**IN THE FAMILY JUSTICE COURTS OF THE REPUBLIC OF SINGAPORE**

**[2026] SGHCF 10**

District Court Appeal No 67 of 2024

Between

WZY

… *Appellant*

And

(1) Official Assignee
(2) WZX

… *Respondents*

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# GROUNDS OF DECISION

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[Family Law — Ancillary powers of court — Consent orders purporting to require an undischarged bankrupt to transfer property that had vested in Official Assignee — Whether revocation of consent orders under s 112(4) Women's Charter (2020 Rev Ed) following information provided by the Official Assignee concerning the bankruptcy of the spouses constituted determination of competing third party claims — Section 112(4) Women's Charter (2020 Rev Ed)]

[Family Law — Ancillary powers of court — Bankrupts asserting undocumented oral agreement transferring property interests to children before bankruptcy — Whether court had power under s 112 Women's Charter (2020 Rev Ed) to determine children's alleged property rights — Section 76(1)(*a*)

Bankruptcy Act (Cap 20, 2009 Rev Ed) — Section 112 Women's Charter (2020 Rev Ed)]

[Insolvency Law — Bankruptcy — Husband adjudged bankrupt before ancillary matters hearing in divorce proceedings — Wife adjudged bankrupt before hearing for variation of ancillary matters order — Vesting of parties' assets in Official Assignee under s 76(1)(*a*) Bankruptcy Act (Cap 20, 2009 Rev Ed) — Consent orders purporting to require an undischarged bankrupt to transfer property that had vested in Official Assignee — Whether parties' assets available for division under s 112 Women's Charter (2020 Rev Ed) — Section 76(1)(*a*) Bankruptcy Act (Cap 20, 2009 Rev Ed) — Section 112 Women's Charter (2020 Rev Ed)]

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**[2026] SGHCF 10**

General Division of the High Court (Family Division) — District Court Appeal No 67 of 2024
Teh Hwee Hwee J
15 January, 11 February 2026

15 April 2026

**Teh Hwee Hwee J:**

1 This case concerned the effect of bankruptcy on consent orders, entered after the bankruptcy in matrimonial proceedings, that purported to require an undischarged bankrupt to transfer property that had vested, by operation of law, in the Official Assignee ("OA"). The bankrupt asserted that prior to his bankruptcy, he had made an undocumented oral agreement to transfer his interest in the property to his children. The question is whether, in these circumstances, the consent orders could continue to stand.

2 The Appellant in HCF/DCA 67/2024 ("DCA 67") was the Defendant in the divorce proceedings in FC/D 6180/2013 ("D 6180"). He had appealed against the decision of the learned District Judge ("the DJ") in FC/SUM 361/2024 ("SUM 361") to revoke certain ancillary orders. The DJ's reasons were set out in her decision dated 7 June 2024 ("Judgment"). The OA resisted

the appeal as the First Respondent. The Plaintiff in the divorce proceedings, the Appellant's ex-wife, was the Second Respondent. She aligned herself with the Appellant's position at the hearing before the DJ and on appeal, despite not appealing against the DJ's decision.

**Background**

3 The Appellant and Second Respondent were married in 1993. During their marriage, the Appellant and the Second Respondent held a property ("Property") as joint tenants. On 14 November 2013, the Appellant was made a bankrupt. Shortly thereafter, the Second Respondent commenced divorce proceedings on 23 December 2013 and interim judgment was granted on 24 February 2014. An ancillary matters order was made by consent of the Appellant and Second Respondent on 9 July 2014 for the transfer of the Appellant's rights, interest and share in the Property to the Second Respondent within six months of final judgment (in FC/ORC 10603/2014 at [3(d)]) ("Initial Ancillary Order"). The OA was made aware of the Initial Ancillary Order only on 6 April 2015 (Judgment at [9]).

4 The transfer of the Property under the Initial Ancillary Order was never effected. A few months after the Initial Ancillary Order had been made, the Second Respondent was also made a bankrupt on 6 November 2014. About four years after the Initial Ancillary Order had been made, the Second Respondent applied for a variation of that order. A consent order was entered subsequently (in FC/ORC 5784/2018) on 28 June 2018 to vary the Initial Ancillary Order ("Variation Order"). The variation stipulated that if the Appellant's share of the Property was not transferred to the Second Respondent, the Property shall be sold on the open market with the Second Respondent receiving 100% of the net

sale proceeds. Once again, the OA was only made aware of the Variation Order after the fact, more than two years later, on 7 September 2020 (Judgment at [9]).

5 In 2020, the Property was sold, and the OA received the surplus proceeds from the sale on 30 November 2020, which he still retains (Judgment at [10]). On 11 July 2023, the OA filed an application in FC/SUM 2208/2023 to be joined as a party in D 6180 pursuant to r 353(3)(*b*)(i) of the Family Justice Rules 2014. This application was granted on 11 January 2024, and no appeal was filed against that order.

6 After the OA was joined as an intervening party, the OA made an application in SUM 361 on 1 February 2024 for the Initial Ancillary Order and the Variation Order (collectively, the "Orders") to be revoked under s 112(4) of the Women's Charter 1961 (2020 Rev Ed) ("WC"). The ground of the OA's application was that the Appellant's and Second Respondent's respective interests in the Property had vested in the OA upon their bankruptcies, and thus the Property was not available for division under s 112 of the WC. On 7 June 2024, the DJ granted an order in terms of SUM 361. That order was the subject matter of this appeal.

7 Before the DJ in SUM 361, the Appellant argued that an oral agreement had been concluded between him and the Second Respondent to create a "security interest" over the Property in favour of the Second Respondent and their children ("Children"), which included security for maintenance payments owed by him (Judgment at [32] and [35]). The Appellant contended in the court below that the share in the Property which he transferred to the Second Respondent was held on trust for the Children and had to be paid to the Children now that they had attained the age of majority (Judgment at [32]). This oral agreement was purportedly made in 2010, before their bankruptcies. In this

regard, the OA submitted on appeal that this "security interest" had been claimed by the Appellant and Second Respondent variously to be a lien, a pledge, a guarantee, a charge, a floating charge, a hypothec, or a trust, and was "vague, incoherent and inconsistent".[1] In the Appellant's Case, the Appellant continued his myriad assertions, such as claiming that he had pledged the Property and created a lien to guarantee maintenance payments for the Second Respondent and the Children,[2] that the OA's ownership of the Property was defeated by a floating charge that was created in favour of the Second Respondent and the Children,[3] and that the secured claim for maintenance was granted by the court by way of the Initial Ancillary Order in favour of the Second Respondent and the Children.[4] The Second Respondent similarly argued that the Property was transferred to her, the Children and her former father-in-law for their financial security.[5]

8 At the hearing of this appeal, the Appellant further argued that a constructive trust or common intention constructive trust had arisen over the Property in favour of the Children, and that both he and the Second Respondent had divested themselves entirely of their beneficial interests in the Property before their respective bankruptcies. As an alternative, he claimed that they had made an "equitable assignment" of their interests in the Property to the Children.[6]

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1 First Respondent's Case dated 9 May 2025 ("1RC") at para 15(b).

2 Appellant's Case dated 22 August 2024 ("AC") at paras 22 and 29.

3 AC at paras 35–40.

4 AC at paras 59–60 and 129.

5 Second Respondent's Case filed on 14 May 2025 ("2RC") at paras 1, 46, 85 and 110.

6 Minute Sheet dated 15 January 2026 in DCA 67 ("NE") at pp 1–2.

**The DJ's decision**

9 In her Judgment, the DJ explained that she had granted the OA leave to intervene in D 6180 as the OA's participation was necessary for complete determination of the matter. The DJ reasoned that the OA was the proper legal owner of the Property that was the subject of the Orders and thus including the OA would enable proper submissions on how to deal with the sale proceeds of the Property. (Judgment at [15]–[16]).

10 In respect of the Orders themselves, the DJ granted an order in terms of SUM 361 on the basis that when the Orders were made, the Appellant and/or the Second Respondent lacked title to the Property as they had been declared bankrupt and their respective shares in the Property had vested in the OA. The DJ reasoned that the Orders had been made on a "fundamental misunderstanding" rendering them unworkable, which sufficed for the court to set aside the Orders (Judgment at [20]–[21]).

11 Further, the DJ noted that the Second Respondent had not disclosed her status as an undischarged bankrupt in her application to vary the Initial Ancillary Order. This lack of full and frank disclosure resulted in the court making a different order than it otherwise would have (Judgment at [21]–[22]). Accordingly, the Orders were set aside.

12 The appeal was placed before me for hearing on 15 January 2026. The central issue was whether the DJ erred in revoking the Orders. Having considered the parties' submissions, I dismissed the appeal with brief reasons on 11 February 2026. I now provide the full grounds for my decision.

**Property vested in the OA upon bankruptcy and not available for division under s 112 of the WC**

13 Section 76(1)(*a*) of the Bankruptcy Act (Cap 20, 2009 Rev Ed) (as in force from the date the Appellant was made bankrupt until immediately before 30 July 2020) ("Bankruptcy Act") provides that on the making of a bankruptcy order, the property of the bankrupt shall vest in the OA without any further conveyance, assignment or transfer (s 76(1)(*a*)(i)) and become divisible among his creditors (s 76(1)(*a*)(ii)). The property divisible among creditors is subject to the exceptions stated in s 78(2) of the Bankruptcy Act.

14 In *AVM v AWH* [2015] 4 SLR 1274 ("*AVM*"), Vinodh Coomaraswamy J held (at [112]–[113]) that where a spouse is adjudged bankrupt, the vesting of the bankrupt spouse's assets in the OA prevents a court which is exercising matrimonial jurisdiction from making any order under s 112 of the WC which affects the vested assets. Subject only to s 78(2) of the Bankruptcy Act, the bankrupt spouse no longer owns any matrimonial assets as his interest in those assets is vested in the OA. The learned Judge explained that s 112 of the WC is predicated on title to the matrimonial assets which are to be divided being vested in the divorcing spouses. That section makes no provision that allows a court exercising matrimonial jurisdiction to "disregard [the] statutory divesting of the bankrupt spouse's assets or to engineer a re-vesting of those assets in the bankrupt spouse so that they become available for division". The learned Judge further observed (at [114]) that a bankruptcy order prevents the court exercising matrimonial jurisdiction from dividing matrimonial assets under s 112 of the WC because that section empowers the court to divide matrimonial assets and order the transfer of such assets only between the parties to the marriage. Referring to *In Re Holliday* [1981] Ch 405 at 421D, the learned Judge noted that since the OA was not a party to the marriage, the court therefore had no

power under s 112 of the WC to affect the OA's statutory title to the assets vested in him under s 76(1)(*a*) of the Bankruptcy Act, nor to order the OA to transfer or sell such assets. It follows that once a bankrupt's property vests in the OA, it would not ordinarily be appropriate for a court exercising matrimonial jurisdiction to make any order in ancillary proceedings which has the potential to affect the rights of creditors in an ongoing bankruptcy (*AVM* at [124]).

15 Accordingly, by reason of his bankruptcy, the Appellant's share in the Property had vested in the OA under s 76(1)(*a*) of the Bankruptcy Act and was not available for division under s 112 of the WC when the Initial Ancillary Order was made. The same principle applied when the Variation Order was made, both parties then being undischarged bankrupts. The Orders should therefore not have been made.

16 It did not appear that the bankruptcy status of the Appellant and/or the Second Respondent had been highlighted or presented for the court's consideration at the hearings when the Orders were sought, and the court had proceeded on the erroneous basis that the Appellant and/or the Second Respondent were not undischarged bankrupts. This misapprehension went to the very heart of the court's power to make the Orders under s 112 of the WC, given that s 112(1) of the WC provides only for the power to divide "matrimonial asset[s]" between the parties to a marriage or to order the sale of such assets and divide the sale proceeds between such parties. The Appellant's interest in the Property had been vested in the OA by the time the Initial Ancillary Order was made, as had the Second Respondent's interest by the time the Variation Order was made. The DJ therefore did not err in finding, in reliance on *AYM v AYL* [2013] 1 SLR 924 ("*AYM*") (at [29]), that the Orders were unworkable due to "a *fundamental* misunderstanding at the time [the Orders were] made" (Judgment at [12]–[13] and [21], citing *AYM* at [29]).

Further, as a consequence of such a misunderstanding, the court had made the Orders, which affected the Property that had already vested in the OA without affording the OA, as trustee in bankruptcy of the estates of the Appellant and/or the Second Respondent, any opportunity to be heard or to make representations on behalf of the Appellant's and Second Respondent's creditors. In the circumstances, the revocation of the Orders under s 112(4) of the WC was warranted.

**Revocation as recognition of statutory vesting**

17 I now turn to address the Appellant's jurisdictional challenge to the DJ's decision. The Appellant argued that the DJ had acted without jurisdiction because the Family Court lacked jurisdiction to determine the property rights of the OA, who was obviously not a party to the marriage, and that the DJ erred in so doing by granting SUM 361. The Appellant relied on *UDA v UDB* [2018] 1 SLR 1015 ("*UDA*") for the proposition that the Family Court has no power in proceedings under s 112 of the WC to make findings on third-party property rights.[7]

18 In *UDA*, the husband had contended that the wife's mother held a property on trust for both spouses, and thus it was a matrimonial asset. This was disputed by the wife's mother, who argued that the court had power under s 112 of the WC to determine the disputed property interests. The Court of Appeal explained (at [28]–[31]) that the language of s 112(1) clearly circumscribed the limits of the court's power to the division of matrimonial assets as between parties to a marriage to be exercised in the specific context of matrimonial proceedings. Accordingly, the Court of Appeal held (at [32] and

7 AC at paras 31, 41(i) and 117–119.

[34]) that s 112(1) has no application to any third party, and that the powers under s 112 do not extend to adjudicating a third-party claim to an alleged matrimonial asset.

19 In my view, the Appellant's argument mischaracterised the DJ's order. In revoking the Orders, the DJ did not make any determination of third-party interest in the Property. Instead, the DJ merely acknowledged the operation of s 76(1)(*a*)(i) of the Bankruptcy Act and applied the legal consequences of bankruptcy. It is clear from that provision that upon bankruptcy, the property of the bankrupt shall vest in the OA without any further conveyance, assignment or transfer. There was no need for any ruling or adjudication on the OA's interest in the Property by the DJ, who merely relied on the statutory vesting of the Property in the OA and the resulting loss of capacity of the Appellant and/or Second Respondent to deal with the Property. The revocation of the Orders was therefore a consequence flowing directly from the undisputed fact of bankruptcy, and restored the position to what it should have been had the court not proceeded under a misapprehension. Indeed, the Second Respondent's former counsel acknowledged at a hearing on 23 May 2023 that the parties had accepted that the Property had vested in the OA and that it was not a matrimonial asset to be divided under s 112 of the WC.[8]

20 It is also important that the capacity in which the OA made the application in SUM 361 be properly characterised. The OA was intervening in his capacity as the trustee in bankruptcy of the estates of the Appellant and the Second Respondent, and not as a non-party to matrimonial proceedings seeking to participate in the proceedings under s 112 of the WC to claim an interest in

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[8] First Respondent's Core Bundle of Documents dated 9 May 2025 in DCA 67 at pp 101–102; See also AC at para 18(iv).

an asset that was adverse to the interests in that asset of either or both of the parties or their estates. Rather, the OA intervened to place before the court information concerning the bankruptcy of the Appellant and the Second Respondent, and to ask the court to take cognisance of the effect of bankruptcy on the validity of the Orders, which were recorded in error at the request of the Appellant and the Second Respondent.

21 In substance, this was an application to engage the court's power to regulate its own orders, as opposed to adjudicating competing claims. Indeed, in presenting information about the Appellant's and Second Respondent's bankruptcies to the court, the OA's submissions were framed in terms of the court's power to act under s 112(4) of the WC. In the court below, the OA submitted that the court had the power to revoke the Orders under s 112(4) of the WC.[9] Similarly, on appeal, the OA submitted that the DJ, in granting SUM 361, had "exercised the Court's powers under s 112 of the WC and revoked the relevant parts of the [Orders] in relation to the Property".[10] In this regard, it is clear that the court has the power to revoke its own orders under s 112(4) of the WC, which provides, *inter alia*, that "[the] court may, at any time it thinks fit, extend, vary, revoke or discharge any order made under [s 112]". In the present case, the DJ exercised that power, having come into possession of information presented by the OA concerning the bankruptcy of the Appellant and Second Respondent.

22 It should be emphasised that in exercising such power to revoke the Orders, the DJ was *not* determining any competing claims against the Property

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9 OA's Written Submissions dated 9 May 2023 in FC/SUM 4034/2022 in D 6180 at para 7; OA's Written Submissions in SUM 361 dated 13 May 2024 at para 8.

10 1RC at para 14.

by any non-parties to the matrimonial proceedings. That the DJ was not determining any competing claims against the Property is also evident from the fact that the revocation of the Orders did not create any substantive rights for the OA (see *UDA v UDB* [2018] 3 SLR 1433 at [35]–[37], affirmed on appeal in *UDA* at [47]–[48]), and that the OA did not gain anything that he did not already have by operation of law upon the Appellant's and Second Respondent's bankruptcies.

**Statutory vesting effective until declared otherwise by a court of competent jurisdiction**

23 I turn now to the assertion that the Appellant's beneficial interest in the property had already vested in the Second Respondent and/or the Children before his bankruptcy, which was based on the arguments before the DJ and on appeal as set out at [7]–[8] above.

24 I agreed with the OA's submissions that these assertions were "vague, incoherent and inconsistent." Further, the alleged oral agreement between the Appellant and Second Respondent to divest the Appellant's interest in the Property was never documented or substantiated by credible evidence. Indeed, at the hearing, the Appellant conceded that there were no available records whatsoever.[11]

25 The Appellant's arguments were made essentially to contend that the Property did not vest in the OA because of the alleged oral agreement between him and the Second Respondent before their bankruptcies to "redirect" their entire beneficial interest to the Children, and that the proceeds from the sale of the Property therefore belonged to the Children and should be paid to them.

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[11] NE at pp 5–6.

However, whether the Children had a valid claim on the Property was not a matter for determination in these proceedings. The Children had, in any case, not brought any action against the OA or otherwise made any claim on the Property.

26 Under s 76(1)(*a*)(i) of the Bankruptcy Act, a bankrupt's property vests automatically in the OA by operation of law, the effect of which the court must recognise and apply. It follows that the Appellant's and the Second Respondent's respective interests in the Property vested in the OA on the respective dates on which the Appellant and the Second Respondent were made bankrupt. Any contention that the Property was previously disposed of by an unrecorded private arrangement does not prevent this automatic vesting and would require a separate adjudication in *civil* proceedings to obtain a final ruling on whether the Children, who are non-parties to the matrimonial proceedings, had any third-party rights in the Property to begin with. This was a matter that plainly fell outside the scope of s 112 of the WC, which limits the court's power to the division of matrimonial assets as between parties to a marriage in matrimonial proceedings (*UDA* at [29]). The Property remained vested in the OA by operation of s 76(1)(*a*)(i) of the Bankruptcy Act in the absence of any determination otherwise on account of the Children's alleged interests in the Property by a court of competent jurisdiction. So long as the bankruptcy orders remained in effect against the Appellant and Second Respondent, only assets excluded from statutory vesting by s 78(2) of the Bankruptcy Act would be available for division under s 112 of the WC (*AVM* at [119]).

27 There was another flaw in the Appellant's arguments. If, as the Appellant and Second Respondent asserted, the alleged oral agreement between them did in fact transfer their entire beneficial interest in the Property to the Children before the Appellant was made a bankrupt, then the Property would

not have been a matrimonial asset when the Initial Ancillary Order and the Variation Order were made. As the OA had submitted, taking the Appellant's arguments to their logical conclusion, the Orders should not have been made in the first place if the Property was not a matrimonial asset, and the DJ would have been perfectly justified in revoking those Orders.[12]

**Hardship does not defeat effects of statutory vesting**

28 Finally, the Appellant and Second Respondent argued that "[s]ubsisting events were not considered" by the DJ,[13] and that not allowing them to make their own arrangements regarding the Property would cause hardship.[14] The Appellant submitted that he had paid no maintenance over the years and therefore the proceeds of the sale of the Property should be paid to the Second Respondent and the Children to settle his outstanding maintenance obligation for the benefit of his family.[15] While I had sympathy for the Appellant's family, I found no merit in the argument. The Appellant could not rely on his own default in maintenance payments to argue that priority should thereby be accorded to his family's interests over those of the creditors. There was no reason why the creditors' interests should inevitably be subordinated to the interests of the bankrupt's spouse (*AVM* at [122]) or the bankrupt's children.

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12 1RC at para 12.

13 Notice of Appeal dated 21 June 2024 in DCA 67; See also 2RC at para 85.

14 AC at paras 100 and 105.

15 AC at para 141.

**Conclusion**

29 For the foregoing reasons, I dismissed DCA 67. The Appellant sought indemnity costs against the OA,[16] while the OA sought costs of $10,000 in the event that the appeal was dismissed.[17] Having regard to the substantial work undertaken by the OA in defending this appeal, particularly given the evolving and shifting nature of the Appellant's arguments with which the Second Respondent had aligned herself, and weighing that against the fact that some of the arguments were canvassed in the court below and costs were awarded to the OA for work done in those proceedings, I ordered the Appellant and the Second Respondent to pay costs of $8,000 (all in) to the OA.

Teh Hwee Hwee
Judge of the High Court

The appellant in person;
Christopher Eng (Insolvency & Public Trustee's Office) for the first respondent;
The second respondent in person.

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16 NE at p 2.

17 NE at p 7.