

The buying and selling of raw materials is still largely a paper-based process with banks relying on bills of lading or warehouse receipts as title documents and security for financing goods.

“One of the ways to mitigate fraud is through tighter systems. A comprehensive blockchain solution could take years but electronic bills of lading could be an important step forward,” said Mr Salmon.

Whatever solutions are chosen, bankers and industry executives say the pressure is on the authorities to show they can handle the restructuring or liquidation of the collapsed traders and take firm measures to prevent it happening again. Otherwise Singapore may fail to realise its ambitions to be the world’s premier commodity trading hub.

“I have no doubt that Singapore will make an example (or examples) *pour encourager les autres*,” said Prof Pirrong. “It has a reputation for meting out pretty rough penalties for a variety of crimes.”

*This article was amended to reflect the fact that allegations about Noble Group’s accounts first surfaced in 2015, not 2014.*