

# Documentary Credit

# WORLD

## In This Issue...

■ **3 UPDATES:** English Court Rules Against Citi in Metals Financing Case; You Say Dependent, I Say Independent; Guidelines for BPO Customer Agreements Being Drafted; “De-Friending” Correspondents; SEC Sets Minimum Requirements for Options Clearing LCs; Iranian Banks Face Slow Return to Global System; Chicago Sets General Obligation Offering; Indonesia Allows LC Exception; Egypt Lowers LC Fees; International Updates



■ **10 INTERVIEW:** Hussain Khuraidah Earns CSGP Honours

■ **11 THE READERS SPEAK:** What’s Wrong with Requiring Presentation of the Original Standby?; Out with the New (Guarantee) Before Receiving the Old

■ **13 LITIGATION DIGEST:**

- *Alternative Power Solution Ltd. v. Central Electricity Board*
- *Sulzer Pumps (South Africa) (Proprietary) Ltd. v. Covec-MC Joint Venture*
- *Shagang Shipping Co. Ltd. v. Ship ‘Bulk Peace’*

ShowCase



- *Huntington National Bank v. Daniel J. Aronoff Living Trust*
- *China Machinery Engineering Corp. v. China Construction Bank*
- *Pacific Bank Bhd v. Kerajaan Negeri Sarawak*
- Newly Decided Cases

■ **43 SCAM SURVEY**

■ **46 LC TRADE NEWS**

## 30 FEATURE



### ■ GOVERNMENT MANDATED STANDBY FORMS

The mandatory use of standby letter of credit forms supplied by government agencies has long been a source of frustration among bankers and lawyers in the U.S. In most instances, mandated forms contain certain clauses and wording that is less than ideal or even fundamentally unsound. Worse still, many agencies maintain a “take-it-or-leave-it” stance with regard to their forms and prohibit any changes to the wording. In this issue, DCW Editorial Board member James G. Barnes criticizes one such government mandated form. His primary aim is to draw attention to the form’s flaws with the hope of inducing government personnel to consider alternative text by considering ISP98 Form 11.1 [U.S.] (Model Government Standby Form).