IN THE SINGAPORE INTERNATIONAL COMMERCIAL COURT
OF THE REPUBLIC OF SINGAPORE

[2025] SGHC(I) 5

Originating Application No 23 of 2024

In the matter of Section 252 and the Third Schedule of the Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed)

And

In the matter of Article 15 of the UNCITRAL Model Law on Cross-Border Insolvency

And

In the matter of Quoine Pte Ltd

(1) Quoine Pte Ltd
(2) Kurt Steven Knipp
(3) Philippe Armand Hubert Taverne

…Applicants

GROUNDS OF DECISION

[Insolvency Law — Cross-border insolvency — Recognition of foreign insolvency proceedings]

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Re Quoine Pte Ltd and others

[2025] SGHC(I) 5

Singapore International Commercial Court — Originating Application No 23 of 2024
James Michael Peck IJ
4, 12 February 2025

26 February 2025

James Michael Peck IJ:

Introduction

1 These are the grounds of decision for an order of the Singapore International Commercial Court (the "SICC" or the "Court") issued on 12 February 2025 following consideration of an application for recognition of Quoine Pte Ltd's ("Quoine") voluntary case (Case No. 22-11161-JTD) (the "Quoine Chapter 11 Case" or "Quoine's Chapter 11 Case") on 11 November 2022 under Chapter 11 of the United States Bankruptcy Code 11 USC (US) (1978) ("Bankruptcy Code") as either a foreign main or non-main proceeding and for additional appropriate reliefs relating to recognition of certain orders entered by the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

2 Quoine is a private company limited by shares incorporated in Singapore on 15 May 2014. It has a registered office in Singapore[1] and is one of the affiliates of FTX Trading Ltd ("FTX"). In November 2022, FTX and approximately one hundred other corporate debtors affiliated with FTX including Quoine filed for bankruptcy relief under Chapter 11 in the Bankruptcy Court.[2] These bankruptcy cases (the "Chapter 11 Cases") for FTX and its affiliated enterprise group (the "FTX Group" or the "FTX Debtors") were precipitated by a collapse of the FTX Group due to well-documented gross mismanagement and misconduct. The Chapter 11 Cases for the FTX Debtors have been jointly administered in the Bankruptcy Court where they have been centred and pending for over two years.

3 Given the high profile and importance of the FTX Group within the global market for cryptocurrency and digital assets, the filing for bankruptcy relief in Delaware was a shocking event for the crypto ecosystem and was headline news worldwide.

4 As described in this decision, however, the Chapter 11 Cases marked the beginning of a constructive process that centralised all restructuring activities for the FTX Debtors in a single jurisdiction with a highly developed insolvency regime, *viz,* the District of Delaware in the United States (the "US"). The result is that the calamitous failure of the FTX Group has ended well with a successful restructuring for the benefit of all stakeholders.

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1 Applicant's written submissions at para 17.

2 Applicant's written submissions ("AWS") at para 13; David Johnston's affidavit dated 21 November 2024 ("David Johnston's affidavit") at para 8.

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5 Quoine, as a separate entity within the FTX Group's corporate structure, commenced the Quoine Chapter 11 Case on 11 November 2022.[3] The Quoine Chapter 11 Case was administered in the Bankruptcy Court for approximately two years before the decision was made to apply for relief in Singapore. The current application for recognition from this Court, as explained in this decision, was essentially dictated under terms of the Plan (as defined in the next paragraph).

6 Following a period of unusually intense efforts to trace and recover assets, investigate the misconduct and conspicuous failures of management and restructure the FTX Group's global crypto businesses and trading platforms, the Bankruptcy Court entered an order on 8 October 2024 (the "Confirmation Order") confirming the "Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates", as supplemented by the "Second Amended Plan Supplement" filed on 3 October 2024 (collectively, as amended, restated or supplemented from time to time, the "Plan").[4]

7 The Plan was predicated on a bankruptcy law doctrine in the US known as substantive consolidation, which can be applied to business enterprises with operations, assets and intercompany transactions that are so intertwined that they cannot be readily and economically separated. The Plan provided for collecting the assets and liabilities of the various affiliates of FTX within a judicially mandated structure (in this instance, a Delaware Consolidated Wind

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3 David Johnston's affidavit at para 7.

4 David Johnston's affidavit at paras 9–10.

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Down Trust)[5] and disregarding corporate separateness. Notionally distinct corporations within the business enterprise were combined by operation of the Confirmation Order to become a single estate with pro rata sharing by all creditors of the FTX Debtors.

8 Quoine, due to its status as a Singapore entity, was not automatically granted the right to participate in this combined pool of FTX Group assets and liabilities. Quoine's Chapter 11 Case first had to be recognised in Singapore, either as a main or non-main foreign proceeding, under the provisions of the UNCITRAL Model Law on Cross Border Insolvency (30 May 1997) adopted in Singapore by way of s 252 and the Third Schedule of the Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) (the "SG Model Law"). Recognition in Singapore was a prerequisite for Quoine's creditors to receive enhanced distributions under the Plan.

9 The language of the Plan on this requirement reads as follows:[6]

> The Debtors may determine, no later than 180 days after the Confirmation Date, to exclude Quoine Pte. Ltd. from the Plan and treat Quoine as an Excluded Entity in the event that the Singapore International Commercial Court has not entered orders in form and substance reasonably acceptable to the Debtors (i) recognizing the Chapter 11 Case of Quoine Pte. Ltd. in Singapore and (ii) granting full force and effect in Singapore to the Confirmation Order, the Digital Assets Estimation Order and the Claims Bar Date.

10 With the objective of satisfying this condition, on 21 November 2024, the applicants, comprising Quoine and its two foreign representatives (identified

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5 David Johnston's affidavit at para 80. See also Originating Application No 23 of 2024 ("OA 23") at p 682.

6 See the Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates at para 1.2; OA 23 at p 716.

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in [32]), commenced SIC/OA 23/2024 ("OA 23") in the SICC seeking recognition under the SG Model Law of the Quoine Chapter 11 Case, the Plan, the Confirmation Order and various other administrative orders entered in the jointly administered Chapter 11 Cases.

11 The relief requested by the applicants in OA 23 was needed to comply with this pivotal (and also quite unusual) requirement of the Plan (quoted in [9] above) mandating recognition within 180 days of entry of the Confirmation Order, failing which Quoine and its creditors could suffer the material adverse consequence of being treated as an "Excluded Entity" and deprived of the right to receive larger distributions from the substantively consolidated estates of the FTX Debtors.

12 The Plan's language served as a kind of ultimatum to Quoine that said, in substance, "get recognised in Singapore or else". Either the Quoine Chapter 11 Case and certain specified orders would become effective in Singapore before the deadline or there was the threat of a prejudicial diminution in distributable value for the benefit of Quoine's creditors.

13 The applicants commenced OA 23 to fulfil this requirement and sought relief with consequences rarely seen in a cross-border insolvency context. Recognition typically is concerned solely with the coordination of judicial proceedings to assure that restructuring terms and insolvency-related judgments are enforceable and will be followed in another relevant jurisdiction. However, the relief here would determine the right to a materially better recovery, bringing it outside the customary procedural realm of harmonising differences between insolvency regimes (*eg*, giving full force and effect to orders of a foreign insolvency tribunal to facilitate implementation of a restructuring or liquidation in another jurisdiction).

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14 This additional factor, while notable, did not change any of the pertinent considerations for recognition. The baseline standards remain the same despite this added economic twist, but it did provide informative context to the analysis. Recognition in this instance was not just a neutral aspect of case administration but a finding that would trigger an increase in the quantum of recoveries.

15 To deny relief meant that Quoine would be excluded from otherwise beneficial, consolidated treatment under the Plan, which would cut the Quoine Chapter 11 Case adrift and relegate its creditors to significantly diminished and delayed projected recoveries to be realised in a future separate liquidation of Quoine's assets. To grant relief meant that Quoine would be entitled to its share of greater collective estate recoveries under the consolidated Plan.

16 Solicitors for the applicants presented a comparative analysis with projections estimating a much lower return to creditors in a hypothetical stand-alone liquidation.[7] The choice was economically significant and quite clear.

17 Given the plainly superior returns to Quoine's creditors that would result from a grant of relief under the SG Model Law, it came as no surprise that the application for recognition in OA 23 went forward without opposition from any interested party. The hearing conducted *via* Zoom involved a detailed presentation by the applicants' solicitors and a close examination of the issues. It was an uncontested hearing but a robust one that lasted about two hours, with particular attention placed on the two pivotal issues discussed in this decision.

18 The first of these was whether it was appropriate for the Quoine Chapter 11 Case to be recognised as a main proceeding due to changes in the custody of

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7 David Johnston's affidavit at pp 3977–3978.

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assets and in corporate governance that naturally had occurred following 11 November 2022 when the FTX Group collapsed and commenced their Chapter 11 Cases.[8] These changes all pointed to the US as the centre of main interests (*ie*, Quoine's proper "COMI"), but applicable Singapore case authorities, while helpful to the analysis, did not offer binding authority as to the sufficiency of these factors.

19 The Court, however, did consider Quoine's post-petition contacts to the US to be objective, legitimate and compelling. These included the transfer of Quoine's assets to banks and custodians in the US,[9] the appointment of new directors from the US,[10] and most evidently from the viewpoint of all creditors, centralised administrative and restructuring activities for Quoine and the other FTX Debtors that were taking place under the supervision of the Bankruptcy Court.[11]

20 The change in management at FTX and the involvement of the Bankruptcy Court were developments that were plainly visible to all creditors. Creditors, wherever located, were on notice that Quoine was one of the FTX Debtors and knew that the Quoine Chapter 11 Case was in the Bankruptcy Court and was the only insolvency proceeding for Quoine that was pending anywhere.

21 That proceeding for Quoine was being jointly administered with the Chapter 11 Cases for the other FTX Debtors. As discussed below, the US functioned as a centralised clearinghouse for addressing the global restructuring

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8 AWS at paras 61–66; Minute Sheet (4 February 2025) at pp 9–11.

9 David Johnston's affidavit at para 49; AWS at para 69.

10 David Johnston's affidavit at paras 90–91; AWS at para 71.

11 AWS at para 70.

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needs of the FTX Debtors. Very plainly, all FTX-related restructuring work was happening within a collective proceeding in the Bankruptcy Court, leading to the natural inference that Quoine had a readily observable presence in the US. That presence provided support for classifying the Quoine Chapter 11 Case as a main proceeding under the SG Model Law.

22 The second pivotal issue involved consideration of the meaning and proper application of the phrase "any appropriate relief" as used in the *chapeau* or preamble of Art 21(1) of the SG Model Law. While the plain meaning of the expression indicated that it should be interpreted broadly (see Re *Terraform Labs Pte. Ltd.* [2025] SGHC(I) 4 ("*Terraform Labs*") at [81])), appropriate relief is not a limitless concept and must be grounded in showings that fit the needs of each case.

23 The Court explored the long list of reliefs that had been requested by the applicants in OA 23 and determined that the list referenced a considerable number of Bankruptcy Court orders that had not been specified in the Plan's express recognition requirement as quoted in [9] above. For that reason, some of these requests appeared to be optional and might be viewed as pushing the envelope of "any appropriate relief", giving rise to questions as to whether each and every one of the requested reliefs was *appropriate*.

24 The Court granted all reliefs mandated by the Plan (and additionally recognised the order approving disclosure procedures and two orders governing procedures for giving notice to creditors) and concluded that appropriate relief under Art 21(1) of the SG Model Law should be connected to the well-articulated purposes of cross-border case administration.

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25 The next section of this decision sets forth additional background information concerning Quoine, its bankruptcy and its relationship to FTX. It is followed by sections concerning the grounds for recognising the Quoine Chapter 11 Case as a foreign main proceeding under the SG Model Law and for placing reasonable boundaries around the concept of "any appropriate relief" as used in Art 21(1) of the SG Model Law.

Certain additional background information regarding Quoine and its application for relief

26 Prior to November 2022, Quoine engaged in the business of trading virtual currency, including cryptocurrency, and operated a cryptocurrency exchange platform (named Liquid.com) for customers in Singapore and other jurisdictions.[12]

27 FTX Japan Holdings K.K. was a wholly owned subsidiary of FTX and the sole shareholder of Quoine.[13] Before its dramatic failure, the FTX Group was a major player in the crypto space and had operated one of the world's largest digital asset exchanges.[14]

28 As has been widely reported, the FTX Group was critically lacking in effective management, governance, and organisational structure and suffered from severe deficiencies in internal controls related to digital asset management, information security and cybersecurity, resulting in the commingling, misappropriation, and misuse of customer deposits.[15] These factors, along with

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12 David Johnston's affidavit at para 18 and 21; AWS at para 8.

13 David Johnston's affidavit at para 20.

14 David Johnston's affidavit at para 26.

15 David Johnston's affidavit at pp 684–685; AWS at para 11.

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market volatility and a sharp downturn in values within the cryptocurrency sector, caused an acute liquidity squeeze in early November 2022 that precipitated the critical need for bankruptcy relief.[16]

29 On 11 November 2022, John Ray, an experienced independent restructuring professional, was appointed as the new CEO of the FTX Debtors, and on that same date, the FTX Debtors commenced their voluntary Chapter 11 Cases in the Bankruptcy Court.[17] These cases, including the Quoine Chapter 11 Case, moved forward under the direction of new management and the supervision of the Bankruptcy Court.

30 Following an almost two-year period of hard work needed to sort through and make sense of the disorder left behind by former management, on 30 September 2024, the FTX Debtors filed their Plan that was confirmed on 8 October 2024 and became effective on 3 January 2025.[18]

31 The Plan provided for a restructuring of the FTX Debtors in a number of important respects including: (a) settlements of several key legal issues, including customers' alleged property interests in and entitlements to digital assets and fiat currency in the possession of the FTX Debtors (including Quoine); (b) the consolidation of all assets and liabilities of the FTX Debtors (including Quoine, provided that it was not deemed an "excluded entity") into a wind down trust of pooled assets and liabilities such that claims of creditors against previously separate Debtors would become claims against a consolidated pool of assets; (c) distribution "waterfalls" to govern the treatment

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16 David Johnston's affidavit at para 31 and p 686; AWS at para 12.

17 David Johnston's affidavit at paras 32–33.

18 David Johnston's affidavit at paras 9–10; AWS at para 3.

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of various classes of claims; and (d) a good-faith compromise, settlement and resolution of all claims and causes of action against, by, or among the FTX Debtors.[19]

32 On 13 November 2024, Quoine passed a board resolution appointing Mr Kurt Knipp and Mr Philippe Taverne as Quoine's foreign representatives.[20] The foreign representatives promptly brought this application to secure recognition of Quoine's Chapter 11 Case as a foreign main or non-main proceeding in Singapore, so that the restructuring of Quoine would be effective and enforceable in the place of its registration and its creditors would qualify for increased distributions as contemplated by the Plan.

33 The deadline established under the Plan for the foreign representatives to achieve recognition of Ouoine's Chapter 11 Case in Singapore was 6 April 2025 (180 days after entry of the Confirmation Order).[21] Recognition of Quoine's Chapter 11 as a foreign main case occurred on 12 February 2025, well before the Plan deadline.[22] Accordingly, the Plan has been given full force and effect in Singapore and the condition quoted at [9] above has been satisfied.

34 The next section discusses authority supporting the conclusion that Quoine's Chapter 11 Case was properly recognised as a main foreign proceeding.

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19 David Johnston's affidavit at paras 77–87; AWS at para 15.

20 David Johnston's affidavit at p 3973.

21 David Johnston's affidavit at para 11.

22 SIC/ORC 16/2025.

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Quoine's Chapter 11 Case was recognised as a foreign main proceeding because its COMI shifted to the US following the collapse of the FTX Group

35 This Court recently provided useful guidance on questions of recognition of foreign proceedings under the SG Model Law in *Re PT Garuda Indonesia (Persero) Tbk and another matter* [2024] 3 SLR 254 ("*Garuda*"). *Garuda* involved a *Penundaan Kewajiban Pembayaran Utang* ("PKPU") restructuring proceeding in Indonesia (meaning a "suspension of payments" proceeding), but the considerations in *Garuda* are equally applicable to our present case.

36 In finding that the restructuring should be recognised and did not violate public policy, the Court in *Garuda* pointed to the overriding purpose of the SG Model Law to promote the salutary aims of modified universalism to "ensure that all of the company's assets are distributed to its creditors under a single system of distribution" with a focus on providing an "effective procedural framework for co-operation and coordination, instead of the unification of substantive insolvency law" (at [67]–[68]).

37 The SG Model Law allows foreign representatives to gain access to this effective procedural framework in respect of recognition and reliefs by showing that a case complies with certain objective standards. The straightforward requirements for recognition of a foreign proceeding are set forth in Art 17(1) of the SG Model Law.

38 Recognition becomes mandatory upon showing that an application involves a foreign proceeding within the meaning of Art 2(*h*) of the SG Model Law, the applicant is a "foreign representative" under Art 2(*i*) and the application meets the requirements of Arts 15(2) and (3) and has been submitted to the proper court. As to whether a proceeding would qualify as a "foreign

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proceeding", the Court of Appeal in *Ascentra Holdings, Inc (in official liquidation) and others v SPGK Pte Ltd* [2023] 2 SLR 421 ("*Ascentra Holdings*") interpreted the definition under Art 2(*h*) as prescribing at least five cumulative requirements (at [29]):

> (a) First, that proceeding must be collective in nature.
>
> (b) Second, that proceeding must be a judicial or administrative proceeding in a foreign State.
>
> (c) Third, that proceeding must be conducted under a law relating to insolvency or adjustment of debt.
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> (d) Fourth, the property and affairs of the debtor company must be subject to control or supervision by a foreign court in that proceeding.
>
> (e) Fifth, that proceeding must be for the purpose of reorganisation or liquidation.

39 Satisfying the requirements outlined in *Ascentra Holdings* was never in doubt in OA 23. Solicitors for the applicants made a strong uncontested submission on the law and the facts supporting the conclusion that the second and third applicants were foreign representatives and that the Quoine Chapter 11 Case fit the definition of a foreign insolvency proceeding. Plainly (and with no one raising objections), recognition was appropriate. The only serious question was whether the present application met the standards for recognition as a main proceeding in view of the presumption, unless rebutted, that the place of registration (in this case Singapore) is the proper COMI.

40 Article 17(2) of the SG Model Law prescribes that a foreign proceeding should be recognised: (a) as a foreign main proceeding if it is taking place in the jurisdiction where the debtor has its COMI; or (b) as a foreign non-main proceeding if the debtor has an establishment in a foreign state within the meaning of Art 2(*d*) of the Model Law. In relation to Quoine, the choice between a main or non-main proceeding had no impact on the substantive rights

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of Quoine or its creditors since the relief required under the Plan was available and could be granted by the Court in either event. The application took the position that the same factors cited in support of recognition as a main case also supported non-main recognition.

41 The Court's finding that the Quoine Chapter 11 Case should be recognised as a main proceeding was influenced by prior decisions of the Singapore courts that considered factors for determining the proper COMI and helpful commentary on the subject set forth in the recent Court of Appeal decision in *British Steamship Protection and Indemnity Association Ltd and another v Thresh, Charles and another* [2024] 2 SLR 317 ("*British Steamship*").

42 The Court of Appeal in *British Steamship* surveyed the authorities that govern the proper determination of COMI and provided a comprehensive review and analysis of the COMI doctrine as it has been interpreted to date in Singapore.

43 *British Steamship*, while not directly controlling the COMI question addressed in this decision, did point out those factors to be weighed and the holistic process involved in finding where COMI should be placed for the purposes of the SG Model Law.

44 The decision is especially pertinent in relation to the present application in OA 23. *British Steamship*, in non-binding observations, postulated at [69] that the activities of foreign representatives, in certain situations, may be relevant considerations notwithstanding the contrary ruling of the High Court in *Re Tantleff, Alan* [2023] 3 SLR 250 ("*Tantleff*") indicating that whatever takes place after the commencement of an insolvency proceeding or Chapter 11 case should be of no significance (*ie*, an absolute bar) in evaluating COMI.

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45 Without deciding the issue or stating how the question should be decided in future cases, *British Steamship* openly invited reconsideration of *Tantleff*'s blanket exclusion of observable conduct by estate representatives during an insolvency proceeding that might point to a shift in COMI (at [70]).

46 The decision seemed to part ways with the *Tantleff* holding and to question whether it was appropriate to reject such post-petition factors, commenting that to do so would conflict with another one of *Tantleff*'s holdings that COMI should be evaluated as of the filing date of the present application for recognition. Where significant activity indicative of a shift in COMI has occurred in the good faith pursuit of an effective restructuring, it seems only right that the Court should take note of that activity in its COMI analysis.

47 In this case, the COMI question was being raised at the tail end of a very consequential restructuring for Quoine and about two years after the spectacular collapse of the FTX Group. Given that passage of time, it is not commercially realistic to ignore all that has transpired during this period of conspicuous crisis management in which Quoine's operations came to halt and its assets were brought to the US. All that is left in Singapore at this point is a shell entity with barely a sliver of a remaining presence.

48 *British Steamship* has been most helpful to the Court in illuminating the proposition that all objective criteria should be weighed when deciding whether a foreign proceeding fits the definition of a main proceeding. The strong gravitational force of the joint restructuring of the FTX Debtors pulled Quoine into that process for what has turned out to be a successful outcome for creditors because of all that took place in and around the Chapter 11 Cases in the US. The facts here are not in doubt, and the Court is satisfied that the US qualifies as the only proper COMI for Quoine.

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49 There is no need to repeat here the instructive discussion of the issues by Kannan Ramesh JAD in *British Steamship* which fully recounted the current state of the law in relation to COMI. One clear takeaway, however, is that the COMI analysis is dynamic and depends on the underlying facts in each case. Finding COMI will vary from case to case and will be based on the weight to be given to legitimate factors pointing to a particular jurisdiction that are readily and objectively ascertainable by third parties, especially creditors.

50 The Court of Appeal in *British Steamship* was unpersuaded by arguments seeking to override the presumption that Bermuda as the place of registration was the proper place for COMI. In considering whether there was cause to displace Bermuda as the presumptive COMI, the Court concluded that the factors advanced in that contested proceeding were insufficient and lacked credibility because, among other things, the conduct that supported placing COMI in Singapore had been undertaken in violation of local insurance regulations in Bermuda (at [59]). These steps were not proper or observable indicators of a shift in COMI and, as a result, did not count for purposes of displacing the place of registration presumption.

51 In contrast, the analysis regarding Quoine involved an uncontested showing of a purposeful COMI shift from Singapore to the US when Quoine voluntarily submitted to the jurisdiction of the Bankruptcy Court and its assets were transferred to accounts and custodians in the US to be managed and for secure safekeeping.

52 In carrying out its duties as one of the FTX Debtors, Quoine had a visible presence in the US throughout the well-publicised restructuring activities undertaken for all members of the FTX Group. This was a transparent process. Creditors were able to follow developments in the case on a creditor website

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established by Kroll Restructuring Administration LLC, the claims agent approved by the Bankruptcy Court.[23] It is not an exaggeration to state that every creditor was well aware that the Quoine Chapter 11 Case was pending in the US.

53 Without any purpose of "gaming the system", COMI for Quoine shifted to the US as a natural attribute of prudent case administration. Business activities in relation to Liquid.com were suspended in Singapore while Quoine's assets and cash deposits were swept into accounts in the US to better manage and properly account for the asset base of the FTX Debtors. All of this occurred in conjunction with an urgently needed crisis management exercise. Independent fiduciaries, restructuring professionals and crypto experts in the US were enlisted to locate and gain control over commingled, missing and misappropriated digital assets for the benefit of customers and creditors.

54 The indicators showing that COMI shifted from Singapore to the US were meaningful and undisputed. These factors include the following: Quoine no longer operated a business in Singapore and the Liquid.com exchange ceased doing business.[24] All cash was transferred to US bank accounts and all signatories for these accounts were changed to members of new management based in the US.[25] The digital assets formerly held by the Liquid.com exchange were moved to the custody of an entity in the US called BitGo Trust Company, Inc., with new management having authority over any disposition of these

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23 See, *eg,* David Johnston's affidavit at para 49 and 204–205.

24 David Johnston's affidavit at para 21.

25 David Johnston's affidavit at para 49.

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digital assets.[26] Quoine's board was composed of new directors from the US,[27] and transactions out of the ordinary course were all subject to approval by the Bankruptcy Court as required by s 363 of the Bankruptcy Code. And significantly, based on the Plan having become effective and the grant of the application, including recognition to the Quoine Chapter 11 Case as a foreign main proceeding, Quoine was qualified to become part of the consolidated Delaware trust established under the Plan.

55 Professionals in the US representing the FTX Debtors with the aid of the Bankruptcy Court took control of Quoine and other members of the FTX Group in a process that proved to be beneficial. The Plan has delivered an optimised recovery to creditors, demonstrating convincingly that the movement of assets from Singapore to the US was part of an effective strategy to secure the assets, sort out the terrible mess within the FTX Group and come up with the best possible result for creditors.

56 Thus, the presumption that Quoine's registered office in Singapore was the place of its COMI was displaced in this instance by a variety of objectively observable factors noted above: see *Re Zetta Jet Pte Ltd and others (Asia Aviation Holdings Pte Ltd, intervener)* [2019] 4 SLR 1343 ("*Zetta Jet 2*") at [30]–[33].

57 This determination that COMI for Quoine was in the US followed the approach summarised by the Court of Appeal in *British Steamship* at [37] and [48]:

> 37 The correct approach is to ascertain where the COMI is, based on factors readily and objectively ascertainable by third

[26] David Johnston's affidavit at para 49(e).

[27] David Johnston's affidavit at para 49(a).

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> parties, especially creditors (*Re Rooftop Group International Pte Ltd and another (Triumphant Gold Ltd and another, non-parties)* [2020] 4 SLR 680 ("*Re Rooftop*") at [12] citing *Zetta Jet 2* at [80]). This assessment is carried out as at the date of the recognition application (*Re Rooftop* at [12], citing *Zetta Jet 2* at [61]).
>
> …
>
> 48 The touchstone for assessment of COMI is the perception of third parties, especially creditors, as to where the debtor would open primary insolvency proceedings based on readily identifiable factors. …

58 The Quoine Chapter 11 Case, based on these criteria, was a primary proceeding that qualified as a foreign main proceeding under the SG Model Law. Creditors everywhere knew that Quoine had relocated to the US to restructure in the Bankruptcy Court. The circumstances favouring a COMI shift in this instance were clear and readily identifiable.

Appropriate relief should be tailored to the needs of the foreign proceeding

59 As noted in *Tantleff* at [78], a liberal approach to the grant of discretionary relief under Art 21(1) of the SG Model Law is followed by courts in Singapore, an approach that looks with favour to comparable case law on this topic from the US. Despite that expansive gloss, *Tantleff* looked more narrowly to Art 21(1)(*g*) for the authority to grant recognition of a bankruptcy court order rather than referring to the broader language contained in the preamble or "*chapeau*" of that provision.

60 However, the Court in *Garuda,* (cited at [35] above) disagreed with *Tantleff* on this point and found authority for granting relief in recognition orders grounded in the general language found in the "*chapeau*" of Art 21(1). The Court further noted that it would not be restricted unnecessarily in its ability to grant any type of relief that is required by the circumstances of the case: *Garuda* at [144].

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61 The language is open ended, allowing the Court to freely approve "any appropriate relief". Courts in Singapore, accordingly, have flexibility and the discretion to enforce foreign court orders in appropriate circumstances. The Court in *Garuda* relied on this language in its decision to enforce a foreign court order (involving an Indonesian PKPU restructuring as noted at [35]).

62 Although there is a difference in the statutory approaches to recognition of foreign court orders that were followed by *Tantleff* and *Garuda*, the result is the same. Both cases found grounds in Art 21 to support recognition in Singapore of insolvency-related court orders entered by foreign tribunals. This Court believes that the approach outlined in *Garuda* is the one to follow and is also most congruent with cases under the Bankruptcy Code that have broadly allowed appropriate relief to enforce judgments entered in foreign proceedings.

63 As this Court stated in its recent decision in *Terraform Labs*:

> 82 The ability for the Court in its discretion to grant any appropriate relief is expansive and open-ended. The provision allows for relief to be fashioned and formulated based on the demonstrated needs of each case although the specific form of that relief necessarily will vary. Some relief is likely to be standard, such as formal recognition of an order of a foreign tribunal approving a scheme of arrangement or a restructuring plan, but other relief may need to be custom-tailored to adapt to the needs of a particular business.
>
> 83 The point is that Art 21(1) of the SG Model Law, read liberally, permits the Court to be guided by principles of comity and a spirit of cooperation with foreign courts.

64 That point of view of liberal support for foreign courts was the basis for granting relief in *Terraform Labs* and applies in the present case as well. However, the relief sought in OA 23 went a bit further than was needed and beyond what was literally prescribed by the Plan.

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65 As noted at [9] above, all that was required to satisfy the requirement set forth in the Plan was "recognizing the Chapter 11 Case of Quoine Pte. Ltd. in Singapore and (ii) granting full force and effect in Singapore to the Confirmation Order, the Digital Assets Estimation Order and the Claims Bar Date." The application asked for more than that – the recognition of a variety of so-called "First Day" administrative orders (the "First Day Orders") that were entered by the Bankruptcy Court at the request of the FTX Debtors to facilitate orderly case administration at the outset of their Chapter 11 Cases.[28]

66 The application also asked for recognition of cash management orders that had authorised the FTX Debtors to make intercompany deposits, transfers and advances among themselves and with non-debtors (the "Cash Management Orders").[29] The full list of the First Day Orders and Cash Management Orders covered by the application is set out in Annex 1 below.

67 The First Day Orders and the Cash Management Orders no doubt were useful in smoothing the transition into bankruptcy and better managing the post-petition operations of the FTX Debtors during the Chapter 11 Cases, but these orders were not needed to enforce the Plan in Singapore or to qualify Quoine for enhanced distributions under the Plan.

68 The Court evaluated the application after considering the recognition requirements set forth in the text of the Plan and concluded that the extra relief being sought in relation to these orders was not appropriate. During the hearing, the Court expressed the view that the requests should be cut back to eliminate certain of the First Day Orders and Cash Management Orders that were not

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[28] David Johnston's affidavit at para 45; AWS at para 84.

[29] David Johnston's affidavit at para 46; AWS at para 84.

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needed to implement the Plan. That, in turn, has led to further reflections on the meaning of "any appropriate relief" as set forth in the following paragraphs.

69 While "any appropriate relief" as used in Art 21(1) is open-ended and expansive language properly subject to a liberal interpretation, such relief must be derived from and grounded in the particular circumstances of each case. As stated in the quotation from *Terraform Labs* in [63] such relief should be "fashioned and formulated based on … demonstrated needs."

70 Here, the request to recognise all First Day Orders and the Cash Management Orders went beyond what was specified in the Plan, making it difficult to conclude that recognition of these orders was required to advance the purposes of the application or to facilitate implementation of the Plan. And if there was no "demonstrated need" for this requested relief, it was a stretch to classify that relief as appropriate under the circumstances.

71 Recognition of administrative orders that had governed proceedings during the first days, weeks and months of the Chapter 11 Cases in the US made little sense after the Plan had been confirmed and had gone into effect.

72 When questioned, the applicants' solicitors stated that recognition of these additional orders would provide greater assurances that the administrative procedures approved by the Bankruptcy Court would not be challenged by creditors in Singapore.[30] This Court considered that argument but was not convinced, since recognition of the Plan and of the orders specified in [above9] was unquestionably sufficient to bind all creditors in Singapore.

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30 Minute Sheet (4 February 2025) at p 13.

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73 The application was purposefully delayed and filed after the Plan had been negotiated and confirmed to achieve a targeted purpose – approval in the SICC of the recognition requirements set out in the Plan.[31] Perhaps if the application for recognition of the Quoine Chapter 11 Case had been filed earlier in the restructuring process, recognition of orders dealing with the more granular "nuts and bolts" aspects of case administration might have been of some value and assistance to the Bankruptcy Court.

74 But it was too late for that given the context and the timing. The restructuring process was over. The Plan already was consummated and effective.

75 Given these circumstances, the Court determined that the application was asking too much in seeking recognition of orders that were of only marginal continuing relevance. These orders had become vestiges of the process that produced the Plan, and insufficient cause had been shown to recognise them.

76 This aspect of the application asked for relief that was not needed to benefit current proceedings in the Bankruptcy Court or to facilitate implementation of the Plan. Accordingly, the Court believed that recognition of these tangential First Day orders and the Cash Management Orders was not within the ambit of "any appropriate relief".

77 Although most of the requests listed in Annex I below, fell outside the boundaries of "any appropriate relief", the Court did grant recognition to two of the First Day Orders that governed procedures for email notice that was given to creditors in the Quoine Chapter 11 Case. These orders are:

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[31] Minute Sheet (4 February 2025) at p 13.

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(a) The order dated 22 November 2022 titled "Order Authorizing the Employment and Retention of Kroll Restructuring Administration LLC as Claims and Noticing Agent Effective Nunc Pro Tunc to the Petition Date"; and

(b) The order dated 9 January 2023 titled "Final Order (I) Modifying Certain Creditor List Requirements, (II) Authorizing the Debtors to Serve Certain Parties by Email and (III) Granting Related Relief".

These two orders contributed to the procedural fairness of proceedings in the Bankruptcy Court and, after receiving preliminary approval at the case management conference with respect to the application, were also utilized in giving email notice to creditors of the hearing held in OA 23.

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Conclusion

78 As stated in this decision, the Court recognised the Quoine Chapter 11 Case as a foreign main proceeding based on readily ascertainable events that took place after the collapse of the FTX Debtors and the commencement of the Chapter 11 Cases in the Bankruptcy Court. The post-petition factors noted in this decision were sufficient to displace the presumptive COMI for Quoine in Singapore and to shift Quoine's COMI to the US. The Court also granted appropriate relief as provided in the *chapeau* of Art 21(1) under the SG Model Law that has satisfied the condition set forth in the Plan and has enabled Quoine's creditors to receive improved recoveries under the Plan. In granting this relief, the Court has declined to recognise nine of the orders listed in Annex I that were not specified under the express terms of the Plan and did not constitute appropriate relief needed to give full force and effect to the Plan in Singapore.

James Michael Peck
International Judge

Balakrishnan Ashok Kumar, Shu Kit, Adriel Nee Hoong Yi and Austen Lim Jia Le (Blackoak LLC) for the applicants.

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Annex 1: The First Day Orders and Cash Management Orders in OA 23

A.1 The First Day Orders and Cash Management Orders for which recognition was sought in OA 23 are set out as follows:

> The Applicant is applying to the Court for the following orders:
>
> …
>
> 6. That the following orders of the US Bankruptcy Court, insofar as they relate to Quoine, be and are hereby recognised and given full force and effect by the Singapore Courts and in Singapore pursuant to Article 21(1) of the Model Law:
>
> > a. The order dated 22 November 2022 titled "Order (I) Authorizing Joint Administration of the Debtors' Chapter 11 Cases and (II) Granting Certain Related Relief" as annexed at Schedule 1 to this Application;
> >
> > b. The order dated 22 November 2022 titled "Order Authorizing the Employment and Retention of Kroll Restructuring Administration LLC as Claims and Noticing Agent Effective Nunc Pro Tunc to the Petition Date" as annexed at Schedule 2 to this Application;
> >
> > c. The order dated 22 November 2022 titled "Order Enforcing Sections 362, 365(e)(1), 525 and 541 of the Bankruptcy Code" as annexed at Schedule 3 to this Application;
> >
> > d. The order dated 9 January 2023 titled "Final Order (I) Modifying Certain Creditor List Requirements, (II) Authorizing the Debtors to Serve Certain Parties by E-mail and (III) Granting Related Relief" as annexed at Schedule 4 to this Application;
> >
> > e. The order dated 9 January 2023 titled "Final Order (I) Authorizing the Debtors to (A) Pay Prepetition Compensation and Benefits and (B) Continue Compensation and Benefits and (II) Granting Certain Related Relief" as annexed at Schedule 5 to this Application;
> >
> > f. The order dated 9 January 2023 titled "Final Order (I) Authorizing the Debtors to Pay Certain Prepetition Claims of Critical Vendors, Foreign Vendors, 503(B)(9) Claimants and Lien Claimants, (II) Authorizing All Financial Institutions to Honor All Related Payment Requests and (III) Granting Certain Related Relief" as annexed at Schedule 6 to this Application;

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g. The order dated 9 January 2023 titled "Final Order (I) Establishing Notice and Objection Procedures for Transfers of Equity Securities and Claims of Worthless Stock Deductions and (II) Granting Certain Related Relief" as annexed at Schedule 7 to this Application;

h. The order dated 9 January 2023 titled, "Order Authorizing (I) Debtors to Pay Certain Taxes and Fees and (II) Financial Institutions to Honor Related Payment Requests" as annexed at Schedule 8 to this Application;

i. The order dated 12 January 2023 titled "Final Order (I) Authorizing the Debtors to (A) Operate a Postpetition Cash Management System, (B) Maintain Existing Business Forms and (C) Perform Intercompany Transactions, (II) Granting a Partial Waiver of the Deposit Guidelines Set Forth in Section 345(b) and (III) Granting Certain Related Relief" as annexed at Schedule 9 to this Application;

j. The order dated 26 June 2023 titled "Amended Final Order (I) Authorizing the Debtors to (A) Operate a Postpetition Cash Management System, (B) Maintain Existing Business Forms and (C) Perform Intercompany Transactions, (II) Granting a Partial Waiver of the Deposit Guidelines Set Forth in Section 345(b) and (III) Granting Certain Related Relief" as annexed at Schedule 10 to this Application;

k. The order dated 3 January 2024 titled "Second Amended Final Order (I) Authorizing the Debtors to (A) Operate a Postpetition Cash Management System, (B) Maintain Existing Business Forms and (C) Perform Intercompany Transactions, (II) Granting a Partial Waiver of the Deposit Guidelines Set Forth in Section 345(b) and (III) Granting Certain Related Relief" as annexed at Schedule 11 to this Application;

…

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