IN THE GENERAL DIVISION OF
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[2026] SGHC 203

Originating Summons (Bankruptcy) No 88 of 2025 (Registrar's Appeal No 88 of 2026)

Between

Great Eastern Financial Advisers Pte Ltd

… *Appellant*

And

Lim Siang Heng

… *Respondent*

JUDGMENT

[Insolvency Law — Bankruptcy — Statutory demand — Setting aside]
[Insolvency Law — Bankruptcy — Liquidated sum — Section 311(1)(*b*) of the Insolvency, Restructuring and Dissolution Act 2018]

Version No 1: 30 Sep 2026 (10:00 hrs)

TABLE OF CONTENTS

INTRODUCTION **1**

FACTS **2**

DECISION BELOW **6**

SUBMISSIONS ON APPEAL **8**

MY DECISION **11**

WHETHER THE AR'S PROPOSITIONS ARE CORRECT 11

THE TEST FOR WHETHER A DEBT IS A "LIQUIDATED SUM" 23

APPLICATION TO THE FACTS 34

CONCLUSION **42**

Version No 1: 30 Sep 2026 (10:00 hrs)

This judgment is subject to final editorial corrections approved by the court and/or redaction pursuant to the publisher's duty in compliance with the law, for publication in LawNet and/or the Singapore Law Reports.

Great Eastern Financial Advisers Pte Ltd
v
Lim Siang Heng

[2026] SGHC 203

General Division of the High Court — Originating Summons (Bankruptcy) No 88 of 2025 (Registrar's Appeal No 88 of 2026)
Mohamed Faizal J
30 July 2026

30 September 2026 Judgment reserved.

Mohamed Faizal J:

Introduction

1 This appeal arises from the decision by the learned assistant registrar ("AR") in *Lim Siang Heng v Great Eastern Financial Advisers Pte Ltd* [2026] SGHCR 8 ("Judgment") allowing Mr Lim Siang Heng's ("Respondent") application in HC/OSB 88/2025 ("OSB 88"). The AR had set aside a statutory demand ("SD") for a sum of $47,169.63 that had been issued against the Respondent by Great Eastern Financial Advisers Pte Ltd ("Appellant"), partly comprising the clawback of certain commissions that were paid to the Respondent by the Appellant on the basis that such debt did not amount to a "liquidated sum" and therefore, pursuant to s 311(1) of the Insolvency, Restructuring and Dissolution Act 2018 ("IRDA"), could not have formed the basis of any eventual bankruptcy application.

2 At the heart of the appeal is whether the sum in question constitutes a debt for a "liquidated sum" under s 311(1)(*b*) of the IRDA. In some sense, this is a narrow issue. Nonetheless, it is one of wider practical significance. I say this because the requirement for a liquidated debt performs an important, if rarely interrogated, gatekeeping function in insolvency law and it is therefore essential that it be properly understood and capable of consistent application. The difficulty, however, lies in maintaining a distinction that is easy to articulate as it is easy to conflate the concepts of a *disputed* debt and a *liquidated* one. As will be seen below, it would appear the AR somewhat conflated these concepts in coming to his decision. A debt may be disputed without ceasing to be liquidated, just as a debt may be liquidated notwithstanding that the creditor must first identify, investigate and particularise the facts giving rise to it. If those distinct inquiries are not carefully kept discrete, questions going to the existence of liability may come to obscure the separate question of whether the debt is, in truth, liquidated.

3 Given the relative novelty of the questions engaged in this case, and the possible implications of any conclusions arrived at in the wider context, not least in insolvency law, the court appointed Mr Teo Jim Yang ("Mr Teo") as a Young Independent Counsel to provide assistance on some of the key legal issues arising in this case.

Facts

4 The facts of this case are largely undisputed and can be briefly stated. In gist, on or about 1 September 2018, the Respondent entered into a Representative's Agreement with the Appellant ("RA").[1] Under the RA, the

[1] Affidavit of Tan Seok Eng dated 19 August 2025 ("TSE") at para 7.

Version No 1: 30 Sep 2026 (10:00 hrs)

Respondent would be entitled, *qua* financial advisory representative of the Appellant, to commissions payable by the Appellant arising from the Respondent's sales of policies to clients.[2] Subsequently, on or about 1 July 2019, the Appellant and Respondent entered into a Supplemental Agreement for Leaders ("SA").[3] This was to recognise the Respondent's concurrent role as a manager or a "leader" to one or more other representatives. Consequent to that, the Respondent would be entitled to further commissions payable by the Appellant on the sale of policies by those who were under his charge.[4]

5 Thereafter, some four years later, in line with its internal policy, the Appellant initiated certain investigations as a representative under the Respondent's charge appeared to have had sold a significant number of policies that were subsequently terminated, withdrawn, surrendered or placed on premium holiday.[5] The results of further investigations suggested that the Respondent had engaged in a practice known as "pooling", in which sales made, or closed, by one representative are passed on to another representative who was not involved in those sales.[6] In particular, the investigations showed that the Respondent had recorded sales closed by him as concurrently being closed by the said representative so that he would be entitled to further commissions.[7] The effect of such pooling was that commissions were paid to the Respondent on two fronts: first, the commission earned as the representative who actually made the sale; and second, an additional commission attributable to the ostensible sale

---

2 TSE at para 8.

3 TSE at para 10.

4 TSE at para 11.

5 TSE at paras 15–16.

6 TSE at paras 15–19.

7 TSE at para 25.

Version No 1: 30 Sep 2026 (10:00 hrs)

of the same policy credited to the said representative under his charge. It is not disputed that such pooling amounts to inappropriate conduct under the Disciplinary Guidelines incorporated into the RA.[8] When questioned by the Appellant, the Respondent explained that the reason for such an arrangement was because the policyholders were "mutual friends" of the said representative and himself,[9] but this did not assuage the Appellant's concerns.[10] The Appellant then informed the Respondent that, *inter alia*, due to the pooling, he had committed material breaches of the RA. This consequently entitled the Appellant, pursuant to Clause 31A of the RA, to claw back *all* commissions and remuneration in any form paid to the Respondent. For context, Clause 31A reads as follows: "If any such Remuneration has been paid prior to the [Appellant's] actual knowledge of such material breach, the [Appellant] is entitled to claw back all such sums from the Representative".[11]

6 The Respondent was subsequently terminated as a representative on 21 February 2024.[12] The Respondent did not object to his termination at the time and returned his authorisation card to the Appellant.[13] Thereafter, in March 2024 and June 2025, the Appellant demanded repayment of sums owed by the Respondent via e-mail but received no response.[14] As a result, on 4 July 2025, the Appellant issued the SD of a sum of $47,169.63 to the Respondent comprising a claim for the following:

---

8 TSE at p 216.

9 TSE at para 31.

10 TSE at paras 27–34.

11 TSE at paras 54–55 and pp 54–55.

12 TSE at para 39.

13 TSE at paras 42–43.

14 TSE at paras 46 and 49.

Version No 1: 30 Sep 2026 (10:00 hrs)

(a) repayment of commissions paid by the Appellant to the Respondent between May 2022 and March 2024 pursuant to Clause 31A of the RA, amounting to $46,795.61 ("Clawed-Back Commissions");

(b) Professional Indemnity Fees from July 2023 to January 2024, amounting to $230.89 ("Indemnity Fees");

(c) Fidelity Guarantee Fees from July 2023 to January 2024, amounting to $34.68 ("Fidelity Fees");

(d) annual fees payable to the Monetary Authority of Singapore ("MAS") for the year 2024, amounting to $100.00 ("MAS Fees");

(e) the clawback of an undefined "IO Liability" for an ex-representative under the Respondent's charge pursuant to Clause 31A of the RA, amounting to $490.86 ("IO Liability"); and

(f) less certain deductibles amounting to a total of $482.41.[15]

7 The Clawed-Back Commissions were a composite sum that comprised the net amount of commissions that were contractually subject to a clawback (*ie*, the commissions arising from the policies which the Respondent had sold but passed along to representatives under his charge), after deducting commissions the Respondent was validly entitled to in respect of the policies unaffected by pooling.[16] Put another way, the Clawed-Back Commissions comprised only commissions that ought not to have been paid in the first place.

8 On 28 July 2025, the Respondent filed OSB 88 to set aside the SD.

---

15 TSE at para 50.

16 TSE at paras 56–59.

Version No 1: 30 Sep 2026 (10:00 hrs)

Decision below

9 I shall briefly set out the AR's reasoning in allowing OSB 88. As a starting point, the AR found that the Appellant had a contractual entitlement to recover the Clawed-Back Commissions pursuant to Clause 31A of the RA (Judgment at [30]–[34]). In this connection, the AR found that the Respondent's denial of the alleged breaches was nothing more than a bare assertion and that he had thus raised no triable issues in this regard. In light of this, the AR found that the factual basis for the claim (*ie*, the Appellant's investigative findings in relation to the policies affected by pooling) was effectively not properly disputed (Judgment at [38]).

10 The AR's central concern was that, although the Appellant may have been contractually entitled to recover the Clawed-Back Commissions, the amount claimed, *ie*, $46,795.61, did not constitute a "liquidated sum" as it could only be identified and calculated after the Appellant had undertaken its own factual investigation into the Respondent's conduct (Judgment at [41]). In the AR's view, a debt for a "liquidated sum" must be a sum that is either already ascertained or is capable of being ascertained as a matter of mere arithmetic (Judgment at [43]). Consequently, he opined that if the ascertainment of the claimed amount required investigation beyond arithmetic calculation, it would not amount to a "liquidated sum" (Judgment at [45]). The AR further found that debts arising from a contract must be ascertained in accordance with a contractual formula or machinery as a matter of arithmetic for them to be considered liquidated (Judgment at [46]). I shall return to elaborate on the authorities relied upon by the AR for these propositions in the course of my analysis below.

Version No 1: 30 Sep 2026 (10:00 hrs)

11 In the AR's view, neither Clause 31A on its face, nor the other relevant agreements between the Appellant and Respondent, offered the contractual machinery for determining which policies were affected by the purported misconduct or which commissions were recoverable. Instead, those matters appeared to turn on an evaluative investigation extrinsic to the parties' agreements (Judgment at [54]). Accordingly, the Clawed-Back Commissions were not already ascertained or objectively ascertainable by the operation of the contractual clause alone, but a sum that first required the Appellant to determine the factual basis and scope of the claim before any amount could be properly calculated. They were therefore, in his view, not debts for a "liquidated sum" under s 311(1)(b) of the IRDA (Judgment at [57]).

12 The AR took a different view in relation to other components of the SD. The AR noted that the Indemnity Fees, Fidelity Fees and MAS Fees (together, the "Fees") were calculated solely and exclusively with reference to Clause 25 of the RA (the contours of which are not of much moment in the present discussion) and various notices and guidelines from the Appellant and/or MAS which the Respondent was contractually required to comply with. These therefore in his view, would constitute debts for a "liquidated sum" (Judgment at [56]–[61]).

13 The IO Liability was recovered pursuant to Clause 12 of the SA, which, for ease of reference, reads as follows:

> The [Respondent] shall indemnify the [Appellant] for and hold the [Appellant] harmless against *all liabilities, claims, losses, judgments, damages, costs and/or expenses* … incurred by or on behalf of the [Appellant] arising either directly or indirectly as a result of or in relation to or in connection with … (b) *any transactions entered into and carried out by the [Respondent] and/or the Subordinate Representatives and the [Respondent] undertakes to pay or make good to the [Appellant] all Liabilities owing by the Subordinate's Representatives to the Company …*

Version No 1: 30 Sep 2026 (10:00 hrs)

[emphasis added]

14 Although Clause 12 of the SA did not specify any sum to quantify the liability, the AR found that it provided a formula or machinery by which the debt could be ascertained, *ie*, that the Respondent must make good *all* liabilities incurred by the Respondent's subordinates which existed at the time when the Appellant's contractual entitlement under the clause was asserted. The AR thus concluded that the IO Liability, being an outstanding sum owed by an ex-representative under the Respondent's charge, was a debt for a "liquidated sum" that the Appellant could claim from the Respondent (Judgment at [24], [33] and [60]).

15 Proceeding from this, pursuant to r 68(2)(*e*) of the Insolvency, Restructuring and Dissolution (Personal Insolvency) Rules 2020 ("Personal Insolvency Rules"), the part of the SD pertaining to the Clawed-Back Commissions was set aside as it did not fulfil the requirement of being a debt for a "liquidated sum" under s 311(1)(*b*) of the IRDA. The remaining sums fell short of the requirement of a claimed debt being no less than $15,000 under s 311(1)(*a*) of the IRDA. The entirety of the SD was consequently set side on the ground that the sums claimed in the SD did not satisfy the requirements of s 311(1) of the IRDA (Judgment at [63]–[65]). Properly understood then, the crux of the present appeal concerns not whether the Appellant was substantively entitled to recover the Clawed-Back Commissions, but whether it constituted a liquidated debt capable of founding the bankruptcy proceedings.

Submissions on appeal

16 As I intimated earlier, Mr Teo was appointed as a Young Independent Counsel to assist to shed light on the key issue in this appeal – the meaning of a

Version No 1: 30 Sep 2026 (10:00 hrs)

debt of a "liquidated sum". In particular, Mr Teo was invited to opine on the following questions:

(a) Question 1: Where a contract provides for the recovery by the claimant from the defendant of "all sums" paid in consequence of a breach of contract by the defendant (as set out in Clause 31A of the RA), whether that sum ceases to be a "liquidated sum" under s 311(1)(*b*) of the IRDA if the formula or machinery for its quantification is extrinsic to the contract; and

(b) Question 2: If Question 1 is answered in the affirmative, whether the formula or machinery for the quantification of the Clawed-Back Commissions can be said to be extrinsic to the relevant agreements between the parties.

17 Mr Teo submits that both Question 1 and 2 should be answered in the negative. In his view, a "liquidated sum" in the context of a bankruptcy application is a specific sum that has been ascertained by a process of quantification which is already complete, with no need for any involvement by a court or tribunal. There is no requirement that the formula or machinery for quantifying such a contractual debt be found within the contract itself.[17] Whether a sum is liquidated should not be confused with whether it is disputed in that a liquidated sum need not be an undisputed sum.[18] In any event, in the present case, the Clawed-Back Commissions were calculated based on the formula or machinery found in Clause 31A as it allowed for the return of the

[17] Young Independent Counsel's Submissions dated 1 July 2026 ("YIC-S") at paras 1–3.

[18] YIC-S at para 69.

Version No 1: 30 Sep 2026 (10:00 hrs)

sum of *all* commissions wrongly paid to the Respondent.[19] Such formula or machinery was thus not extrinsic to the relevant contract(s).

18 The Appellant similarly submits that the Clawed-Back Commissions constitute a "pre-ascertained liability" as the parties had contractually agreed in Clause 31A of the RA that the Appellant would be entitled to claw back *all* such sums (see [5] above).[20] The relevant sum, *ie*, 100% of the commissions which was paid to the Respondent but should be returned, was indeed specified by the RA and thus sufficient to constitute a liquidated sum.[21] In this regard, the calculation of the exact sum due was not relevant, but would in any event, qualify as being "intrinsic" to the contract pursuant to the phrase "all such sums" of the commissions to be returned pursuant to Clause 31A.[22] Further, the Appellant agrees with Mr Teo that a liquidated sum is essentially one that can be determined without any need for judicial intervention.[23] It submits that the quantification process it relied on to determine the Clawed-Back Commissions (see [7] above) indeed does not require the involvement of a court.[24] The Appellant further agrees with Mr Teo that a liquidated sum need not be an undisputed sum.[25] In this connection, the Appellant emphasises that, on appeal, the Respondent does not dispute the AR's findings that the Appellant is contractually entitled to recover the sums claimed in the SD and that the Respondent had raised no triable issues as a ground to set aside the SD.[26]

---

19 YIC-S at para 3.

20 Appellant's Written Submissions dated 11 May 2026 ("AS1") at para 36.

21 AS1 at paras 37–38 and 49.

22 AS1 at paras 49–51.

23 Appellant's Reply Submissions dated 22 July 2026 ("AS2") at paras 21–22.

24 AS2 at paras 20–22.

25 AS2 at paras 25–26.

26 AS2 at paras 27–28.

Version No 1: 30 Sep 2026 (10:00 hrs)

19 The Respondent, perhaps unsurprisingly, agrees with the position taken by the AR, arguing that a liquidated sum under s 311(1)(*b*) of the IRDA must be a fixed or ascertainable amount capable of calculation without evaluative judgment.[27] The computation of the Clawed-Back Commissions, being the result of investigative findings by the Appellant, is, the Respondent contends, evaluative and dependent on factual inquiry rather than arithmetic.[28] In that sense, it clearly falls outside the scope of what amounts to a liquidated sum. Consequently, the Respondent contends that the appeal should be dismissed.

My decision

20 Having considered the parties' and Mr Teo's submissions, I am of the view that the AR erred in concluding that the Clawed-Back Commissions did not constitute liquidated sums for the purposes of s 311(1)(*b*) of the IRDA. It follows that the AR erred in setting aside the SD. I explain.

Whether the AR's propositions are correct

21 As set out at [10] above and as observed by Mr Teo,[29] the AR's decision essentially rested on two propositions: (a) generally, a liquidated sum is one that is already ascertained or is capable of being ascertained without the need for investigation beyond mere arithmetic; and (b) specifically, claimed debts arising from a contract must be ascertainable in accordance with a contractual formula or machinery which, when operated, will produce a figure as a mere matter of arithmetic. At the outset, given the possible confusions and overlap regarding the meanings of a "debt" and a "liquidated sum" (as I have alluded to at [2]

---

27 Respondent's Written Submissions dated 11 May 2026 ("RS1") at para 5.

28 RS1 at paras 6–8.

29 YIC-S at para 10.

Version No 1: 30 Sep 2026 (10:00 hrs)

above), it would be of utility for me to clarify that the AR's propositions go towards the meaning of a "liquidated sum", which is concerned with *how* a sum is ascertained or arrived at. This is, at its core, a matter of quantification. This is separate from, but relevant, to the question of whether a sum is a "debt", which is concerned with whether such sum can be said to be payable. It is in this context that I shall proceed with setting out the law on debts of a "liquidated sum", although I must acknowledge, as does Mr Teo, that the meanings of "debt" and a "liquidated sum" (or its analogue, "liquidated claim") are not always explicitly distinguished, though I would add that this is in so far as the court is ultimately concerned with the wider question of whether there exists a "debt of a liquidated sum" capable of forming the basis of a bankruptcy application.[30]

22 The AR contended that the conclusions he arrived at (as set out at [10] above) were supported by a line of UK authorities considering s 267(2)(*b*) of the UK Insolvency Act 1986. Section 267(2)(*b*), like s 311(1)(*b*) of the IRDA, provides that a bankruptcy petition may only be made if the debt is for a "liquidated sum" (Judgment at [42]). As Mr Teo observes, given the dearth of local cases considering the meaning of a "liquidated sum" for the purposes of a bankruptcy application, authorities from the UK, Hong Kong and Australia would be instructive as these jurisdictions' bankruptcy legislations originated from the UK Bankruptcy Acts of 1869 and 1883, and the relevant provisions under those foreign acts are substantially similar to s 311(1)(*b*) of the IRDA to the extent that the debt being for a "liquidated sum" is a requirement.[31] In so far as that is the case therefore, the AR was in principle not incorrect in placing reliance on UK authorities. That said, in my respectful view, when those

30 YIC-S at para 24.

31 YIC-S at para 17.

Version No 1: 30 Sep 2026 (10:00 hrs)

authorities are carefully analysed and understood, it would seem to me that the authorities are capable of meaningful distinction and do not, in fact, go any way to supporting the propositions the AR appears to have ascribed to them. I deal with each of the primary cases that the AR considered in turn.

23 I shall deal first with *Re A Debtor* [1994] 1 WLR 264 ("*Re A Debtor*"), which was cited by the AR in support of the proposition that a liquidated sum is one that is already ascertained or ascertainable as a matter of mere arithmetic (Judgment at [43]). On a careful read of the facts, *Re A Debtor* does not in fact support such a proposition. *Re A Debtor* involved a default of a mortgage loan. The secured creditor in that case had obtained possession of the property and issued a statutory demand for the creditor's potential loss if the property was sold based on an independent valuation procured by the creditor. The debtor applied successfully to set aside the statutory demand at first instance on grounds that the purported debt (which would have been the difference between the amount owed and the putative sale price) was not a liquidated sum. On appeal, the court overturned such a finding, concluding that the secured creditor was fully entitled to ascribe a value to the security and to issue a statutory demand on that basis. Significantly, the court even observed that a disagreement between the parties as to the value of the security, even a wide one, did not by itself render the sum unliquidated, as such disagreement did not itself render vulnerable the fact that the debtor remained indebted to the creditor (at 270). Situated in its specific context, *Re A Debtor* does not appear to support the proposition that a liquidated sum must be already ascertained or ascertainable *only* as a matter of mere arithmetic. On the contrary, properly understood, *Re A Debtor* in fact clearly suggests that the existence of a process involving interrogation of the exact contours of the debt forming the basis of a statutory demand is not itself fatal to such debt being deemed liquidated. I would add parenthetically that the facts of *Re A Debtor* also clearly illustrate that a

Version No 1: 30 Sep 2026 (10:00 hrs)

disagreement with the specific sum claimed as a result of such a process does not in and of itself result in the sum being deemed to be unliquidated.

24 In this connection, the AR's conclusion regarding the requirement of investigation also appears to stem from his interpretation of comments found in *Singapore Civil Procedure: Volume I* (Sweet & Maxwell, 2021) at para 6/2/5 along the following lines: "[i]f the ascertainment of a sum of money, even though it be specified or named as a definite figure, requires investigation beyond mere calculation, then the sum is not a 'debt or liquidated demand', but constitutes 'damages'" (Judgment at [45]). As Mr Teo points out, and I agree, these comments (and in particular, the phrase "investigation beyond mere calculation") do not in fact engage the question of the distinction between liquidated and unliquidated debts but was instead intended to deal with the rather different matter of the distinction that exists between debt and damages.[32]

25 Indeed, this confusion bleeds into the AR's second proposition. Relying on *McGuinness v Norwich and Peterborough Building Society* [2011] EWCA Civ 1286 ("*McGuinness*"), the AR appeared to draw a distinction between claims in tort, which are invariably claims for unliquidated sums as they require the assistance of a judicial process to ascertain the sums recoverable as damages and claimed debts in contract (Judgment at [46]; *McGuinness* at [36]). Applying this distinction, the AR concluded that a contractual debt must be calculated in accordance with a contractual formula or machinery within the contract as a matter of mere arithmetic for it to constitute a liquidated sum.

26 With respect, *McGuinness* does not assist. In *McGuinness*, the court was concerned with whether the secondary liability of a guarantor that was not fixed

---

[32] YIC-S at para 23.

Version No 1: 30 Sep 2026 (10:00 hrs)

or specified in the guarantee itself, *ie*, a "see to it liability", could be treated as a debt capable of founding a bankruptcy petition (*McGuinness* at [6] and [18]). For ease of understanding, a "see to it liability" was merely the guarantor's obligation to see to it that the debtor does something; it did not give rise to an obligation to pay money to the creditor and the creditor's remedy for the guarantor's failure to perform thus lay only in damages for breach of contract (see also *Moschi v Lep Air Services Ltd* [1973] AC 331 at 348). The court concluded that such a liability cannot constitute a *debt* for a liquidated sum as it is in fact a claim for *unliquidated damages* (*McGuinness* at [42]–[43]). It was against this backdrop that the court made the observation relied upon by the AR that "a debt for a liquidated sum must be a pre-ascertained liability under the agreement which gives rise to it" and that this "*can include* a contractual liability where the amount due is to be ascertained in accordance with a contractual formula or contractual machinery which, when operated, will produce a figure" [emphasis added] (*McGuinness* at [36]). Given the context of the wider discussion, the court was concerned with drawing a distinction between a *debt* and *unliquidated damages* and cannot be said to have been imposing any strict requirements on the method of quantification of a contractual debt in so far as the meaning of a "liquidated sum" was relevant. The observation relied on by the AR thus in no way suggests that there *must* always be a contractual formula or machinery for calculating the contractual debt as a matter of mere arithmetic, and instead merely provides *one specific illustration* of what might constitute a debt. Put differently, the reference to a contractual formula or machinery in *McGuinness* was merely illustrative of how a contractual debt may be ascertained, and not a requirement.

27 To reiterate, the key point of law established by *McGuinness* was that a "see to it liability" in the sense so described is not a pre-ascertained liability under a guarantee and should be considered *unliquidated damages* instead of

Version No 1: 30 Sep 2026 (10:00 hrs)

debt. Where a guarantee comprises a promise by the guarantor to pay the principal sum due and interest should the debtor fail to pay, no difficulty would arise as the claim is "one in debt and as such is necessarily in a pre-agreed amount" (at [42]). Read in context, the court did not specifically consider the meaning of a "liquidated sum" in so far as the method of quantification was concerned as this was not strictly relevant to the legal dispute there. Along these lines, the court's conclusion was thus that "a debt properly so called is *always liquidated* even though some arithmetic may be required" [emphasis added] and "the words 'for a liquidated sum' therefore add nothing" except when used in the context of liability for damages in contract, where in those cases, only an enforceable claim for liquidated damages would be capable of supporting a bankruptcy application (at [37] and [53]).

28 The above is also clear from the court's application of the law to the facts of *McGuinness*. The specific clause in the guarantee there stating that "all money and liabilities owing, or becoming owing to [the creditor] in the future, by the Borrower … will be paid and satisfied when due", was not construed as being a "see to it liability" when read with other clauses, specifically, a provision making the sums due "payable on demand", which was more consistent with there being a promise to pay the mortgage liabilities as they fell due (*ie*, creating a liability in *debt*) rather than a liability in *damages* (at [61]). Although the clause did not contain any specific contractual formula or machinery to ascertain the sum claimed, nor did the court make reference to any such requirement, it was apparent that the measure of liability was simply "the unpaid mortgage debt and interest which is quantified" (at [67]). This created a valid liquidated debt that could support the bankruptcy application (at [55] and [67]). From what is said about a debt properly so-called being "always liquidated", *McGuinness* thus suggests that there is no strict requirement *vis-à-vis* the method of quantification of a sum for it to be capable of supporting a

Version No 1: 30 Sep 2026 (10:00 hrs)

bankruptcy application, so long as it can be called a *debt*. In my view therefore, *McGuinness* not only does not support the AR's proposition that a contractual debt *must* be ascertainable in accordance with a contractual formula or machinery, but it also leans in the opposite direction in that the court was instead more concerned with whether the sum claimed was a "debt" as opposed to whether it was a "liquidated sum".

29 Next, the AR also appears to have placed significant reliance on *Hope v Premierpace (Europe) Ltd* [1998] Lexis Citation 14 ("*Hope*"). In *Hope*, a company served a statutory demand claiming a specific amount of money from its ex-employee as that sum was alleged to have been misappropriated based on the company's own assessment. The court held that the company's claims for a remedy were not for payment of a "liquidated sum". They were instead more properly characterised as claims for damages (for deceit or breach of contract) or alternatively, for an account and payment. From this, the AR appears to have drawn the conclusion that, in *Hope*, although the amount claimed could be expressed as a specific sum, there was nothing in the claimant's supporting grounds for the bankruptcy application which "provided a framework or formula for ascertaining it as a matter of arithmetic" and the sum was thus not a liquidated one (Judgment at [47]).

30 With respect, and as pointed out by Mr Teo,[33] there is nothing in *Hope* that appears to even hint to the court there being concerned with the question of whether the sum claimed could be ascertained using a contractual framework or formula as a matter of mere arithmetic. Instead, on the face of the judgment, the reason why the court came to the conclusion that it did was because "[a] claim for *damages* is not a claim for a liquidated sum; and nor is a claim whose remedy

[33] YIC-S at para 39(a).

Version No 1: 30 Sep 2026 (10:00 hrs)

is that of an *account*" [emphasis added]. The question of whether the petitioning creditor was entitled to the sum claimed, although the sum was identified "down to the last penny", remained open and was subject to the judicial process. In short, the point in *Hope* was that the causes of action that were engaged there by their nature could never be liquidated and required adjudication to resolve. In those circumstances, the sum claimed could not be said to be "a debt for a liquidated sum". I pause here to note that this appeared to also be implicitly recognised by the AR as he stated that the entitlement to the sums in *Hope* raised "a question of what the appropriate remedial response" was, which could "only be answered with the assistance of the judicial process" (Judgment at [47]).

31 I would add that in so far as the AR appears to have suggested that the bankruptcy petition in *Hope* was rejected as the company's supporting grounds for its entitlement to the sums was based not on contract, but on its own assessment that the debtor had misappropriated those sums (Judgment at [47]), this cannot be read as implying that a requirement of investigation beyond mere arithmetic renders a sum unliquidated. This only further points to what I have determined to be the main reason for the court's rejection of the claims in *Hope* above at [29], *ie*, that the sums were not liquidated as the question of what remedy was available should be properly determined by a court given that there was no contractual provision that entitled the claimant to assess and claim the allegedly misappropriated sum. I further note that the court in *McGuinness* (at [40]) also commented that *Hope* was correctly decided as the claims were for monetary compensation based on the company's loss. As such, to reiterate the point, it was not the case that in *Hope*, the sums were assessed to be unliquidated because they involved the company's own assessment or investigation as to the sums misappropriated. Indeed, this must be so, for, as I have explained earlier, other cases such as *Re A Debtor* suggest the opposite – that a unilateral

Version No 1: 30 Sep 2026 (10:00 hrs)

assessment or investigation into various facts by a creditor would not, *ipso facto*, render the sum ascertained as a result thereof unliquidated (see [23] above).

32 To recapitulate therefore, *Hope* does not offer any support for the propositions that the AR appears to have relied on it for. Properly understood, *Hope* does not offer any insight into the meaning of a "liquidated sum" in relation to its *quantification* as the bankruptcy application was dismissed due to the nature of the claims. *Hope* instead suggests that where an investigation establishes the commission of a wrong, the resulting claim would not be a "debt for a liquidated sum" if the court is required to determine the appropriate remedy where such remedy is not established on the parties' agreement, and, by extension, to quantify recovery. On the flip side, requiring investigation to quantify a sum would not alone render the sum an unliquidated one.

33 Similarly, the AR's reliance on *Re Miller* [1901] QB 51 ("*Re Miller*") in support of his conclusions (Judgment at [48]) appears to be unfounded. In *Re Miller*, the claimant had sought repayment of a certain sum that had been paid to a stockbroker on the premise of entering into a business partnership with him. The court in that case ultimately found that the claimed amount was not a liquidated sum capable of founding the bankruptcy petition. However, it is important to note that the court came to this conclusion because there was no contractual term providing for the debtor's liability to pay the claimed amount, and consequently, as the court noted, the claimant's "only remedy was in damages for breach of the agreement" (*Re Miller* at 57). Again, the AR interpreted the decision in *Re Miller* as being on the basis that the grounds of the bankruptcy application, *ie*, the agreement, provided no framework or formula by which the claimed amount could be ascertained as a matter of arithmetic (Judgment at [48]). With respect to the AR, *Re Miller* does not in fact stand for that proposition. As Mr Teo points out, and I agree, it merely stands

Version No 1: 30 Sep 2026 (10:00 hrs)

for the uncontroversial proposition that there is a distinction between debt and damages.[34] Therefore, there is little to surmise from *Re Miller* on the meaning of a "liquidated sum", let alone to draw the conclusions that the AR did.

34 Mr Teo has, in his submissions, also brought to my attention various other authorities that confirm that a claimed sum is not precluded from being considered "liquidated" merely because the process of its ascertainment requires an investigation or assessment of facts extrinsic to an agreement. At the outset, I note that some of these authorities consider the definition of "liquidated" outside of the bankruptcy context or where the relevant liability did not arise out of contract.[35] Nonetheless, as a matter of principle, I see no reason why the meaning of "liquidated" should vary largely across different types of liabilities, claims or legal proceedings and the cases do not suggest otherwise. Indeed, the question of whether a sum is "liquidated" mainly only relates to *how* that specific numerical value was arrived at, whether as a "claim", "debt", or "sum". Be that as it may, as it is not necessary to go into the contours of these variations (if any) in this appeal, my observations of the authorities are only with a view to scoping the meaning of a debt for a liquidated sum in the present bankruptcy application proceedings. To the extent that the understanding of a "liquidated sum" should be shaped in any way by the context of a bankruptcy application, I shall return to this point below at [47]. For the purposes of this judgment, and in the interest of brevity, I shall only elaborate on the authorities that are, in my view, of particular moment in the present case.

35 The Hong Kong High Court decision in *Onway Engineering Ltd v Shun Wing Construction & Engineering Co Ltd* [2008] HKCU 1885 ("*Onway*"), in

---

34 YIC-S at 39(b).

35 YIC-S at p 35.

Version No 1: 30 Sep 2026 (10:00 hrs)

particular, is of some relevance as it sheds light on whether a debt is liquidated and whether it is disputed – two distinct inquiries that are at times, as I noted at the outset of this judgment, easily conflated. There, a contractor had claimed under a sub-contract for the value of work done calculated with reference to unit prices and other fees stipulated in a schedule of rates in the contract. The preliminary question of whether the sum was a "liquidated pecuniary claim" was relevant to whether the claim was brought out of time. The debtor argued that the sum was a claim in damages disguised as a claim for a liquidated sum as the debtor disputed the amount and value of works done. As such, it was contended that the sums were not ascertainable by an arithmetical exercise (at [22]). The Hong Kong High Court rejected this argument and found that the basis of the claim was readily calculable by doing the necessary sums. A dispute as to the amount of work done, *ie*, the underlying facts, did not convert the liquidated claim into an unliquidated one (at [24]).[36] The decision in *Onway* was subsequently affirmed on appeal although I would note that the question of whether the claim was liquidated was not considered there.

36 Additionally, I note that the definition for a "debt or liquidated sum" in the HK Civil Procedure 2009 in the Note to O 6 r 2 at 6/2/4 that the court in *Onway* referred to (at [9]) was identical to the definition the AR referred to in concluding that if investigation is required beyond mere calculation, the sum is not liquidated (see [24] above). In this regard, the court observed that even if a party requires evidence of how the claim is computed (that can be disputed) and further arithmetic needs to be done, the nature of the claim "will still remain that of a liquidated claim" (*Onway* at [23]). The requirement of investigation beyond mere calculation to ascertain the sum was thus not understood by the court there as a factor that would strictly prevent the sum from being called a

[36] YIC-S at para 32(a).

Version No 1: 30 Sep 2026 (10:00 hrs)

liquidated one. I have arrived at a similar conclusion earlier that any need for investigation to ascertain a sum claimed is not in and of itself determinative of whether a sum is liquidated (see [32] above).

37 Likewise, the Hong Kong High Court in *Lee Kwok Wing v Chung Chuen Hei* [2012] HKCU 1628 ("*Lee Kwok Wing*"), applying the decision in *Onway* in a similar context of considering whether a claim was time-barred, concluded that a claim for profits contractually provided to be calculated as a percentage of contract sums received from a joint venture business less certain expenses that accrued under a contract amounted to a "liquidated pecuniary claim". This was because the sum was ascertainable with reference to the formula set out in the relevant contracts (at [72]–[73]).

38 I pause to observe that in *Lee Kwok Wing*, the extrinsic evidence, *ie*, evidence as to what had actually been received and disbursed, was not in the claimant's possession at the time the claim was made as this information was only known to the defendant who had been operating the businesses. Even then, the court held that the fact that the claimant required ancillary relief in the form of an account to ascertain the sum due did not turn the claim into an unliquidated one – the claim was still ascertainable as a matter of calculation once the relevant extrinsic evidence (the veracity of which may be disputed) was provided by the defendant (at [75]–[76]). It would be necessary for me to clarify that this particular finding in *Lee Kwok Wing* would not be squarely applicable to the bankruptcy context in Singapore as domestically, it is clear that there is no "liquidated sum" yet if an account is first required to ascertain the claimed debt.[37] Nevertheless, in my view, *Lee Kwok Wing* remains instructive in so far as it shows that requiring extrinsic evidence to ascertain a claimed sum in

[37] YIC-S at para 75.

Version No 1: 30 Sep 2026 (10:00 hrs)

contract does not in and of itself render a claim an unliquidated one. In saying this, I should add that I accept the point made by Mr Teo that a debt is unliquidated if the claimant is unable to himself ascertain the amount properly due, for example, where the claimant seeks a return of moneys held by the defendant.[38] In such an event, the claimant would require the court to compel the defendant to account the specific amount due. Indeed, as illustrated by *Hope*, the remedy of an account renders the sum an unliquidated one for the purposes of bankruptcy proceedings (see [29] above).

39 It will be seen from the preceding survey of the relevant authorities that, properly understood, the jurisprudence appears to point in the opposite direction from the conclusions arrived at by the AR. They appear to recognise that the fact that a creditor may potentially be required to undertake a factual inquiry or investigation to identify the precise quantum of its claim does not necessarily deprive the ascertained debt of its liquidated character. Further, in no way do they suggest that a liquidated sum is one that can be ascertained or ascertainable by mere arithmetic *only*. I thus conclude that there is no basis for the two propositions put forth by the AR (see [21] above).

The test for whether a debt is a "liquidated sum"

40 Flowing from this and from the authorities discussed above, I agree with Mr Teo that the true touchstone of whether a debt is a liquidated sum is whether it is able to be ascertained by a process of quantification which is already complete, *ie*, without any need for judicial assessment or involvement in quantifying the debt.[39] As aptly set out in *Lee Kwok Wing* at [72], a claim is liquidated if it is capable of ascertainment, whether by calculation or extrinsic

---

38 YIC-S at para 47.

39 YIC-S at para 41 and 44.

Version No 1: 30 Sep 2026 (10:00 hrs)

evidence, without any process of assessment by the court to determine the amount payable. In my view, this formulation in *Lee Kwok Wing* equally applies to the meaning of a "liquidated sum" in the context of a bankruptcy application although the key issue before the court in *Lee Kwok Wing* was a rather different one pertaining to whether a claim was time-barred (see [37] above). As I alluded to above at [34], I see no reason why the meaning of "liquidated" should vary across different legal contexts as the term merely pertains to the matter of quantification. While not stated specifically, such considerations also appear to be implicitly behind the court's rejection of the claimed sums in *Hope* (and not the reasons suggested by the AR). The relevant sums in *Hope* being claimed as remedies related to compensation for a loss suffered by the company could only have been unliquidated because compensation (where not specifically agreed upon by the parties) is a legal question that could only have been answered by a court (see [29] and [31] above).[40] Relatedly, even if the sum claimed is of a specific amount or appears to be obvious on the facts, as was the case in *Hope*, the requirement of judicial assessment still renders the debt an unliquidated one. This was why the court in *McGuinness* at [40] also commented that although the misappropriation in *Hope* gave rise to "an obvious liability", the claims were nevertheless not "for a liquidated sum properly so-called" as they were for compensation for loss not provided for by the parties' arrangement.

41 I further agree with Mr Teo that the meaning of a "liquidated sum" being that the process of quantification of the sum is complete without judicial involvement also applies where the debt is contractual.[41] I reiterate that I see no reason why the meaning of a "liquidated sum" in a bankruptcy application context should vary depending on the source of liability. As suggested in Ian

---

40 YIC-S at para 45.

41 YIC-S at paras 56–61.

Version No 1: 30 Sep 2026 (10:00 hrs)

Fletcher KC, *The Law of Insolvency* (5th Ed, 2016) ("*Fletcher*"), "[t]he decisive hallmark of a liquidated claim is that the process of quantification is already complete" and "[c]laims in contract … are generally liquidated in nature at all stages" (at para 6-047). In this connection, I return to the court's observation in *McGuinness* (at [36]) that "a debt for a liquidated sum must be *a pre-ascertained liability* under the agreement which gives rise to it" [emphasis added] (see [25] above). The requirement that a liability for the sum claimed in contract is pre-ascertained in the sense that the process of quantification of the debt has been agreed upon must be so, as then, the process of quantification is complete and there is no need for further involvement from the court.[42] This is also why I agree that claims in contract would generally be liquidated in nature, as such liabilities would almost always be pre-ascertained in some sense precisely as a result of the agreement itself.

42 That said, just because the contractual liability must be pre-ascertained by the agreement does not mean that the contract itself must solely furnish and specifically provide for the entirety of the quantification exercise to the exclusion of all other modalities. The AR's propositions, which effectively amount to such a requirement, would be to impose an unduly restrictive conception of what amounts to a liquidated debt in contract. As discussed above at [23]–[38], the authorities suggest that the fact that the basis of a claim is predicated upon some factual inquiry does not necessarily deprive the ascertained debt of its liquidated character. A creditor must, in a fair number of these cases, necessarily undertake some process of concretising its claim by identifying the transactions, payments or other objective facts giving rise to the debt. Take, for example, the following: a bank discovers that, due to a software malfunction, interest has been credited twice to certain accounts over several

---

[42] YIC-S at para 48.

Version No 1: 30 Sep 2026 (10:00 hrs)

years. Before seeking repayment pursuant to a contractual clause allowing such a clawback, it must first investigate its records to identify the affected accounts, and the duplicate credits. Once the objective facts have been identified, the amount recoverable would simply be the aggregate of duplicate payments. The investigation only serves to identify the transactions to which the contractual repayment obligation attaches – it does not require any judicial assessment of any cause of action (in this example, indisputably in contract) or assessment of quantum. It would be somewhat surprising, in my mind, to suggest that the debt is thereby rendered unliquidated solely because the bank's entitlement must be first particularised through an investigation, or because the contract does not specify that it can conduct investigations to ascertain the sum. The mere fact that the creditor (the bank) derives the amounts claimed from records and investigations external to the contract cannot, without more, deprive such debt of its liquidated character. The creditor's internal investigation is, one would think, simply the mode by which it arrives at the figure, and it is not a juridical act that needs to be authorised or validated by the contract. To be clear, this does not mean that the debtor (the customer) would not be able to dispute the factual findings or contractual basis of the claim, or raise possible defences to it (*eg*, a change in position) to dispute liability. Nonetheless, that is a distinct inquiry that goes to the separate but related question of whether there exists a genuine *dispute*, rather than to whether the debt is *liquidated*. These technically discrete lines of inquiry must be kept separate even if either inquiry could, quite often, lead to the same outcome – that the claimed debt cannot support the bankruptcy application. In the present appeal, this distinction has especial salience as the AR explicitly held that the debt in the SD was not genuinely disputed, but the SD should nevertheless be set aside purely on grounds that the debt was not a "liquidated sum" (Judgment at [66]).

Version No 1: 30 Sep 2026 (10:00 hrs)

43 Related to this, I agree with Mr Teo that if the sum is ascertained on an objective basis, which can include facts, there is no reason why it would be unliquidated.[43] I note that this appears to be the Australian position where the meaning of a "liquidated sum" has been taken to be the amount to which a claimant is entitled that can be ascertained "by calculation or fixed by any scale of charges or positive data" (*Spain v The Union Steamship Company of New Zealand Ltd* [1923] HCA 138 ("*Spain*") at 142).[44] In the context of a *quantum meruit* claim for reasonable work done in *Vimblue Pty Ltd v Toweel trading as Carpenters Core Building* [2009] NSWSC 494 ("*Vimblue*"), the New South Wales Supreme Court similarly concluded that once the value of work done was ascertained by positive data and not merely opinion or conjecture, the sum "became liquidated" (at [18]–[20]). On the facts of *Vimblue*, the court held that since there was no basis for any objective conclusion that the sum specified by the claimant should be paid as a reasonable reward for the work done, the claim, although a liquidated one, had not yet produced a "liquidated sum" (at [22]). In the same vein, in *Hayate Investment Co Ltd v ManagementPlus (Singapore) Pte Ltd* [2012] SGHCR 3 ("*Hayate*"), it was held that a claim for value of work done in the context of a legal set-off was not a liquidated one as there was no explanation of how the specific sum was derived; indeed, the court observed in that case that the sum in question appeared to have been "plucked from the air" (at [34]).

44 I should add that even if there is some element of qualitative assessment or an exercise of discretion, either on the part of the creditor or some other third party, in ascertaining the sum, that alone would not necessarily render a debt an unliquidated one. This can be inferred from how contractual claims for

---

43 YIC-S at para 34.

44 YIC-S at para 33.

Version No 1: 30 Sep 2026 (10:00 hrs)

"reasonable expenses" (*Spain* at 142) or losses determined by a contracting party "in good faith and in a commercially reasonable manner" (*Re Emerging Energy Solutions Group Pty Ltd (No 2)* [2024] VSC 393 at [32]) are nonetheless viewed as "liquidated". I thus agree with Mr Teo that even if a contracting party's exercise of judgment (which can itself be disputed) is involved in determining the amount claimed, this does not mean the sum is unliquidated.[45] To my mind, at least in the context of a contractual relationship, such sums can be said to be pre-ascertained liabilities where the process of quantification of the debt is provided for in the contract (see [41] above). Instead, the test remains whether the process of quantification of the sum is complete without judicial involvement. It thus follows that, if, once the relevant factual predicates have been established, the amount recoverable follows objectively without any evaluative assessment, exercise of discretion or further determination requiring the judgment or agreement of another decision-maker, then the debt can all the more be properly characterised as liquidated.

45 In addition to the above, Mr Teo identifies differing approaches the courts have taken as to whether a claim for restitution or unjust enrichment can be a debt for a liquidated sum in the bankruptcy context. Briefly, he submits that the UK position appears to be that such claims must be judicially determined and thus cannot be called a debt for a "liquidated sum" to support a bankruptcy petition, while the Hong Kong position is that the cause of action is not determinative and any claimed sum may support a bankruptcy application so long as it satisfies the "true touchstone" as I have identified above at [40].[46] As the present appeal concerns a sum claimed pursuant to a contractual liability, it is not necessary for me to consider this in great detail. Instead, I would merely

---

[45] YIC-S at para 33.

[46] YIC-S at paras 65–68.

Version No 1: 30 Sep 2026 (10:00 hrs)

highlight that both these positions appear to be congruent for the purposes of the present discussion in so far as the necessity of judicial assessment in determining the sum claimed represents the key consideration in coming to the conclusion as to whether the sum can be considered liquidated.

46 To recapitulate, it is neither novel nor unusual for the contours of a precise debt (even if a debt in theory is clearly in existence) to be dependent on some further substantive process. The law recognises numerous examples: claims for unliquidated damages or costs that necessarily is predicated upon some form of qualitative judicial assessment, contractual regimes calling for expert valuations, cases where some moneys is clearly owed but the appropriate cause of action is unclear (as was the situation in *Hope*), or payment mechanisms contingent upon certification by third parties which have not been obtained. In each instance, the quantum of the debt remains incapable of precise ascertainment until the evaluative exercise has been completed. The real inquiry is thus whether any further judicial involvement is required to perform a meaningful function in quantifying the debt. Where the amount instead follows objectively from the established facts and the operation of the parties' bargain, no such impediment arises, even if, as I have stressed earlier, in such cases, it remains technically open for a debtor to quarrel with the purported quantum arrived at on grounds that it is "disputed" (and hence, amounts to a disputed debt).

47 Finally, I return to discuss whether the context of a bankruptcy application affects the meaning of a "liquidated sum" as alluded to at [34] above. On this point, it would appear that one of the AR's primary concerns in his decision was the need to preserve the integrity of the insolvency process. Bankruptcy proceedings, being of a summary nature, would allow a creditor to recover debt without having to undergo the full process of adjudication for the

Version No 1: 30 Sep 2026 (10:00 hrs)

debt to be proven (see *Chimbusco International Petroleum (Singapore) Pte Ltd v Jalalludin bin Abdullah* [2013] 2 SLR 801 ("*Chimbusco*") at [35] and [37]–[38]). The AR thus appeared to take the view that the court cannot allow the recovery of sums requiring investigation beyond mere arithmetic and/or determination by the court (Judgment at [49]). The AR also recognised that whether a debt is for a "liquidated sum" is an anterior question going towards whether the court's bankruptcy jurisdiction is engaged. That is a separate and distinct inquiry from any disputes raised by a debtor as to his liability to repay the debt. He concluded that it is not inconsistent with the robust approach taken by the courts towards a debtor's defences to liability to exercise scrutiny over the creditor's supporting grounds to determine the said anterior question of whether the court's bankruptcy jurisdiction is engaged – by determining whether the debt is properly a "liquidated sum" (Judgment at [49]).

48 The AR's apparent concerns about ensuring that the insolvency or bankruptcy process is not employed as a substitute for the ordinary determination of disputed claims are legitimate, understandable and entirely logical. However, these concerns do not justify imposing what I have explained to be an unduly restrictive conception of what amounts to a liquidated debt in contract. As I clarified at [21] above, the AR's propositions essentially set out stringent requirements for *how* a sum is ascertained, but neither the relevant statutory provisions nor the case law suggests that the *method* of ascertainment of the sum is or should be restrictive. Instead, the authorities point to the opposite conclusion that a valid "debt for a liquidated sum" can arise in a great number of scenarios. Further, it is trite that in bankruptcy proceedings, the legal burden rests on the applicant to show that a debt is owed while the putative debtor has an evidential burden of raising any triable issues to dispute the debt (*Chimbusco* at [44]). I agree with Mr Teo that the very stringent requirements suggested by the AR for a contractual debt to be considered a "liquidated sum"

Version No 1: 30 Sep 2026 (10:00 hrs)

would unduly place the burden on a creditor to prove that the calculation of the debt is undisputed.

49 Along these lines, the Respondent argues that to permit a claim whose existence and quantum is dependent upon unilateral investigative findings would be to undermine the jurisdictional safeguards embodied in s 311 of the IRDA and allow the insolvency regime to be used to enforce disputed claims which ought properly to be determined in civil proceedings.[47] I am unable to agree, as a matter of law, that for this reason, all claims based on investigative findings cannot support a bankruptcy application. Implicit in the Respondent's submission is that the true inquiry is whether a triable issue or substantial dispute as to the debt arises such that the matter should more appropriately be determined by a civil court. This is related to the true touchstone of whether a debt is of a "liquidated sum", *ie*, whether judicial involvement is needed to quantify the sum payable. There is thus no principled basis to reject a debt based on unilateral investigative findings solely for that reason. Should there be any concerns that a putative debtor faces unusual difficulty in disputing a debt, the court nevertheless retains a "residual discretion" to dismiss insolvency proceedings (see *Chimbusco* at [46]) or to set aside a statutory demand as in the present case (see r 68(2)(*e*) of the Personal Insolvency Rules). Therefore, a bankruptcy court is entirely capable of determining whether a claimed debt should more properly be determined by a civil court and the Respondent's concerns are unfounded.

50 There is another, related, point. As a matter of practicality, if a sum is not properly disputed, yet does not satisfy the strict requirements to be considered a "liquidated sum" as suggested by the AR, the parties would be

---

47 Respondent's Reply Submissions dated 11 May 2026 ("RS2") at para 18.

Version No 1: 30 Sep 2026 (10:00 hrs)

faced with a rather anomalous situation where the creditor must apply for a summary judgment to claim the debt. The integrity of the insolvency regime is not, in my mind, enhanced by requiring an intervening action that would serve no substantive purpose in so far as it would require a creditor to obtain a civil judgment for the same seemingly indisputable uncontested sum, before re-commencing bankruptcy proceedings. On facts such as the present, this would be creating more steps but with no actual additional substantive safeguards, which is precisely intended to be avoided by summary proceedings. The insolvency court is in just as good a position as the civil court to determine whether the putative debtor is indeed a debtor – if the parties' rights can be determined by the summary proceedings, referring the parties to the civil court would do little more than consume additional time, costs and judicial resources (see also *Chimbusco* at [39]). This is further reason why the inquiry as to whether a debt is of a liquidated sum should be directed to whether the intervention of the court remains necessary for the purpose of quantifying the debt. If no such intervention is necessary to concretise the quantum of such debt because it flows objectively once the relevant facts have been established, then the debt should properly be regarded as liquidated.

51 For completeness, I note that it has been suggested that if a contractual sum includes a sum which is "held to be 'penal'", the claim cannot be liquidated (*Fletcher* at para 6-047). I agree with such a proposition as such sums are simply not recoverable by operation of the rule against penalties, as was also alluded to by the AR (Judgment at [46]). Cursorily, I also observe that even *liquidated* damages clauses in contracts providing for a specific amount often face issues with enforceability as they are argued to be penalty clauses. Should there be a bankruptcy application proceeded on a contractual *liquidated* damages clause that is disputed to be penal, the sum claimed would then nevertheless not be a debt for a liquidated sum capable of supporting a bankruptcy application as the

Version No 1: 30 Sep 2026 (10:00 hrs)

issue of enforceability must be first judicially determined. I make this observation only to illustrate that even a label of "liquidated" does not mean that the sum can be called a "debt for a liquidated sum". Returning to the test, if a sum claimed is properly disputed to be penal, this is a legal question that must be judicially determined and there is thus no debt for a liquidated sum notwithstanding the label "liquidated".

52 The Respondent now argues that the Clawed-Back Commissions are unenforceable as the amounts claimed are excessive and seek to deter breach of the RA and not to compensate the Appellant's loss.[48] This was not a point argued before the AR and is raised for the first time on appeal. To the extent that the Respondent is belatedly attempting to raise some triable issue in the sense that the Clawed-Back Commissions are penal and unenforceable, I reject such an argument as the Respondent's sparse submissions and evidence have not provided any legal or factual basis for considering it any further. In any event, as I shall explain later, the Clawed-Back Commissions are plainly not penal in nature (see [66] below).

53 At this juncture, it would suffice for me to observe that if a sum claimed is properly disputed to be penal, a court must necessarily be involved in ascertaining the debt. Such a dispute being legal in nature would likely be one that is considered substantial and a statutory demand may be set aside on this basis (see r 68(2)(*b*) of the Personal Insolvency Rules). However, as the evidential burden would be on the debtor to raise such a "defence", should the debtor fail to do so, there is no reason to conclude that the debt is not one for a "liquidated sum", especially if it is ascertainable from the parties' contract. This must be so, or any debtor could set aside a statutory demand by spuriously

[48] RS2 at para 5.

Version No 1: 30 Sep 2026 (10:00 hrs)

claiming that various legal questions must first be judicially determined and the claimed debts are thus not liquidated ones.

54 To summarise what has been traversed hitherto, whether a debt is of a "liquidated sum" depends on whether it is ascertained by a process of quantification which is already complete, without any need for judicial assessment or involvement in quantifying the debt. The authorities do not suggest that a "liquidated sum" must be ascertained or ascertainable only as a matter of mere arithmetic. On the contrary, they show that the need for further investigation, regard to extrinsic facts, or even an exercise of judgment on the part of the creditor or other third parties, would not alone render a debt an unliquidated one. In the case of a contractual debt, there is no requirement that the sum must be ascertained in accordance with a contractual formula or machinery as a matter of mere arithmetic. All that is required is that the process of quantification is agreed upon such that the contractual liability under the agreement can properly give rise to a debt that can be properly called a "liquidated sum" capable of supporting a bankruptcy application. Where such an ascertainment is an objective one that flows from the established facts and the operation of the parties' bargain, the debt would all the more be that of a liquidated sum.

Application to the facts

55 Having set out the law above, I return to the present case to determine if the AR's decision to set aside the SD should be upheld.

56 Turning first to the Clawed-Back Commissions, I am of the view that they constitute a debt of a "liquidated sum" and that that part of the SD should not have been set aside (see [11] above). The test is whether the sum was ascertained by a process of quantification which is already complete, without

Version No 1: 30 Sep 2026 (10:00 hrs)

any need for judicial assessment or involvement in quantifying the debt. The sum being a contractual liability, must also be a pre-ascertained liability in the sense that the process of quantification has been agreed by the parties (see [41] above).

57 In my view, the Clawed-Back Commissions require no judicial involvement in the quantification process. The Respondent submits that the Appellant is seeking recovery of the sums under the "misconceived notion" that it may do so pursuant to its "contractual rights".[49] However, the AR concluded, and I see no reason to disagree, that the Appellant had a contractual entitlement to recover the sums in the SD (see [9] above). I therefore see no legal question to determine the claimed debt that requires the court's assessment here. In this connection, I would also observe that the nature of a clawback would rarely be controversial as it is simply a return of moneys received that, for whatever reason, should not have been paid.

58 Further, the Clawed-Back Commissions can properly be said to be a pre-ascertained liability despite the unilateral investigation conducted by the Appellant. As a starting point, the case law shows that the requirement for a pre-ascertained liability does not mean that the contract itself must solely furnish and specifically provide for the entirety of the quantification exercise (see [42] above). The AR, however, appears to have rejected the Clawed-Back Commissions as the relevant contracts did not specify (a) the sum entitled to be clawed back (Judgment at [52]), and (b) the manner in which the sum would be calculated (*ie*, an assessment of the Respondent's breach) as a matter of arithmetic (Judgment at [53]). Neither of these considerations are requirements

[49] RS2 at para 3.

Version No 1: 30 Sep 2026 (10:00 hrs)

for the contractual debt to be considered a liquidated one, nor should they have been determinative to the inquiry as a matter of practicality. I explain.

59 First, the AR's rejection of the Clawed-Back Commissions is inconsistent with his acceptance of the IO Liability as a debt for a liquidated sum where the relevant contractual provision, Clause 12 of the SA, likewise did not specify a sum payable (see [13] above). By allowing the IO Liability, the AR recognised that if a sum payable is not specified in the contract, this does not in and of itself render the sum an unliquidated contractual debt. This inconsistency was somewhat addressed by the AR, albeit in relation to how both these sums involved some assessment on the Appellant's part. He explained that the IO Liability may be treated differently as Clause 12 of the SA "*allows* [the Appellant] to determine these liabilities by reference to what it identifies as owing by [the Respondent's] subordinates at the material time" [emphasis added], whereas the process of identifying the policies affected by pooling, *ie*, investigation, is extrinsic to Clause 31A of the RA and not specifically provided for (Judgment at [61]).

60 With respect, this distinction seems to be one of characterisation rather than substance. I say this because whether the factual query is "pursuant to" the contract or "extrinsic" to it, the inquiry serves essentially the same practical function: it identifies the objective factual predicates upon which the contractual obligation operates. The reasoning employed by the AR appears tantamount to suggesting that Clause 12 of the SA authorises the Appellant to make findings about its subordinates' liabilities, while Clause 31A of the RA does not authorise the Appellant to make findings about the Respondent's conduct. This, with respect, does not appear to be correct. In each case, the contract identifies the category of recoverable sums, whilst the creditor must undertake a factual inquiry based on objective historical matters to identify the transactions falling

Version No 1: 30 Sep 2026 (10:00 hrs)

within that category. It is therefore not immediately apparent as to why the methods to arrive at the sums which the Appellant was clearly entitled to under both clauses should be treated differently, whether by saying they were intrinsic or extrinsic to the agreement, or otherwise. In any event, the characterisations by the AR are not determinative as to whether the sums are liquidated given the applicable law I have set out (see [54] above). In my mind, there is also no reason to require Clause 31A to expressly authorise the Appellant to make such findings through an investigation – indeed, one would have thought that it is necessarily implicit in any clawback provision that the party exercising such powers must first determine that the triggering condition has been met, and to what extent.

61 Second, the fact that Clause 31A of the RA provides that the Respondent is liable to pay "all such sums" to the Appellant in the event of a breach itself suggests that the Clawed-Back Commissions are, in any event, a pre-ascertained liability. As Mr Teo submits, the provision for "all such sums" means, in this context, the sum of commissions which had been paid to the Respondent but ought not have been paid in light of material breaches he committed.[50] This is precisely the sum factored into the Clawed-Back Commissions. I thus agree with the Appellant that the RA in fact *specifies* the sum claimed, *ie*, 100% of commissions that it is entitled to claw back.[51] Again, the fact that investigation into the Respondent's conduct was necessary to arrive at a specific sum does not destroy the nature of the liability being a pre-ascertained one. However, given the nature of the arguments presented before me, I should clarify that such a finding is restricted to these present facts and does not amount to blanket

50 YIC-S at para 72.

51 AS1 at paras 36–39.

Version No 1: 30 Sep 2026 (10:00 hrs)

approval that all similar contractual provisions for "all" such sums would necessarily always produce a pre-ascertained liability.

62 Flowing from all the above, the Clawed-Back Commissions fulfil the requirements of being a debt of a "liquidated sum". Although any investigation into the Respondent's conduct would require some unilateral assessment on the Appellant's part, this also does not in and of itself mean that the sum is not a liquidated one. In the first place, the wrongdoing of pooling here – where sales closed by one representative are passed on to another representative who was not involved in those sales – is not one that would require any especially subjective or qualitative assessment to determine that a representative had engaged in such a practice. Once the investigation was concluded, the ascertainment of the sums owed flowed entirely and objectively from these established facts and by operation of the various contractual provisions (see [44] above). In this sense, the process of quantification had been contractually agreed upon by the parties (see [56] above). As acknowledged by the AR, the individual sums attached to the various policies were contractually provided for in the Schedule of Commissions (Judgment at [55]). The Appellant even adduced the commission statements of the Respondent and his subordinate to support its claim, which reflected the sums actually paid and received (Judgment at [52] and [60]).

63 In my view therefore, the only possible room for argument pertains to how the policies had to be first identified by the Appellant's investigation, as the rest of the ascertainment of the sum claimed in this case simply flowed as a result of these findings. I have already explained why any such investigation does not, without more, prevent the debt from being a "liquidated sum" and further, why it was not necessary that the process of investigation was specifically authorised by the contracts. Beyond that, the relevant contractual

Version No 1: 30 Sep 2026 (10:00 hrs)

"machinery" here operated automatically once the results of the investigation was "input" as a matter of which policies were affected by pooling – this resulted in the eventual sum being ascertained as a purely mathematical exercise (even if there were such stringent requirements). No judicial function is necessary to quantify this sum. Therefore, I see no reason why the Clawed-Back Commissions are not a debt for a "liquidated sum".

64 The present situation is thus one where there is a clear claim in contract involving an explicit repayment obligation and the investigation only served to identify the factual circumstances in which the objectively calculable debt arose. It can be distinguished from cases such as *Hope* where the creditor's entitlement to the remedy is entirely unaddressed by the parties' contract and requires judicial assessment to be determined (see [31] above). I reiterate that there is nothing before me to suggest that there is any legal question that can only be answered by a court before the Clawed-Back Commissions can be ascertained.

65 I make the additional observation that, on these particular facts, the AR's rejection of the Respondent's sole challenge to the Clawed-Back Commissions being that he denied the allegations of pooling (a finding I see no reason to disagree with) necessarily goes towards both inquiries as to whether there is a triable issue and whether the debt is of a liquidated sum although these are separate and distinct inquiries.

66 In relation to whether a triable issue was proven, I agree with the AR's explanations at [35]–[39] of the Judgment for why this sole challenge, being the Respondent's bare assertion entirely unsupported by evidence, did not give rise to a triable issue capable of setting aside the SD. On appeal, the Respondent likewise raises no further arguments amounting to a triable issue, let alone meets the higher threshold of disputing the debt on "substantial grounds" as required

Version No 1: 30 Sep 2026 (10:00 hrs)

by r 68(2)(*b*) of the Personal Insolvency Rules (Judgment at [35]). This is save for what appears to be a belated attempt to argue that the Clawed-Back Commissions are penal, which I have already rejected earlier at [52] above. I would add that it is difficult to see how the sums claimed, being in the nature of a clawback, *ie*, the *exact* moneys that were paid but should be returned, can in any way be considered penal or excessive. As stated above, the AR also acknowledged that the Clawed-Back Commissions constituted the precise sums of money as reflected in the Respondent's previous commission statements that he indeed received (Judgment at [52]). There is therefore no basis for the suggestion that these sums are penal in nature.

67 As to whether the debt is of a liquidated sum, again, the AR's main concern with the Clawed-Back Commissions was that they had to be first identified through a process of investigation. For various reasons related to the involvement of this investigative exercise, the AR held that the debt was not a "liquidated sum". However, the investigation only went towards determining what policies were affected by pooling. This was the only "variable input" that factored into the Appellant's ascertainment of the Clawed-Back Commissions, which, I have explained, then flowed objectively from these findings as a result of the relevant contractual provisions. In this sense, the finding that the Respondent had no basis to deny the allegations of pooling also removed the practical significance of the only relevant and variable factor (at least in the AR's mind) in relation to *how* the sum was ascertained, which sits at the heart of the inquiry as to whether a debt is of a "liquidated sum".

68 I make the above observations to elucidate the clear overlap in this case between a question of whether a debt can be disputed versus whether a debt is of a "liquidated sum". As the Respondent's only challenge was to deny the allegations of pooling, the Respondent should have adduced evidence that the

Version No 1: 30 Sep 2026 (10:00 hrs)

outcome of the investigation should not be accepted by the court. Depending on how the Respondent were to pitch such a case, the result may either be that the SD should be set aside as a triable issue or genuine dispute arises, or, that the debt is not of a "liquidated sum" as the Respondent has shown that some further judicial process would be necessary to properly ascertain the sum. On either outcome, what remains is still that the court must make its own assessment on the facts as to whether it must become further involved, beyond its role in summary proceedings, to determine the matter.

69 In this regard, I would observe that the Appellant makes a strong case as to why it is entitled to the sums claimed in the SD. The Respondent has not provided any legal or evidential reason to the contrary. On the present facts, the ascertainment of the sum to be clawed back was a *fait accompli* (see [62] above). In these circumstances, the AR's insistence on stringent and restrictive approaches to *how* a sum is ascertained was unwarranted as this ultimately served no practical or principled purpose. The integrity of the insolvency regime lies in ensuring that genuinely disputed claims are first adjudicated. That is precisely why the inquiry as to whether a debt is of a "liquidated sum" is answered also in relation to whether judicial assessment is necessary to ascertain the sum payable.

70 Finally, I turn to the Fees and the IO Liability (see [12] and [13] above). I see no reason to disturb the AR's findings that these were debts of a "liquidated sum" that satisfied s 311(1)(*b*) of the IRDA given the test I have identified. The sums were clearly ascertained by a process of quantification which is already complete, without any need for judicial assessment or involvement in quantifying the debts. Flowing from my finding above that the Clawed-Back Commissions likewise satisfy s 311(1)(*b*) of the IRDA, the Fees and the IO Liability are no longer a "standalone" debt that fails to meet the minimum

Version No 1: 30 Sep 2026 (10:00 hrs)

requirement that the sum owed must be at least $15,000 (see [15] above). Collectively, the debts claimed in the SD thus satisfy the requirements under s 311 of the IRDA, and the SD should not have been set aside pursuant to r 68(2)(*e*) of the Personal Insolvency Rules.

Conclusion

71 For the reasons above, I allow the appeal. Given my conclusions, I am also of the view that the AR's award of costs to the Respondent should be reversed. The Respondent is therefore to refund the sum of $5,000 to the Appellant.

72 On the matter of costs for the appeal, having regard to the applicable guidelines and how the matter unfolded before me, I order that costs of $10,000 (inclusive of disbursements) be paid by the Respondent to the Appellant.

73 It leaves me to thank Mr Teo for his assistance in this case. His submissions, both written and oral, were clear, well-considered and impressively comprehensive. As should be evidenced by the reasons I have provided above, his submissions provided considerable assistance in illuminating the relevant issues and in unknotting some of the Gordian knots in this case.

Mohamed Faizal
Judge of the High Court

Version No 1: 30 Sep 2026 (10:00 hrs)

Ng Yeow Khoon, Ho Wei Liang Sherman and Leong Kit Weng (Shook Lin & Bok LLP) for the appellant;
Mary Magdeline Pereira (Whitefield Law Corporation) for the respondent;
Teo Jim Yang (Messrs Ascendant Legal LLC) as Young Independent Counsel.

Version No 1: 30 Sep 2026 (10:00 hrs)