The 2020 Collapses: Hin Leong, Agritrade and ZenRock

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In the first half of 2020 three Singapore commodity traders collapsed within a few months of one another. Agritrade International, a palm oil and coal house, failed in February. Hin Leong Trading, one of the largest independent oil traders in Asia, sought court protection in April after its founder disclosed hundreds of millions of dollars of hidden losses. ZenRock Commodities Trading, a younger oil trader with offices in Singapore, China and Geneva, was placed under judicial management at the request of HSBC in May. In each case lenders alleged that the company had obtained trade finance on the strength of documents that misrepresented its accounts, its cargoes or its trades. The combined claims of the banks ran into billions of dollars.

This chapter examines the three collapses and their legal consequences. It begins with Hin Leong, the largest and most consequential of the cases, before turning to Agritrade and ZenRock. It follows the insolvency proceedings, the criminal prosecutions and the civil litigation through which banks tried to recover their losses from counterparties, shipowners and auditors. It ends with the measures that the banks and the authorities adopted after 2020 and with the lessons for controls and due diligence. The mechanics of letters of credit, receivables finance and

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borrowing-base facilities are explained in Chapter I of this Part. The criminal and regulatory framework against money laundering and the tools of corporate enforcement are the subjects of Chapters III and V.

The parallel volume on Geneva devotes a chapter of its own to the same events, because the fraud cases of 2020 reached Geneva through the banks that financed the trade of both cities.[1] Several of the lenders that suffered losses had their trade finance teams in Geneva. A Geneva bank litigated its ZenRock loss up to the Court of Appeal in Singapore. Swiss banks responded to the same events with a guide of their own. The two volumes therefore describe one crisis from its two ends: Singapore as the place where the frauds were committed and adjudicated, Geneva as one of the places where their costs were borne.

Essentials

Agritrade International was placed under interim judicial management in February 2020 after its moratorium application failed in the face of fraud allegations by its banks, with total liabilities of about US$1.55 billion. Hin Leong Trading applied for court protection on 17 April 2020 after its founder disclosed about US$800 million of undisclosed futures losses and the sale of oil pledged to banks, leaving debts of about US$3.85 billion to 23 lenders. ZenRock was placed under interim judicial management on HSBC's application of May 2020 amid allegations that it had financed the same cargoes with several banks. The former chief financial officer of Agritrade was sentenced to twenty years' imprisonment in January 2023, while the founder of Hin Leong received seventeen and a half years in November 2024, reduced to thirteen and a half years on appeal in March 2026. The banks, the Association of Banks in Singapore and the authorities responded with a code of best practices in November 2020, a Trade Finance Registry against duplicate financing in June 2023 and a bill of lading verification tool in February 2025.

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Notes

1. Ressos, *Genève, place financière internationale*, partie H, chapitre II, « Les fraudes de 2020 : quand les cargaisons n'existent pas », with sections on Hin Leong, Agritrade and ZenRock, the losses and withdrawals of the banks and « Genève après 2020 ». ↩

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