The 2022 failures and the Singapore courts

Dr Alexander Ressos, TEP
Of Counsel, KGP Legal LLC
Attorney-at-Law (Switzerland and Germany), Solicitor (England & Wales and Hong Kong)

The collapse of the Terra ecosystem in May 2022 and of Three Arrows Capital in June 2022 produced a chain of failures among lending platforms and exchanges with Singapore connections. Within four months the General Division of the High Court had before it the moratorium applications of Vauld and Zipmex, the interim judicial management of Hodlnaut and the recognition of the British Virgin Islands liquidation of Three Arrows. Babel Finance followed in 2023. These cases made Singapore the most active common-law forum for crypto insolvency outside the United States. They also exposed the central weakness of the customer's position, which is that in the absence of a trust the customer of a failed platform is an unsecured creditor whose crypto claim is converted into a dividend. This chapter explains the statutory framework of the Insolvency, Restructuring and Dissolution Act 2018, what each case decided, and how a customer's claim is characterised and valued.

Copyright © 2026 Dr Alexander Ressos, TEP – Of Counsel, KGP Legal LLC. SingaporeIQ is an information website and gives no legal advice. For Singapore law advice through KGP Legal LLC, please write to alexander.ressos@kgplegal.com.sg