

# Documentary Credit

# WORLD

## In This Issue...

■ **3 UPDATES: “Trade is High Risk”:** Real or Fake News?; Top 5 Takeaways from ICC’s 2017 Rethinking Trade & Finance; UAE Central Bank Takes Action; US Imposes Sanctions; Nickel Scam; Saudi Bank Issues Islamic LC in Chinese Currency; SWIFT Expands KYC Registry; BAFT Workshop; SWIFT Changes Coming; Venezuela Oil Sits; Beneficiaries Want Certainty, Applicants Want Something Else; The Most Challenging Aspect of Standbys?; UNCITRAL Model Law on Electronic Transferable Records; UN Endorses Forfeiting Rules; Citibank Amends LC for Sears; Bangladesh’s Correspondent Banking Challenges; Singapore-Based Lawyers Join Mayer Brown JSM; Mizuho’s Blockchain Success; Expired LCs Contribute to Cuban Crisis; Technology Update; International Updates; Bank of China Creatively Initiates e-D/P Transaction



■ **16 INTERVIEW:** Mohamed Elghali SIDDIQ

■ **19 TEXT:** Qatari Commercial Code – Letter of Guarantee



■ **20 LITIGATION DIGEST:**  
 ■ *Deutsche Bank AG, London Branch v. CIMB Bank Berhad*  
 ■ *Ottoway Engineering Pty Ltd. v. Westpac Banking Corp.*

■ **36 ICC OPINIONS REVISITED:** TA864<sup>REV</sup>

■ **42 ARTICLES:**

■ “TT Reimbursement Misunderstood”  
by James G. BARNES

■ “Guidance on Purchase / Prepayment & Negotiation under Documentary Credits”  
by Hasan APAYDIN

■ **49 LC STATISTICS:** US Banks (1Q17)

■ **61 SCAM SURVEY**

## 24 FEATURE



■ **CHINESE DEMAND GUARANTEE DISPUTE**

Ambiguous terms in independent guarantees inevitably leads to problems when there is a drawing. When adequate care and attention is not given to the content of these undertakings, then risk of an unpleasant dispute or costly lawsuit dramatically increases for the impacted parties. Jun XU abstracts *Powers Links International v. Far East Cable Co. Ltd*, a recent demand guarantee case in China which serves as a valuable lesson that minor issues can lead to major problems in demand guarantee-related international transactions. Although the case was decided before the *PRC Supreme People’s Court’s Provisions on Several Questions about Independent Guarantees Disputes Cases* entered into force, XU considers whether the case would have fallen within the scope of the circumstances for fraud delineated in this law.