

BANKRUPTCY AND MATRIMONIAL ASSETS

When Divorce Orders Meet Creditors' Rights

[2026] SAL Prac 29

How does a divorcing spouse's bankruptcy affect the division of matrimonial assets? How does the law balance creditors' rights against a spouse's entitlement to a just and equitable share? Two recent decisions answer these questions from opposite directions. In *WZY v Official Assignee* [2026] SGHCF 10, bankruptcy preceded the matrimonial orders, leaving the court unable to divide property vested in the Official Assignee. In *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6, pre-bankruptcy transfers were reversed as part of a collusive arrangement to prejudice creditors, without setting aside the matrimonial judgment. This article compares the decisions and draws practical lessons for family and insolvency practitioners.

Davyd **CHONG**¹

LLB (Hons) (King's College London);

Advocate & Solicitor (Singapore);

Director (Legal) / Deputy Director of Legal Aid, Legal Aid Bureau.

I. Introduction

1 Divorce and bankruptcy pursue different purposes. Section 112 of the Women's Charter 1961² ("WC") empowers the court to divide matrimonial assets upon divorce in a just and equitable manner. Bankruptcy law, by contrast, provides for a bankrupt's assets to be administered and distributed collectively among creditors. The regimes intersect where

1 The views expressed in this article are the author's own and do not represent the views of the Ministry of Law or the Legal Aid Bureau. The author is grateful to Ms Lim Hui Min (Director of Legal Aid) for her valuable comments and suggestions in reviewing this article.

2 2020 Rev Ed.

a divorcing spouse is bankrupt, facing bankruptcy, or subject to substantial creditor claims while matrimonial assets are being divided.

2 There is therefore a tension between the two regimes. A transfer to one spouse may be justified by contributions to the marriage, the needs of the children or the parties' agreement. The same transfer may, however, reduce the assets available to creditors. A just and equitable division need not be equal. The concern is therefore not inequality itself, but whether the asset remained available for division and whether the transfer genuinely reflected the receiving spouse's matrimonial entitlement.

3 The two cases illustrate how the sequence of events determines which legal regime applies. In *WZY v Official Assignee*³ ("WZY"), consent orders purported to deal with property after the spouses' interests had vested in the Official Assignee ("OA"). In *Farooq Ahmad Mann v Xia Zheng*⁴ ("Farooq"), transfers made before the bankruptcy application pursuant to a consent judgment were later challenged as transactions at an undervalue. In *WZY*, bankruptcy preceded the matrimonial orders, while in *Farooq*, the transfers preceded the bankruptcy application.

4 This article outlines the legal framework and the facts and reasoning in both decisions, compares how creditor interests were protected, and identifies practical implications for family and insolvency practitioners.

II. Statutory and legal framework

A. Matrimonial jurisdiction and statutory vesting

5 Section 112(1) of the WC empowers the court, when granting or after granting a judgment of divorce, judicial separation or nullity, to divide the matrimonial assets in proportions that are just and equitable. In deciding what is just

3 [2026] SGHCF 10.

4 [2026] SGHC 6.

and equitable, the court considers the non-exhaustive factors in s 112(2). These include the parties' contributions, debts incurred for their joint benefit or for the benefit of a child, the needs of the children and any agreement concerning the ownership and division of matrimonial assets made in contemplation of divorce. Section 112(4) permits the court to extend, vary, revoke or discharge an order made under that section.

6 The jurisdiction concerns assets available for division between the spouses. In *UDA v UDB*,⁵ the Court of Appeal held that s 112 did not empower the Family Justice Courts to make orders directly affecting a third party's proprietary rights merely because the third party intervened in the matrimonial proceedings.⁶ A disputed third-party claim may require separate civil proceedings.

7 Bankruptcy changes ownership. Under s 327(1)(a) of the Insolvency, Restructuring and Dissolution Act 2018⁷ ("IRDA"), the bankrupt's property vests in the OA upon the bankruptcy order without further conveyance, assignment or transfer. Section 329 identifies the property comprising the estate and the statutory exclusions.⁸ Under ss 39(1) and 39(2) of the IRDA, a private trustee in bankruptcy generally exercises the OA's functions, duties and powers in relation to the bankrupt's estate, and references to the OA include a reference to the trustee unless the context otherwise requires.⁹

5 [2018] 1 SLR 1015.

6 *UDA v UDB* [2018] 1 SLR 1015 at [19] and [54]–[56].

7 2020 Rev Ed.

8 Examples include property held on trust for another person, items needed for the bankrupt's employment, business or vocation, and basic household necessities: Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) s 329(2).

9 Since 1 November 2023, a person applying for a bankruptcy order must generally seek the appointment of a person other than the Official Assignee ("OA") as trustee of the bankrupt's estate, unless the OA consents to act: Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) s 36(2), as amended by the Insolvency, Restructuring and Dissolution (Amendment) Act 2023 (Act 1 of 2023).

8 WZY was governed by the equivalent predecessor provision, s 76(1)(a) of the repealed Bankruptcy Act.¹⁰ In *AVM v AWH*¹¹ (“AVM”), the High Court explained that s 112 proceeds on the basis that title remains vested in the spouses. Once a spouse’s interest has vested in the OA, that interest is no longer available for division. The matrimonial court cannot disregard the statutory vesting, re-vest the asset in the bankrupt spouse or make an order affecting the OA’s title.¹²

B. *Transactions at an undervalue*

9 A different issue arises where a transfer occurs before bankruptcy. Section 361 of the IRDA permits the OA to seek restorative relief where the bankrupt entered into a transaction at an undervalue at the relevant time. Three main requirements must be satisfied:

- (a) The transaction must fall within one of the statutory categories of undervalue.
- (b) It must have occurred within the prescribed period.
- (c) The individual must have been insolvent at the time or become insolvent because of the transaction.

10 For a transaction at an undervalue, the relevant period is generally the three years ending on the date of the bankruptcy application. The statutory categories of undervalue include a gift or transaction for no consideration, a transaction in consideration of marriage, and a transaction in which the consideration received was significantly less valuable than that provided by the individual. An individual is insolvent if the individual is unable to pay debts as they fall due or if the value of the individual’s assets is less than the amount of the individual’s liabilities, taking into account contingent and prospective liabilities. Because the individual’s financial position at the time may be difficult to establish, insolvency is presumed where the transaction is with an associate, including a spouse

10 Cap 20, 2009 Rev Ed.

11 [2015] 4 SLR 1274.

12 *AVM v AWH* [2015] 4 SLR 1274 at [112]–[114].

or former spouse, unless the contrary is shown. A disposition made after the bankruptcy application but before the bankruptcy order is governed separately by s 328 of the IRDA. Unlike s 361, s 328 does not require proof that the disposition was made at an undervalue. If a bankruptcy order is ultimately made, such a disposition is generally void unless made with the court's consent or subsequently ratified by the court, subject to statutory protection for a recipient who received the property or payment in good faith, for value and without notice that the bankruptcy application had been made.¹³

11 A matrimonial transfer is not ordinarily treated as a gift. The receiving spouse has a statutory entitlement to seek a share of the matrimonial assets, and the court order quantifies that entitlement. The starting point is therefore that a transfer pursuant to a matrimonial order is supported by full consideration of equivalent value. That starting point may, however, be displaced by collusion, impropriety, a lack of *bona fides* or another vitiating factor. Although collusion requires a high degree of proof, it may be established by circumstantial evidence assessed cumulatively.¹⁴

12 The purpose of the remedy is, so far as practicable, to restore the bankrupt's estate to the position it would have been in if the transaction had not occurred. Under s 365 of the IRDA, the court may, among other things, vest the transferred property, or property representing it, in the OA, or require the recipient to pay a sum in respect of the benefit received. The transfer may therefore be reversed for insolvency purposes without the matrimonial judgment itself being set aside.¹⁵

13 Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) ss 328(1), 328(3), 361(3), 363(1)(a), 363(2)–363(4), 364(2)(a) and 364(8).

14 *Farooq Ahmad Mann v Xia Zheng* [2025] 4 SLR 277 at [88]–[91]; *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [20], [25], [29]–[31] and [40]–[41].

15 Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) ss 361(2), 365(1)(a), 365(1)(b) and 365(1)(d); *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [18]–[19].

III. WZY v Official Assignee:¹⁶ property already vested before the matrimonial orders

A. Background and the consent orders

13 The spouses in WZY held a property as joint tenants. The husband was made bankrupt on 14 November 2013. After divorce proceedings commenced, a consent order dated 9 July 2014 required him to transfer his interest to the wife (“First Order”). The wife was subsequently made bankrupt on 6 November 2014. A further consent order dated 28 June 2018 provided that, if the transfer was not effected, the property was to be sold and the wife was to receive all net sale proceeds (“Second Order”). The property was sold in 2020, and the OA received the surplus sale proceeds on 30 November 2020. The OA was not informed of the orders when they were made.¹⁷

14 After the property was sold, the OA was joined and applied under s 112(4) of the WC to revoke both orders. The husband argued that an earlier oral arrangement had created interests in favour of the wife and their children, variously describing it as a security, trust or assignment. The district judge rejected that account and revoked the orders because the spouses lacked title to the property and the orders had therefore been made on a fundamental misunderstanding. The district judge also relied on the wife’s failure to disclose her bankruptcy when applying for the variation.¹⁸ The husband appealed.

B. Statutory vesting and revocation

15 The General Division of the High Court (Family Division) dismissed the appeal. The husband’s interest had vested in the OA before the First Order. By the time of the Second Order, the wife’s interest had also vested in the OA. Neither interest remained available for division under s 112. The orders had therefore been made on the fundamental misunderstanding that

¹⁶ [2026] SGHCF 10.

¹⁷ WZY v Official Assignee [2026] SGHCF 10 at [3]–[6].

¹⁸ WZY v Official Assignee [2026] SGHCF 10 at [6]–[11].

the property still belonged to the spouses, without the OA being given an opportunity to be heard or to make representations on behalf of creditors.¹⁹

C. Third-party interests and hardship

16 The court rejected the argument that revocation of the consent orders offended *UDA v UDB*.²⁰ The district judge had not adjudicated a competing proprietary claim. She had merely recognised that title had already vested in the OA by operation of law and exercised her power under s 112(4) to revoke the orders. The revocation conferred no new right on the OA.²¹

17 The alleged interests of the children did not alter the result. The asserted oral arrangement was vague, inconsistent and unsupported by records. More fundamentally, any genuine pre-bankruptcy beneficial interest had to be established in separate civil proceedings. Until such an interest was established by a court of competent jurisdiction, the matrimonial court was required to recognise and apply the statutory vesting under the bankruptcy regime. If the spouses had already disposed of their entire beneficial interests, the property would, in any event, no longer have been a matrimonial asset available for division.²²

18 The husband also argued that revocation would cause hardship because the sale proceeds should be paid to the wife and children to satisfy his outstanding maintenance obligations. The court rejected this: he could not rely on his own failure to pay maintenance to give his family priority over creditors.²³ *WZY* is therefore mainly a case about the effect of bankruptcy on ownership. Once the property had vested in the OA, the spouses could no longer deal with it through a matrimonial order. Any separate proprietary right asserted by the wife or children had to be established on a proper legal basis.

19 *WZY v Official Assignee* [2026] SGHCF 10 at [14]–[16].

20 [2018] 1 SLR 1015.

21 *WZY v Official Assignee* [2026] SGHCF 10 at [19]–[22].

22 *WZY v Official Assignee* [2026] SGHCF 10 at [23]–[27].

23 *WZY v Official Assignee* [2026] SGHCF 10 at [28].

IV. ***Farooq Ahmad Mann v Xia Zheng***:²⁴ reversing pre-bankruptcy matrimonial transfers

A. ***Background and the statutory claims***

19 *Farooq* involved transfers made before bankruptcy. The bankrupt was alleged to have operated a fraudulent investment scheme through companies controlled by the parties, and substantial claims were later brought by investors against him and one of those companies. Approximately S\$65.7m had been invested in the alleged scheme, and creditor claims mounted after investors were informed in 2016 that they faced substantial losses. The Leedon Heights property was sold on 24 June 2019, with the entire sale proceeds paid to the respondent. The bankrupt and his former wife, the respondent, subsequently obtained an interim judgment by consent (“Interim Judgment”) on 8 July 2019. The Interim Judgment purported to transfer his interests in four Singapore properties, including Leedon Heights, and other local assets to the respondent for no cash consideration, while he remained responsible for the mortgage loans and child maintenance. The Duchess Avenue and Duchess Road properties were sold later that year, and the respondent received S\$7.44m in total from the sales of the three properties. The completed Leedon Heights sale had not been disclosed to the Family Court. The bankrupt was adjudged bankrupt on 28 June 2022 and a private trustee in bankruptcy was subsequently appointed (“Private Trustee”).²⁵

20 The Private Trustee sought to reverse the transfers under s 361 of the IRDA and, alternatively, s 73B of the Conveyancing and Law of Property Act²⁶ (“CLPA”), which continued to apply to the 2019 transfers. In a 2024 interlocutory judgment in the same

24 [2026] SGHC 6.

25 *Farooq Ahmad Mann v Xia Zheng* [2025] 4 SLR 277 at [4]–[15] and [102]–[106].

26 Cap 61, 1994 Rev Ed. Although s 73B was repealed when the Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) came into force on 30 July 2020, it continued to apply to conveyances made before that date: Insolvency, Restructuring and Dissolution (Saving and Transitional Provisions) Regulations 2020 reg 15; *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [51]–[52].

proceedings, the court granted a worldwide Mareva injunction and held that the matrimonial judgment did not necessarily bar the statutory claims.²⁷ Both the 2024 interlocutory judgment and the 2026 substantive judgment are under appeal. The discussion below is subject to those appeals.²⁸

B. *Reversing the transfers without setting aside the matrimonial judgment*

21 In *Farooq*, the court drew a distinction between challenging the matrimonial judgment and reversing transfers made under it. Section 361 did not require the judgment itself to be set aside. The court was applying a restorative insolvency remedy to the consequences of the transfers, not exercising appellate supervision over the Family Court.²⁹

C. *Collusion and dishonesty*

22 The central question was whether the transfers should receive the usual treatment given to transfers under matrimonial orders, namely, that they are regarded as having been made for full value because they give effect to the receiving spouse's matrimonial entitlement. That usual treatment may be displaced where the spouses colluded to use the matrimonial order to place assets beyond the reach of creditors.³⁰ Collusion required a high degree of proof, but could be established by strong circumstantial evidence considered cumulatively.³¹ The inquiry was not simply whether the division was unequal. It was whether the transfers genuinely reflected a matrimonial entitlement or were instead part of a collusive arrangement to prejudice creditors.

23 The court was of the view that it was the latter in this case, for the following reasons:³²

27 *Farooq Ahmad Mann v Xia Zheng* [2025] 4 SLR 277 at [58]–[67] and [155].

28 *Farooq Ahmad Mann v Xia Zheng* [2025] 4 SLR 277 at [3]; *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [1] and [8].

29 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [18]–[19].

30 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [20]–[22].

31 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [29]–[31] and [40]–[41].

32 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [32]–[39].

(a) The consent terms were markedly one-sided. The bankrupt transferred all his Singapore assets while retaining substantial liabilities, and the arrangement did not achieve a clean financial break. Although a substantially unequal division is not itself improper, there was no satisfactory matrimonial explanation for his complete surrender of the assets.

(b) The parties' conduct was inconsistent with genuine financial separation. The respondent continued to support the bankrupt through undocumented loans and paid liabilities which the judgment had placed on him.

(c) The judgment was obtained amid increasing creditor pressure, with claims exceeding S\$10m commenced against the bankrupt in 2019.

(d) Substantial withdrawals and expenditure occurred after freezing injunctions were made.

(e) The respondent failed to disclose information about her means, bank statements, properties and sources of funds. Continued cohabitation was not decisive by itself, but the broader intermingling of assets and funds was significant.

24 The respondent also relied on a 2013 “Shanghai Agreement” under which the bankrupt allegedly ceded his interests in their Singapore properties to her. However, the parties later purchased and jointly mortgaged the Leedon Heights property, which was inconsistent with the agreement. The court considered the agreement part of the camouflage used to place assets beyond creditors’ reach.³³

25 Taken together, the evidence established collusion and dishonesty.³⁴ A zero allocation to one spouse is not necessarily improper, but there was no credible explanation based on the usual matrimonial factors for the bankrupt surrendering all

33 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [45]–[50].

34 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [39] and [44].

his assets while retaining substantial liabilities. The court therefore found that the transfers did not reflect a genuine just and equitable division of the matrimonial assets. The court also upheld the alternative claim under s 73B of the CLPA, which allowed a conveyance intended to defraud creditors to be set aside, finding that the bankrupt was insolvent at the time or became insolvent because of the conveyances, and that constructive fraud was established.³⁵

D. *Relief and the significance of the decision*

26 The court ordered the unsold Orchard Boulevard property, shares in USP Group Ltd and a vehicle, all still held by the respondent, to be vested in the Private Trustee. Interest was ordered in respect of those assets, but not in respect of sale proceeds used for mortgage repayments or to purchase the shares and vehicle. The Private Trustee has appealed against the refusal.³⁶ In contrast, the court declined to make any order over the proceeds of the three sold properties because it had not been shown that they remained in the respondent's hands.³⁷ This shows that the trustee must prove not only why a transfer should be reversed, but also what property or value remains available to be restored to the bankrupt's estate.

27 *Farooq* does not stand for the proposition that every unequal matrimonial settlement is open to challenge under insolvency law. A transfer under a matrimonial order is ordinarily treated as having been made for full value because it gives effect to the receiving spouse's matrimonial entitlement. That position may, however, be displaced by collusion, impropriety, a lack of *bona fides* or another vitiating factor. The outcome in *Farooq* depended on unusually strong circumstantial evidence which, assessed cumulatively, met the high threshold for collusion. The decision therefore turned on its particular facts

35 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [51]–[56].

36 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [8] and [60].

37 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [57]–[59].

and should not be read as an invitation to challenge transfers merely because one spouse later becomes bankrupt.³⁸

V. Comparing *WZY v Official Assignee*³⁹ and *Farooq Ahmad Mann v Xia Zheng*:⁴⁰ timing, title and avoidance

28 Timing is decisive. The critical dates are those of the bankruptcy application, bankruptcy order, matrimonial order and implementation of the transfer. In *WZY*, bankruptcy preceded the matrimonial orders, so title had already vested in the OA and the property was unavailable for division. In *Farooq*, the transfers preceded bankruptcy, so the Private Trustee had to rely on an insolvency avoidance provision and establish why the ordinary protection of a matrimonial transfer did not apply.⁴¹

29 The judicial functions and remedies also differed. *WZY* involved the matrimonial court revoking orders which purported to deal with property already vested in the OA; the OA's title arose from statute, not revocation. *Farooq* left the matrimonial judgment intact but granted restorative relief after the Private Trustee established that the transfers were at an undervalue within the relevant period and that the insolvency requirement under s 363 of the IRDA was satisfied. Insolvency was presumed because the respondent was the bankrupt's spouse and therefore an associate, as discussed at paras 9 and 10 above.⁴²

30 Both cases involved consent orders, but consent was not itself the problem. In *WZY*, the spouses could not consent to dealing with property they no longer owned. In *Farooq*, consent could not shield a collusive arrangement.

38 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [20], [25], [29]–[31], [39] and [44].

39 [2026] SGHCF 10.

40 [2026] SGHC 6.

41 *WZY v Official Assignee* [2026] SGHCF 10 at [15]–[16]; *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [18]–[23].

42 *Farooq Ahmad Mann v Xia Zheng* [2025] 4 SLR 277 at [44]–[52]; *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [11] and [23].

31 The cases, read with earlier authorities, therefore suggest a practical approach based on timing, ownership and the applicable legal regime. First, identify the dates of any bankruptcy application and order, the matrimonial order and the implementation of any transfer, and determine who owned the asset at each stage. Secondly, if the property had vested in the OA, s 112 of the WC cannot be used to divide it. Thirdly, if the disposition occurred after the bankruptcy application but before the bankruptcy order, s 328 of the IRDA applies to the disposition, even if it was made pursuant to a matrimonial order. Such a disposition is void unless made with the court's consent or subsequently ratified by the court.⁴³ Fourthly, if the disposition occurred before the bankruptcy application, consider s 361 of the IRDA or another avoidance provision, the evidence of undervalue or impropriety, and the available restorative relief.

VI. Practical guidance for practitioners

A. Possible legal responses

32 Where a matrimonial order deals with property already vested in the OA, WZY shows that the OA may intervene in the matrimonial proceedings and seek relief under s 112(4) of the WC. A disposition made after the bankruptcy application but before the bankruptcy order may instead require consideration of s 328 of the IRDA. Where the transfer occurred before the bankruptcy application, s 361 of the IRDA or another avoidance provision may apply. As *Farooq* shows, relief may be sought against the transfer and its consequences without challenging the matrimonial judgment itself.

33 In assessing whether a matrimonial transfer may be challenged, relevant matters include the timing of the transfer, the liabilities retained by each spouse, the disclosure made in the

43 *Cheo Sharon Andriesz v Official Assignee of the estate of Andriesz Paul Matthew, a bankrupt* [2013] 2 SLR 297 at [30]; *Ong Dan Tze Magdalene v Chee Yoh Chuang* [2021] SGHC 129 at [12]–[15] and [28]. Both cases were decided under s 77(1) of the Bankruptcy Act (Cap 20, 2009 Rev Ed), the predecessor of s 328 of the Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed).

matrimonial proceedings, the parties' subsequent conduct, the movement of funds and the present location of the assets. Any circumstantial evidence should be assessed cumulatively.⁴⁴

34 Interim preservation orders may be sought where there is a risk of dissipation. Final relief under s 361 must be framed with s 365 and the available evidence in mind. *Farooq* also shows that the trustee must ultimately prove what property or value remains available to be restored to the bankrupt's estate. At the interim stage, however, a respondent's evasiveness or refusal to account may support a freezing injunction and accompanying disclosure obligations.⁴⁵

B. *Identifying insolvency issues and establishing the asset chronology*

35 Family practitioners should investigate insolvency risk early and repeat the inquiry before ancillary orders are made or implemented. Bankruptcy searches, pending bankruptcy applications, enforcement proceedings and significant creditor claims should be identified. The Court of Appeal has also suggested that there is merit in requiring parties seeking a consent order to place bankruptcy search results before the court. Any bankruptcy or pending bankruptcy application should be disclosed promptly to the court, and the OA or trustee should be informed where vested property may be affected.⁴⁶

36 A chronology should be prepared for each substantial asset in issue, recording its acquisition, ownership, the bankruptcy application and order, the matrimonial order, completion of any transfer and any subsequent sale.

37 Practitioners should not accept an asserted third-party interest at face value. They should examine the contemporaneous documents, payment records and registration evidence. An oral

44 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [32]–[41].

45 *Farooq Ahmad Mann v Xia Zheng* [2025] 4 SLR 277 at [140]–[142]; *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [57]–[60].

46 *Cheo Sharon Andriesz v Official Assignee* [2013] 2 SLR 297 at [32]; *WZY v Official Assignee* [2026] SGHCF 10 at [3]–[6] and [16].

trust, charge or assignment which is unsupported by records may be difficult to establish. Where the interest is genuinely disputed, separate civil proceedings may be required.⁴⁷

C. Structuring and documenting matrimonial settlements

38 Where a pre-bankruptcy consent order is proposed, the reasons for the division should be recorded. Proper disclosure, current valuations and the allocation of debts and continuing liabilities should support the agreement. The greater the apparent imbalance, the more important it is that contemporaneous material explains why the settlement is just and equitable, including the assets transferred, liabilities retained and how the debtor spouse is expected to meet them.

39 The parties' conduct after the order may also become relevant. Continued pooling of funds, undocumented loans, unexplained withdrawals or payment of obligations allocated to the other spouse may undermine the asserted financial separation.⁴⁸

VII. Further questions

40 The two decisions leave several questions unresolved. First, *Farooq* referred to collusion or another vitiating factor, but did not define what other conduct may displace the usual position that a matrimonial transfer is supported by full consideration.⁴⁹

41 Secondly, both decisions concerned consent orders. Where a contested ancillary order is made after full disclosure, there may be a stronger basis for treating the resulting transfer as supported by full consideration. Whether and when such a transfer can be reversed without disturbing the order remains unresolved, particularly where concealed debts, assets or creditor claims emerge only later.

47 *WZY v Official Assignee* [2026] SGHCF 10 at [23]–[27].

48 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [34]–[39].

49 *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [20] and [25].

42 Thirdly, neither *WZY* nor *Farooq* concerned a disposition made between the bankruptcy application and the bankruptcy order. Earlier cases establish that s 328 of the IRDA applies to dispositions made pursuant to matrimonial orders, including consent orders. What remains less clear is when such a disposition should be ratified, particularly where it reflects the receiving spouse's genuine matrimonial entitlement and that spouse acted in good faith.⁵⁰

43 Finally, the position of an innocent receiving spouse, particularly where children depend on the transferred property, remains open. *Farooq* involved collusion between both parties, while *WZY* involved property already vested in the OA. Neither case determines the position where only the debtor spouse acted dishonestly but the receiving spouse received the property in good faith under a genuine matrimonial arrangement. The receiving spouse's matrimonial entitlement and the court order quantifying that entitlement may support the conclusion that full consideration was provided. On the other hand, s 361 of the IRDA contains no express good-faith defence for the immediate recipient, and the full-consideration premise may be displaced by fraud, mistake, misrepresentation, collusion, impropriety or a lack of *bona fides*. It therefore remains open whether unilateral dishonesty, such as material non-disclosure to the matrimonial court, may expose the transfer to reversal despite the receiving spouse's good faith.⁵¹

VIII. Conclusion

44 *WZY* and *Farooq* provide a coherent framework for the intersection of divorce and bankruptcy. Property vested in the OA before a matrimonial order cannot be divided under s 112 of the WC. A disposition made after the bankruptcy application but before the bankruptcy order may engage s 328 of the IRDA;

50 *Cheo Sharon Andriesz v Official Assignee* [2013] 2 SLR 297 at [30]; *Ong Dan Tze Magdalene v Chee Yoh Chuang* [2021] SGHC 129 at [28]–[35].

51 *Farooq Ahmad Mann v Xia Zheng* [2025] 4 SLR 277 at [88]–[91]; *Farooq Ahmad Mann v Xia Zheng* [2026] SGHC 6 at [20] and [25]; Insolvency, Restructuring and Dissolution Act 2018 (2020 Rev Ed) s 361.

an earlier matrimonial transfer is ordinarily supported by full consideration but may be reversed under s 361 of the IRDA if the statutory requirements are met and that starting point is displaced.

45 The decisions preserve genuine matrimonial settlements while ensuring that property belonging to the bankrupt's estate remains available to creditors. Practitioners should identify insolvency issues early, establish each asset's chronology and ownership, disclose material creditor circumstances, record the settlement's rationale and use the correct statutory remedy. These steps protect genuine matrimonial entitlements without undermining the statutory rights of creditors.