IN THE STATE COURTS OF THE REPUBLIC OF SINGAPORE

[2026] SGSCT 1

Small Claims Tribunals Claim No 13773 of 2022

Between

(1) XSQ

… *Claimant*

And

(1) LLD

… *Respondent*

GROUNDS OF DECISION

[Small Claims Tribunals — Jurisdiction — Whether the tribunal had jurisdiction to hear a claim premised on a contract for the sale of cryptocurrency]

[Contract — Sale of goods — Whether cryptocurrency fell within the definition of "goods" in s 61(1) of the Sale of Goods Act 1979]

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XSQ
v
LLD

[2026] SGSCT 1

Small Claims Tribunals Claim No 13773 of 2022
Assistant Registrar Leon Abraham Tan
14 July 2022

7 April 2026

Assistant Registrar Leon Abraham Tan:

Introduction

1 In 2022, the world of decentralised finance experienced what was colloquially known as a "crypto winter" – *i.e.,* there was a severe downturn in the cryptocurrency market. For instance, Bitcoin, the darling of cryptocurrencies, saw its value drop by more than 70% from its all-time high of around US$69,000 in November 2021 to approximately US$17,000 in mid-2022. During that period, a type of cryptocurrency known as stablecoins were not spared. One such stablecoin relevant here was TerraUSD. It was called a stablecoin because it was supposed to be less volatile than traditional cryptocurrencies (e.g., Bitcoin) by maintaining a 1:1 peg to the US dollar. However, TerraUSD subsequently lost its peg and, along with the confluence of other factors, this caused investors to panic-sell the stablecoin and cash out. As a result, its value dropped nearly to zero in or around May 2022.

2 It was against this backdrop that [XSQ] (the "**Claimant**") filed a claim against [LLD] (the "**Respondent**") in the Small Claims Tribunals ("**SCT**") on 6 June 2022, seeking damages of $14,328.00. After hearing the parties at the first consultation on 14 July 2022 (the "**Consultation**"), I ordered that the claim be discontinued pursuant to s 17(3) of the Small Claims Tribunals Act 1984 (2020 Rev Ed) ("**SCTA**") as I was of the view that the SCT had no jurisdiction to hear it. I set out my reasons in this Grounds of Decision.

The parties' cases

3 At the Consultation, the Claimant alleged that the material on the Respondent's website misled her into thinking that TerraUSD was not as speculative as other cryptocurrencies, and so it was a relatively safe investment. That in turn led her to buy $14,328.00 worth of TerraUSD from the Respondent, which became nearly worthless. Hence, she sought that amount as damages to recoup her losses.

4 The Respondent denied the claim on the basis that it never sold any TerraUSD to the Claimant. According to the Respondent, it operated an online platform that allowed individuals to deposit their cryptocurrencies with it in exchange for interest (this was known as "staking"). The Respondent would then lend the staked cryptocurrencies to borrowers to generate revenue and pay lenders. After the Respondent produced evidence that the Claimant had deposited her TerraUSD on its platform, the Claimant changed tack and conceded that she probably bought the stablecoin from elsewhere. However, she claimed that she only did so because the Respondent's material influenced her. Thus, she argued that the Respondent should still be liable for her losses.

Preliminary issue of jurisdiction

5 Without delving into the merits of the parties' cases, the preliminary issue that arose based on the arguments made at the Consultation was whether the claim even fell within the SCT's jurisdiction.

Decision

6 For a claim to be heard by the SCT, the jurisdictional requirements under s 5 of the SCTA must first be satisfied. One such requirement found under s 5(1)(a) of the SCTA was that the Claimant had to have a "specified claim", an exhaustive list of which is found in the schedule of the SCTA. In this instance, the Claimant indicated in her claim form that the "Nature of Dispute" was that of a "Contract for Sale of Goods".[1] To provide some context, the claim form is an electronic form that is lodged by a claimant in the Community Justice and Tribunals System pursuant to s 15 of the SCTA to commence proceedings in the SCT. It contains key information, such as the parties' details, the remedy sought, and a brief summary of the claim (see s 16 of the SCTA). Thus, it is the analogue of the originating process and condensed equivalent of pleadings used for litigation in the civil courts. In this case, when the Claimant indicated the foregoing in her claim form, she essentially sought to rely on para 1(a) of the schedule of the SCTA – *i.e.,* "a claim relating to a contract for the sale of goods or the provision of services" – as her specified claim.

7 However, I found that the Claimant did not have a specified claim because there was no contract for the sale of goods between the parties. Consequently, she failed to satisfy s 5(1)(a) of the SCTA and her claim fell

[1] T01.

outside the SCT's jurisdiction. My reasons are as follows.

The first reason: the Claimant conceded that she did not purchase TerraUSD from the Respondent

8 The first and most straightforward reason was that the Claimant herself conceded at the Consultation that she did not buy any TerraUSD from the Respondent. Hence, there was simply no contract for the sale of anything between the parties. That meant that she could not come under para 1(a) of the schedule of the SCTA, and this fact alone warranted a discontinuance.

The second reason: cryptocurrencies are not "goods" under the Sale of Goods Act 1979 and so there was no sale of goods

9 The second reason was that, even if I took the Claimant's case at face value and accepted that she bought TerraUSD from the Respondent, there still would not have been a contract for the sale of goods for the purposes of para 1(a) of the schedule of the SCTA.

10 At this juncture, I pause to highlight that the term "goods" was not defined in the SCTA. As such, I adopted the definition of "goods" from the Sale of Goods Act 1979 (2020 Rev Ed) ("**SOGA**"). This approach was justified on two grounds.

11 Firstly, when interpreting an undefined term in a legislation, it is permissible to turn to other statutes and case law that existed at the time that legislation was enacted as an aid to construction. This is because Parliament is presumed to have knowledge of existing statutes and the state of the common law as at the time of legislating (see D Bailey and L Norbury, *Bennion, Bailey and Norbury on Statutory Interpretation* (LexisNexis, 8th Ed, 2020) ("***Statutory***

Interpretation") at p 715 and *Lachaux v Independent Print Ltd* [2015] EWHC 2242 (QB) at [44]). In my view, since the SOGA existed before the SCTA was enacted, Parliament is presumed to have been aware of the former and intended for the definition of "goods" to be drawn from that legislation.

12 Secondly, when a term is not defined in one legislation but is defined in another legislation which is *in pari materia* with the former, the definition in the latter may be treated as applicable to the former (see *R v Loxdale* (1758) 1 Burr 445 at 447). A legislation is *in pari materia* with another if they dealt with the same subject matter on similar lines (see *Statutory Interpretation* at p 645).

13 In my view, the term "goods" used in paragraph 1(a) of the schedule of the SCTA and the SOGA are *in pari materia* because both legislations dealt with the subject matter of contracts for the sale of goods. That this was the case for the SCTA is evidenced by the speech of Prof S Jayakumar, the then Minister for Labour and Second Minister for Law and Home Affairs, during the second reading of the Small Claims Tribunals Bill (Bill No 10 of 1984) (the "**SCT Bill**") where he said the SCT was established to assist consumers to pursue claims relating to "the sale of defective goods" (see *Singapore Parliamentary Debates, Official Report* (24 August 1984) vol 44 at col 2001). Furthermore, since the same phraseology (*i.e.,* "sale of goods") was used in both statutes, it is reasonable to assume that Parliament intended for the definition of "goods" in one to apply to another (see *Goldsmiths' Company v Wyatt* [1906] 1 KB 95 at 105).

14 Returning to the point, even on the Claimant's case, there would not have been a contract for the sale of goods because TerraUSD would not have fallen within the ambit of "goods" under s 61(1) of the SOGA, which defined

such as being "all personal chattels other than things in action and money". There were two aspects to this second reason, which I expand below.

15 Turning to the first aspect, it is trite that the term "personal chattels" in s 61(1) of the SOGA encompassed only tangible personal property that are physically possessable (see M G Bridge, *The Sales of Goods* (Oxford University Press, 4th Ed, 2020) at para 2.02 and H Hunter, *Law of Sales in Singapore* (Academy Publishing, 2017) at para 2.2). Therefore, incorporeal property such as cryptocurrencies are not "goods" for the purposes of the SOGA (see *Benjamin's Sale of Goods* (M G Bridge gen ed) (Sweet & Maxwell, 11th Ed, 2021) at para 1-080).

16 The second aspect was that cryptocurrencies were "things in action" and thus excluded from the definition of "goods" under s 61(1) of the SOGA. I will elaborate on this.

17 For context, as of the date of the Consultation, several courts across different common law jurisdictions have accepted cryptocurrencies as property under the common law because it satisfied the requirements from the *dictum* of Lord Wilberforce in *National Provincial Bank v Ainsworth* [1965] 1 AC 1175 at 1248 – *viz*, "it must be definable, identifiable by third parties, capable in its nature of assumption by third parties, and have some degree of permanence or stability" (see *CLM v CLN and Others* [2022] 5 SLR 273 at [46], *AA v Persons Unknown and Others* [2020] 2 All ER (Comm) 704 at [59] and *Ruscoe and another v Cryptopia Ltd (in liq)* [2020] NZHC 728 ("***Ruscoe***") at [120]). However, there was no binding decision from a superior court of record that determined the issue of what *type* of property cryptocurrencies were. Indeed, the Court of Appeal in *Quoine Pte Ltd v B2C2 Ltd* [2020] 2 SLR 20 at [144] left this issue open.

18 Generally, the debate over the classification (or type) of property for cryptocurrencies stemmed from the common law's recognition that there were only two categories of personal property with nothing in between – *viz,* things in action (or choses in action) and things in possession. Hence, Fry LJ in *Colonial Bank v Whinney* (1885) 30 Ch D 261 ("***Colonial Bank***") at 285 famously stated that "[a]ll personal things are either in possession or in action. The law knows no tertium quid [third thing] between the two".

19 Since cryptocurrencies were clearly not things in possession as they could not be physically possessed, they should logically fall into the other category. The immediate problem with that line of reasoning was that the category of things in action, when viewed narrowly (or literally), referred only to rights that are claimed or enforceable by legal action (*e.g.*, a debt owed). Hence, a narrow view would necessarily exclude cryptocurrencies since they did not embody any right capable of being enforced by legal action (see UK Jurisdiction Taskforce, "Legal Statement on Cryptoassets and Smart Contracts" (November 2019) ("**Legal Statement**") at para 68 and M G Bridge *et al*, *The Law of Personal Property* (Sweet & Maxwell, 3rd Ed, 2021) ("***The Law of Personal Property***") at para 4-002 and 8-049). Consequently, adopting a narrow view would lead to the unsatisfactory result where cryptocurrencies fell into neither category of property under the common law.

20 In my opinion, the better approach would be to take a broader view of things in action and treat it as a residual category that encompasses all intangible property. I say this for three reasons:

(a) Firstly, this approach was supported by the fact that the common law historically treated things in action as a broad and flexible category. For instance, the category grew over time to encompass intangible

properties such as patents and copyrights (see W S Holdsworth, "*The History of the Treatment of "Choses" in Action by the Common Law*" (1920) 33(8) Harvard Law Review 997 at p 997-998), and even emergent ones that did not fit squarely within the traditional conception of a thing in action such as allowances or quotas granted by an authority (see *The Law of Personal Property* at paras 8-007).

(b) Secondly, Fry LJ's reference to things in action in his oft-cited *dictum* in *Colonial Bank* (as seen at [18] above), should not be understood as an endorsement of that category of property being viewed narrowly. As pointed out in the Legal Statement at [75], Fry LJ's judgment showed that he adopted a broad view of things in action because he approved a passage from an academic text which said: "[i]n modern times also several species of property have sprung up which were unknown to the common law… canal and railway shares, and other shares in joint stock companies, and patents and copyrights… [t]hese kinds of property are all of a personal nature… [f]or want of a better classification, these subjects of personal property are now usually spoken of as choses in action." (see *Colonial Bank* at 276-277 and 286 citing Joshua Williams, *Principles of the Law of Personal Property* (Henry Sweet, 12 Ed, 1884) at p 7).

(c) Finally, such an approach has also been endorsed by the High Court of New Zealand in *Ruscoe* at [124].

21 Therefore, following from the above, even if the Claimant bought TerraUSD from the Respondent, the stablecoin would have been classified as a thing in action and excluded from the definition of "goods" under s 61(1) of the SOGA.

22 To conclude on the second reason, even if I took the Claimant's case at face value, she would still be unable to rely on para 1(a) of the schedule of the SCTA as she would not have a contract for the sale of goods.

The third reason: there was no contract for provision of service between the parties

23 The third reason was that, even if the Claimant had recharacterised her case by arguing that her deposit of TerraUSD with the Respondent in exchange for interest constituted a contract for the provision of service, I would have still found that she could not rely on para 1(a) of the schedule of the SCTA. While it was unnecessary for me to consider this, I nevertheless did so for completeness pursuant to the judge-led approach mandated under s 22 of the SCTA.

24 On this recharacterised case, the threshold issue was that the term "services" in para 1(a) of the schedule was not defined in the SCTA. Turning to the plain and ordinary meaning of the word, the Oxford Dictionary defined "service" as being the action of helping or doing work for someone (see *Oxford Dictionary of English* (Angus Stevenson ed) (Oxford University Press, 3rd Ed, 2010) at p 1627). Thus, the Claimant had to have engaged the Respondent to do some kind of work for her.

25 Support for adopting such an interpretation could also be gleaned from Prof S Jayakumar's reply to a query raised by a Member of Parliament during the second reading of the SCT Bill about whether the tribunal could hear disputes over services rendered. Without prejudging the jurisdiction of the tribunal, he said that he expected that "questions of poor workmanship" would come within the SCT's jurisdiction (see Singapore Parliamentary Debates,

Official Report (24 August 1984) vol 44 cols 2013 (Prof S Jayakumar, Minister for Labour and Second Minister for Law and Home Affairs)). Using the word "workmanship" in his reply suggested that the intention was for "services" to encompass one party doing work for another. That said, employment situations were excluded since para 1(a) of the schedule did not use the phrase "contract of service". Indeed, Prof S Jayakumar also made this clarification in said reply.

26 In this case, the Claimant did not pay the Respondent to do any work for her. Therefore, it cannot be said that there was a contract for the provision of services between the parties. Instead, based on what was disclosed at the Consultation, it appeared to me that the parties' transaction was analogous to depositing money in a bank for interest. And like such a depositor, what the Claimant acquired was not a service, but an incorporeal property known as a thing in action since the Respondent owed her a debt consisting of her TerraUSD plus interest. Hence, even if the Claimant had recharacterised her claim, she still would not have had a specified claim as she would not be able to rely on para 1(a) of the Schedule of the SCTA.

Conclusion

27 In conclusion, the claim was discontinued pursuant to s 17(3) of the SCTA. Additionally, the parties were informed that no decision had been made

on the merits and that the Claimant was free to pursue her claim in the appropriate forum.

Leon Abraham Tan
Assistant Registrar

The claimant in person;
The respondent in person.
