

PART XI: TAXATION MATTERS

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PART XI

TAXATION MATTERS

81. Scope of certain paragraphs

Paragraphs 82 and 84 apply to all taxations save where the entitlement to costs arose prior to 1 February 1992, in which case the bill should be drawn up in accordance with the provisions of Order 59 of the Rules of Court in force immediately prior to 1 February 1992 and, subject to paragraph 86, in accordance with the practice immediately prior to that date. For the avoidance of doubt, the directions contained in this part, save for paragraph 88, do not apply to taxations governed by the Bankruptcy (Costs) Rules (Cap. 20, Rule 2).

82. Form of bill of costs

The attention of solicitors is drawn to Rules 24 and 31 and Appendix 1 of Order 59 of the Rules of Court. In addition, solicitors are to abide by the following requirements:

Margin

- (1) A blank margin not less than 10 mm wide on all four sides is required for each page of the bill of costs.

Pagination

- (2) Every page of a bill of costs shall be paginated consecutively at the centre of the top of the page.

Format

- (3) This sub-paragraph sets out the format of a bill of costs.

PARTY-AND-PARTY BILLS

- (a) For party-and-party bills:
 - (i) A bill of costs drawn up for taxation between one party to proceedings and another should be divided into 3 separate sections as required by Order 59, Rule 24.
 - (ii) Form 18 in Appendix A of these Practice Directions should be used for contentious business in respect of work done for a trial or in contemplation of a trial.
 - (iii) Form 19 should be used for contentious business in respect of, or in contemplation of, work done other than for a trial; such as work done for an appeal or for a specific interlocutory application.
 - (iv) Form 20 should be used for non-contentious business.

SPECIMEN BILLS

- (b) Specimen bills illustrating the use of Forms 18, 19 and 20 are found in Appendix C of these Practice Directions.

SOLICITOR-AND-OWN CLIENT BILLS

- (c) A bill of costs drawn up for taxation between a solicitor and his own client should be drawn up in the same manner described in sub-paragraph (3)(a) save as follows:
 - (i) A solicitor will be deemed to have indicated that all items included in the bill are in relation to work done or disbursements incurred with the approval of the client.
 - (ii) Any agreement, whether oral or in writing, between the solicitor and his own client relating to the amount of costs payable either as a global sum or in respect of particular items included in the bill should be indicated on the bill. Any agreement between the solicitor and his own client as to the rate to be used to compute the solicitor's costs should also be indicated in the bill.

BILLS OF COSTS REQUIRED TO BE TAXED UNDER SECTION 18(3) OF THE MOTOR VEHICLES (THIRD-PARTY RISKS AND COMPENSATION) ACT

- (d) Whenever a solicitor-and-own-client bill is required to be taxed by virtue of the Motor Vehicles (Third-Party Risks and Compensation) Act (Cap. 189, 2000 Rev Ed), the bill drawn up for taxation between the solicitor and his own client *and* the bill drawn up for taxation between the client and the other party to the proceedings in which the solicitor acted for the client should be included in one composite document.
 - (i) The party-and-party portion of the composite document should precede the solicitor-and-own-client portion.
 - (ii) The party-and-party portion and the solicitor-and-own-client portion can be drawn up as described in sub-paragraphs (3)(a) and (3)(c) with the modification set out in sub-paragraph (3)(d)(iii) below.

- (iii) It is not necessary to repeat serially in the solicitor-and-own-client portion the items which have already been serially set out in the party-and-party portion. It is sufficient, ordinarily, to incorporate all such items by reference and proceed to set out in detail any additional items, *i.e.* items not already set out in the party-and-party portion. However, if a sum claimed for an item of disbursement in the solicitor-and-own-client portion is different from the corresponding sum claimed in the party-and-party portion, it will be necessary to set out serially again in the solicitor-and-own-client portion all the items of disbursement already set out in the party-and-party portion (including, where appropriate, the different sum or sums claimed) as well as additional items of disbursement not so set out. In addition, the global sums claimed for sections 1 and 2 of the solicitor-and-own-client portion should be indicated at the end of the respective sections whether or not they are the same sums as those claimed for sections 1 and 2 of the party-and-party portion.

Particulars

- (4) Sufficient particulars must be included in the bill of costs so as to enable the Registrar to exercise his discretion under paragraph 1(2) of Appendix 1 to Order 59. Without prejudice to sub-paragraph (3), the Registrar may, at the taxation hearing, order the claiming or receiving party to furnish full details in support of the sums claimed under the bill.

Goods and services tax

- (5) A party claiming goods and services tax (GST) in a bill of costs must comply with the directions set out in this sub-paragraph. A party who fails

to comply with the directions set out in this sub-paragraph will be presumed not to be claiming GST in the bill concerned.

REGISTRATION NUMBERS

- (a) For registration numbers,
 - (i) The GST registration number allocated by the Comptroller of Goods and Services Tax to the solicitors for the receiving party or parties should appear at the top left-hand corner of the first page of the bill of costs.
 - (ii) The GST registration numbers, if any, allocated to the receiving parties or to any one or more of them, as the case may be, must also appear at the same location in all documents.
 - (iii) The GST registration numbers should be indicated as follows: “GST Reg. No. (solicitors for plaintiff/solicitors for 1st Defendant/2nd Defendant (or as the case may be)): xxxxx.”
 - (iv) Where no GST registration number has been allocated to a receiving party, a statement to this effect should be included after the GST registration numbers of the solicitors for the receiving parties, or the receiving parties, as the case may be, in the following manner: “1st and 2nd defendants/3rd plaintiff/(or as the case may be): no GST Reg. No.”

INPUT TAX ALLOWABLE

- (b) The proportion of input tax for which the receiving parties, or one or more of them, are not entitled to credit should be stated, as a percentage, in parentheses after the GST registration number of the party or parties concerned. For a person who is not liable to be registered within the meaning of the First Schedule to the Goods and Services Tax Act (Cap. 117A, 2005 Rev Ed), this proportion should be 100%.

APPORTIONMENT

- (c) For apportionment:
- (i) The first and second sections of the bill of costs, which set out the work done in the cause or matter except for taxation of costs and the work done for and in the taxation of costs, should each be divided into such number of parts as will enable the bill to reflect the different rates of GST applicable during the relevant period of time, with the first part describing work done before 1 April 1994.
 - (ii) The third section, which sets out the disbursements made in the cause or matter, should similarly be divided, with the first part setting out the disbursements on which no GST is chargeable by the solicitors for the receiving party or the receiving party, as the case may be.

SUMMARY OF THE GOODS AND SERVICES TAX CLAIMED FOR WORK DONE

- (d) Where applicable, the following information should be included at the end of the first and of the second sections:
- (i) the global sum of costs claimed for work done during each period for which a different rate of GST applies or no GST applies;
 - (ii) the proportion, as a percentage, of input tax for which the receiving parties, or one or more of them, are not entitled to credit;
 - (iii) a quantification of the input tax on the costs claimed in the section concerned for which the receiving parties, or one or more of them, are not entitled to credit; and
 - (iv) a quantification of the GST claimed on the costs claimed in the section concerned.

SUMMARY OF THE GOODS AND SERVICES TAX CLAIMED FOR
DISBURSEMENTS

- (e) Where applicable, the following information should be included at the end of the third section:
- (i) a summation of the disbursements on which no GST is chargeable by the solicitors for the receiving party or the receiving party, as the case may be; a summation of the disbursements on which GST at the applicable rate is chargeable by the solicitors for the receiving party or the receiving party, as the case may be;
 - (ii) the proportion, as a percentage, of input tax for which the receiving parties, or one or more of them, are not entitled to credit; and
 - (iii) a quantification of the input tax on the disbursements on which GST is chargeable by the solicitors for the receiving party for which the receiving parties, or one or more of them, are not entitled to credit; and
 - (iv) a quantification of the GST claimed on the disbursements.

REGISTRAR'S CERTIFICATE

- (f) The total amount of GST allowed on a bill of costs will be indicated as a separate item in the Registrar's certificate.

83. Electronic filing of bills of costs for taxation

- (1) Solicitors' attention is drawn to Order 63A, Rule 8(1A) of the Rules of Court which provides that any requirement for the filing, service, delivery or otherwise conveyance of a document is satisfied by the filing, service, delivery or conveyance or otherwise conveyance of a single copy of the document using the Electronic Filing Service (EFS).
- (2) For the purpose of Order 59, Rule 20, it is not necessary for parties to lodge 2 copies of a bill of costs at the Legal Registry of the Supreme Court. As stipulated in Order 63A, Rule 8(1A), it would suffice if one single copy is filed using EFS.
- (3) There is no necessity for lawyers to collect the taxed bill of costs from the Legal Registry to prepare the Registrar's certificate. As lawyers in attendance would be aware of the awards made by the taxing registrar at the taxation hearing, the receiving party would prepare a draft Registrar's certificate for the Legal Registry to vet. If it is in order, the receiving party will proceed to file an engrossed copy of the Registrar's certificate. Should the receiving party not be aware of what has been allowed, the receiving party can make the usual Request* to either inspect or extract a copy of the taxed bill of costs.

* Formerly known as "praecipe".

84. Objections

Any objections in principle or as to quantum of the items claimed in a bill of costs must be indicated by the filing and service of a Notice of Dispute in Form 21 of Appendix A of these Practice Directions at least 7 days before the date fixed by the Registrar for the taxation of the bill of costs.

85. Amount allowed as disbursements on account of use of electronic transmission

- (1) If a document is filed using the Electronic Filing Service (EFS) by electronic transmission, \$0.40 for each page of the document thus filed shall be allowed as costs between parties to proceedings. Such costs may be claimed by a receiving party from the paying party where the receiving party is entitled to costs for the filing of the document. These costs shall be allowed in addition to all other disbursements and Court fees.
- (2) This paragraph shall apply to the taxation of costs as well as cases where the Court fixes a gross sum in lieu of taxation.
- (3) This paragraph shall not apply to any document filed via the service bureau.

86. Goods and services tax claimed for bills of costs where the entitlement to costs arose prior to 1 February 1992

Where goods and services tax (GST) is claimed in a bill of costs where the entitlement to costs arose prior to 1 February 1992, the following directions shall supplement the practice immediately prior to that date:

Registration numbers

- (1) The directions set out in paragraph 82(5)(a) shall be complied with.

Input tax allowable

- (2) The directions set out in paragraph 82(5)(b) shall be complied with.

Apportionment

- (3) The bill shall be divided into 3 parts. The first part shall itemise the work done and disbursements incurred before 1 April 1994, while the second part shall itemise the work done and disbursements incurred from 1 April 1994 to 31 December 2002, and the third shall itemise the work done and disbursements on or after 1 January 2003.

Column for Goods and Services tax

- (4) An additional column, with the heading “GST”, shall be added to each page of the bill. This column should be inserted to the right of the columns setting out the claims for disbursements and profit costs. If a claim for GST is made on any item, this claim should be quantified and the figure inserted in the column for GST against the item concerned.

Non-compliance

- (5) A party who fails to comply with the directions set out in this paragraph will be presumed not to be claiming GST in the bill concerned.

87. Bills of costs for taxation under section 18(3) of the Motor Vehicles (Third-Party Risks and Compensation) Act where the entitlement arose before 1 February 1992

For the purposes of taxation under section 18(3) of the Motor Vehicles (Third-Party Risks and Compensation) Act (Cap. 189, 2000 Rev Ed) where the entitlement to costs arose before 1 February 1992, the following practice will be followed:

- (1) A bill of costs should be drawn up in 5 columns:
 - (a) the first two columns will be for solicitor and client items, one of which will be for disbursements and the other for profit costs;
 - (b) the third and fourth columns will be for party and party costs, one of which will be for disbursements and the other for profit costs; and
 - (c) the last column will be for the relevant item set out in Appendix 1 of Order 59 of the Rules of Court applicable to costs to which a person or party became entitled to before 1 February 1992 under which the particular item is claimed.
- (2) All work done and disbursements incurred should be properly itemised.
- (3) Where party and party costs are either agreed upon or fixed by the Court, the bill of costs should state the amount in the party and party column.
- (4) In items set out in the bill of costs dealing with proper and necessary attendances that can be allowed, the substance of the attendance and the length of time involved should be stated.
- (5) A bill of costs shall show whether the objection taken by the opposing party against any item is in principle or as to quantum or both.

- (6) Any party seeking to claim goods and services tax (GST) on any item in a bill of costs falling within the ambit of this paragraph must, in addition, comply with the directions set out in paragraph 86.

88. Taxations involving the Official Assignee, the Official Receiver, the Public Trustee or the Director of Legal Aid

- (1) The directions contained in this paragraph shall be followed in respect of all taxations in which the Official Assignee, the Official Receiver, the Public Trustee or the Director of Legal Aid is involved.
- (2) Subject to sub-paragraph (4) below, for all taxations in which the Official Assignee, the Official Receiver, the Public Trustee or the Director of Legal Aid is involved:
 - (a) the receiving party must complete Part A of the notice in Form 22 of Appendix A of these Practice Directions and serve the notice on the Official Assignee, the Official Receiver, the Public Trustee or the Director of Legal Aid, as the case may be, together with the bill of costs within 2 days after receiving a notice of the date and time appointed for taxation;
 - (b) the Official Assignee, the Official Receiver, the Public Trustee or the Director of Legal Aid should complete Part B and return the notice to the receiving party not less than 3 clear days before the date fixed for the taxation; and
 - (c) the receiving party must then complete Part C of the notice and file the notice not less than two clear days before the date fixed for the taxation. A copy of the notice, with Part C completed, should also be served on the Official Assignee, the Official Receiver, the Public Trustee or the Director of Legal Aid, as may be applicable, on the same day that the notice is filed.
- (3) If it is indicated in the notice in Form 22 that the Official Assignee, the Official Receiver, the Public Trustee or the Director of Legal Aid has made a recommendation or an offer as to the costs that should be recovered by the receiving party, and the receiving party has indicated that he is agreeable to the recommendation or offer, then:

(a) for solicitor-and-client costs required to be taxed pursuant to the provisions of the Motor Vehicles (Third-Party Risks and Compensation) Act (Cap. 189, 2000 Rev Ed):

- (i) where no party-and-party bill of costs has been filed; or
- (ii) where the solicitor-and-client costs are not claimed in the same document as the party-and-party bill,

the receiving party and the Public Trustee need not attend at the taxation and the bill will be taxed in their absence. However, if the taxing Registrar disagrees with the quantum of costs agreed on, he may nonetheless direct attendance at a later date;

(b) for:

- (i) party-and-party bills filed by the creditor under the Bankruptcy (Costs) Rules (Cap. 20, Rule 20) to which the estate of the bankrupt is the respondent;
- (ii) party-and-party bills filed by the creditor in companies winding-up matters where the Official Receiver is appointed liquidator and to which the company in liquidation is the respondent to the bill of costs; or
- (iii) solicitor-and-client bills filed pursuant to the Legal Aid and Advice Act (Cap. 160, 1996 Rev Ed) where the Director of Legal Aid is the respondent,

the receiving party and the Official Assignee, the Official Receiver or the Director of Legal Aid, as the case may be, need not attend at the taxation and the bill will be taxed in their absence. However, if the taxing Registrar disagrees with the quantum of costs agreed on, he may nonetheless direct attendance at a later date.

(4) If solicitor-and-client costs are required to be taxed pursuant to the provisions of the Motor Vehicles (Third-Party Risks and Compensation) Act and these costs are claimed in the same bill of costs as the party-and-party costs pursuant to paragraphs 82(3)(d) or 87, the Public Trustee need

not attend the taxation of the bill and the party-and-party and solicitor-and-client costs will be taxed in the absence of the Public Trustee. However, the Public Trustee may attend at the taxation if he so wishes, and shall attend if an express direction is made by the taxing Registrar that he attend in relation to a particular bill of costs.