

Documentary Credit

WORLD

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■ **CRÉDIT AGRICOLE v. PPT ENERGY**

The first judgment of the Singapore International Commercial Court that focused on a letter of credit dispute, *Crédit Agricole Bank, Singapore Branch v. PPT Energy Trading Co.* is one of the seminal LC cases of the pandemic era. In his meticulous summary of this lengthy decision, DCW Case Editor Matthew J. Kozakowski lays out the case facts which centered on an LC backing purchase of oil that was, unbeknownst to the LC issuer, subject to a complex chain of “round-tripping” contracts tainted by fraud. The case also crucially involved LC provisions for presentation of a letter of indemnity if original B/Ls were unavailable. Kozakowski then reviews the Judge’s analysis of issues regarding the fraud exception, fraud claims and evidence, the LC, warranties, and indemnity. Banks that rely on letters of indemnity may wish to consider the protections and enforceability they expect of LOIs in view of this decision.