INSOL INTERNATIONAL
FOUNDATION CERTIFICATE
in INTERNATIONAL INSOLVENCY LAW

SUMMATIVE (FORMAL) ASSESSMENT: MODULE 8E

SINGAPORE

This is the **summative (formal) assessment** for **Module 8E** of this course and must be submitted by all candidates who **selected this module as one of their elective modules**.

The mark awarded for this assessment will determine your final mark for Module 8E. In order to pass this module, you need to obtain a mark of 50% or more for this assessment.

INSTRUCTIONS FOR COMPLETION AND SUBMISSION OF ASSESSMENT

Please read the following instructions very carefully before submitting / uploading your assessment on the Foundation Certificate web pages.

1. You must use this document for the answering of the assessment for this module. The answers to each question must be completed using this document with the answers populated under each question.

2. All assessments must be submitted electronically in **Microsoft Word format**, using a standard A4 size page and an 11-point Arial font. This document has been set up with these parameters – **please do not change the document settings in any way**. **DO NOT** submit your assessment in PDF format as it will be returned to you unmarked.

3. No limit has been set for the length of your answers to the questions. However, please be guided by the mark allocation for each question. More often than not, one fact / statement will earn one mark (unless it is obvious from the question that this is not the case).

4. You must save this document using the following format: **[studentnumber.assessment8E]**. An example would be something along the following lines: 202021IFU-314.assessment8E. **Please also include the filename as a footer to each page of the assessment** (this has been pre-populated for you, merely replace the words "studentnumber" with the student number allocated to you). Do not include your name or any other identifying words in your file name. **Assessments that do not comply with this instruction will be returned to candidates unmarked**.

5. Before you will be allowed to upload / submit your assessment via the portal on the Foundation Certificate web pages, you will be required to confirm / certify that you are the person who completed the assessment and that the work submitted is your own, original work. Please see the part of the Course Handbook that deals with plagiarism and dishonesty in the submission of assessments. **Please note that copying and pasting from the Guidance Text into your answer is prohibited and constitutes plagiarism. You must write the answers to the questions in your own words**.

6. The final submission date for this assessment is **31 July 2021**. The assessment submission portal will close at **23:00 (11 pm) GMT on 31 July 2021**. No submissions can be made after the portal has closed and no further uploading of documents will be allowed, no matter the circumstances.

7. Prior to being populated with your answers, this assessment consists of **8 pages**.

ANSWER ALL THE QUESTIONS

Commented [DB1]: 40/50 – well done!

QUESTION 1 (multiple-choice questions) [10 marks in total]

Questions 1.1. – 1.10. are multiple-choice questions designed to assess your ability to think critically about the subject. Please read each question carefully before reading the answer options. Be aware that some questions may seem to have more than one right answer, but you are to look for the one that makes the most sense and is the most correct. When you have a clear idea of the question, find your answer and mark your selection on the answer sheet by highlighting the relevant paragraph **in yellow**. Select only **ONE** answer. Candidates who select more than one answer will receive no mark for that specific question.

Question 1.1

Which of the following **is not** one of the objectives of the IRDA?

(a) To establish a regulatory regime for insolvency practitioners.

(b) To introduce a new omnibus legislation that consolidates the personal and corporate insolvency and restructuring laws.

(c) Adoption of the UNCITRAL Model Law on Cross-Border Insolvency.

(d) To enhance Singapore's insolvency and restructuring laws .

Question 1.2

Who may apply to court to stay or terminate the winding up of a Company?

(a) A creditor.

(b) A contributory.

(c) The liquidator.

(d) Any of the above.

Question 1.3

Which of the following factors may enable a foreign debtor to establish a "substantial connection" to Singapore?

(a) The debtor has chosen Singapore law as the law governing a loan or other transaction.

(b) The centre of main interests of the debtor is located in Singapore.

(c) The debtor has substantial assets in Singapore.

(d) Any of the above.

Question 1.4

What percentage of each class of creditors must approve a scheme of arrangement for it to be binding?

(a) Over 50% in number.

(b) 50% or more in number.

(c) Over 75% in number.

(d) 75% or more in number.

Question 1.5

Which of the following in respect of the automatic moratorium under Section 64(1) of the IRDA **is incorrect**?

(a) The automatic moratorium lasts for 30 days.

(b) The automatic moratorium may be extended.

(c) The automatic moratorium can be obtained without filing an application to Court.

(d) The debtor has to either propose or intend to propose a scheme of arrangement.

Question 1.6

Which of the following **does not** lead to the discharge of a judicial management order?

(a) A receiver is appointed over the assets of the company.

(b) The creditors decline to approve the judicial manager's proposals.

(c) The judicial manager is of the view that the purposes specified in the judicial management order cannot be achieved.

(d) The judicial manager has acted or will act in a manner that would be unfairly prejudicial to the interests of creditors or members of the company.

Question 1.7

Which of the following **is one of the three** aims of a judicial management?

(a) To allow the directors to oversee the restructuring of the company.

(b) Preserving all or part of the company's business as a going concern.

(c) As a means for the secured creditors to realise their security.

(d) To liquidate the company in a fast-track and cost-efficient manner.

Question 1.8

Which one of the following **is not** a corporate rescue mechanism in Singapore?:

(a) Informal creditor workouts.

(b) Judicial Management.

(c) Receivership.

(d) Scheme of arrangement.

Question 1.9

Which one of the following countries **is not** one of the jurisdictions that Singapore has modelled its insolvency laws on?

(a) England and Wales.

(b) Brunei.

(c) The USA.

(d) Australia.

Question 1.10

Which one of the following points regarding the landmark decision of *Re Zetta Jet Pte Ltd* is **not correct**?

(a) The High Court did not grant full recognition of the US Chapter 7 proceedings.

(b) The US bankruptcy proceedings continued in breach of the Singapore injunction.

(c) This is the first reported decision where a Singapore court has been faced with the question of public policy in an application for recognition of a foreign insolvency proceeding.

(d) The Court held that the omission of the word "manifestly" from Article 6 of the Singapore Model Law meant that the standard of exclusion on public policy grounds was higher than in jurisdictions where the Model Law had been enacted unmodified.

10 marks

QUESTION 2 (direct questions) [10 marks]

Commented [DB2]: 9/10

Question 2.1 [maximum 4 marks]

Explain the elements of two types of impeachable transactions under Singapore insolvency law and what defences there may be to the two you have identified.

- Unfair or Undue Preference:
  - Grounds:
    - that the preferred party is either a creditor or guarantor of the debtor company's debts or liabilities;

        - the debtor company became insolvent as a consequence of the transaction or was insolvent at the time of the transaction giving the preference;
        - the debtor company has done something which has put the preferred party in a position that is better than if the preferred party would not have entered into the transaction in the event of the debtor company's liquidation; and
        - the debtor company was influenced to enter into the preference transaction by a desire to place the preferred party in a preferential position, and there is a presumption of this if the preferred party is associated to the debtor company.
    - Time Period:
        - There is a look-back period for two years from the date of the winding up application where the party is associated to the debtor company and six months if it is in relation to an unrelated party. Incorrect lookback period.

- Transaction at an Undervalue:
    - Grounds:
        - the debtor company makes a gift to the recipient party or the debtor company enters into a transaction for consideration that is significantly less than the true market value; and
        - the debtor company became insolvent as a result of the transaction at an undervalue, or was insolvent at the time of the transaction at an undervalue.
    - Time Period:
        - There is a look-back period for five years from the date of the winding up application in relation to both related and unrelated parties. Incorrect lookback period.
    - Presumption
        - Where the recipient party is related to the debtor company there is a presumption that the transaction was at an undervalue.
- Defences:
    - A defence to a charge of unfair or undue preference or to a charge of transaction at an undervlaue is where an individual has obtain an interest in the property from a person other than the bankrupt person or has receive the subject benefit/preference in good faith and for value.

Well organised answer save that the lookback periods are incorrect. **3 marks.**

Question 2.2 [maximum 2 marks]

What is the objective and significance of the JIN Guidelines?

On 1 February 2017 the Supreme Court of Singapore adopted the JIN Guidelines. As stated in the JIN Guidelines themselves, *"The JIN Guidelines address key aspects of and the modalities for communication and cooperation amongst courts, insolvency representatives and other parties involved in cross-border insolvency proceedings, including the conduct of joint hearings. The overarching aim of the JIN Guidelines is the preservation of enterprise value and the reduction of legal costs."*

The significance of the JIN Guidelines are that they represent the first time that a framework for the communication and cooperation of judiciaries in relation to cross-border insolvency has been adopted in Singapore.

2 marks

Question 2.3 [maximum 4 marks]

How can a bankrupt obtain

(i) an annulment; and

(ii) a discharge

of his bankruptcy under the Singapore IRDA?

Annulment

A bankruptcy order may be annulled if an application is made within 12 months of the order (unless the court permits more time) and any of the following grounds exist:

1. the bankruptcy order shouldn't have been made on the grounds existing at the time when it was made;
2. the debts and expenses of the bankruptcy have been paid or secured to the Court's satisfactions; or
3. Malaysia should play host to the distribution of the bankrupt's estate or the majority of the bankrupt's creditors are resident in Malaysia and the distribution to them should properly occur in Malaysia.

Discharge

An application for a discharge may be made by the Official Assignee, the bankrupt, or any other person with an interest in the matter at any time after the relevant bankruptcy order has been made. The application for the discharge needs to be served on all persons and parties that filed a proof of debt in the bankruptcy. The Court will hear any creditor in the application and may refuse the discharge application, make the discharge application absolutely, or make an order discharging on conditions it sees appropriate which may include conditions on future income.

The Official Assignee has the discretion to issue a certificate of discharge as well, save for certain circumstances.

4 marks

QUESTION 3 (essay-type questions) [15 marks in total]

Commented [DB3]: 10/15

Question 3.1 [maximum 8 marks]

Write a brief essay on

(i) the restrictions on *ipso facto* clauses; and

(ii) wrongful trading

under the Singapore IRDA.

Ipso Facto Clauses

The IRDA represented a significant development in the treatment of *ipso facto* clauses in insolvency context in the Singapore jurisdiction. Prior to the implementation of IRDA in 2018 there were no restrictions on the exercise of *ipso facto* clauses upon the commencement of insolvency proceedings of a Singaporean company. However, with the advent of IRDA there are not new provisions which restrict, in some circumstances, the operation of a *ipso facto* clauses.

Section 440 of IRDA provides that *ipso facto* clauses will not be enforceable in relation to any applications for schemes of arrangement or judicial management. However, pursuant to section 440(5) of IRDA this restriction does not apply to a defined list of contracts which are carved out; these include: (i) certain finance contracts, (ii) contracts that are licences, permits or approvals that were issued by any governmental body, (iii) a commercial shipping charter, (iv) any contract which is related to a treaty to which Singapore is a party, (v) any contract relation to the national or economic interest of Singapore, and (vi) any agreement captured by the definition of "Convention" in section 2(1) of the International Interests in Aircraft Equipment Act (Cap 144B) .

Whilst IRDA represented a sea-change in the treatment of *ipso facto* clauses in Singapore, it is still the case that counterparties are not required to continue to provide new money to insolvency companies. As such, when a company applies for a scheme of arrangement or judicial management they may find their financial reserves/liquidity cut off which may act, at best, to undermine the corporate rescue plan or, at worst, to jeopardize the existence of the business. Additionally, pursuant to section 440(4) of IRDA the Singapore courts retain jurisdiction to rule on the applicability of the restrictions if any applicant to demonstrate to the satisfaction of the court that they will result in "significant financial hardship" as a result of them.

Could it be said that section 440 helps in preserving key contracts of the company and thereby facilitating restructuring?

Wrongful Trading

Section 239 of IRDA imposes a personal liability for the company's debts if that person knew the company was trading wrongfully or, as an officer of the subject-company, they ought to have known, taking into account all the circumstances, that the company was trading wrongfully. No criminal liability is needed to be shown to establish a personal is liable under section 239 of IRDA. How is this different from insolvent trading? Who can be liable? Is it just officers of the company?

Wrongful trading is defined in IRDA to include the incurrence of debt or other liabilities without a "reasonable prospect" of being able to pay this debt or liabilities in full when the subject-company is currently insolvency or if it becomes insolvent due to the debt.

If a party is concerned they may be operating in such a way that may fall foul of section 239 of IRDA then they are permitted to make an application to the court for a declaration that a specific conduct or transaction would not constitute wrongful trading.

This is a decent effort which would be enhanced with more analysis and commentary. The wrongful trading section is too short also. **5 marks.**

Question 3.2 [maximum 7 marks]

Write a brief essay in which you discuss the differences between a judicial management and liquidation.

At a high level, Judicial Management is one of Singapore's key corporate rescue mechanisms which seeks, amongst other things, the longevity of the company, whereas Liquidation in Singapore is concerned with the orderly distribution of a company's assets amounts its creditors and contributories with a view to terminate the existence of the company by its dissolution. Good introductory paragraph.

In terms of who can apply for them, a company, its directors, or its creditors may apply for a court to make a Judicial Management order. However, a members' voluntary liquidation is effected by the passing of a shareholders' resolution, and a creditors' voluntary liquidation is effected by a special resolution of the shareholders and the creditors. As for compulsory liquidations, a host of parties can apply to court for a compulsory liquidation order, the company itself, creditors, shareholders, a liquidator, a judicial manager, or various Ministers of state as prescribed by Singapore statute.

The Judicial Management mechanism is a corporate rescue process and should only be made where a company, or where the creditors of the company consider that the company is or will be unable to pay its debts and there is a reasonable probability of preserving and improving the company or of preserving some or all of the company's business as a going concern, or that the Judicial Management will better serve creditors than resorting to liquidation.

Quite differently, the object and purpose of the various liquidation mechanisms is to orderly dissolve the company in question and distribution the company's assets to its creditors and contributories. The most common ground for a company to enter a compulsory liquidation are that the company is unable to pay its debts which can mean, in accordance with s. 254(2) of the Companies Action that (i) the company has failed to pay a debt of over SGD 10,000 for three weeks following receipt of a payment demand, (ii) a judgment or order of the court has not been paid by the company, or (iii) the Court considers, taking into account contingent and prospective liabilities, that the company is unable to pay its debts. If any of these grounds are established then the company is susceptible to compulsory liquidation and, consequentially, dissolution. How about solvent winding up?

As such, Judicial Management seeks, principally, to keep all or part of the company afoot as a going concern, whereas Liquidation seeks the orderly dissolution of the company.

The Court will not make a Judicial Management order where the company in question is a bank licenced under the Banking Act, a finance company licenced under the Finance Companies Act, an insurance company licenced under the Insurance Act, or where the company in question is subject to a Ministerial notice in the Gazette. However, a members' or creditors' liquidation or a compulsory liquidation are open to all companies.

Where an application is made for a Judicial Management an automatic moratorium of any legal proceedings will come into effect. If the Judicial Management Order is made then this the moratorium will be expanded with the court or the Judicial Manager having the discretion to allow otherwise prohibited proceedings or enforcement actions to be commenced or continued. In voluntary winding-ups a moratorium is only imposed upon the commencement of the winding up; not upon application. And, in relation to compulsory liquidations, a moratorium is not automatic upon a winding up application being made and in order to obtain one the company or creditors can apply to the court to restrain any proceedings. It is only once a winding up order is made that any action against the company requires leave of the court. What are the differences in the scope of the moratorium?

In Judicial Managements, a Judicial Manager will be appointed by the Court with an "interim Judicial Manager" being appointed in the first place on application of the company or any creditors. What are the grounds to appoint IJM? The Judicial Manager will replace the

company's directors and management and take over the affairs of the company. However, in relation to compulsory liquidation a petitioning creditor may nominate a person to act as the liquidator but if no person is nominated then an Official Receiver is appointed.

The role of creditors is similar in Judicial Management as against Liquidation. In Judicial Managements the creditors may, if they elect to do so, chose to be part of a creditors committee. This creditor committee can be granted power to require the Judicial Manager to appear before it and provide it with information. If the creditor committee is unhappy with the information being provided by the Judicial Manager then it may apply to the court for directions. In liquidations the creditors' main role is to file their debts but they may also form a creditors' committee. In Judicial Management there is a more an activist culture of creditor participation than in Liquidations.

This is a decent essay. Good job. **5 marks.**

QUESTION 4 (fact-based application-type question) [15 marks in total]

Commented [DB4]: 11/15

Paladin Energy Corporation Ltd (PEC) is a Cayman-incorporated company listed on the Singapore stock exchange. PEC was formed to become the dominant market player in all aspects of energy in South East Asia and China. Its primary lines of business are:

- **oil and gas exploration and production with assets and fields in Malaysia, Thailand and Cambodia;**
- **Renewable energy, specifically solar and wind, with projects in Malaysia, Vietnam and the United States; and**
- **Water and waste to energy with plants in Singapore and China.**

PEC has three wholly-owned Singapore incorporated subsidiaries that run each of the three lines of business:

- **PEC Oil and Gas Pte Ltd;**
- **PEC Renewables Pte Ltd; and**
- **PEC WWE Pte Ltd.**

Each entity in turn owns all, or substantially all, of the shares in the relevant entities incorporated in the local relevant overseas jurisdiction.

PEC had traditionally funded its business via bank lending, with project financing facilities advanced directly to a combination of the three Singapore subsidiaries referenced above and directly to the underlying project companies. As at 2016, the group had raised SGD 2 billion in bank lending, all of which was guaranteed by PEC.

In 2018, PEC wanted to take advantage of an opportunity to expand their water and waste to energy business and raised an additional SGD 1 billion in retail bonds for working capital purposes. Water (and energy needs in general) is of strategic importance to Singapore given its geographical position and many retail investors took up the bond issue. The retail bonds were stated to be specifically subordinated to all other debt of the PEC group.

PEC traded positively throughout 2018 and 2019. However, in late 2019 it started informing some of its bank lenders that they may require waivers on certain terms in the loan and potentially further time to repay certain amounts owing. In early 2020, PEC appointed legal and financial advisors to provide it with advice as to the best steps to take. Shortly thereafter, PEC announced that it had filed for protection under section 211B of the Companies (Amendment) Act 2017. Further to this, PEC Oil and Gas Pte Ltd, PEC Renewables Pte Ltd and PEC WWE Pte Ltd filed for protection under section 211C of the Companies (Amendment) Act 2017.

Into the first six (6) months' extension of the moratorium, the bank lenders decide that they have lost their patience and no longer have confidence in PEC's management. They have therefore decided to apply to court to place PEC under judicial management.

Using the facts above, answer the questions that follow.

Question 4.1 [maximum 7 marks]

The working group of the bank lenders has asked its advisors to provide it with a written analysis covering the following critical issues for PEC. Please provide analysis on the following issues:

- **Confirmation of the purpose of judicial management proceedings and what must be presented to the court in order to obtain a judicial management order; (2 marks)**

Pursuant to section 9(1) of IRDA the court will consider whether any of the threshold tests are satisfied to place PEC into judicial management. The court must consider that PEC (i) is or will be able to pay its debts and that the making of the judicial management order will result in the survival of PEC (or part of it) as a going concern, (ii) that the judicial management will result in a more advantageous realisation of the company's assets than the winding-up of PEC, or (iii) the approval of a compromise or arrangement between the company and any such persons under s.210 of the Companies Act would occur.

Also, evidence must be shown to the court that PEC has not already gone into liquidation or is a finance company, a bank, an insurance company, or a prescribed company, as variously defined in IRDA.

Further details as to the purpose of a judicial mangement – corporate rescue – and the specific requirement and process would have assisted the answer. **1 Mark.**

- **Assuming that PEC is placed under judicial management, what requirements must be satisfied in order for PEC to be able to access rescue financing under the IRDA?; (2 marks)**

In order for PEC to obtain rescue financing under IRDA the court must be satisfied that:

1. it will be treated as a cost of the winding up if it is the case that PEC will later on be wound up;
2. the rescue financing will have preference over other debt if PEC is later would up,
3. the rescue financing is secured by way of some security that is not subject to any other interest; or
4. if PEC is unable to find any other letter, the rescue financing is secured by way of some security that is the subject to current interests on the same priority.

These are not the criteria – these are the different types of rescue financing available as they have different levels of priority. **1 Mark.**

- **What are the steps that need to be taken in order to place PEC's subsidiaries under judicial management out of court? (3 marks)**

Under the IRDA, there are two main ways to put PEC's subsidiaries, under judicial management. These are, (i) applying to court, or (ii) passing a creditors' resolution.

In terms of applying to court, either the PEC subsidiaries themselves or at least one of the bank lender creditors will have to make an application by way of an originating summons supported by evidence stating the grounds of the application. The applicant also has to nominate a judicial manager who must be a licensed insolvency practitioner (but who is not the auditor of the company).

In terms of an out of court process (which is the focus of the question), the bank lenders could look to pass a creditors' resolution pursuant to section 94(1) of the IRDA.

The requirements are similar to an application to court but the main difference is that the judicial management is initiated and started through a creditors' resolution by a majority in value (of the total value of the creditors' claims) and in number of creditors present and voting.

As such, the bank lenders will need to establish what other creditors' claims exist in relation to each of the PEC subsidiaries individually to establish whether they have the requisite majority to pass a creditors' resolution.
If this is successful then an interim judicial manager will be appointed with a formal judicial manager to follow later. The appointment of the interim judicial manager is effected by various filings with the Official Receiver stating the interim judicial manager's consent to be appointed as such, and that the company intends to undergo judicial management. After the appointment of the interim judicial manager, the PEC subsidiaries then also has to lodge a notice of appointment with the Official Receiver, and publish the notice in the Government Gazette and in an English local daily newspaper.

3 marks

Question 4.2 [maximum 8 marks in total]

As things transpired, PEC was placed under judicial management. Private equity funds are actively talking to PEC's Judicial Managers in order to determine whether or not they might make an investment in PEC, or acquire its assets. One particular private equity fund, Forty Thieves Capital, is particularly interested in acquiring debt relating to the various projects across the oil and gas, renewables and water lines of business with a view to either enforcing over the security of the assets to realise value, or to see if a loan-to-own-type structure can be successfully implemented. Ideally, they would like to do this outside of the judicial management proceedings.

To try and protect against this risk, PEC has commenced local insolvency proceedings in Malaysia, China and the United States to seek protection for the companies that own assets in each of those jurisdictions.

Taking these additional facts above into consideration, answer the questions below.

Question 4.2.1 [maximum 4 marks]

Do the judicial management moratoria obtained by PEC and its subsidiaries have extra-territorial effect such that assets owned by the group in jurisdictions outside of Singapore will also be protected?

Section 96(4) of IRDA provides for a moratorium to come into effect in relation to PEC when it is in judicial management. Section 96(4)(e) provides that *"no step may be taken to enforce any security over any property of the company, or to repossess any goods under any hire-purchase agreement, chattels leasing agreement or retention of title agreement, except (i) with the consent of the judicial manager; or (ii) with the leave of the Court and subject to such terms as the Court may impose."*

The definition of "property" in section 88(1) of IRDA is *"in relation to a company, includes money, goods, things in action and every description of property, whether real or personal, and whether in Singapore* ***or elsewhere****, and also obligations and every description of interest whether present or future or vested or contingent arising out of, or incidental to, property;"* (emphasis added).

As such, the moratorium prescribed by section 96(4)(e) in relation to the "property" of a company that is subject to judicial management does extend to such property as is outside of Singapore in light of the definition of "property" in section 88(1) of IRDA.

However, in real terms, creditors may consider trying to enforce their interests on the group's property outside of Singapore and so steps should be taken to seek to recognize the Singapore judicial management order in local jurisdictions to obtain court protection from those jurisdictions.

Well considered. The moratorium under JM is not considered to be extra-territorial because it does not expressly provide for this in the way that section 64 does. The practical conclusion was a nice one. **3 Marks.**

Question 4.2.2 [maximum 4 marks]

What cross-border insolvency laws are available in Singapore to recognise foreign insolvency proceedings? Explain the general requirements in order for a Singapore court to recognise a foreign insolvency proceeding and what the effect will be if the court were to do so.

Foreign insolvency proceedings may be recognised in Singapore given Singapore's adoption, on 10 March 2017, of the UNCITRAL Model Law on Cross-Border Insolvency through sections 354 A-C of the Amendment Act 2017.

The UNCITAL Model Law is, generally speaking, in the same form as the original Model Law and there is no requirement of reciprocity between states in which the foreign proceeding is occurring. The requirements include, at Article 15 of the Model law, that the foreign representative make an application and this be accompanied by a certified copy of the decisions commencing the subject foreign proceedings, a certificate affirming the existence of the foreign proceedings or other evidence acceptable to the Singapore court regarding the existence of the foreign proceedings.

Under the template Model Law a court can deny recognition to foreign proceedings if they are "manifestly contrary" to public policy. However, when Singapore adopted the Model Law it omitted "manifestly", and, as such, the test to deny the recognition of foreign proceedings on public policy grounds is lower than in other jurisdictions that have adopted the Model Law without amendment. This situation was opined on in the case of *Re Zetta Jet Pte Ltd*[2018] SGHC 16.

Once the Singapore courts have recognised foreign insolvency proceedings then, depending on whether those proceedings are foreign main proceedings or foreign non-main proceedings there will be differing effects. Under Article 20 of the Model Law, when the foreign proceedings are "main" then there will be three automatic effects which are a stay on the commencement or continuation of enforcement actions, a stay against execution against the debtor's assets, and a suspension of the right to transfer or dispose of the debtor's assets. Where the foreign proceedings are "non-main" then these effects may come into effect if the Singapore court makes an order for them.

A good summary. there are other laws and legislation that might assist but you have identified the key issues. **3 Marks.**

*** End of Assessment ***