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Report of the  
Committee to  
Enhance Singapore's  
Corporate  
Restructuring and  
Insolvency Regime

20 March 2025

**LEGAL  
UPDATE**

# In this Update

A Committee to Enhance Singapore's Corporate Restructuring and Insolvency Regime was convened by the Ministry of Law to provide recommendations to further enhance Singapore's corporate debt restructuring and insolvency framework. The Committee has recently released its report which is open to the public's feedback until 8 April 2025. This update summarises the report.

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## **RECOMMENDATIONS FOR SINGAPORE'S RESTRUCTURING AND INSOLVENCY FRAMEWORK**

The Committee's report sets out recommendations broadly categorised as follows: (i) strengthening the judicial management regime; (ii) refining the cross-class cramdown in schemes of arrangement; (iii) refining the framework and tools for efficient debt restructurings; and (iv) adopting the UNCITRAL Model Laws relating to insolvency. The recommendations are summarised under the respective category headings below.

### **STRENGTHENING THE JUDICIAL MANGEMENT REGIME**

The Committee noted that the value proposition of the judicial management regime is being eroded by its divergent purposes (i.e. having both restructuring and recovery functions). The Committee recommended that judicial management should be reconceptualised to emphasise its restructuring functions, and that both creditors and debtors should continue to have standing to apply to court to place the debtor in judicial management. The Committee also recommended that the judicial manager should continue having the ability to pursue clawback actions in the reconceptualised regime. As for the judicial manager's remuneration, the Committee recommended for it to be based on a model that allows flexibility to better align such remuneration with successful outcomes in judicial management proceedings (in particular, by including a "success fee" component).

### **REFINING THE CROSS-CLASS CRAMDOWN IN SCHEMES OF ARRANGEMENT**

Cross-class cramdowns currently require a majority in number and 75% in value of creditors across all classes to approve the scheme. The Committee recommended removing these requirements to make cramdowns more functional. The Committee also recommended expanding the scope of cross-class cramdowns to encompass shareholders in appropriate circumstances, reflecting the economic reality of the debtor's capital structure in a financially distressed situation.

## **REFINING THE FRAMEWORK AND TOOLS FOR EFFICIENT DEBT RESTRUCTURINGS**

Shareholder approval is currently required for a company to dispose of all or substantially all of its property or to issue new shares. The Committee recommended streamlining the process for disposing the company's property and issuing new shares in a judicial management or scheme of arrangement, which may otherwise create uncertainty on an agreed restructuring plan among creditors. The Committee also recommended providing the court with the discretion to assess and appoint neutral third-party individuals as restructuring officers. Such individuals may perform a range of roles (e.g., to act as a monitor and provide business expertise) to assist with a restructuring under a scheme of arrangement.

## **ADOPTING THE UNCITRAL MODEL LAWS RELATING TO INSOLVENCY**

The Committee recommended that two UNCITRAL Model Laws (Enterprise Group Insolvency, and Recognition and Enforcement of Insolvency-Related Judgments) be implemented in Singapore. This would further strengthen Singapore's ability to deal with international, cross-border restructuring and insolvency matters.

The report may be accessed [here](#). The Ministry of Law has also issued a [press release](#) on its website. If you have any queries on the recommendations, please feel free to contact us.

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