Exclusion clauses and the Unfair Contract Terms Act 1977

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

Platform terms contain extensive exclusions and limitations of liability. Singapore's Unfair Contract Terms Act 1977, a re-enactment of the English statute, controls them in three ways. Liability for death or personal injury caused by negligence cannot be excluded, and liability for other loss caused by negligence can be excluded only if the term is reasonable.[1] Where a party deals as a consumer or on the other's written standard terms of business, that other party cannot exclude or restrict liability for its own breach except in so far as the term is reasonable. The same test applies to a term claiming an entitlement to render a performance substantially different from what was expected.[2] Reasonableness is assessed under s 11 and the Second Schedule guidelines. The court has regard to the parties' relative bargaining strength, whether the customer could have contracted elsewhere without the term, whether the customer knew of the term, and whether the goods or services were adapted to the customer's order.[3]

Three features of exchange terms are vulnerable. The first is the blanket exclusion of liability for loss of customer assets "howsoever caused", which as applied to the platform's own negligence must pass the reasonableness test and will struggle to do so against retail customers. The second is the clause entitling the platform to

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

suspend, freeze or close accounts "at its sole discretion", which falls within s 3(2)(b) as a claim to render a performance substantially different from what was expected. The third is the clause excluding liability for downtime during volatility, which is the moment when a customer most needs to trade. Courts in Singapore have applied the Act with some rigour to standard terms imposed on individuals, while giving commercial parties who negotiate at arm's length greater latitude.[4]

Platforms whose terms are governed by a foreign law do not thereby escape the Act. Section 27 provides that the Act applies notwithstanding a choice of foreign law where the choice appears to have been imposed wholly or mainly to evade the Act. It also applies where the customer dealt as a consumer, was habitually resident in Singapore and took the essential steps for making the contract there.[5] A Singapore-resident retail customer who opened an account online from Singapore can therefore invoke the Act against an offshore exchange's exclusions, if she can get the exchange before a Singapore court.

Notes

1. Unfair Contract Terms Act 1977, s 2. ↩
2. Unfair Contract Terms Act 1977, s 3. ↩
3. Unfair Contract Terms Act 1977, s 11 and Second Schedule. ↩
4. *Kenwell & Co Pte Ltd v Southern Ocean Shipbuilding Co Pte Ltd* [1998] SGHC 316 and later cases applying s 11 of the Unfair Contract Terms Act 1977 to standard-form exclusions in Singapore. ↩
5. Unfair Contract Terms Act 1977, s 27(2). ↩

Disclaimer

This article is provided for general information only. It is based on publicly available sources as at its date of publication. These sources have not been independently verified against licences, regulatory registers or the records of the entities concerned. It is not legal, tax, financial or investment advice.

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.

Nor is it a recommendation to invest in, transact with or use the services of any entity mentioned. Law and regulation change frequently, so the content may be incomplete or outdated. To the fullest extent permitted by law, Dr Alexander Ressos and the publisher of SingaporeIQ exclude all liability for loss or damage arising from the use of or reliance on this article. Readers should obtain advice on their specific circumstances before acting or refraining from action.

Names and trademarks of the entities discussed belong to their owners and are used for identification only. Their mention implies no endorsement, affiliation or allegation of wrongdoing. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. Corrections and updates: contact@ressos.com.

© 2026 Dr Alexander Ressos. This article may be quoted with attribution to SingaporeIQ (SingaporeIQ.com). Reproduction in full and any commercial use require prior written consent. The Legal Terms at https://singaporeiq.com/legal-terms apply.

Author contact: Dr Alexander Ressos, TEP · contact@ressos.com

© 2026 Dr Alexander Ressos. General information only, not legal, tax or investment advice. No client relationship is created. All Singapore law advice is provided by a duly licensed and regulated firm of Singapore advocates and solicitors only on the basis of an express written letter of engagement. More information at SingaporeIQ.com and ressos.com.sg.