

IN-DEPTH

# Banking Litigation

SINGAPORE



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# Banking Litigation

Contributing Editor

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Slaughter and May

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In-Depth: Banking Litigation (formerly The Banking Litigation Law Review) provides a practical overview of the litigation landscape and framework for banking disputes in major jurisdictions worldwide. Focusing on recent developments and trends, it examines a wide range of issues – including significant recent cases and legislative changes; procedural considerations; legal privilege; conflicts of law; available remedies; exclusion of liability; and much more.

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# Singapore

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## Introduction

Banking litigation in Singapore has continued to evolve against the backdrop of rising financial crime, tightening regulations, and increasingly complex cross-border financial transactions.

The Singapore Courts have grappled with, among other things, misdelivery claims in trade financing, the doctrine of crystallisation of floating charges, exclusion clauses in financial investment disputes, and fraud in trade finance, while regulators have introduced significant legislative and enforcement measures to address scams, money laundering, and digital assets.

These developments highlight Singapore's dual role as both a global financial centre and a jurisdiction determined to balance commercial certainty with robust investor and consumer protection.

## Year in review

### Recent cases

#### Bills of lading held as security by banks

A bill of lading (BL) affords the holder the right to sue, which can be transferred from international traders to trade finance banks as security for trade credit facilities. In doing so, the bank becomes the lawful holder of the BL, and obtains the right to take delivery of the cargo, or sue the carrier in the event of misdelivery.

Traditionally, a bank that held a BL could expect near-automatic success in a cargo misdelivery claim against a carrier in applying for summary judgment. Carriers sometimes defend such claims by arguing that the bank would have consented to release the cargo without the BL being presented in any event, meaning no loss was caused. This defence succeeded before the English Court of Appeal in *Unicredit Bank v Euronav*<sup>[1]</sup> but failed in the recent Singapore High Court decision in *The Maersk Katalin*. Even so, the High Court's decision in *The Maersk Katalin*<sup>[2]</sup> underscores the principle that a bank's security may be compromised if a carrier can prove that the bank would have consented to the discharge of cargo without presentation of the BLs.

In *The Maersk Katalin*, Winson Oil Trading Pte Ltd (Winson) sold a cargo of oil to Hin Leong Trading (HLT). The vessel owners, Maersk, delivered the cargo to HLT without production of the BLs, relying instead on a letter of indemnity from Winson. HLT subsequently pledged the BLs to United Overseas Bank (UOB) in exchange for financing, and went insolvent without repaying. UOB, as pledgee and holder of the BLs, sued Maersk for misdelivery.

Maersk admitted delivery without the relevant BLs but raised a 'causation defence', arguing that even if it had not released the cargo, UOB would eventually have authorised delivery without presentation of the BLs and therefore, that Maersk's breach did not cause UOB's

loss. However, the High Court rejected this defence and held that it was the defendants' burden to prove, on the balance of probabilities, that UOB would indeed have authorised delivery without the BLs. This was not established. The High Court emphasised that banks take BLs as security for a reason, and absent compelling commercial justification, it cannot be assumed they would voluntarily give up that security.

The court also distinguished the English decision in *Unicredit Bank AG v Euronav NV*, where the bank's misdelivery claim failed because the evidence suggested the bank would probably have consented to delivery without the production of the BLs. In *The Maersk Katalin*, by contrast, the defendants' counterfactual scenario was speculative and unsupported. UOB had consistently maintained that Maersk should have retained the cargo until the BLs were presented.

While the High Court ruled in UOB's favour in *The Maersk Katalin*, the judgment suggests that if a carrier can prove that the bank would have authorised delivery without the BLs, the bank's security may be defeated. This is an important decision for banks engaged in trade financing with BLs as security.

#### Crystallisation of floating charges

The Singapore Court of Appeal's decision in *Malayan Banking Bhd v Bakri Navigation Company Ltd* <sup>[3]</sup> provides significant clarification on the doctrine of crystallisation of floating charges, in particular the circumstances in which a floating charge may crystallise by operation of law. In dismissing the Bank's appeal, the Court reaffirmed the limited scope of this doctrine and placed important limits on lenders' ability to rely on automatic crystallisation in cases involving transactions outside the ordinary course of business.

The case arose from a dispute between Malayan Banking (Bank) and third-party purchasers of a vessel under construction by NGV Tech Sdn Bhd (NGV). NGV had granted the Bank a series of debentures creating fixed and floating charges over its assets. Following various transactions between NGV and the purchasers, the Bank claimed that these transactions were outside NGV's ordinary course of business and had automatically crystallised the floating charge over the vessel. The Bank, therefore, sought to assert priority over the purchasers' interest.

The High Court rejected this argument, holding that, to begin with, the transactions did not fall within the scope of the automatic crystallisation provisions in the debentures, and in any event, dealings outside the ordinary course of business did not in themselves trigger crystallisation. On appeal, the Court of Appeal confirmed that crystallisation 'as a matter of law' occurs only in two limited circumstances: (i) winding up of the company; and (ii) de facto cessation of trading, such as disposal of substantially the whole of the undertaking, and rejected the Bank's arguments raised at the High Court.

This decision underscores the narrow circumstances in which a floating charge may crystallise by operation of law, and serves as an important reminder to lenders to exercise caution when seeking to rely on automatic crystallisation clauses. In particular, lenders should not assume that transactions outside the ordinary course of business will, without more, trigger crystallisation, unless such dealing with the asset subject to the floating charge clearly shows that it is done with the view of ceasing business.

#### Claim for financial investment loss and the role of exclusion / non-reliance clauses

The recent High Court decision in *Glassberg, Jonathan William v UBS AG Singapore Branch (Glassberg)* <sup>[4]</sup> provides a timely reaffirmation of how Singapore courts approach private banking claims against banks for investment losses. The dispute arose when a private banking client, Mr Glassberg, invested US\$2.5 million in the Direct Lending Income Fund (DLIF) at the recommendation of his relationship manager. The DLIF later collapsed amidst revelations of fraud in its management. The plaintiff argued, among other things, that UBS breached contractual and tortious duties to provide careful investment advice and should be held vicariously liable for its employee's conduct.

The High Court rejected these claims on multiple grounds. Among other things, the High Court found that the contractual provisions relied on by the plaintiff in his claim, did not apply on the facts, as they were for services to be rendered by an investment specialist and not his relationship manager. The investment in the DLIF was thus outside the contractual scope of the bank's specialised advisory services, and the plaintiff's claim for breach of contract based on the contractual provisions governing such advisory services could not succeed. Second, the Court held that UBS did not owe the plaintiff a tortious duty of care. Crucially, the contractual framework placed responsibility for investment decisions squarely on the client, who had represented himself as a sophisticated investor.

A central theme in the judgment is the role of non-reliance and exclusion of liability clauses. UBS relied on non-reliance clauses (which provide that clients bear all risks of investment decisions and that any advice, if provided, is without responsibility on the bank's part) and exclusion clauses to negate a tortious duty of care owed to the plaintiff. The Court upheld these clauses as reasonable under the Unfair Contract Terms Act (UCTA), emphasising that such clauses are standard across the industry and reflect the commercial reality that banks cannot underwrite the performance of every investment offered to clients. Notably, the Court accepted expert evidence that such exclusions are 'foundational and well understood' in private banking.

The case illustrates how banks may be able to exclude a duty of care owed to customers for advice on investment through a combination of (1) careful delineation of the relationship between client advisers and investment specialists, (2) contractual terms requiring clients to take personal responsibility for investment decisions, and (3) robust exclusion and limitation clauses. For private banking clients, the decision is a reminder that courts will generally uphold contractual allocations of risk, particularly where clients are experienced and sophisticated.

The decision in the High Court was subsequently upheld on appeal in the Appellate Division, <sup>[5]</sup> wherein the Appellate Division reaffirmed that where a bank has expressly provided that the customer will 'make his own assessment' and 'relies on his own judgement', and that the bank is under no obligation to provide investment advice and where it does so, is 'done without any responsibility' to the customer, such a non-reliance clause sufficiently negates any voluntary assumption of responsibility and reasonable reliance, thereby precluding the finding of a duty of care owed by the bank.

#### Letters of credit

On 21 August 2024, the Court of Appeal overruled *Crédit Agricole* and affirmed in *Winson Oil Trading Pte Ltd v. Oversea-Chinese Banking Corporation (OCBC) Limited (Winson Oil)*

<sup>[6]</sup> that the fraud exception for letters of credit (LCs) may apply if, in presenting documents for payment, a beneficiary makes a false representation without belief in its truth, which includes recklessness in the sense of being indifferent to the truth. This clearly widens the door for financial institutions seeking to rely on the fraud exception.

The Court of Appeal identified a number of red flags that showed that Winson Oil was reckless and did not honestly believe in the truth of its statements in the letters of indemnity (LOIs) presented to the banks for payment under the LCs. The red flags included:

1. LOIs and copies of the BLs were used instead of the original BLs, despite the fact that all relevant parties were based in Singapore, which should have facilitated the ease in producing the original BLs and loading documents.
2. Winson Oil's failure to follow up with Hin Leong for the production of the original BLs.
3. When OCBC rejected Winson Oil's first presentation on the basis that no physical cargo was shipped, instead of disputing OCBC's basis, Winson Oil's reaction was to tender the same documents to Standard Chartered Bank (Singapore) Ltd, and to make a second request for payment to OCBC in respect of the cargo purportedly shipped on a different vessel instead.
4. Winson Oil had expressed concerns to OCBC about the clean title of the cargo with respect to the prospective sale to a third party, but had no such concerns when the sale was to Hin Leong.

The Court of Appeal also clarified that a consistent approach should be taken with respect to the standard of fraud. Fraud is proven where it is shown that a false representation was made:

1. knowingly;
2. without belief in its truth; or
3. recklessly, careless whether it is true or false.

These requirements will apply whether in the context of the fraud exception for LCs, the fraud exception in respect of other financial instruments such as performance bonds and demand guarantees, or common law fraud or tort of deceit.

The Court of Appeal also found that circular trading on its own is not unusual as there could be strategic or commercial reasons for the same. A simultaneous sale and buyback of goods transaction is, without more, not determinative of whether the transaction is a sham. This reinforces other recent decisions such as *UniCredit Bank AG v. Glencore Singapore Pte Ltd* <sup>[7]</sup> (discussed in the previous edition of this *Review*) in which the Singapore courts drew a distinction between circular trades where no delivery of goods was contemplated, against those where no trading was contemplated at all. Only the latter constitutes a sham.

## Recent legislative developments

The Protection from Scams Act 2025<sup>[8]</sup>

The Singapore government has continuously implemented new measures to counter the onslaught of scams.

On 7 January 2025, the Protection from Scams Act 2025 was passed and came into effect on 1 July 2025. The new Act enables the Police to better protect scam victims who believe that they are not being scammed despite evidence showing otherwise. Under the Act, specified police officers have the power to issue restriction orders (ROs) to banks if they have reason to believe that an individual is effecting transfers or withdrawals from their account to benefit a scammer, and that a RO is necessary for the protection of the scam victim. When an RO is in force, banks are prohibited from allowing transfer or withdrawals of money from any bank account maintained by the scam victim, including any joint account with another party. A specified police officer may vary a RO to allow an individual access to monies for legitimate reasons (e.g., living expenses), upon the individual's application. Each RO will last for a maximum of 30 days and may be extended up to five times, if necessary.

The RO, which prohibits banks from allowing withdrawals and transactions, fetters the banks' mandate to carry out their customers' instructions. Thus, banks should ensure that their terms and conditions governing accounts adequately provide that they need not act on a customer's instructions in the event that the banks are obliged to comply with regulatory or statutory requirements, including the ROs.

To enhance its anti-money laundering (AML) and countering financing of terrorism (CFT) regime, Singapore has passed legislative amendments which will, inter alia, enable more effective prosecution of money laundering offences.

The Anti-Money Laundering and Other Matters Act 2024<sup>[9]</sup>

The Anti-Money Laundering and Other Matters Act 2024 (the AMLOM Act) was passed on 6 August 2024. The following provisions in the AMLOM Act came into effect on 14 November 2024:

1. Section 56 of the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992 (the CDSA) has been amended such that the prosecution will no longer need to prove that the monies allegedly laundered in Singapore were proceeds directly linked to specific criminal conduct, nor show the complete trail of monies from the point the crime was committed overseas to the point the monies were deposited with the money launderer. Instead, it will be sufficient to prove that the money launderer knew or had reasonable grounds to believe that he or she was dealing with criminal proceeds;
2. the Income Tax Act, the Goods and Services Tax Act, the Regulation of Imports and Exports Act and the Free Trade Zones Act have been amended to allow government agencies, such as the Inland Revenue Authority of Singapore and Singapore Customs, to share tax data and trade data, respectively, with the Suspicious Transaction Reporting Office;
3. Singapore courts can now order the sale of seized properties without parties' consent if they are satisfied that:

- 1.

- the value of the property is likely to depreciate, or undue costs are involved in maintaining it; or
  - the sale would be in the interests of justice; and
4. the Criminal Procedure Code has been amended to empower Singapore courts to better deal with absconded suspects, through depriving them of the financial gain of their ML and other criminal activities, if they refuse to return to Singapore for investigations.

#### New offences under the CDSA

On 8 February 2024, the amendments to the CDSA came into force. These amendments aim to curb the facilitation of scams and the movement of criminal proceeds, in particular, the money mules and their role in these activities. Under the amendments, as long as a person commits the prescribed acts 'rashly' or 'negligently', an offence will have been committed.

Rash money laundering occurs when a person carries out a transaction to deal with property for someone else while having suspicions that he could be dealing with criminal benefits, but did not make further enquiries to address those suspicions. Negligent money laundering occurs when a person continues with a transaction despite the presence of red flags that are noticeable by an ordinary, reasonable person.

Under the new Section 55A, a person could be guilty of assisting another person to retain the benefits of criminal conduct if:

1. the value of the property with which the person dealt is disproportionate to their known sources of income;
2. the person allowed the other person to access, operate or control their payment account and failed to take reasonable steps to find out the purpose of this arrangement;
3. the person received or transferred money in their payment account and failed to take reasonable steps to find out the source or destination of the money; or
4. the person received money from or transferred money to the other person and failed to take reasonable steps to find out the other person's identity and physical location.

## Changes to court procedure

The Express Track under Order 46A of the ROC 2021,<sup>[10]</sup> implemented on 1 July 2024, is a new opt-in, consent-based scheme applicable to originating claim commenced in the General Division of the High Court that aims to facilitate a relatively quick and cost-effective resolution of certain types of disputes within four days of trial. Various

features of the Express Track that serve to ensure that the trial will take place within nine months after the action is placed on the Express Track include:

1. mandatory production of documents relied on by parties to prove any allegations contained in the pleadings and mandatory exchange of affidavits of Evidence-in-Chief (AEICs) before production of documents;
2. the body of AEICs (excluding exhibits) is limited to 30 pages, with a view towards limiting the duration of cross-examination at trial;
3. interlocutory applications to be made by way of a SAPT and will be decided by the court without hearing oral arguments;
4. unless the court directs otherwise, closing submissions to be made orally at the end of trial; and
5. trial not to exceed four days (excluding time spent on oral closing submissions).

All decisions in relation to the matters above that is made by a judge in an Express Track action are non-appealable, except for decisions that are in the nature of:

1. a judgment given by the judge after the trial; and
2. a judgment or order by the judge that would bring the action to an end or prevent the action from proceeding further, such as in a case where a striking out application, or summary judgement, is granted.

## Interim measures

Asset preservation orders frequently arise in Singapore banking disputes, where claims often involve allegations of fraud, misappropriation, or concealment of funds. In *Zhong Renhai & Others v Goh Sock Ngee & Others*,<sup>[11]</sup> the High Court upheld both a worldwide freezing order (WFO) and proprietary injunctions in a S\$74 million fraud dispute. The key issues were:

1. whether the claimants showed a good arguable case and a real risk of dissipation justifying a WFO;
2. whether there was a serious question to be tried supporting proprietary injunctions; and
3. whether the injunctions were tainted by delay, abuse of process, or material non-disclosure.

First, the court found that the claimants satisfied this requirement by showing evidence of extensive unauthorised transactions supported by a forensic accounting report and corroborating communications. Further, the fabricated MT103 payment advice was sufficiently indicative to support an inference that the defendants might dissipate assets to frustrate enforcement. Second, the court found that the claimants had shown a serious question to be tried and that the balance of convenience favoured preservation of the

identified funds, given that damages would be an inadequate remedy if the assets were dissipated. Third, regarding the alleged abuse of process, the court found that the delay in bringing the application was explained by the need for forensic investigation, and the urgency of the matter justified an *ex parte* application. The alleged non-disclosures were assessed as inadvertent rather than deliberate, and were, therefore, insufficient to warrant discharging the injunction.

The judgment carries broader significance for banking and finance disputes in several respects.

First, it reaffirms the Singapore courts' willingness to grant robust, cross-border freezing and proprietary relief where evidence shows deliberate dishonesty and concealment, even before trial. Second, it clarifies that fabricated documents and false financial reporting, can by themselves ground an inference of dissipation, thereby further clarifying the evidential threshold for claimants seeking asset preservation. Third, it highlights the importance of full and frank disclosure in *ex parte* applications, while also showing that inadvertent omissions may not automatically invalidate relief if they do not mislead the court.

For banks, the case underscores the heightened scrutiny that will be applied to accounts implicated in alleged frauds and the risk that such accounts may be frozen, with potential consequences for ongoing banking relationships.

## Privilege and professional secrecy

Banks may maintain litigation privilege over investigation reports and drafts created during internal investigations if the reports and drafts were prepared for the sole or dominant purpose of reasonably contemplated litigation: *Skandinaviska Enskilda Banken AB v. Asia Pacific Breweries (Singapore) Pte Ltd.*<sup>[12]</sup>

The Evidence Act 1893 (EA) was amended in 2012 to extend legal advice privilege to communications with in-house counsel in their legal capacity.<sup>[13]</sup>

*In Wee Shuo Woon*,<sup>[14]</sup> the Court of Appeal held that privilege is not automatically lost if documents are unlawfully made public; the key question is whether the information has truly lost its confidential character. This is reassuring for banks, which are frequent targets of cyber incidents, as it means privileged material remains protected even if leaked, provided confidentiality is not irretrievably lost. Institutions should ensure robust incident-response protocols to identify and quarantine privileged documents swiftly after a breach, both to preserve privilege and to meet regulatory expectations.

The decision in *Ravi*<sup>[15]</sup> sets out a structured framework for handling seized materials that may contain privileged information. Lawyers must specifically identify privileged materials, and an independent Attorney-General's Chambers 'privilege team' reviews these materials. If there is a dispute, the client must seek court intervention. For banks, this underscores the need for 'privilege readiness' in dawn-raid protocols, including maintaining privilege registers and training staff to respond quickly.

Collectively, these cases highlight the courts' pragmatic approach, the importance of operationalising privilege, and the risks of inadvertent waiver. Banking lawyers who internalise these lessons, by segregating legal advice, protecting confidentiality, and

engaging proactively with investigators, will be best equipped to navigate the increasingly complex interface between regulatory enforcement and professional secrecy.

## Jurisdiction and conflicts of law

Under Order 8 rule 1 of the Rules of Court 2021, the General Division will permit service of an originating process outside Singapore if (1) the claim discloses a prescribed or otherwise sufficient connecting factor to Singapore, such as the place of contract, governing law, location of parties, or situs of assets, (2) the claimant shows a serious issue to be tried, and (3) Singapore is the *forum conveniens*. A defendant may still obtain a stay by satisfying the *Spiliada* test (namely, proving that another forum is clearly more appropriate in light of factors such as the location of parties, witnesses and evidence, the governing law, the place of performance, and any parallel proceedings).

These issues are particularly complex in banking and finance cases, which often involve multi-jurisdictional transactions, foreign law, and assets or counterparties in multiple countries. The courts undertake a detailed factual and legal analysis to determine the most suitable forum, balancing efficiency, fairness, and the risk of inconsistent judgments. The ROC 2021 also provides a non-exhaustive list of connecting factors to guide the court's assessment, reflecting the realities of modern cross-border commerce. In *Three Arrows Capital Ltd v Cheong Jun Yoong*,<sup>[16]</sup> the Court upheld service out of jurisdiction and recognised foreign liquidation proceedings, holding that cryptocurrency is property and its situs is the place of residence of the person controlling the private key. The decision illustrates Singapore's pragmatic, fact-sensitive approach and underscores the need for robust jurisdiction clauses and careful management of cross-border enforcement risk.

## Sources of litigation

### Rising scam and cybercrime cases in Singapore

In recent years, scams where bank customers are tricked into giving access to their bank accounts have become prevalent in Singapore. In 2024, Singapore reported a record number of scam and cybercrime cases, totaling 55,810, compared with 50,376 cases in 2023, with at least S\$1.1 billion lost to fraudsters, a substantial jump from at least S\$651.8 million in 2023.<sup>[17]</sup> The growing scam issue has increased public scrutiny of banks and the avenues of recourse for customers who suffer losses from scams. The UK Supreme Court has confirmed in *Philipp v Barclays Bank UK Plc*<sup>[18]</sup> that a bank will not be liable where it has followed a customer's express instructions, even if the customer has been scammed. The Supreme Court observed that the question of whether banks should bear some or all liability for payment scams is a question of social policy for governments and regulators. It will not be surprising if a similar case comes before the Singapore courts in due course.

### Litigation and regulatory action by MAS against Singapore banks

The *1MDB* investigations continue to generate legal and regulatory developments in Singapore. Following the discovery of widespread misappropriation of funds, MAS undertook its most extensive AML review to date. Regulatory enforcement included the withdrawal of the licences of BSI Bank and Falcon Bank, as well as financial penalties amounting to approximately S\$29 million against several other banks, including Standard Chartered, DBS, UOB, UBS, Coutts, Credit Suisse and BSI, among other things.

Civil proceedings arising out of the scandal have also reached the Singapore courts. In August 2024, the High Court dismissed BSI Bank's attempt to strike out a US\$394 million claim brought by 1MDB and its subsidiary Brazen Sky, permitting the case to proceed to trial. More recently, in July 2025, liquidators for 1MDB commenced proceedings in the Singapore High Court against Standard Chartered Bank, seeking a return of approximately US\$2.7 billion. The claim centres on allegations that the bank processed a series of suspicious transactions between 2009 and 2013 that enabled the diversion of misappropriated funds. Standard Chartered has denied liability, pointing to its cooperation with regulators and asserting that remedial action was taken at the relevant time.

These proceedings are significant as they raise questions regarding the scope of a bank's liability where its compliance systems are alleged to have failed in detecting large-scale fraud. In particular, they highlight the challenges financial institutions face in balancing contractual protections, regulatory obligations, and the risk of subsequent civil claims. While contractual exclusion clauses are frequently relied upon in private banking to limit liability for investment outcomes, they cannot shield institutions from liability arising from regulatory breaches or systemic AML deficiencies.

For banking lawyers, these developments underscore the importance of clear contractual documentation, robust compliance frameworks, and close alignment between contractual terms and regulatory obligations. They also illustrate the increasing willingness of courts to allow claims against financial institutions to proceed to trial where serious allegations of compliance failures are made. The outcomes of these cases will provide important guidance on the allocation of risk between banks and clients in cases involving complex frauds, and will inform both litigation strategy and the structuring of contractual protections in banking relationships.

## Regulatory impact

### Revisions to AML /CFT Notices

On 30 June 2025 and 1 July 2025, MAS published revised AML / CFT Notices and Guidelines applicable to FIs and variable capital companies (VCCs), which took effect from 1 July 2025.

Prior to the revision, the AML / CFT Notices did not expressly refer to proliferation financing (PF). Given that PF risks are a feature of Singapore's AML / CFT regulatory framework, MAS has amended the AML / CFT Notices to clarify that ML includes PF, and accordingly, the requirement for FIs and VCCs to carry out ML / Terrorism Financing (TF) risk assessments includes PF risk assessments as well.

MAS also amended the AML / CFT Guidelines to clarify the suspicious transaction reports (STRs) filing timelines for FIs and VCCs. Under the Notices, FIs and VCCs are required to ensure that STRs are filed promptly. MAS has clarified in the Guidelines that the filing of an STR should not exceed five business days after suspicion was first established, save in exceptional or extraordinary circumstances. In cases involving sanctioned parties and parties acting on behalf of or under the direction of sanctioned parties, FIs and VCCs should file their STRs as soon as possible, and no later than one business day after suspicion was first established. MAS also clarified that 'establishment of suspicion' refers to the point when an FI or VCC concludes that STR filing is warranted based on available information, the circumstances and its investigations.

#### MAS Guidelines on Consumer Protection Measures by DPT Service Providers

On 2 April 2024, the MAS issued its Guidelines on Consumer Protection Measures by DPT Service Providers (PS-G03) (the Guidelines) setting out the measures that it expects a DPT service provider should have in place to address consumer protection risks. The measures include:

1. segregating customers' assets and placing them in a trust account for the benefit of customers;
2. creating strong risk management systems and controls to safeguard customers' assets; and
3. restricting any dealings with assets of retail customers.

These measures take effect on 4 October 2024. The Guidelines were recently revised on 19 September 2024 to include further consumer protection measures, including:

1. customer access measures;
2. expanded conflict of interest measures; and
3. other business conduct measures.

The additional measures took effect on 19 June 2025.

#### Shared Responsibility Framework

To combat scams, the MAS and Infocomm Media Development Authority implemented the Guidelines on Shared Responsibility Framework (SRF Guidelines) and the revised E-Payments User Protection Guidelines (E-Payments Guidelines) (collectively, Guidelines), which took effect on 16 December 2024.

The Guidelines apply to (1) banks and relevant payment service providers (FIs) that have issued a protected account (as defined in the Guidelines), (2) mobile network operators under the Telecommunications Act 1999, which provide cellular mobile telephone services (Telcos) and (3) account users.

The E-Payment Guidelines concern unauthorised transactions and erroneous transactions. The SRF Guidelines are limited to a defined scope of phishing scams.

The Guidelines sets out anti-scam duties for FIs (such as imposing a cooling off period of at least 12 hours where high-risk activities cannot be performed, providing notification alerts on a real-time basis to account holders for high-risk activities and a kill switch for an account holder to promptly block further mobile and online access to the protected account). The SRF Guidelines outline the duties of Telcos (such as delivering Sender ID SMS to subscribers only if it is received from authorised aggregators (who are licenced by the Infocomm Media Development Authority to send SMS that bears a Sender ID and implementing an anti-scam filter for all SMS containing malicious UELs in a designated database).

The SRF Guidelines provide a 'waterfall approach' as to which party is to bear the loss arising from a covered phishing scam:

1. the FI is to bear any loss if the loss arises from any non-compliance by the FI with any of its duties set out in the Guideline;
2. if the FI has complied with all its duties and the loss arises from the Telco's non-compliance with its duties under the Guidelines, the Telco is expected to bear the loss and compensate the consumer;
3. if both the FI and the Telco fail to comply with their respective duties, the FI will bear the loss; and
4. if both the FI and the Telco have carried out their duties under the Guidelines, the consumer bears the full loss.

The SRF Guidelines have a number of important limitations: they only cover phishing scams with a digital nexus (where a consumer is deceived into clicking on a phishing link and entering his credentials on a fake digital platform, thereby unknowingly revealing these credentials to the scammer) and a Singapore nexus (the scammer should either be Singapore-based or based overseas and offering services to Singapore residents). Victims of phishing scams that do not meet those criteria, unauthorised payment transactions occurring from hacking or the installation of malware, or payment transactions actually authorised by scam victims will have to seek alternative avenues of dispute resolution if they wish to obtain recourse.

## Outlook and conclusions

Looking ahead, banking litigation in Singapore is expected to be shaped by three key trends: (1) heightened regulatory intervention, (2) the growth of scam-related disputes, and (3) the integration of digital assets into mainstream financial services.

MAS' strong enforcement stance, together with new statutory regimes such as the Protection from Scams Act 2025 and the Anti-Money Laundering and Other Matters Act 2024, will likely generate further litigation as financial institutions and customers test the limits of these obligations. At the same time, contractual allocation of risk (through exclusion clauses, security arrangements, and jurisdiction agreements) will remain a focal point for dispute resolution. As financial services continue to digitalise and regulators push for higher compliance standards, banks and their counsel should expect litigation

to become more complex, involving more cross-border elements, and become more intertwined with regulatory accountability.

## Acknowledgements

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## Endnotes

- 1 [2022] 2 Lloyd's Rep 467. ^ [Back to section](#)
- 2 [2024] SGHC 282. ^ [Back to section](#)
- 3 [2020] SGCA 41. ^ [Back to section](#)
- 4 [2025] SGHC 4. ^ [Back to section](#)
- 5 [2025] SGHC(A) 13. ^ [Back to section](#)
- 6 [2024] SGCA 31 2023. ^ [Back to section](#)
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- 9 Anti-Money Laundering and Other Matters Act 2024. ^ [Back to section](#)
- 10 Order 46A of the ROC 2021. ^ [Back to section](#)
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- 14 [2017] SGCA 23. ^ [Back to section](#)
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- 16 [2024] SGHC(A) 10. ^ [Back to section](#)
- 17 'Annual Scams and Cybercrime Brief 2024', Singapore Police Force, 25 February 2025. ^ [Back to section](#)

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