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■ DEMAND GUARANTEES

Two ICC Opinions on demand guarantees issued in the past 12 months both relate to injunctions against counter-guarantors and highlight the importance of preserving the purpose and integrity of independent guarantees. Before delving into the particulars of these Opinions, Pavel Andrlé revisits the essential nature of independent guarantees that is misunderstood or mistreated at times. A guarantor cannot shirk its obligation to honour a complying demand. An underlying transaction dispute between involved parties is not an excuse that a guarantor can rely upon, nor is it justification to interrupt payment. In fact, one of the primary purposes of an independent guarantee is to be available in the event of such dispute. From this basis, Andrlé argues why unmerited injunctions seriously threaten the utility of independent guarantees.