

20 December 2016

**Case Update: *Lembaga Tabung Angkatan Tentera v Ling Lee Soon* [2016] SGHC 254**

In this recent decision, the High Court of Singapore ruled that it has power to make a bankruptcy order against a debtor even though he had already been adjudged bankrupt in Malaysia.

On 27 November 2015, Lembaga Tabung Angkatan Tentera commenced bankruptcy proceedings in Singapore against Ling Lee Soon to recover a judgment debt owed by him. After the commencement of proceedings, the debtor was adjudged bankrupt by a Malaysian court on the petition of another creditor. The debtor raised various issues to contest the bankruptcy proceedings in Singapore. In particular, he argued that the Singapore court should not make a bankruptcy order against him because such order can be annulled under the Singapore Bankruptcy Act due to his bankruptcy in Malaysia. He also argued that if he were adjudged bankrupt in Singapore, his assets vested in the Director General of Insolvency of Malaysia would have to be re-vested in the Official Assignee of Singapore and this would cause chaos to the administration of his assets.

At first instance, the assistant registrar accepted the debtor's arguments and refused to make a bankruptcy order. On appeal, the High Court judge reversed the assistant registrar's decision.

In essence, the judge held that the Singapore High Court is not precluded from making a bankruptcy order against a debtor even though he has already been adjudged bankrupt by a Malaysian court. The judge also held that the argument of chaos to the administration of the debtor's assets was "more theoretical than real" as the reality is the process of discovery and recovery of the debtor's assets will take time. Lastly, the judge held that the bankruptcy proceedings in Singapore would not be an academic exercise as the Official Assignee of Singapore has and will exercise his powers to investigate whether the debtor has any assets in Singapore once he is adjudged bankrupt.

*Lembaga Tabung Angkatan Tentera were advised by Lambert Rasa-Ratnam, Mong Chung Seng and Chia Oh Sheng of Lee Hishammuddin Allen & Gledhill in Malaysia, and were represented by Morgan Lewis Stamford LLC in Singapore.*

*Chia Oh Sheng*

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