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**Commodities**

## Commodity trading blow-ups dent Singapore’s reputation

Hidden losses at Hin Leong have raised serious questions about operations in city state



Lim Oon Kuin, the billionaire founder of Hin Leong Trading, confessed to hiding \$800m of losses in a case that has rocked the city state © FT Montage/Reuters

**Neil Hume** in London and **Stefania Palma** in Singapore MAY 21 2020

A series of scandals in Singapore, including a startling admission of financial irregularities by one of the country’s most successful businessmen, is threatening the city-state’s ambition to become the world’s leading commodity trading hub.

The blow-ups in close succession of [Hin Leong Trading](#) — whose billionaire founder Lim Oon Kuin confessed to hiding [\\$800m of losses](#) — [ZenRock Commodities Trading](#) and Agritrade International have raised serious questions about the strength of Singapore’s regulatory framework and oversight of trading houses.

The corporate collapses have also highlighted structural risks such as the lack of transparency underpinning the global commodities trade, which remains critical to the small, open economy of Singapore.

Critics say the country’s rules, monitoring and enforcement of many of the privately owned companies involved in the sector are weak.

Driven by an overriding desire to be a business-friendly destination, they say Singapore has been hesitant to introduce stricter rules that might discourage companies from incorporating in the city, which competes directly with London, Geneva and Houston.