Four cases that shaped Singapore practice

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Terraform Labs and Do Kwon

Terraform Labs Pte Ltd was a Singapore company. When TerraUSD lost its peg in May 2022 and roughly US$ 40 billion of market value disappeared, Singapore police confirmed an investigation, and MAS stated that Terraform had not been licensed in Singapore. Do Kwon was arrested in Montenegro in March 2023, extradited to the United States in December 2024, pleaded guilty to federal fraud charges in 2025 and was sentenced to a lengthy term of imprisonment. South Korea pursued its own case. As at 30 June 2026 no Singapore charges had been announced, while Terraform's Singapore liquidation proceeded alongside the United States Chapter 11 case.[1]

The Singapore lesson is one about jurisdiction and substance. Singapore housed the entity and the founders, but the victims, the exchanges and the evidence were everywhere. The United States moved first. A Singapore incorporation gives no shelter from foreign prosecution, which the Singapore authorities will support. The case also accelerated MAS's shift from "crypto hub" to "digital asset hub" described in Part I, Chapter III, together with the consumer-protection measures that followed.

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Hodlnaut

Hodlnaut Pte Ltd was a Singapore yield platform that had obtained in-principle approval for a Payment Services Act licence in March 2022 and withdrew its application in August 2022, days before it suspended withdrawals. The Commercial Affairs Department opened an investigation in November 2022 into possible cheating and fraud, after the interim judicial managers reported that the company had held about US$ 317 million in TerraUSD-related positions despite public statements to the contrary. The interim judicial managers were appointed on 29 August 2022 and the company was wound up on 10 November 2023.[2] The fraud charges against the former chief executive followed on 26 May 2026. The insolvency aspects are examined in Chapter IV. For criminal practice the case illustrates the long tail of a platform collapse: a liquidator's report becomes a police file, and charges arrive years later.

Torque

Torque Group Holdings, a crypto trading platform run from Singapore and incorporated in the British Virgin Islands, collapsed in early 2021 after an alleged unauthorised trading loss by an employee. Liquidators were appointed in the British Virgin Islands and sought recognition in Singapore, while the Singapore police investigated the founder. Civil claims by investors proceeded in parallel.[3]

Torque is remembered less for its outcome than for its structure, which was common at the time: a BVI company, a Singapore office, a founder on an employment pass, customer assets in omnibus wallets and terms of service that nobody had read. The Financial Services and Markets Act regime for overseas-facing providers, in force from 30 June 2025, was designed to end exactly this pattern.

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The 2023 money-laundering case

In August 2023 the Singapore Police Force arrested ten foreign nationals in coordinated raids and seized or froze assets eventually valued at more than S$ 3 billion, including cash, property, luxury goods and cryptocurrency. All ten were convicted in 2024 on CDSA and forgery charges, sentenced to between thirteen and seventeen months' imprisonment, and deported, with the bulk of the assets forfeited to the state. The crypto component was modest in value but significant for policy: it showed proceeds of overseas online gambling and scams moving through Singapore exchanges and bank accounts of family-office vehicles.[4] The regulatory and family-office consequences are analysed in Part L, Chapter V. The criminal law point is that the convictions rested on ss 54 and 55 CDSA, with the reverse-onus offence in s 55 proving decisive where the prosecution could not trace each dollar to a specific predicate.

Checklist

When a Singapore digital-asset business discovers an internal loss, the first week determines the criminal exposure of everyone involved. A board should: - preserve logs, signing records and communications before anyone "cleans up"; - obtain a forensic image of signing devices and admin accounts; - decide within days whether to file a police report and a suspicious transaction report, since delay itself can become a s 45 CDSA issue; - stop all public statements until they can be made accurately, because s 424A fraud attaches to the reassuring untruth; - notify MAS under the licence conditions and consider whether the loss triggers a Technology Risk Management incident report; - separate the legal representation of the company from that of the individuals whose conduct is in question.

Notes

1. Monetary Authority of Singapore and Singapore Police Force statements of May 2022 on the Terraform investigation; United States Department of Justice press releases on the extradition and plea of Do Kwon. ↩

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2. EY Corporate Advisors, Hodlnaut Pte Ltd (under liquidation), First Circular to Creditors of 10 November 2023, recording the appointment of interim judicial managers on 29 August 2022, the winding-up application filed on 22 May 2023 under s 125(1)(e) IRDA and the winding-up order of 10 November 2023 (Aedit Abdullah J). ↩
3. Torque Group Holdings Ltd (in liquidation): British Virgin Islands liquidation of 2021 and related Singapore proceedings. ↩
4. Singapore Police Force news releases of 16 August 2023 and subsequent court reports on the convictions and forfeitures in 2024. ↩

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