

Handout 2

Legal practitioner to provide bill of costs

152. (1) A legal practitioner shall, as soon as is practicable after concluding the provision of legal services in relation to a legal matter for a client, prepare and sign a bill of costs, which shall contain the particulars specified in this section and shall be in such form (if any) as may be specified in rules of court.
- (2) Subject to *subsections (5) to (7)*, a bill of costs shall contain the following particulars:
- (a) a summary of legal services provided to the client in connection with the matter concerned;
 - (b) an itemised statement of the amounts in respect of the legal costs in connection with the legal services;
 - (c) the registration number of the legal practitioner for the purposes of value-added tax, and the amount of value-added tax chargeable in respect of the amounts referred to in *paragraph (b)*;
 - (d) where time is a factor in the calculation of the legal costs concerned, the time spent in dealing with the matter;
 - (e) the amount, where known to the legal practitioner, of any damages or other moneys that are recovered by, or payable to, the client and that arose from the matter in respect of which the legal services were provided;
 - (f) the amount of any legal costs recovered by or payable to the legal practitioner concerned on behalf of the client, including costs recovered from another party, or an insurer on behalf of another party, to the matter concerned.
- (3) The legal practitioner shall provide to the client, along with the bill of costs, an explanation in writing of the procedure available to the client should the client wish to dispute any aspect of the bill of costs, which shall contain the following information:
- (a) that the client may discuss the matter with the legal practitioner;
 - (b) that the client is obliged under [section 153 \(1\)](#) to communicate to the legal practitioner the existence of a dispute on any aspect of the bill of costs, and the date and means by which this is to be communicated;
 - (c) that, where a dispute is communicated under [section 153 \(1\)](#), the legal practitioner is obliged under [section 153](#) to attempt to resolve the dispute by informal means, including mediation;
 - (d) that the client may have the dispute referred to mediation, including a reference to the procedures available for such mediation;
 - (e) that the client may apply for adjudication of legal costs, including the contact information for the Office and the potential cost to the client of seeking an adjudication of a bill of costs; and

- (f) the date on which the legal practitioner may, subject to [section 153](#), make an application under [section 154](#) (5) for an adjudication in the event that the bill of costs or any part thereof remains unpaid.
- (4) This section shall not be construed as limiting a right that any other person has to require a legal practitioner to submit a bill of costs for adjudication.
- (5) Where an agreement has been made under [section 151](#) by a legal practitioner and his or her client, that agreement shall be set out in, or annexed to, the bill of costs relating to the matter to which the agreement relates.
- (6) Where an agreement referred to in *subsection (5)* concerns all of the legal costs that are payable by the client to the legal practitioner for legal services provided in relation to the matter concerned, an invoice prepared by the legal practitioner containing a summary of the costs and outlays pursuant to the agreement, together with a copy of the agreement, shall constitute a bill of costs of the purposes of this section.
- (7) Where an agreement referred to in *subsection (5)* concerns a part of the legal costs that are payable by the client to the legal practitioner for legal services provided in relation to the matter concerned, a summary prepared by the legal practitioner of the costs and outlays pursuant to the agreement shall, as respects that part of the legal costs, satisfy the requirements of *paragraphs (a), (b) and (d) of subsection (2)*.
- (8) Where a practising solicitor, having received instructions from a client in relation to a matter, proceeds to instruct a practising barrister in relation to that matter, and the barrister has concluded providing legal services in relation to that matter—
 - (a) an obligation on the barrister under this section to provide a bill of costs shall be fulfilled where the barrister provides the bill of costs concerned to the solicitor,
 - (b) the solicitor concerned shall immediately on receipt of a bill of costs referred to in *paragraph (a)*, provide that bill of costs to the client.

Application for adjudication of legal costs

154. (1) In a case where a person is ordered by a court, tribunal or other body to pay, in whole or in part, the legal costs of another person, the person whose legal costs are to be paid by reason of that order shall furnish a bill of costs to the person who is the subject of the order to pay the legal costs, in a form and manner consistent with—
- (a) the terms of the order,
 - (b) this Act, and
 - (c) any rules of court relating to the preparation and furnishing of bills of costs in a case to which this subsection refers.
- (2) Where a person who is the subject of the order to pay costs receives a bill of costs prepared in accordance with *subsection (1)*, that person may, having attempted to agree the bill of costs with the person referred to in *subsection (1)*, apply to the Chief Legal Costs Adjudicator for adjudication on any matter or item claimed in the bill of costs.
- (3) Where a person in whose favour the order to pay costs has been made issues a bill of costs prepared in accordance with *subsection (1)*, that person, having attempted to resolve any dispute regarding the bill of costs with the person who is the subject of the order, may apply to the Chief Legal Costs Adjudicator for the bill of costs or any matter or item in the bill of costs to be adjudicated upon.
- (4) Where a legal practitioner provides a bill of costs in accordance with [section 152](#) to his or her client and the client considers that any matter or item or the amount charged in respect of any matter or item in the bill of costs is not properly chargeable, taking account of the provisions of this Act, and any rules of court relating to costs payable to legal practitioners by clients, the client may apply to the Chief Legal Costs Adjudicator for the bill of costs or any matter or item in the bill of costs to be adjudicated upon.
- (5) (a) Where a legal practitioner provides a bill of costs in accordance with [section 152](#) to his or her client and the bill of costs or any part thereof remains unpaid on the expiry of a period of 30 days from the date on which the bill of costs was provided, the legal practitioner may apply to the Chief Legal Costs Adjudicator for the bill of costs or any matter or item in the bill of costs to be adjudicated upon.
- (b) Where a barrister has, in accordance with [section 152 \(8\)](#), provided a bill of costs to a solicitor, and the bill of costs or any part thereof remains unpaid on the expiry of a period of 30 days from the date on which the bill of costs was provided, the solicitor concerned may, with the consent of the barrister, apply to the Chief Legal Costs Adjudicator for the bill of costs or any matter or item in the bill of costs to be adjudicated upon.
- (c) An application to the Chief Legal Costs Adjudicator pursuant to *paragraph (a) or (b)* may not be made after the expiry of 12 months after the date on which the bill of costs concerned was provided to the client under [section 152](#).

- (6) Where the legal practitioner applies for adjudication pursuant to *subsection (5)*, the legal practitioner shall indicate whether or not he or she is aware of any dispute regarding an item in the bill of costs and if so aware the matter to which the dispute relates.
- (7) Subject to *subsection (8)*, an application to the Chief Legal Costs Adjudicator by a client pursuant to *subsection (4)* may not be made after the expiry of 6 months after the date on which the bill of costs concerned was provided to the client under [section 152](#), or 3 months from the date of payment of the bill of costs, whichever first occurs, so long as the bill of costs is in a form and manner consistent with—
- (a) this Act, and
 - (b) any rules of court relating to the preparation and provision of bills of costs by a legal practitioner to a client.
- (8) Where a bill of costs has been provided by a legal practitioner to his or her client and the legal practitioner has agreed to accept a lesser amount in discharge of the bill of costs which lesser amount is paid, neither the legal practitioner nor the client may make an application to the Chief Legal Costs Adjudicator for adjudication of the bill of costs under this section.
- (9) A legal practitioner who has provided a bill of costs in accordance with [section 152](#) to his or her client may apply *ex parte* to the High Court or to a Legal Costs Adjudicator for the abridgement of the period of 30 days referred to in *subsection (5)* and, where it appears that it is just to do so, the Court or the Legal Costs Adjudicator, as appropriate, may grant an abridgement of that period.
- (10) Rules of court may make provision for—
- (a) the giving of notice of the application for adjudication to other parties or to such other persons as the Chief Legal Costs Adjudicator shall direct, including the manner in which notice is to be given,
 - (b) the furnishing of documents, records and vouchers to the Chief Legal Costs Adjudicator or to other parties to the adjudication,
 - (c) the circumstances and manner in which written submissions are to be provided for the purposes of an adjudication, and
 - (d) the steps that may constitute an attempt, by a person referred to in *subsection (2)* or *(3)*, to agree a bill of costs, and the certification by a Legal Costs Adjudicator that the person has made such an attempt.
- (11) An application under this section shall be in a form specified by rules of court or, as the case may be, under [section 163 \(1\)](#).