The colonial codes in today's financial crime practice

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A code of 1871 still in force

The Penal Code enacted by the colonial legislature in 1871 is still in force in Singapore today under the title Penal Code 1871, although it has been amended many times.[1] Its offences of cheating, criminal breach of trust, forgery and falsification of accounts form the backbone of the criminal law applied to fraud in Singapore's financial and trading sectors. A practitioner who defends or prosecutes a fraud case in Singapore therefore works with provisions whose structure goes back to Macaulay's draft for British India and to the legislative programme of the Crown colony.

The continuity has practical consequences. Singapore's fraud offences are defined by the elements laid down in the code, and decades of case law in Singapore, Malaysia and India interpret those elements. Concepts such as "dishonestly" and "fraudulently", which the code defines in its own terms, differ in detail from the English law of fraud. Lawyers trained in England must therefore adjust to the code when they work on Singapore matters, while Indian and Malaysian decisions remain relevant as persuasive authority.

The Hin Leong case as an illustration

The prosecution of the founder of Hin Leong Trading, whose collapse in 2020 Part H examines, illustrates the application of the code to a modern trade finance fraud. On 18 November 2024 he was sentenced to seventeen and a half years' imprisonment on two counts of cheating under section 420 of the Penal Code and one count of instigating forgery under section 468 read with section 109. Through employees of the company he had represented to HSBC that Hin Leong had entered into two contracts for the sale of oil, supported by fabricated documents, and obtained the discounting of the receivables, for which HSBC disbursed US$111,683,939.[2] On appeal, the High Court reduced the sentence to thirteen and a half years in March 2026, taking into account his restitution efforts and his age.[3]

The case shows how a provision drafted in the 1830s for India and enacted for the Straits Settlements in 1871 serves to punish the fraudulent discounting of oil receivables in the twenty-first century. The technology of trade finance has changed beyond recognition. The underlying wrong – obtaining money from a lender by false representations supported by forged documents – has remained the same, and the code's general definitions have proved flexible enough to cover it.

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Checklist for practitioners

- Identify the applicable Penal Code offences early in any fraud or misappropriation matter, in particular cheating, criminal breach of trust, forgery and falsification of accounts.
- Analyse the code's own definitions of "dishonestly" and "fraudulently" without assuming that English fraud concepts apply unchanged.
- Consult Singapore, Malaysian and Indian decisions on the same provisions, since all three jurisdictions inherited the Indian model.
- Check the Evidence Act, which descends from the Ordinance of 1893, for the admissibility of documents and electronic records in trade finance disputes.
- Distinguish the codified criminal law from the uncodified common law of contract and trust, which governs the civil claims of lenders and investors in the same facts.

Notes

1. Singapore Statutes Online, "Penal Code 1871" (accessed October 2026); Wikipedia, "Penal Code (Singapore)" (accessed October 2026): the code exists as the Penal Code 1871 (2020 Revised Edition) and was modernised by the Criminal Law Reform Act 2019.
2. Singapore Police Force, "Founder of Hin Leong Trading sentenced and jailed for cheating and instigating forgery", 18 November 2024: two counts of cheating under section 420 and one count of instigating forgery under section 468 read with section 109 of the Penal Code; sentence of 17.5 years; HSBC disbursed USD 111,683,939.
3. Malay Mail, "Singapore's Hin Leong founder OK Lim has jail term cut to 13½ years after High Court appeal", 4 March 2026: the High Court (Hoo Sheau Peng J) reduced the sentence from 17½ to 13½ years, citing restitution efforts and the appellant's age of 84.

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