

Documentary Credit

WORLD

In This Issue...

■ **3 UPDATES:** Scrap Metal Scheme Fueled by Fictitious LCs; Copper Demand Suffers in China; China Police Freeze Trafigura Accounts Due to LC Fraud; Iranian Bank Sues, Claims USD 1.3b Loss in LC Commissions; Indonesia Postpones Mandatory LC Policy ... for Now; Hoque Joins DCW Ed Advisory Board; Standby Helps Indonesian Company Price a Singapore Dollar Bond; Chinese State Shipbuilding Debuts Standby-Backed Euro Bond; The Sustainable Shipment LC; Global Credit Still Tight; Indian Central Bank Clarifies Refinancing Policy; LC Uses; Bangladesh, Sri Lanka ICC National Committees Partner for Workshop; Could International Factoring Complement LCs?; International Updates



■ **11 THE READERS SPEAK:**
Discrepancies Gone Wild

■ **12 LITIGATION DIGEST:**
■ *Taurus Petroleum Ltd. v. State Oil Mktg. Co. of the Ministry of Oil, Rep. of Iraq*

ShowCase



ARTICLES

■ **21: Letter of Credit Litigation and the New Special Appellate Court in Korea**
by Chang-Soon Thomas SONG



■ **24: Overview of International Banking Law & Practice in 2014 (Pt 2)**
by Christopher S. BYRNES and Professor James E. BYRNE

■ **32 LC STATISTICS:**
US Banks (4Q14)

■ **43 SCAM SURVEY**

■ **44 LC TRADE NEWS**

■ **45 INFORMATION DIGEST**

14 FEATURE



■ REIMBURSEMENT INSTRUCTIONS

The origin of reimbursement clauses under commercial credits pre-dates UCP. Thereafter with varying degrees of effectiveness, reimbursement instructions have been addressed in every iteration of UCP. In this issue, DCW Advisory Board member A.T.M. Nesarul Hoque examines the evolution of reimbursement clauses which offers useful perspective for understanding their applicability for contemporary commercial credit practice. What some bankers and most beneficiaries/applicants fail to realize is that there are two reimbursement regimes, that of UCP600 and the URR. While similar, there are significant differences between the two systems as well.