

Thrown for a loophole

The precious metals buyback schemes and collectively managed investment schemes that the Monetary Authority of Singapore plans to regulate have had a long history of controversies. Those companies were largely unregulated because their products were often designed to fall just outside of what regulators could supervise. MAS is seeking to close those loopholes with proposed changes to the Securities and Futures Act. Here are some of the recent cases.



Genneva

The gold buyback scheme with sister operations in Malaysia came under investigation on both sides of the Causeway in 2012 and was estimated at that time to have about 10,000 to 20,000 customers in Singapore. Key officers in Malaysia are currently facing charges.



The Gold Guarantee

The Commercial Affairs Department confirmed its investigation into the gold buyback scheme in 2013 amid numerous complaints about the company, which failed to pay clients what it had promised. The founder of the outfit, Lee Song Teck, went on the run.



Suisse International

More than 20 investors found a closed office and missing owners in January 2015, lowering their hopes of recovering the S\$7 million that they had claimed to have invested in the gold buyback scheme. Police are investigating.



Profitable Plots

The land banking scheme offered investors a chance to invest in UK property. Two directors were jailed a total of 15 years after a 64-day trial that began in April 2013.



EcoHouse Developments

The Brazilian social-housing developer promised investors returns of up to 20 per cent over 12 months. Two years after it started soliciting investors in Singapore, the company began to miss payments, and winding-up proceedings began this year.