“I believe there are legitimate concerns about whether resources for regulatory enforcement have kept pace and whether our regulators are too conservative,” said Mak Yuen Teen, an accounting professor at the National University of Singapore. “My sense is that regulators here are less willing to test the law and will only prosecute in ‘sure win’ situations.”

Singapore has courted oil traders, with low corporate tax rates and other benefits © AP

Others take a different view, arguing that no amount of regulation could have stopped the failures, particularly any involving financial impropriety. Commodity trading blow ups are hardly unique to Singapore, they add, pointing to the recent debt crisis at Dubai-based Phoenix Commodities.

“The fact that Singapore has been the epicentre of [these collapses] reflects the fact that it is the epicentre of trading in the region,” said Craig Pirrong, a finance professor at the University of Houston and author of reports on commodity trading. “It's not as if Singapore doesn't have laws against fraud and isn't capable of rigorous enforcement.”

Singapore’s location straddling the shipping lanes that connect China with global markets has helped turn the tiny city-state into one of the world’s biggest commodity hubs — and a natural home for traders, which the country has courted with low corporate tax rates and other benefits.

All of the world’s major oil traders, including Trafigura, Glencore, Vitol and Mercuria, have offices in Singapore. They rub shoulders with the trading arms of oil majors BP and Shell and a group of aggressive local players that have carved out strong positions in markets such as bunkering, or marine fuel. It is these local traders that have struggled in 2020.