

IN THE SUPREME COURT OF THE REPUBLIC OF SINGAPORE

PRACTICE DIRECTION NO. 1 OF 2007

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

Presently, interest rates on 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 current economic conditions, 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 Part VIII of *The Supreme Court 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 rate of interest shall apply as follows:

Categories which are affected by the change of the default rate of interest from 6% to 5.33%			
<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).

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 This practice direction should be included in *The Supreme Court Practice Directions (2006 Ed)* immediately before the first page of the table of contents. Instructions for effecting the amendments to *The Supreme Court Practice Directions (2006 Ed)* are contained in the Appendix hereto.

Dated this 27th day of February 2007.



KOH JUAT JONG
REGISTRAR
SUPREME COURT

APPENDIX

- 1) The existing page viii to be replaced with the attached page viii.
- 2) The existing page PART VIII - 1 to be replaced with the attached page PART VIII - 1.
- 3) The existing pages PART VIII - 5 to PART VIII - 6 to be replaced with the attached pages PART VIII - 5 to PART VIII - 8.

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67. 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).

NON-CONTRACTUAL INTEREST

- (2) 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.

CONTRACTUAL INTEREST

- (3) 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 _____ % \$ _____ p.a.	Principal sum \$ _____	Period of interest From _____ to _____	Amount of interest
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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 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.