. Fitness and wellness are no longer the domain of a privileged few but a mainstream need. Riding on this wave are many global fitness and wellness brands which have already made their first forays into Singapore, and are in an expansionary mode. Interestingly, numerous boutique gyms offering unusual sporting or wellness activities are also springing up across the island. If you are one of those intending to capitalise on this growing fitness trend, we have provided in this article some preliminary information that may be of use to you before you launch your business. If you are already an existing player in this space, you may wish to ensure that you have your bases covered.

1. Property and Leasing

The gym premises and facilities itself usually represent the single largest operating expense of running a gym. The location of the gym is critical in getting foot traffic and the right sort of clientele. The level of fit out required (showers, studios, lighting, stretching zones) is also a key consideration.

Most major gyms are situated in rented property that is not owned by the gym operator, and this brings on a slew of risks and liabilities. The lease terms may sometimes lead to major unbudgeted expenses and very often lack security of tenure.

The rent may comprise a base rent and variable service charge. In general, the variable portion can be increased at the landlord's discretion. For example, when the landlord needs to incur capital expenditure on the premises or the entire building, this expenditure is factored into the service charge payable by the building's tenants. As gyms typically occupy larger floor areas, a sizeable proportion of such expenditure may well be allocated to the gym, which usually represents an unbudgeted mid-term expense.

The interplay between the retail offering of a gym and the retail concept of the building or mall in which the gym operates is also important. For instance, a landlord of a shopping mall in Singapore would be particularly concerned in managing the mall to optimise revenues, and operation and performance of the mall may be linked to the stock market in the form of a Real Estate Investment Trust, or REIT, for short. As such, a landlord might place constraints on whether gyms may have an in-house F&B or retail arm, especially if the landlord wishes to maintain a mix of various types of tenants. The landlord may, for example, want to ensure that a juice bar within the mall would not lose revenue due to the opening of a juice bar within the gym, as this could in turn affect the potential rental returns. These constraints are

usually reflected in the designated or permitted use of the premises contained in the lease document, and therefore a careful review prior to entry of the lease is crucial.

The gym is usually also typically required to pay for any increase in property tax. Increases in property tax can be triggered by an increase in the annual value (tax authorities' notional estimate of how much rental income the premises can yield) or an increase in the property tax rate (beyond the landlord or the gym's control). This is another area of financial risk which may lead to unbudgeted expenditure.

Perhaps the biggest risk to the gym is the fairly common but onerous "redevelopment right" of the landlord. Almost all commercial landlords reserve a right to "redevelop, renovate, retrofit, refurbish or alter" all or part of the building as long as access to and from the gym is given. However, such access routes may be unwelcoming or inconvenient to gym goers, and the noise and disruption of a major renovation and boarded up common areas will also usually inhibit foot traffic, obstruct street visibility and discourage gym attendance. All these factors could lead to major decreases in gym sign-ups and existing gym memberships.

Landlords typically also reserve a right to terminate the gym's lease without compensation with simple advance notice (say 6 months) if the building is to be redeveloped. This is the single most critical clause which every gym operator is advised to scrutinise closely and to negotiate in detail – either for compensation, longer notice period, or possibly to secure relocation rights to other premises owned by the landlord.

Finally, an option for a further term is a valuable right in good commercial properties which are near good transport routes or prime housing, retail or office precincts. A gym operator should be careful to ensure that the renewal should be on ascertainable and objective terms (e.g. renewal rent amount payable can be pegged to the then prevailing market rent, and not on rent and terms to be "mutually agreed", in which case the landlord could insist on a renewal rent amount that is much higher than is reasonable). In a landlord's market, there is a risk that the landlord may simply refuse to "agree" on the terms of the renewal so that it could price the tenant out. The sunk costs of a gym (such as special flooring or other fittings) are irrecoverable if the gym has to evacuate the premises.

2. Intellectual Property

Fitness Franchises

With the growing trend of proprietary workout routines, the franchising of a gym is becoming increasingly popular in Singapore. A franchise is essentially a contractual licence whereby, in exchange for royalties and fees, the franchisor grants the operator the right to use the intellectual property and know-how such as trademarks, logos, systems and processes to the franchisor's business, under certain restrictions. The franchisor may further assist the operator in other aspects of the gym's operations, such as management, marketing or personnel, given that the franchisor has a vested interest in the success of the gym.

The recognition that comes with a well-known brand name (often with celebrity tie-ups or a fashion line) is highly alluring. Clients are assured of the same look and feel and the standard that they are familiar with whenever they walk into a franchised gym. A gym typically enjoys charging a premium on its fees when it buys a franchise for the premises.

The acquisition of a fitness franchise may however turn out to be an Achilles heel if it does not yield sensible profits and, instead, burns through cash. Some of these potential pitfalls can however be avoided with a bit of care.

Firstly, the charging methodology for the royalty payments must be carefully negotiated. A typical franchisor (which has developed and refined specific methods and techniques that are used for various types of exercises or fitness regimens) will typically demand:

- a non-refundable master franchise fee which is akin to a sign-on fee;
- franchise fees for each gym or studio run by the operator;
- recurring licence fees which are usually payable monthly for each gym or studio;
- renewal fees at the end of each term of the franchise agreement;
- a percentage cut of the gym's revenue derived from goods sold from select vendors; and
- recurring technology fees which are payable for software, mobile applications and tech upgrades provided by the franchisor.

The gym operator must always ensure that its revenue comfortably outpaces its franchise fees. Fee

caps, fees pegged to realistic revenues, or fees on a sliding scale can always be negotiated at the beginning to keep a lid on the franchise cost.

Apart from the mandatory start-up costs on branding and training (which could be hefty), the franchisor may also insist that the gym operator spends an agreed percentage of its revenue on marketing and advertising, which further adds to the financial burden. If possible, this expenditure should be pegged to net revenue and not gross revenue.

The gym operator must ensure that the franchise comes with all the requisite support and upgrades so that the gym operator is not just paying for the use of a recognisable name. For instance, the franchise would typically cover the training system which includes the methods, techniques and equipment. However, it should also cover standards and specifications as well as all improvements, supplements, resources, new developments and modifications from time to time.

Finally, the right of termination by the gym operator should also be scrutinised. A franchise confers brand recognition, and one bad egg or another poorly run franchise may well drag down the gym's reputation. Hence, the gym operator should try to seek a right to terminate if the brand no longer attracts or retains clients, or at least seek fee waivers or relief in such circumstances.

There are no statutory laws in Singapore relating to franchising agreements or franchise registration requirements, and the legal obligations are generally found in the franchising agreement between the parties or a franchise operations manual (if provided). Operators who wish to invest in a fitness franchise should conduct proper due diligence on the franchise, which not only includes the abovementioned considerations but also other factors such as the franchisor's business experience, whether it is subject to litigation (threatened or actual) and its financial position. Further, the operator should also scrutinise the franchising agreement to clearly ascertain the scope of the franchised business and any restrictions thereto – for example, the type and quantum of fees payable, scope of intellectual property rights licenced and any other prohibitions imposed on the gym.

Music Licencing

Music played in the gym may be subject to copyright. Gym operators are legally obliged to pay for copyrighted songs which they play in the gym. Copyrights exist to protect the original expression of ideas, and are owned by content creators or music production companies which then sell or licence such rights to others. If a gym infringes on a copyright by not obtaining a permission or licence to use or play such copyrighted material, legal action may be taken against the gym.

Acquiring Copyrights

If an operator intends to use copyrighted material, it can obtain permission from copyright holders by:

- directly contacting the copyright owner to negotiate a licence to use the copyrighted material; or
- obtaining a licence from a collective management organisation.

Collective Management Organisation

A collective management organisation ("**CMO**") is an entity that administers the licencing of rights, collection of royalties and enforcement of rights on behalf of copyright holders worldwide. A gym operator may contact the relevant CMO (which may be found on the website of the Intellectual Property Office of Singapore) if it wishes to use any works protected by copyright.

A link to a list of CMOs is provided here.

Trademark Protection

Trademarks are a fitness brand's words, slogans and/or designs that assist clients to identify that brand. A strong choice of trademark separates a brand from others and should be memorable and distinct from other gyms or businesses. A trademark should not be too similar to trademarks used by others so as to avoid a trademark infringement claim. If a strong trademark is adopted, third parties will be prohibited from using a trademark that is similar, which can help to preserve the value of a fitness brand. Without a trademark, the brand loses key protection from similarly designed brands, thus potentially reducing the value of the brand which operators may have worked so hard to generate.

Trademarks are governed by the Trade Marks Act. The Intellectual Property Office of Singapore (IPOS) controls the registration process of

trademarks. Before registration, one should always seek proper advice on the chosen trademark so as to avoid trademark infringement claims which could lead to wasted time and resources for rebranding or defending such claims.

3. Advertising and Marketing

When operating a gym, it is advisable to be careful and prudent when making claims regarding fitness transformations or results to clients in all marketing and advertising material, and particularly on social media platforms.

Fair Trading Regulations

It would be useful for gym operators to take heed of the Consumer Protection (Fair Trading) Act, which protects consumers from "unfair practices" of businesses. "Unfair practices" are broadly defined to include:

- making misleading or deceptive claims;
- omitting to provide information to the consumer with has the effect of misleading or deceiving the consumer;
- making false claims; or
- taking advantage of a consumer who is not in a position to protect his own interest or reasonably able to understand the character, nature, language or effect of a transaction.

Clients who encounter unfair practices may sue the business for damages or seek a court order to invalidate the transaction. In this way, unfair practices could increase the risk of disputes and losses to gyms, especially if inaccurate or unfounded claims are made through its marketing and advertising.

Courts in Singapore also have the power to make a declaration that a business is engaged in unfair practices and may restrain the business from engaging in such practices in the future.

Advertising Claims

Traditional and new media advertisements are also regulated by the Advertising Standards Authority of Singapore ("**ASAS**"), which is an advisory council to the Consumers Association of Singapore, commonly known as CASE, and is the self-regulatory body of ethical advertising in Singapore. ASAS administers the Singapore Code of Advertising Practices ("**SCAP**").

The SCAP requires that advertisements should be honest and truthful. Advertisements making factual assertions, for instance claims such as "10% fat-loss", need to cite its source, which may be a market study or other controlled data collection programme to back-up such claims.

Any member of the public who feels misled by a particular advertisement may complain to the ASAS. ASAS may then conduct an investigation and review the advertisement. If ASAS considers the advertisement to be misleading, there are no legal sanctions. However publishers such as newspapers will likely refrain from selling advertising space to the infringing organisation.

ASAS also practises a "name and shame" policy, whereby misleading advertisements and the infringing organisation's name will be made public so the infringing organisation will also suffer from bad publicity.

As such, failure to comply with the SCAP does not give rise to legal liability but may result in two adverse consequences, namely, that (1) the gym operator may find it difficult to purchase advertising space from publications in the future; and (2) the gym may also suffer from bad publicity.

Social Media Campaigns

Social media is typically an important marketing channel for gyms and fitness products.

In Singapore, ASAS also regulates social media marketing through the Guidelines for Interactive Marketing Communication and Social Media ("**Social Media Guidelines**").

The Social Media Guidelines apply to bloggers, online personalities using Instagram, TikTok and so forth. It also applies broadly to any campaigns or marketing that promotes any interest, whether in return for money, products or services, as long as it is done for a commercial purpose.

The concern is that the public would be misled by paid posts on social media praising or promoting a product as if it were a personal review, when it is actually a sponsored or paid post. Once again, it is important to bear in mind that payment here includes non-monetary benefits.

The foremost principle of the Social Media Guidelines is that all marketing communication must be identified as such and distinguished from editorial or personal opinions. Marketing

communications should be clearly distinguishable from personal opinions and should not be made to appear like one.

Social media content may reflect the genuine feeling of the originator for a product or service. However, if the content originator has a commercial relationship with the marketer in question, such a relationship should be indicated in the content. Marketers must not pass themselves off as consumers when expressing an opinion about their own product or service or encourage others to do so.

Disclaimers in marketing communications should be simple and straightforward and placed near the relevant marketing claim.

Finally, care should be exercised in ensuring that software or other technical applications are not be used to conceal, mislead or obscure any material factor that is likely to influence consumer decisions.

4. Permits, Licences and Insurance

There are no specific licences or permits required for the operation of a gym or fitness studio. However, given the increasingly competitive fitness and wellness landscape, it is not uncommon now to find gyms with in-house juice bars or other F&B and retail elements.

Gyms which offer or intend to offer such perks should be aware of certain considerations prior to doing so.

Planning Restrictions

Planning restrictions relate to the restrictions on certain business uses in specific areas of Singapore under the Urban Redevelopment Authority ("**URA**"). Gym operators may need to apply for planning permission before going ahead with operating a gym. Some designated areas and locations have requirements for activity generating uses (AGU). This is to enliven certain streets by adding vibrancy to said streets to attract greater visitorship. For shophouse property, the URA website can be referred to for a check on the allowable use of a particular shophouse. For State Property on Interim Tenancy and HDB Commercial Premises, no planning permission is required but gym operators have to be cognisant of authorisation conditions by the Singapore Land Authority and Housing Development Board respectively. For commercial buildings, URA has listed some buildings that can be granted instant approval, if not; a change of use application must be submitted for URA's evaluation. In this case, a planning permission is not guaranteed. Generally, gyms are barred from operating in residential and industrial units. For other residential property types, the URA website offers detailed directions on whether a gym may operate in that particular property.

F&B Licensing

The Singapore Food Agency ("**SFA**") is a statutory board formed under the Ministry of the Environment and Water Resources and is the main regulator of all food-related matters such as food safety and security in Singapore.

If the operator intends to set up an in-house F&B establishment for the making or preparation of food and drink such as fruits, salads or protein shakes, a licence for the F&B premises must be obtained and all staff handling the food and drink (e.g. chefs, cooks, kitchen helpers) are required to be trained and registered with the SFA. Some gyms attempt to avoid requiring staff to undergo such training by selling pre-packaged food and drinks; however, depending on the product, this may have a commercial impact on sales insofar as health conscious gym users might consider such pre-packaged items as unhealthy or processed.

It is also important to note that if the gym intends to have a food vending machine on its premises, such vending machines with either (i) a temperature control requirement (e.g. food or beverage that needs to be stored in chilled temperature such as cut fruits, milk, yoghurt or juice) or (ii) food processing within the vending machine, must be licenced in order to operate.

In addition to the need to obtain a licence for the F&B premises, the SFA will regularly inspect the premises for hygiene, cleanliness and food safety standards. It will also issue grades for meeting the standards, and failure to meet the standards or rectifying deficiencies can result in fines as well as loss of the licence.

Business Insurance

As a matter of prudence and to avoid unnecessary costs and expenses in the event things go awry, gym operators should consider purchasing insurance for their businesses. Although there are difference types of insurance in the market, some key insurance policies that gym operators should

consider purchasing are property insurance, public liability insurance, and employee insurance.

Property Insurance

Generally, property insurance covers loss or damage to property. Property refers to buildings, machinery, inventory, stocks and everything an organisation owns. A common type of property insurance is material damage insurance, which involves protection of the property from incidents such as fire, explosion, water damage, natural disasters, malicious damage and burglary.

Another type of insurance that is commonly added to a property insurance policy is business interruption insurance, which is useful for protecting a business should it suffer downtime due to an insured event such as fire or flood.

Material damage insurance can also be important to an operator setting up certain types of exercise facilities, particularly those which require relatively significant investment in fitness equipment (such as spin studios or luxury gyms). In the event of unforeseen circumstances resulting in damage or loss to expensive gym fixtures or fittings, at least a certain amount of investment may be recovered. Licenced insurance providers can be consulted to recommend suitable insurance to cover the business.

Public Liability Insurance

Gym operators may be responsible for accidental damage or injury to gym users or other third parties in their premises. Although safety measures are often put in place, accidents may still occur, which could lead to unexpected costs that would hurt the organisation's cash-flow. This is where public liability insurance may be useful, as it typically covers the legal expenses and compensation, if any.

Waivers and indemnities signed by customers of the gym may help to reduce the company's legal liability to some extent. However, such waivers and indemnity forms are not fool proof because an organisation cannot exclude or restrict its liability for death or personal injury resulting from negligence regardless of whether the customer has consented to it (Section 2(1) of the Unfair Contract Terms Act). Any such limitation of liability will be void, and public liability insurance should be obtained to cover such risks.

Employee Insurance

Employee insurance is vital in protecting the gym operator and its employees.

Work injury compensation insurance provides protection for an organisation when its employees submit claims for injuries or diseases suffered during the course of their work. Section 3 of the Work Injury Compensation Act ("**WICA**") stipulates that an employer is liable to pay an employee, regardless of salary level (and with some exceptions), if that employee suffers a personal injury by accident arising out of and in the course of his/her employment. Section 23 of the WICA (read with the Work Injury Compensation (Waiver From Insurance Requirement) Notification) further states that all employers are required to purchase such insurance for:

- all employees doing manual work, regardless of salary level; and
- all employees doing non-manual work, earning S$1,600 or less a month.

(Note: The threshold will be increased to S$2,100 on 1 April 2020, then to S$2,600 on 1 April 2021)

As a prudent measure, gym operators may wish to insure all of its employees to avoid incurring potential liability down the road from claims made by employees without mandatory insurance under WICA.

Other types of employee insurance include group personal accident insurance and group healthcare insurance. Group personal accident insurance provides a lump sum benefit to groups of people upon the occurrence of insured events. Group healthcare insurance insures groups of people on healthcare related costs, such as hospital related services or emergency medical assistance and evacuation services. According to the Employment of Foreign Manpower (Work Passes) Regulations 2012, employers are required to purchase and maintain minimum medical insurance coverage of S$15,000 per year for each foreign employee holding a work permit for in-patient care and day surgery.

Generally, most companies purchase group health insurance policies for their employees as an employment perk and to enhance employee productivity, and operators of a gym business may wish to consider doing the same.

5. Employment

A gym requires employees to run the training sessions and to maintain the premises. Although the relationship between employer and employee is largely regulated by contract, it is important to note that statutory requirements found under the Employment Act ("**EA**"), which is Singapore's main labour law, will also apply. Operators should therefore ensure that its employment contracts and practices, as well as employee handbooks, are compliant with the EA laws. In addition to the EA, there are a number of non-statutory employment standards, guidelines and advisories on various elements of the employment relationship that employers should take heed of.

The EA applies to every employee under a contract of service with an employer, other than certain specified classes of workers or employees. Specifically, Part IV of the EA, which deals with issues such as rest days, working hours, and other conditions of service, applies only to:

- workmen (blue-collar workers involved in manual labour) earning a basic monthly salary of not more than S$4,500; and
- non-workmen earning a basic monthly salary of not more than S$2,600,

but does not cover all managers or executives.

Employers are also obliged to take reasonable precautions to ensure workplace safety and health. Failing which, employees may be entitled to claim statutory compensation for injuries suffered out of or in the course of employment.

Employers are also obliged to make contributions to the employee's Central Provident Fund, which is a mandatory social security savings scheme.

Part-time staff

Gym operators may wish to hire part-time employees for more worker flexibility and lower employment costs. A part-time employee is one who is under a contract of service to work less than 35 hours a week. Such employees are also covered under the EA. A contract of service for part-timers must specify the following:

- hourly basic rate of pay;
- hourly gross rate of pay;
- number of working hours per day or per week; and
- number of working days per week or per month.

Trainers

Gym trainers hired to work at the gym may be employees of the gym or independent contractors. The importance of knowing this difference is that the contract which governs the relationship between parties carries different rights, duties and obligations. An employer-employee relationship is governed under a contract of service whereby an employer is obliged to provide work for an employee, and the employee is obliged to complete the work. This contract of service is, as mentioned above, subject to EA compliance.

On other hand, the gym operator may enter into a contract for service with the independent contractor. Under a contract for service, the organisation does not owe the same obligations to the independent contractor that an employer would owe an employee under the EA. A contract for service would also typically include certain terms and conditions that are not usually found in an employment contract. For example, a contract for service may contain an indemnity clause, which allocates greater legal risk to the independent contractor in the event of loss suffered by the organisation if specific circumstances were to occur.

Some other examples of obligations owed by organisations to its employees but not to independent contractors include:

- CPF contributions;
- Minimum number of paid leave;
- Minimum number of paid medical leave;
- Notice period for termination; or
- Overtime payment.

It is crucial to note that even if a contract expressly states that it is a contract for service and not an employment contract (in a bid to escape certain mandatory obligations by the employer), the Singapore courts may still treat the relationship as an employer-employee relationship. The substantive content of the relationship will be considered in its totality in determining the type of relationship that exists.

6. Technology and Data Protection

No matter the size of the gym, all operators must be mindful of the personal data that they collect from users. Personal data refers to data, whether true or not, about an individual who can be identified (i) from that data or (ii) from that data and other

information to which the organisation has or is likely to have access. Personal data is protected under the Personal Data Protection Act 2012 ("**PDPA**").

Sources of data collection, use and disclosure can vary significantly depending on the operator's set-up. At the minimum, an operator would have to manage member registrations, fee collections, check-ins, employee and trainer management and payment. As the operator's set-up becomes more sophisticated, there will usually be an increase in the potential points of data collection, use and disclosure, and undoubtedly some level of technology to help manage or even cause this increase. This can come in the form of membership and class booking apps, membership benefits at external vendors (increasingly via one app or another), participation in subscription and membership marketplaces, and increasingly connected fitness equipment that can sync with members' personal fitness trackers, devices and apps.

Operators should be aware that they are likely to remain the primary point of contact and potential liability in relation to members especially if third party solutions providers are "data intermediaries" subject only to a subset of the data protection obligations under the PDPA. The efficiency and insights that technology can bring to the management of the gym, and the increased level of engagement for members must be balanced against proper understanding and management of the data being shared by and among the various parties lest operators find themselves in the midst of a data breach or controversy because for having inadvertently disclosed personal data to a less scrupulous third party.

In dealing with personal data, here are the general obligations which should be adhered to:

- Consent Obligation
- Purpose Limitation Obligation
- Notification Obligation
- Access and Correction Obligation
- Accuracy Obligation
- Protection Obligation
- Retention Limitation Obligation
- Transfer Limitation Obligation
- Accountability Obligation

Consent Obligation

Gyms must obtain consent from individuals before the collection, using or disclosing of an individual's personal data. In obtaining such consent, gyms must inform individuals of the purposes for which his or her personal data will be collected, used and disclosed. For good practice, gyms should obtain consent in writing so that it is accessible for future reference.

Purpose Limitation Obligation

When a gym obtains personal data, the usage of such data is restricted by the Purpose Limitation Obligation, which limits the purposes and the extent to which the gym may collect, use or disclose personal data. Use of the personal data must be reasonably related to the purposes conveyed to the individual and using such personal data beyond such purposes would be considered a violation of the PDPA.

Notification Obligation

To reiterate, it is important for a gym to explain to the individual why there is a need to collect his or her personal data, and how the gym will use and disclose his or her personal data, before collection. To this end, the gym must clearly identify the purposes for such personal data collection and ensure individuals are notified in writing of the usage of their personal data.

Access and Correction Obligations

These obligations relate to the right of an individual to request for access to his or her personal data and for correction of such data that is held by the gym. If an individual wishes to see or change his or her personal data, the gym must ensure such data is provided to the individual or is changed in an accurate manner.

If a gym uses a data intermediary (i.e. a third party organisation that processes personal data on behalf of the gym) to handle the keeping and usage of the data collected, then the gym must ensure that the data intermediary abides by the PDPA and carefully contract with the latter to, where possible, minimise liability for any data breaches by the data intermediary.

Accuracy Obligation

This obligation simply requires the gym to make a reasonable effort to ensure that the information collected is accurate and complete.

Protection Obligation

Gyms have to make reasonable security arrangements to protect personal data in its possession. This is to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks. Generally, the gym should design and organise security arrangements that reduce the risk of data breaches. Gyms should also appoint a reliable data protection officer to oversee efforts to ensure security arrangements are effective. Data protection policies should be created and updated as and when required. Gyms should also have procedures to deal with data breach scenarios. The gym should also ensure that its employees are kept abreast of the data protection regulations and policies through the conducting of training sessions.

Retention Limitation Obligation

When a gym no longer needs to retain personal data from an individual, the gym must delete such data from its records in a secure manner. The gym should clearly state when and how it will delete the personal data when such data is no longer necessary for its business or legal purposes.

Transfer Limitation Obligation

Gyms are typically not required to transfer personal data outside Singapore. In the event that such data is to be lawfully transferred outside of Singapore, appropriate steps must be taken by the gym to ensure that the recipient is able to abide by the standards imposed by the PDPA.

Accountability Obligation

The gym must ensure that its data protection policies, practices and complaints process are available on request.

The gym also remains accountable for any data collected from its clients or its employees. To this end, gyms should appoint a data protection officer to ensure obligations under the PDPA are followed, as well as to address any complaints or queries raised by a client or employee (contact details of the data protection officer must be made available to the public). The data protection officer should be sufficiently skilled and knowledgeable, as well as empowered to discharge their duties. It may be prudent to appoint a member of the gym's senior management team or someone with a direct reporting line to the senior management team to be the data protection officer to ensure effective development and implementation of data protection policies and practices.

Conclusion

The global rise in the wellness trend tied with the Singapore Government's push to promote an active population has made the fitness industry a lucrative market over the years. There are a myriad of legal considerations involved, which should necessarily come to the fore when considering how to start up or structure a gym. With an understanding of the key laws in this area, businesses are well placed to capitalise on their strengths and take advantage of Singapore's growing fitness trend.

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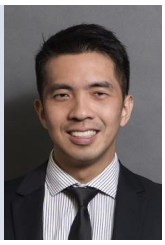

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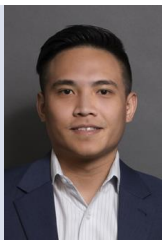

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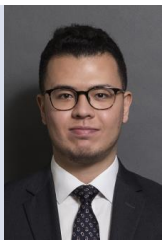

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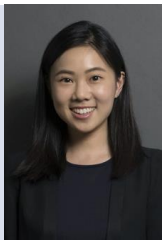

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