

IN THE SUBORDINATE COURTS OF THE REPUBLIC OF SINGAPORE

ePRACTICE DIRECTION NO. 1 OF 2007

INTEREST ON JUDGMENTS, COSTS AND UNDER ORDER 30, RULE 6(2)

Presently, interest rates on post-judgment debts, default judgments, costs and under Order 30 Rule 6(2) of the Rules of Court are fixed at 6% per annum pursuant to the Rules of Court.

2. In order to ensure that the interest rates applied by the Court are generally reflective of commercial reality, a systematic method of determining the appropriate default interest rate at regular intervals will be introduced.

3. This Practice Direction makes the necessary amendments to Paragraph 57 *The Subordinate Courts Practice Directions (2006 Ed.)* to provide that the average prime lending rate of the ten leading banks and finance companies for the preceding half year will serve as the basis upon which the Chief Justice determines the default rate of interest. As provided for under Order 13, Rule 1(2), Order 30, Rule 6(2), Order 42, Rule 12 and Order 59, Rule 37(1) of the Rules of Court, the Chief Justice directs that the default interest rate shall be 5.33% per annum with effect from 1 April 2007 until further notice.

4. This default interest rate shall apply as follows:

Categories which are affected by the change of the default rate of interest from 6% per annum to 5.33% per annum			
<u>Rule</u>	<u>Type</u>	<u>Operative Date</u>	<u>Period</u>
Order 13, Rule 1(2) and Order 19, Rule 2(2)	Default judgments	Date judgment is entered	Date of writ to date of judgment
Order 59, Rule 37(1)	Costs	Commencement date (as stipulated under Order 59, Rule 37(1))	Commencement date to date of payment
Order 42, Rule 12	Judgments granted by the Court	Date judgment is granted	Date of judgment to date judgment is satisfied
	Default judgments	Date judgment is entered	
	'Unless' or peremptory orders	Date judgment is entered	
Order 30, Rule 6(2)	Orders made by the Court	Date order is made	For period while sum was in possession of the receiver

5. In relation to awards of interest for the period prior to judgment, such orders being made on or after 1 April 2007, the Court retains the overriding discretion to depart from the default rate of interest in individual cases (see section 12 of the Civil Law Act (Cap. 43, 1999 Revised Edition)).

6. In relation to post-judgment interest under Order 42, Rule 12, unless the interest rate has been agreed between the parties, the Court retains the discretion to order a rate of interest not exceeding the default rate.

7. Notwithstanding the above, for the avoidance of doubt, judgments granted by the court or entered in default of appearance or defence under Orders 13 and 19 or in

default of an order of Court (i.e. “unless” or peremptory orders) prior to 1 April 2007 will carry post-judgment interest at the rate of 6% per annum (or such lower rate as the Court has directed, or the agreed rate) for the entire period of accrual of interest. Costs with commencement dates (as stipulated in Order 59, Rule 37(1)) which are prior to 1 April 2007 will carry the interest rate of 6% per annum for the entire period of accrual of interest.

8. This Practice Direction will take effect on 1 April 2007.

9. A complete and updated version of *The Subordinate Courts Practice Directions (2006 Ed.)* may be downloaded in .PDF Adobe Acrobat format or Mobipocket format (for use on Personal Digital Assistants and Smartphones) at the Subordinate Courts website at http://www.subcourts.gov.sg/practice_directions.htm.

10. For manual and loose-leaf updating, the specific new and amended paragraphs and the directions for amendments may also be downloaded at the Subordinate Courts website at http://www.subcourts.gov.sg/practice_directions.htm.

Dated this 28th day of February 2007.



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REGISTRAR
SUBORDINATE COURTS

Directions for Amendments

- (1) The existing Part VIII of the Table of Contents to be removed and the new amended Part VIII of the Table of Contents substituted therefor.
- (2) The existing Appendix A to be removed and the new amended Appendix A substituted therefor.
- (3) The existing Paragraph 57 to be removed and the new amended Paragraph 57 substituted therefor.

PART VIII

JUDGMENTS AND ORDERS

54. Draft orders of Court
55. Unnecessary extraction of orders of Court
56. Judgment in default of appearance
57. Judgment Interest

APPENDIX A

PRACTICE DIRECTIONS ISSUED TO AMEND THE SUBORDINATE COURTS PRACTICE DIRECTIONS (2006 ED.)

As at 28th February 2007

The following Practice Directions are issued to amend The Subordinate Courts Practice Directions (2006 Ed.):

1. ePD 1 of 2006 Change to Mode of Commencement of Matrimonial Proceedings
2. ePD 2 of 2006 Amendment of Originating Processes, Pleadings and Documents
3. ePD3 of 2006 (1) Amendments to the Rules of Court
(2) Pre-action Protocol for Medical Negligence Claims
4. ePD 1 of 2007 Interest on Judgments, Costs and under Order 30, Rule 6(2)

57. **Judgment Interest**

Interest rates in default judgments

(1) The directions set out in sub-paragraphs (2) to (3) shall be observed when entering judgments in default of appearance or defence under Orders 13 and 19 respectively of the Rules of Court. These directions shall apply to such default judgments entered on or after 1 April 2007. (In respect of post-judgment interest under Order 42, Rule 12 for such default judgments, please refer to sub-paragraph (4) below).

(2) **Non-contractual interest**

For non-contractual interest:

- (a) Pursuant to the Chief Justice's directions as provided for under Order 13, Rule 1(2) [and Order 19, Rule 2(2)], the rate of interest shall be 5.33% per annum until further notice.
- (b) The period of interest shall be from the date of the writ to the date of the judgment.
- (c) The total amount of interest payable need not be specified.

(3) **Contractual Interest**

For contractual interest:

- (a) For fixed or constant rate:
 - (i) The rate of interest provided for shall be specified.
 - (ii) The period of interest shall be as pleaded, except that it shall end on the date of judgment and not on the date of payment.
 - (iii) The total amount of interest payable need not be specified.
- (b) For fluctuating rate:
 - (i) There shall be an appendix attached to the judgment in the following form:

“Rate of interest	Principal Sum	Period of Interest	Amount of Interest
_____ % p.a.	\$ _____	From _____ _____ to _____	\$ _____

Total amount of interest payable
to date of judgment = \$_____.”

- (ii) The period of interest shall be as pleaded, except that it shall end on the date of judgment and not on the date of payment.
- (iii) The total amount of interest payable shall be specified in the judgment.

(c) **Evidence of agreement on contractual interest**

Evidence of the agreement as to the rate of interest shall be attached to the judgment.

Post-judgment interest

- (4) The directions set out in sub-paragraph (5) shall apply to judgments granted on or after 1 April 2007. The directions set out in sub-paragraph (5) shall also apply to judgments entered in default of appearance or defence under Orders 13 and 19 or in default of an order of Court (i.e. “unless” or peremptory orders) on or after 1 April 2007. For the avoidance of doubt, judgments granted or the said default judgments entered prior to 1 April 2007 will carry post-judgment interest at the rate of 6% per annum (or such lower rate as the Court has directed, or an agreed rate) for the entire period of accrual of interest.
- (5) Pursuant to the Chief Justice’s directions as provided for under Order 42, Rule 12, unless it has been otherwise agreed between the parties, interest payable after the date of judgment shall be 5.33% per annum until further notice and calculated to the date the judgment is satisfied. The Court retains the discretion under Order 42, Rule 12 to revise the

default rate of interest to such other rate not exceeding the default rate on the facts of the individual case.

Interest on costs

- (6) The directions set out in sub-paragraph (7) shall apply to costs where the commencement date under Order 59, Rule 37 is on or after 1 April 2007. For the avoidance of doubt, costs with commencement dates which are prior to 1 April 2007 will carry the default interest rate of 6% per annum for the entire period of accrual of interest.
- (7) Pursuant to the Chief Justice's directions as provided for under Order 59, Rule 37(1), interest payable from the relevant date(s) as stipulated in Order 59, Rule 37(1) shall be 5.33% per annum until further notice and calculated to the date of payment.

Pre-judgment interest

- (8) The directions set out in sub-paragraph (9) shall apply to awards of interest for the period prior to judgment, such orders being made on or after 1 April 2007.
- (9) The Chief Justice has directed that solicitors may wish to submit to the Court to consider that the interest rate for the period prior to the date of judgment should be the default interest rate of 5.33% per annum. Solicitors should note that the Court retains the overriding discretion to depart from the default interest rate based on the facts of the individual case.

Interest under Order 30, Rule 6(2)

- (10) The directions set out in sub-paragraph (11) shall apply to orders made under Order 30, Rule 6(2) for payment of interest on or after 1 April 2007.
- (11) Pursuant to the Chief Justice's directions as provided under Order 30, Rule 6(2), the interest ordered by the Court on the sum shown by the receiver's account as due from him and which the receiver has failed to pay into Court shall be 5.33% per annum until further notice. Interest shall accrue for the period while the sum was in possession of the receiver.