

**PRE-JUDGMENT INTEREST AFTER UNITED
OVERSEAS BANK LTD V LIPPO MARINA COLLECTION
PTE LTD**

[2026] SAL Prac 31

This article examines the Appellate Division's observations in *United Overseas Bank Ltd v Lippo Marina Collection Pte Ltd* [2026] SGHC(A) 21 on the proper basis for awarding pre-judgment interest. In particular, it considers whether interest must invariably be calculated on the final net judgment sum, or may instead run on a larger gross amount before later recoveries or deductions are taken into account. The article examines s 12 of the Civil Law Act 1909 (2020 Rev Ed) and para 6 of the First Schedule to the Supreme Court of Judicature Act 1969 (2020 Rev Ed), contrasts the Singapore and English positions, and considers the practical significance of the court's observations for future claims for interest.

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I. Introduction

1 Among the myriad issues which were argued in the assessment of damages in *United Overseas Bank Ltd v Lippo Marina Collection Pte Ltd*¹ (“*UOB v Lippo (HC)*”) and *United Overseas Bank Ltd v Lippo Marina Collection Pte Ltd*² (“*UOB v Lippo (AD)*”), an interesting point which emerged was on pre-judgment interest. Specifically, when damages are ultimately awarded as a net figure, must pre-judgment interest be calculated on that “net” figure from the outset? Or can the interest run on a larger “gross” amount for an earlier period, before recoveries, realised security or other deductions reduce the claimant’s entitlement?

2 This arose in *UOB v Lippo (HC)* and *UOB v Lippo (AD)*. Lippo Marina Collection Pte Ltd (“Lippo”) had engaged in a conspiracy to inflate purchase prices of 38 condominium units (“Units”) in a development known as the Marina Collection, to allow purchasers to procure inflated loans from United Overseas Bank Ltd (“UOB”). The amount of the disbursed loans exceeded the actual purchase prices of the Units. As a result, UOB found that it would suffer a significant shortfall in selling the Units. Despite some attempts, none of the Units were sold by the time of the assessment of damages. This led to arguments by Lippo that UOB failed to mitigate. Additionally, Lippo argued that pre-judgment interest could only be levied on the final judgment sum, *ie*, pre-judgment interest could not run on amounts representing the value of the Units as these had to be deducted from the judgment sum (even though the Units remained unsold).

II. Relevant provisions

3 In Singapore, the statutory provisions relating to pre-judgment interest are as follows:

1 [2025] SGHC 232.

2 [2026] SGHC(A) 21.

- (a) Section 12 of the Civil Law Act 1909³ (“CLA 2020”):

Power of courts of record to award interest on debts and damages

12.—(1) In any proceedings tried in any court of record for the recovery of any debt or damages, the court may, if it thinks fit, order that there shall be included in the sum for which judgment is given interest at such rate as it thinks fit on the whole or any part of the debt or damages for the whole or any part of the period between the date when the cause of action arose and the date of the judgment.

- (b) Paragraph 6 of the First Schedule to the Supreme Court of Judicature Act 1969⁴ (“SCJA 2020”):

Interest

Power to direct interest to be paid on damages, or debts (whether the debts are paid before or after commencement of proceedings) or judgment debts, or on sums found due on taking accounts between parties, or on sums found due and unpaid by receivers or other persons liable to account to the court.

4 The relationship between these two provisions has been described as being “obscure”.⁵ Some light was shed on the interplay between the two provisions in *People’s Park Development Pte Ltd v Tru-Mix Concrete (Pte) Ltd* (“*People’s Park*”).⁶ The Appellate Division of the High Court (“Appellate Division”) in *UOB v Lippo (AD)* has now provided further insight into how these provisions would interact where a claim for pre-judgment interest is made on a sum that is not the final sum payable after judgment is rendered.

III. The England equivalent

5 Historically, the common law provided no remedy in damages for the late payment of a debt or damages. Following

3 2020 Rev Ed.

4 2020 Rev Ed.

5 See Law Reform Committee, Singapore Academy of Law, *Report of the Law Reform Committee on Pre- and Post-Judgment Interest* (August 2005).

6 [1981–1982] SLR(R) 242.

the recommendation of the UK Law Revision Committee in 1934, the English Law Reform (Miscellaneous Provisions) Act 1934⁷ was the first statute in England that gave the courts a general power to award pre-judgment interest in any proceedings tried before it. The equivalent of this power was introduced in Singapore by way of the Civil Law (Amendment) Ordinance 1940.⁸ Today, it is contained in s 12 of the CLA 2020.

6 Following legislative reform in 1982, s 3(1) of the Law Reform (Miscellaneous Provisions) Act 1934⁹ was superseded by a new statutory provision inserted into the Supreme Court Act 1981¹⁰ as s 35A. The Supreme Court Act 1981¹¹ was subsequently renamed the Senior Courts Act 1981¹² (“English 1981 Act”). Section 35A(1) of the Senior Courts Act 1981¹³ states that:¹⁴

Subject to rules of court, in proceedings (whenever instituted) before the High Court for the recovery of a debt or damages there may be included in any sum for which judgment is given *simple interest*, at such rate as the court thinks fit or as rules of court may provide, *on all or any part of the debt or damages in respect of which judgment is given*, or payment is made before judgment, for all or any part of the period between the date when the cause of action arose and—

(a) in the case of any sum paid before judgment, the date of payment; and

(b) in the case of the sum for which judgment is given, the date of judgment.

[emphasis added]

7 Section 35A of the English 1981 Act is now the operative statutory provision in England.

7 c 41 (UK).

8 SS Ord No 30 of 1940.

9 c 41 (UK).

10 c 54 (UK).

11 c 54 (UK).

12 c 54 (UK).

13 c 54 (UK).

14 Senior Courts Act 1981 (c 54) (UK) s 35A.

IV. Differences between Singapore and England

8 There are material differences between s 12 of the CLA 2020 and s 35A of the English 1981 Act. Section 35A makes explicit that interest may only be awarded on damages “in respect of which judgment is given”. No such limitation, however, exists in s 12.

9 This proviso (*ie*, that interest may only be awarded on damages “in respect of which judgment is given”) led the English Court of Appeal in *Blue Circle Industries Plc v Ministry of Defence*¹⁵ to limit the ambit of its powers to award pre-judgment interest.

10 In *Blue Circle Industries Plc v Ministry of Defence*,¹⁶ the plaintiff was the owner of an estate contaminated by radioactive material from a licensed site run by the defendant. When the full impact of the radioactive contamination was disclosed, the plaintiff’s negotiations to sell the estate fell through. The plaintiff commenced proceedings against the defendant, claiming damages for the loss of chance that it could have earned £10.35m from the sale, and for interest to be levied on this sum. However, the defendant argued that the court had no jurisdiction under s 35A to award interest on the basis contended by the plaintiff. Since judgment had not been given for 75% of £10.35m, there was no power to give interest on that sum. The relevant “damages in respect of which judgment is given” was 75% of the lesser amount of £5.35m or alternatively £6.57m, after giving credit for the value of the estate.

11 The English Court of Appeal agreed with the defendant’s argument.

12 The English position contrasts with the Singapore position not merely because of the differences in the language of ss 35A and 12. Singapore has a further provision on pre-judgment interest in para 6 of the SCJA 2020.

15 [1999] Ch 289.

16 [1999] Ch 289.

V. *People's Park*

13 In *People's Park*, the Court of Appeal held that although it had no power to award interest on the basis sought by the respondent under the then-s 9 of the Civil Law Act¹⁷ ("CLA 1970") (now s 12 of the CLA 2020), it had additional powers to award such interest under the then-para 7 of the First Schedule to the Supreme Court of Judicature Act¹⁸ ("SCJA 1970") (now on para 6 of the First Schedule to the SCJA 2020).

14 In that case, the respondent sold and delivered ready-mix concrete to the appellant and sued the appellant for the outstanding sum due. On the date of the hearing, the appellant paid up the outstanding sum. Parties agreed that the claim and counterclaim would be withdrawn and also agreed on costs, but could not agree on the question of interest which the respondents asked for on the sum that had remained outstanding until the hearing date. Parties asked the trial judge to decide on the issue, and the trial judge then ordered that interest be paid on the sum owed from the date of the writ to the date of the settlement.

15 On appeal, the appellant argued that since the claim had been withdrawn, there were no "proceedings tried in any court of record for the recovery of any debt or damages" within the meaning of the then-s 9 of the CLA 1970 (now s 12 of the CLA 2020), and hence the court had no power to award interest to the respondent.

16 The Court of Appeal, whilst agreeing with this argument, nevertheless held that the High Court had "additional powers" to award interest under the then-para 7 of the First Schedule to the SCJA 1970 (now para 6 of the SCJA 2020), which reads as follows:

Power to direct interest to be paid on debts, including judgment debts, or on sums found due on taking accounts between parties, or on sums found due and unpaid by receivers or other persons liable to account to the Court.

17 Cap 30, 1970 Rev Ed.

18 Cap 15, 1970 Rev Ed.

17 The respondent's claim was upheld based on this provision. The decision marks the use of para 6 to supplement the limitations under s 12 to award pre-judgment interest. It rejects the notion that para 6 merely declares the existence of the power to award interest, which is to be exercised in accordance with s 12 and common law principles.

18 This interplay between para 6 and s 12 was reiterated by the Appellate Division in *UOB v Lippo (AD)* when it held that “[i]t bears noting that para 6 sets out additional powers granted to the High Court above and beyond what is contemplated in s 12 of the CLA”.

VI. *UOB v LIPPO (AD)*

19 *UOB v Lippo (AD)* also put the spotlight on another issue – whether s 12 could be used to award interest on amounts that a claimant was kept out of but which would not feature in the judgment sum. This issue would arise in situations where a claimant is holding on to an object of value but that value has not been monetised. The value would nonetheless need to be deducted from the final judgment sum.

20 In *UOB v Lippo (AD)*, the objects of value were the Units which remained unsold at the time of assessment of damages. Could UOB be awarded pre-judgment interest on the amounts of the loans that it had disbursed or would the value of the Units have to be deducted from such amounts and pre-judgment interest levied only on the difference?

21 This issue does not seem to have been the subject of any detailed discussion by Singapore courts before *UOB v Lippo (AD)*. In the decisions issued by the General Division of the High Court¹⁹ (“General Division”) and the Court of Appeal²⁰ in *Li Jialin v Wingcrown Investment Pte Ltd* (collectively, “*Li Jialin*”), interest was awarded on moneys that had already been repaid prior to the commencement of proceedings. However, the question of

19 [2023] SGHC 256.

20 [2024] 2 SLR 372.

whether this was permissible was not argued before the General Division or the Court of Appeal in *Li Jialin*. UOB argued that the award of pre-judgment interest on sums already paid in *Li Jialin* nevertheless showed that pre-judgment interest could be levied on sums for which judgment was not given.

22 The Appellate Division agreed with this argument, observing that “neither a plain reading of s 12 of the CLA nor the 2005 LRC Report suggests that the court can only award interest on the final net judgment sum payable by one party to another”.²¹

23 The Appellate Division pointed out that such an approach is “eminently sensible” as it “furthers the underlying aim of pre-judgment interest”.²²

The basis for an award of pre-judgment interest lies in the fact that the unsuccessful defendant had wrongfully kept the successful claimant out of moneys to which *he has been shown to be entitled* ... It is for this reason that, as a matter of principle, claimants who have been kept out of pocket without basis should be able to recover interest on money that is found to have been owed to them *from the date of their entitlement* until the date it is paid ... As the Judge rightly noted, a pre-requisite to a claim for pre-judgment interest is that the claimant must be entitled to the moneys on which pre-judgment interest is claimed, and such an entitlement is decided by means of a judgment award ... [emphasis in original]

24 As such, the Appellate Division took the view that the judge in *UOB v Lippo (HC)* had erred in stating that a judgment award “would necessarily take into account any deductions which must be made”.²³ The Appellate Division stated that this would be “akin to treating the units as having been sold at the date of writ”,²⁴ which would not adequately compensate UOB for the lost time value of money.

21 *United Overseas Bank Ltd v Lippo Marina Collection Pte Ltd* [2026] SGHC(A) 21 at [92].

22 *United Overseas Bank Ltd v Lippo Marina Collection Pte Ltd* [2026] SGHC(A) 21 at [95].

23 *United Overseas Bank Ltd v Lippo Marina Collection Pte Ltd* [2026] SGHC(A) 21 at [96].

24 *United Overseas Bank Ltd v Lippo Marina Collection Pte Ltd* [2026] SGHC(A) 21 at [96].

25 The Appellate Division went on to find that para 6 would in any event confer power on the court to award pre-judgment interest on debts other than judgment debts. It affirmed the proposition that:²⁵

... the court's power under para 6 is not even limited to the adding of pre-judgment interest to a judgment sum awarded by the court ... Even if the court's power under s 12 of the CLA is as limited as Lippo makes it out to be, the court would still have the power to award interest on a gross sum, before deductions, which a party is entitled to at a specific point in time pursuant to para 6 of the SCJA as 'what cannot be done under the CLA power can be done under the SCJA power' ([Law Reform Committee, Singapore Academy of Law, *Report of the Law Reform Committee on Pre- and Post-Judgment Interest* (August 2005)] at para 40).

26 It bears pointing out that the observations of the Appellate Division on pre-judgment interest were *obiter* as the issue of the court's power to award interest on a gross sum, as opposed to a net sum, did not arise since the Appellate Division ultimately found that there was no net sum to speak of on the facts.

27 Nevertheless, the Appellate Division's comments serve as a useful elucidation of the position of the Singapore courts on how pre-judgment interest may be applied and serve to remind practitioners that para 6 remains available as a source of power to award interest if a claimant is faced with the limitations of s 12.

25 *United Overseas Bank Ltd v Lippo Marina Collection Pte Ltd* [2026] SGHC(A) 21 at [98].