

6. The application for default judgment was personally served on the defendant on 11 December 2025. The defendant was also reminded of today's hearing date. Further, earlier today the applicant's solicitor telephoned the defendant to remind him of the court date; however, the person who answered the call terminated it abruptly.

Summary of Facts

7. The Applicant is a statutory financial institution established under the ***Development Bank of Solomon Islands Act 2018***, with functions that include providing loan finance to assist the promotion and development of industry and enterprise.
8. The Defendant is a Solomon Islander who operates a business known as JW Enterprise, which is engaged in sawmilling and the sale of timber.
9. On 20 July 2022, the Applicant and the Defendant entered into a written loan agreement. Under that facility, the Applicant advanced SBD 275,000.00 to the Defendant for the purchase of sawmilling equipment, tools and working capital. The loan was repayable over a period of 48 months, with monthly repayments of SBD 6,872.85, inclusive of principal and interest, at an interest rate of 8% per annum.
10. The loan was secured by a charge over land described as Parcel Number 191-047-6, registered in the name of Kate Manu. The Applicant holds a first registered charge over that parcel, which was registered on 7 September 2024.
11. The Applicant alleges that the Defendant is in default under the loan agreement. As at the date of the Claim, the Applicant seeks recovery of SBD 250,633.87, together with accruing interest and penalties, and seeks orders for the sale of Parcel Number 191-047-6, together with ancillary relief and costs.

The Application

1. The Applicant seeks:
 - a. *judgment for the amount of SBD \$ 250,633;*
 - b. *interest pursuant to r 9.24 and 9.26;*
 - c. *An order for the sale of Fixed Term Estate in Parcel Numbers 191-047-6 held in the name of Kate Manu; and*
 - d. *An order made pursuant to section 171 (b) or (c) under the Lands & Titles Act [Cap 133].*
2. In relation to the second and third relief sought, Counsel has indicated that, at this stage, they seek default judgment only in respect of the liquidated sum. In the event that repayment is not made, Counsel seeks leave to apply for: an order for the sale of the fixed-term estate in Parcel Number 191-047-6; and an order pursuant to section 171(b) or (c) of the ***Lands and Titles Act*** [Cap 133].

3. The issue for determination is whether the Applicant has satisfied the procedural and substantive requirements for default judgment under the Rules.

Legal Framework

4. Rule 5.11 requires a defendant who intends to contest a claim to file and serve a Defence within the time stipulated by r 5.37. Under r 5.37(a), where a claim is served within 20 kilometres of the main Post Office in Honiara, a Response must be filed and served within 14 days of service. Under r 5.37(c), a Defence must be filed and served within 28 days of service. A defendant who fails to file either a Response or a Defence within these timeframes falls into default for the purposes of r 9.17.

5. Rule 9.17 entitles the Applicant to apply for default judgment once proof of service is filed. In a Category B claim, being a liquidated monetary claim, r 9.23 to 9.27 govern the procedure:

- a. *r 9.23: Applicant may apply for judgment for the amount specified, interest, and costs.*
- b. *r 9.24: Court may enter judgment for the principal sum, interest from filing, and costs.*
- c. *r 9.25: Sworn statement in support must specify the amount owing, reductions (if any), interest claimed and how calculated, and costs claimed.*
- d. *r 9.26–9.27: Interest may be awarded either at the contractual rate, a rate fixed under r 17.65, or a lump sum.*

6. The Court retains a discretion whether to enter judgment. The authorities emphasise that default judgment is not granted where jurisdictional questions arise or where the nature of the claim requires substantive adjudication. Where the claim is straightforward and no substantive issues are raised, default judgment is the ordinary and proper response to a defendant's failure to engage.

Application of the Law to the Facts

7. Default judgment is not entered as a matter of course. Even where a defendant has failed to engage with the proceeding, the Court must be satisfied that the procedural requirements of the Rules have been met and that the nature of the relief sought is capable of being determined on the evidence before the Court, without the need for a trial.

8. In the present case, the Applicant seeks judgment for a liquidated sum arising from a loan facility, together with interest and costs. The issue is whether the Applicant has satisfied both the procedural and substantive requirements for default judgment under the Rules.

Procedural compliance: service and default (r 5.11, 5.37 and r 9.17)

9. The evidence before the Court establishes that the Claim and Response Form were served on the Defendant on 29 October 2025 at Lengkiki, West Honiara. Proof of service has been filed.

10. Pursuant to r 5.11 and 5.37, the Defendant was required to file a Response within 14 days of service and a Defence within 28 days of service. The Defendant has filed no Response and no Defence, and has not communicated with either the Applicant or the Court. More than 14 days, and indeed more than 28 days, have elapsed since service. The Defendant is therefore in default for the purposes of r 9.17.

11. The procedural precondition for applying for default judgment has accordingly been satisfied.

Evidentiary foundation for the debt (r 9.23-9.25)

12. The Applicant relies on the sworn statement of Stanley Havae, to which a number of exhibits are annexed. Exhibit SH1 annexes the Offer Letter and Loan Agreement executed between the Applicant and the Defendant on 20 July 2022. That agreement evidences:

- a. the advance of SBD 275,000.00 to the Defendant;*
- b. the purpose of the facility, being the purchase of sawmilling equipment, tools, and working capital;*
- c. the applicable interest rate of 8% per annum; and*
- d. the repayment terms, including monthly repayments over a period of 48 months.*

13. Exhibit SH2 annexes the Guarantee, Deposit and Charge Agreement, which evidences the security arrangements supporting the loan facility.

14. Exhibit SH3 annexes a copy of the Fixed Term Estate Register for Parcel Number 191-047-6, which confirms that:

- a. the parcel is registered in the name of Kate Manu; and*
- b. the Applicant holds a first registered charge over that parcel, registered on 7 September 2024.*

15. Exhibit SH4 annexes correspondence from the Applicant to the Defendant notifying the Defendant of his failure to meet repayment obligations under the loan agreement and formally demanding payment of the outstanding debt.

16. Taken together, Exhibits SH1-SH4 provide a coherent and complete evidentiary foundation for the existence of the loan, the security supporting it, the Defendant's default, and the Applicant's entitlement to seek recovery of the outstanding balance.

Nature of the claim: liquidated sum (r 9.23-9.27)

17. The Applicant seeks judgment for SBD 250,633.87, being the outstanding balance said to be owing under the loan agreement as at the date of the Claim.

18. This is a liquidated monetary claim. The amount sought arises directly from the contractual repayment obligations and is capable of calculation by reference to the loan agreement and the repayment history. It does not require assessment, valuation, or the exercise of judicial discretion.

19. The requirements of r 9.25 are satisfied. The sworn statement identifies the amount claimed as owing, confirms that the Defendant has failed to make required repayments, and exhibits the contractual documents upon which the debt is founded.

20. The claim therefore falls squarely within the category of claims for which default judgment may properly be entered under r 9.23-9.27.

Interest (r 9.24 and 9.26)

21. The Applicant seeks interest in accordance with the terms of the loan agreement.

22. The loan agreement exhibited at SH1 expressly provides for interest at the rate of 8% per annum. Subject to the ***Solomon Islands Courts (Civil Procedure) Rules 2007***, the Applicant is entitled to interest at that contractual rate up to the date of judgment and, in the exercise of the Court's discretion under the Rules, to post-judgment interest at the same rate.

23. The Court is satisfied that there is both a contractual and procedural basis for awarding interest at 8% per annum and that this rate is appropriate in the circumstances. Interest may therefore be included in the judgment at that rate in accordance with the Rules.

Discretion and the overriding objective

The Court retains a discretion whether to enter default judgment and in what form. That discretion must be exercised consistently with the overriding objective of the Rules to deal with cases justly, efficiently and without unnecessary delay.

24. In the present case, the Defendant has been afforded every reasonable opportunity to engage with the proceeding and has chosen not to do so. The claim is supported by sworn evidence, the debt is liquidated and there is no suggestion of any jurisdictional defect or substantive issue requiring trial.

25. I am satisfied that no injustice will arise from entering judgment without trial. The prerequisites for default judgment have been met and it is appropriate to grant the relief sought, subject to the Court being satisfied as to the precise form of the enforcement orders.

Orders

1. Judgment is entered for the Claimant against the Defendant in the sum of SBD 250,633.87.
2. Interest is awarded on the judgment sum:
 - a. at the contractual rate of 8% per annum up to the date of judgment; and
 - b. Pursuant to rules 9.24, 9.26 and 17.65 of the **Solomon Islands Courts (Civil Procedure) Rules 2007**, interest at a rate the Court considers appropriate, being 8% per annum in accordance with the interest rate agreed under the contract.
3. Counsel is at liberty to apply to the Court for a ruling in relation to the sale of the secured property and further orders pursuant to sections 171(b) or (c) of the **Land Titles Act**, should the outstanding amount not be paid.
4. Defendant to pay the applicants costs associated with the claim and with the application.

By the Court



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Hon. Justice Gina Maree Nott
Puisne Judge

