The private key in insolvency: the only fact that matters

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

Example

A Singapore exchange with a Swiss subsidiary fails in 2026. The Swiss subsidiary ran custody for European clients under an omnibus model, with cold-wallet keys held by two Swiss directors in MPC shares and a third share held by the Singapore parent's security team. The Singapore parent's judicial manager asserts that all group crypto belongs to the Singapore estate. The Swiss bankruptcy administrator asserts that the Swiss subsidiary's clients are entitled to release under Art. 242a DEBA. Who is right depends first on whether the Swiss records are readily attributable and second on whether the Swiss subsidiary "held" the assets, which in turn depends on whether the Swiss directors' two shares could sign without the Singapore share. If they could, the Swiss entity held the assets and Art. 242a applies. If the Singapore share was required, the assets may be held jointly and the two administrators must agree a release protocol or litigate the question in both courts under the cross-border insolvency rules described in Part H, Chapter VII and Part N, Chapter IV.

© 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.

The example shows why this book keeps returning to key configuration. Every substantive question about custody, licensing and insolvency can be reduced to asking which combination of persons can sign, which combination can change the configuration, and what the written agreement says about both. A lawyer who can answer those three questions for any custody arrangement can advise on it in either hub.

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. 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