

**Procedural Guide for  
Taxation of Bills in Liquidation  
(other than bills of Provisional Liquidators and Liquidators)  
before Taxing Master**

**Part I – Introduction**

1.1 This Guide applies to taxation pursuant to Rule 169 of the Companies (Winding-up) Rules and is expected to be followed by the profession. In cases of non-compliance, the Court may issue appropriate directions to the person lodging the bill requiring him to remedy the default before proceeding with the taxation process further.

**Part II – Procedure**

2.1 All bills of costs (including those of the solicitor, manager, accountant, auctioneer, broker or any other person employed by the Official Receiver or the Liquidator but excluding the bills of the Provisional Liquidators and those of the Liquidators) shall be **lodged** by the Official Receiver or the Liquidator with the High Court Registry (counter no. 8 at LG1) instead of sending it to the Judiciary Administrator.

2.2 The Registry shall open a separate file bearing the same High Court Winding Up Case Number as the main proceeding to hold the bills. Each bill lodged shall be assigned a bill number in accordance with the time it is lodged.

**Part III - Documents**

3.1 A bill of costs for taxation shall be lodged with the Court in duplicate or in two copies duly signed by the receiving party. They shall be accompanied with the following documents:

- (A) A Notice of Appointment in the form as set out in Attachment 1 together with such number of copies for service as may be required.
- (B) In case it is the **first** bill lodged for taxation:
- (i) a copy of the Court Order for the appointment of the Liquidator;
  - (ii) a source document prepared by the Liquidator with the following information:
    - (a) a brief paragraph containing an introduction to the company in question, e.g. incorporation, activity, size;
    - (b) a brief paragraph stating the main business activities carried on by the company before liquidation;
    - (c) the ground for winding-up (e.g. insolvency, just & equitable, etc.);
    - (d) if provisional liquidators were appointed, the grounds given for seeking appointment of provisional liquidators;
    - (e) an "Assets Schedule" showing
      - the nature
      - location
      - estimated value and
      - likelihood of recoveryof each of the company's assets (other than those with minimal value) at the commencement of the liquidation.

Where the first bill lodged for taxation was prior to the date when this procedural guide came into operation, the first subsequent bill lodged for taxation after the operation of this guide shall be accompanied by the above documents.

Please note that the above is designed to provide the taxing officer with an overview of the liquidation administration. Actual documents (e.g. time sheets or documents proving assets and realizations) are not to be produced, in the interests of cost-effectiveness. The actual documents will be called for only if the taxing master needs to query any points.

- (C) In case it is a bill of costs or charges of a solicitor, manager, accountant, auctioneer, broker or other persons employed by the Official Receiver or Liquidator,
- (i) a certificate of employment in writing, signed by the Official Receiver or Liquidator, as the case may be, setting forth whether any, and if so what, special terms of remuneration have been agreed to pursuant to Rule 175 of the Companies (Winding-up) Rules;
  - (ii) a brief running narrative of the work done covered by the bill;
  - (iii) if applicable, a list of the items of work done in chronological order with the time spent by the fee earners concerned in each item, their hourly charge-out rates and the amount charged.
  - (iv) if applicable, the estimated value of the asset which forms the subject matter of the bill, the likelihood of recovery and explanation for pursuing or abandoning recovery effort, giving an update to the "Assets Schedule" in (B)(ii)(e) above as and when required;
  - (v) a brief statement on whether there have been any write-offs, and whether disbursements have been charged at a mark-up, and if so, on which disbursements and at what rate of mark-up; and
  - (vi) a certificate of scrutiny duly signed by the Official Receiver or Liquidator together with evidence that he has scrutinized the bill

of costs lodged including but not limited to setting out the queries raised by the Official Receiver or Liquidator together with explanations received, if any. The Official Receiver or Liquidator shall state his decisions on such queries raised.

- (D) In case it is a bill of costs or charges of a solicitor employed by the Official Receiver or Liquidator, in addition to the documents required under (C) above, the following documents:
- (i) a copy of the resolution or other authority sanctioning the employment as required under Rule 175. If no such resolution or authority is produced, the bill of costs or charges of the solicitor would be disallowed;
  - (ii) the instructions given to the solicitor as required under Rule 175;
  - (iii) the year of admission of the solicitors concerned; and
  - (iv) a schedule of the **total** amount charged by each fee earner with the time spent and their charged-out rates.

#### **Part IV – Listing & Taxation**

4.1 After the documents in paragraphs 3 have been lodged, the Listing Officer shall designate a time for hearing the taxation. At the hearing, the taxing officer will hear representation and deal with the bill summarily if possible. Any representative attending the hearing is expected to be familiarized with the bill lodged for taxation and be able to answer queries raised by the taxing officer. If it is unlikely that the taxation can be finished within the allotted time, the case will be adjourned to a date to be fixed with such estimated length of time as the taxing officer may determine.

4.2 Upon conclusion of the taxation of a bill, the taxing officer will endorse at the back of the bill the following:





CERTIFICATE OF TAXATION

(Title)

I hereby certify that I have taxed or assessed the bill of costs [*or charges*] [*or expenses*] of Mr. C.D, [here state the capacity in which employed or engaged] [*where necessary add* “pursuant to an order of the court dated the \_\_\_\_\_ day of \_\_\_\_\_, 200 \_\_\_\_”], and have allowed the same at the sum of \$\_\_\_\_\_ [*where necessary add* “which sum is to be paid to the said C.D. by \_\_\_\_\_ as directed by the said order”].

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 200( ).

Registrar

Amount claimed	:	\$
Amount deducted	:	\$
Amount allowed after taxation	:	\$
Taxing fee	:	\$ _____
Amount allowed with taxing fee	:	_____