

**THE PUBLIC TRUSTEE  
PRACTICE CIRCULAR 1 OF 2014**

**THE MOTOR VEHICLES  
(THIRD-PARTY RISKS AND COMPENSATION) ACT (CAP 189)**

**I. INTRODUCTION**

1. The amendments to the Motor Vehicles (Third-Party Risks and Compensation) Amendment Act (“the MVA”) will come into operation on 1 August 2014 together with the amendments to the Motor Vehicles (Third-Party Risks and Compensation) Rules (“the Rules”).
2. This Practice Circular sets out the revised procedures for the Public Trustee’s administration of motor accident cases pursuant to the MVA and the Rules.
3. This Practice Circular takes effect on 1 August 2014.

**II. WHEN APPLICATIONS TO THE PUBLIC TRUSTEE ARE REQUIRED**

4. Under the MVA, where the relevant amount exceeds \$5,000, applications have to be made to the Public Trustee (“PT”):
  - a. For the PT’s approval of the adequacy of the compensation to be paid to the motor accident victim where:
    - (i) the compensation sum was agreed out-of-court; and
    - (ii) the motor accident victim was **not** represented by a public officer or a lawyer at the time the settlement agreement was made.
  - b. For the PT’s agreement on the solicitor and client costs (“S and C costs”) where the motor accident victim was represented by a solicitor.
5. The following cases need not be referred to the PT for approval of the adequacy of the compensation sum:
  - a. the relevant amount agreed between the parties or awarded by the Court does not exceed \$5,000;

- b. the relevant amount agreed between the parties exceeds \$5,000 but the motor accident victim was legally represented at the time of the settlement agreement;
- c. the relevant amount exceeds \$5,000 but was awarded by the Court or approved by the Court pursuant to Order 76 rule 10 of the Rules of Court (“ROC”).

### **III. COMPUTATION OF THE RELEVANT AMOUNT**

- 6. The relevant amount is determined by taking into consideration compensation which is directly relevant to the injury suffered by the motor accident victim. Items which should **NOT** be included when computing the relevant amount include:
  - a. the cost of property damage; and
  - b. the cost of vehicle repair.

### **IV. SUBMITTING AN APPLICATION TO THE PT**

- 7. Applications to the PT must be made electronically using the “*Motor Accident Compensation Settlement*” module through the eServices provided by the PT. Where no applications are required but the compensation monies are required to be paid to the PT as trustee for the motor accident victim, the same module may be used to inform the PT of the case.
- 8. The following information should be provided:
  - a. the personal particulars and correspondence address of the motor accident victim;
  - b. the details of the accident;
  - c. the particulars of the defendant and/or his insurer;
  - d. the particulars of the solicitor/applicant; and
  - e. the particulars of the compensation sum, including the general damages, the special damages and interest, if any.
- 9. The application should be made **within one week** from:
  - a. the date of the settlement agreement; or
  - b. the date of the final Order or Judgment upon the conclusion of any appeal or the date when the deadline for filing an appeal expires, whichever is later.

#### **A. Application for approval of adequacy of compensation**

10. An application for the approval of adequacy of compensation must set out clearly a breakdown of the amount of compensation for each injury.
11. A copy of the duly executed final settlement agreement shall also be provided together with the following information and/or documents:
  - a. A copy of the identification document of the person entitled to the payment of the compensation;
  - b. A copy of the medical report(s) detailing the injuries suffered/sustained;
  - c. A copy of the lodgement form permitting the deduction of compensation monies from the bank account of the insurer; and
  - d. A copy of the bank passbook or bank statement showing the account information required for making payment of the compensation by the PT to the person entitled to the compensation.

The PT will inform the applicant if other documents are required.

12. The PT will issue a letter stating its views on the adequacy of the compensation sum **within four (4) weeks** from the date of receiving the last document or clarification in respect of the Application.

*B. Application for approval of S and C costs*

13. The MVA requires that a solicitor acting for a motor accident victim seek the agreement of the PT in respect of the S and C costs that he proposes to charge.
14. Where the PT is unable to agree with the proposed S and C costs and disbursements, the solicitor shall proceed to have the S and C costs and disbursements taxed.
15. The application for the approval of S and C costs should be made
  - a. electronically using the “Approval of Solicitor & Client Costs” module through the eServices provided by the PT; and
  - b. after registering the case using the “*Motor Accident Compensation Settlement*” module through the eServices.
16. The application should be made **within one (1) week** from the date Party-and-Party costs (“P and P costs”) and disbursements are agreed upon or ordered.

17. The PT's fee for the assessment of reasonableness of S and C costs shall be payable by the public officer or solicitor when the application for approval of S and C costs is submitted. Payment of the fee is to be made online.
18. The application should be supported by a copy of the settlement agreement or Order or Judgment setting out the P and P costs agreed upon or awarded.
19. Where the motor accident victim was represented by another firm(s) previously, the application must indicate the name(s) of the firm(s) and the respective S and C costs and disbursements claimed by the firm(s) as a part of the total S and C costs and disbursements for which the PT's agreement is being sought.
20. The PT will issue a letter stating its views on the proposed S and C costs and disbursements **within three (3) weeks** from the date of receipt of the complete set of supporting documents or the final clarification from the solicitor seeking the PT's agreement.

*C. Taxation of S and C costs*

21. If a Bill of Costs is to be taxed, the solicitor shall first serve it on the motor accident victim/claimant and the PT.
22. Where the motor accident victim was represented by another firm(s) previously, the current and previous firms of solicitors shall have their respective Bills of Cost taxed contemporaneously.
23. The PT will not be present at taxation proceedings unless required to do so by the Court.
24. **Within 1 week after taxation**, solicitors must forward a copy of the Registrar's Certificate to the PT.

*D. Payment of compensation and/or payment of S and C costs*

25. The Defendant and/or his insurer shall make payment of the compensation to the motor accident victim or to the PT, as the case may be, **within two (2) weeks** of receipt of the letter from the PT approving the adequacy of the compensation sum or the letter from

the PT agreeing to the S and C costs. Payment shall be made after deducting the sum agreed to by the PT in respect of the S and C costs and disbursements and paying that to the public officer or solicitor acting for the motor accident victim.

## **V. CASES INVOLVING PERSONS UNDER DISABILITY**

### **A. Appointment of litigation representative**

26. Order 76 of the Rules of Court (ROC) provides that persons under disability (i.e. minors and persons lacking capacity within the meaning of the Mental Capacity Act) are unable to bring, make a claim in, defend, make a counterclaim in, or intervene in any proceedings, or appear in any proceedings under a judgment or order notice of which has been served on them, except through their litigation representative.

27. Section 36 of the Civil Law Act (Cap. 36) does not apply to legal proceedings in connection with a motor vehicle accident. In such proceedings, plaintiffs who have attained 18 years of age but are below the common law age of majority (i.e. 21 years of age) will continue to be regarded as minors for the purposes of Order 76 of the ROC.

### **B. Obtaining approval from Court**

28. Where proceedings have been brought, Order 76 rule 10 of the ROC requires the Court's approval for all settlements reached by or on behalf of persons under disability to be valid. Solicitors acting for plaintiffs who are persons under disability are therefore reminded to obtain the approval of the court for settlements reached in proceedings involving motor accident claims.

29. In all cases involving plaintiffs who are persons under disability, if the intention is for the compensation monies, or any part of them, to be paid to the litigation representative, the Order of Court/Judgment should specify this. An example of an Order of Court to this effect is as follows:

*“The balance of the judgment sums due to the Plaintiff be paid by the Defendant to the Litigation Representative.”*

30. Order 76, Rule 12 of the ROC provides that where in any proceedings, money is recovered by or on behalf of, or adjudged or ordered or agreed to be paid to, or for the benefit of, a person under disability, the money must be dealt with in accordance with directions given by the Court, including directions as to any payment to be made to the plaintiff or to the litigation representative in respect of moneys paid or expenses incurred for or on behalf or for the benefit of the person under disability or for his maintenance or otherwise for his benefit or to the plaintiff's solicitor in respect of costs.

31. Where it is intended for the Public Trustee to hold the monies in trust for the benefit of the person under disability or to apply or deal with the monies in any way, the Order of Court should specify this, including how the monies are to be applied or dealt with, and under what circumstances.

#### **VI. PREVIOUS PRACTICE CIRCULARS**

32. Practice Circulars 1 of 2004 and 1 of 2010 shall cease to apply in respect of cases where the date of the Order of Court or Judgement or settlement agreement is dated on or after 1 August 2014.

#### **VII. QUERIES ON PRACTICE CIRCULAR**

33. For queries regarding this Practice Circular, please contact us at Tel: 6325 1500 or by email at [ipto\\_enquiry@ipto.gov.sg](mailto:ipto_enquiry@ipto.gov.sg).

**SIA AIK KOR  
PUBLIC TRUSTEE**

**SINGAPORE**

31 July 2014

(This Practice Circular is also available on The Insolvency & Public Trustee's Office website at <http://www.ip.to.gov.sg>)