

Great Eastern Financial Advisers Pte Ltd v Lim Siang Heng [2026] SGHC 203

In *Great Eastern Financial Advisers Pte Ltd v Lim Siang Heng [2026] SGHC 203*, the High Court allowed Great Eastern Financial Advisers Private Limited's ("**Great Eastern**") appeal against the Assistant Registrar's decision to allow an application by one of Great Eastern's former representatives, Mr. Lim Siang Heng ("**Mr. Lim**"), to set aside the Statutory Demand issued by Great Eastern against him (the "**Setting Aside Application**").

In doing so, the High Court laid down the principles to determine whether a sum in question constitutes a debt for a "*liquidated sum*" under Section 311(1)(b) of the Insolvency, Restructuring and Dissolution Act 2018 ("**IRDA**").

Factual Background

Mr. Lim was a former representative of Great Eastern.

Through Great Eastern's internal investigations, it transpired that Mr. Lim had sold policies in a manner which constituted a material breach of his Representative's Agreement with Great Eastern. As such, Mr. Lim was not entitled to the commissions which he had received from Great Eastern arising from the sale of those policies (the "**Clawed-Back Commissions**").

It was contractually agreed that if any commissions had been paid by Great Eastern to Mr. Lim prior to Great Eastern's actual knowledge of such a material breach, Great Eastern was entitled to claw back "*all such sums*" from Mr. Lim.

After Mr. Lim failed to make payment of the Clawed-Back Commissions to Great Eastern, Great Eastern issued a Statutory Demand under the IRDA against Mr. Lim.

Thereafter, Mr. Lim filed the Setting Aside Application.

The decision of the Assistant Registrar

The Setting Aside Application was heard by an Assistant Registrar at first instance. The Assistant Registrar's decision in *Lim Siang Heng v Great Eastern Financial Advisers Pte Ltd [2026] SGHCR 8* can be found here: https://www.elitigation.sg/gd/s/2026_SGHCR_8.

The Assistant Registrar found that the material which Mr. Lim had placed before the Court fell short of what was needed to demonstrate a triable issue in respect of Great Eastern's entitlement to recover the Clawed-Back Commissions from him. As such, the Assistant Registrar held that Mr. Lim's attempt to challenge the Statutory Demand on the basis that the debt was disputed on substantial grounds pursuant to Rule 68(2)(b) of the Insolvency, Restructuring and Dissolution (Personal Insolvency) Rules 2020 ("**IRD(PIR) Rules**") failed.

However, the Assistant Registrar was not satisfied that the Clawed-Back Commissions constituted a debt for a "*liquidated sum*". In this regard, the Assistant Registrar took the view that:

- a. while the Clawed-Back Commissions constituted fixed sums of money, the clause in the Representative's Agreement only provided for Great Eastern's entitlement to recover the Clawed-Back Commissions from Mr. Lim and did not specify the sum which Great Eastern was entitled to recover from him; and

- b. Great Eastern's reliance on its investigation findings to identify the affected policies and to calculate the Clawed-Back Commissions was a process that was extrinsic to the contractual machinery which the parties had agreed to.

Accordingly, the Clawed-Back Commissions did not constitute a debt for a "*liquidated sum*" and the Statutory Demand was set aside pursuant to Rule 68(2)(e) of the IRD(PIR) Rules on the basis that the Statutory Demand ought to be set aside on any other grounds.

Great Eastern appealed against the Assistant Registrar's decision to set aside the Statutory Demand. Mr. Lim did not appeal against the Assistant's Registrar's decision that there were no triable issues raised in the Setting Aside Application.

The decision of the High Court Judge

On appeal, Great Eastern argued, *inter alia*, that:

- a. the Assistant Registrar had erred in finding that the Clawed-Back Commissions did not constitute a debt for a "*liquidated sum*"; and
- b. the clause in the Representative's Agreement that Great Eastern was entitled to clawback "*all such sums*" was sufficiently clear to establish Great Eastern's contractual entitlement to the Clawed-Back Commissions.

The High Court Judge appointed a Young Independent Counsel ("**YIC**") to assist the Court on the meaning of a debt for a "*liquidated sum*" in the context of Section 311(1)(b) of the IRDA.

After an extensive survey of jurisprudence from Australia, Hong Kong, Canada and the United Kingdom, the YIC submitted that:

- a. 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 also no requirement that the formula or machinery for quantifying such a contractual debt be found within the contract itself; and
- b. the Clawed-Back Commissions were calculated based on the formula or machinery found in the clause in the Representative's Agreement as it allowed for the return of all commissions wrongly paid to Mr. Lim. Such formula or machinery was thus not extrinsic to the Representative's Agreement.

Great Eastern submitted the same on appeal.

The High Court Judge agreed with Great Eastern and the YIC that the Assistant Registrar had erred in taking a narrow interpretation of what constituted a debt for a "*liquidated sum*". In this respect, the High Court Judge held 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, i.e. without any need for judicial assessment or involvement in quantifying the debt"

Furthermore, the authorities made clear 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 in and of themselves render a debt an unliquidated one. 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 may be held to be a "*liquidated sum*" capable of supporting a bankruptcy application.

Based on the aforesaid observations, the High Court Judge held that the Clawed-Back Commissions constituted a debt for a "*liquidated sum*" as:

- a. the Clawed-Back Commissions required no judicial involvement in the quantification process;
- b. the Clawed-Back Commissions could properly be said to be a pre-ascertained liability despite the unilateral investigations conducted by Great Eastern. The unilateral assessment on Great Eastern's part does not in and of itself mean that the sum is not a liquidated one;
- c. the fact that the clause in the Representative's Agreement provides that Great Eastern was entitled to claw back "*all such sums*" from Mr. Lim in the event of Mr. Lim's breach suggests that the Clawed-Back Commissions are a pre-ascertained liability; and
- d. any dispute on Great Eastern's unilateral assessment on the affected policies was a question of raising triable issues to the debt, as opposed to whether the debt was a "*liquidated sum*". However, Mr. Lim did not raise any triable issues in this respect.

Accordingly, the High Court Judge allowed Great Eastern's appeal and dismissed Mr. Lim's Setting Aside Application.

Key Takeaways

This case is the first known case in Singapore on the principles of what constitutes a debt for a "*liquidated sum*" under Section 311(1)(b) of the IRDA.

The High Court observed that the true touchstone of whether a debt is a liquidated sum is whether it can be ascertained by a process of quantification which is already complete, i.e. without any need for judicial assessment or involvement in quantifying the debt.

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