

SUPREME COURT OF SINGAPORE

18 July 2018

Media Summary

Singapore International Commercial Court Suit No 7 of 2017
***B2C2 Ltd v Quoine Pte Ltd* [2018] SGHC(I) 08**

SICC discusses the principles governing the ordering of security for costs against foreign parties in transfer cases.

Background

1 The Defendant operated a currency exchange platform (the “Platform”) enabling third parties to trade virtual currencies for other virtual currencies or for fiat currencies. The Plaintiff was a UK company that traded on the Platform. On 19 April 2017, the Plaintiff placed seven ETH/BTC orders that were approximately 250 times the market rate previously quoted for the ETH/BTC exchange. On discovering this, the Defendant reversed the trades, and the Plaintiff submitted that this reversal was a breach of the agreement between them.

2 The Plaintiff commenced this suit in the Singapore High Court and the suit was subsequently transferred to the Singapore International Commercial Court. The proceedings concerned the Defendant’s application for security for costs.

3 Prior to the transfer of the suit, the Defendant sought security in the amount of \$80,000 for costs up to the date of trial. The Plaintiff provided such security, expressly stating that such security was given without any acknowledgement or admission in relation to the Defendant’s entitlement to any further security and that it reserved its position in this regard.

4 The Defendant now sought security for costs mainly on the ground that the Plaintiff was a foreign registered company without a place of business or fixed assets in Singapore. The Plaintiff argued that foreign residency was not a ground for ordering security for costs under O 110 r 45 of the Rules of Court (Cap 322, R 5, 2014 Rev Ed) (the “Rules”), which displaced the operation of O 23 (what would normally be applicable for similar applications under the Singapore High Court). Further, the Plaintiff argued that it would not be just to order further security given that (a) the Plaintiff was established in the UK and globally; (b) enforcement in the UK would be relatively easy; (c) the Plaintiff had an aggressive growth strategy in South-East Asia; (d) the Plaintiff had throughout the action complied with all orders and directions of the Court; and (e) the Plaintiff’s case was a strong one.

The interplay between O 110 r 45 and O 23 of the Rules

5 After studying the wording of O 110 r 45 and O 23 of the Rules, the Judge found that in respect of transfer cases, the fact that the plaintiff is ordinarily resident out of the jurisdiction is to be notionally added to the threshold conditions under O 110 r 45(1B). In transfer cases, the plaintiff had elected to sue the defendant in the High Court where “foreignness” is a relevant consideration in determining whether to order security against the plaintiff, and the defendant should not lose this right by virtue of transfer. ([28]–[29])

Whether it was just to award security for costs

6 The fact that a foreign plaintiff is involved is usually regarded as a factor that would tip the balance when the circumstances of the case were evenly balanced. Taking the factors raised by the parties (set out at [4] above) into consideration, the Judge found that the circumstances leaned on the side of not granting security and the fact that the Plaintiff was a foreign corporation did not tip the balance in the Defendant’s favour. In making this finding, the Judge also noted that he took the relative strength of the parties’ cases to be a neutral factor. ([30]–[31], [35]–[36])

This summary is provided to assist in the understanding of the Court's judgment. It is not intended to be a substitute for the reasons of the Court.
