

The Importance of Letters of Indemnity in Shipping & International Trade – What You Need to Know

Webinar | 25 August 2022 | 4.30pm – 6pm SGT



Overview

Letters of Indemnity (“LOIs”) are commonplace in international trade and shipping, and feature ever so often in the performance of International Sales Contracts and Charterparties. But what are the various contexts in which they surface? What is the mischief that they are designed to address?

Loh Wai Yue will start off this session by addressing, amongst other things, the following questions:

- Who ordinarily issues LOIs, to whom are LOIs issued, and pursuant to what types of contractual arrangements?
- What are the acts to be performed by the beneficiary at the request of the issuer, in exchange for which the issuer is required to provide an LOI?
- What kinds of third-party liabilities does the obligation to indemnify under the LOIs ordinarily extend to?
- What are the problems that one may encounter when it comes to enforcement of the LOIs?

He will introduce (or refresh, in appropriate cases) these general concepts, accompanied by an examination of recent developments in case law having an impact on these issues, as well as practical tips to note when advising on the wording and issuance of LOIs.

Ian Teo and Maureen Poh will then take us through the impact of LOIs on commodities traders. Particularly in the oil trade, there may be long chains of buyers and comparatively short ocean voyages where the ship carrying the cargo arrives at the discharge port before the bills of lading (“B/Ls”) are made available to the cargo receiver. Often that is because the cargo has been sold and resold and there has simply been insufficient time for the B/Ls to make their way through the banking chain as they are negotiated from one letter of credit provider to the next.

In these circumstances, 2 types of LOIs are commonly issued. First, a shipowner may be asked to deliver the cargo to the cargo receiver (without production of B/Ls) against a LOI issued by the charterer to the shipowner to indemnify the latter (“Discharge LOI”). Second, in order to obtain payment under the sale contract or the credit, a seller/beneficiary may present a LOI to the buyer/applicant or the financing bank and undertake to provide the B/Ls as soon as they are received (“Payment LOI”).

Both speakers will discuss recent court decisions on whether/how LOIs affect the financing, letters of credit and the use of B/Ls in the commodities trade.

SAL Members may utilise credit dollars (C\$)

Registration SGD 96.30 inc GST)

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Register by
24 August 2022

Programme

04.15PM	Participants to log in to webinar
04.30PM	Presentation by <ul style="list-style-type: none">Mr Loh Wai Yue, <i>Joint Managing Director, Incisive Law LLC Singapore</i>Ms Maureen Poh, <i>Director, Helmsman LLC Singapore</i>Mr Ian Teo, <i>Managing Director, Helmsman LLC Singapore</i>
05.30PM	Panel Discussion and Q&A moderated by Mr Ian Teo, <i>Managing Director, Helmsman LLC Singapore</i>
06.00PM	End of webinar

Speaker / Moderator



Mr Ian Teo

Managing Director, Helmsman LLC Singapore
Senior Accredited Specialist (Maritime & Shipping Law), Singapore Academy of Law

One of the founding directors of Helmsman, Ian is an authority on commodity trading and shipping law. In 2019, he became one of the first senior accredited shipping and maritime law specialists appointed by the Singapore Academy of Law. What's more, he was recognised by Euromoney Expert Guides as one of the world's 30 Best of the Best Shipping Lawyers. In 2016, Best Lawyers Singapore named Ian as Trade Lawyer of the Year.

Qualified to practise in Singapore, England and Wales, Ian read law at the National University of Singapore (LL.B) and obtained his LL.M at Cambridge University. Awarded the Justice Tan Ah Tah Prize in his PLC class, Ian is a member of the adjunct faculty at the Singapore Management University, School of Law, a Fellow of the Chartered Institute of Arbitration, and an Adjunct Fellow of the NUS Centre for Maritime Law. He contributes to academia regularly, and has published in Lloyd's Maritime & Commercial Quarterly.

Speaker / Panellist



Mr Loh Wai Yue

Joint Managing Director, Incisive Law LLC Singapore
Senior Accredited Specialist (Maritime & Shipping Law), Singapore Academy of Law

Loh Wai Yue is an experienced litigator specialising in the fields of shipping, international trade and marine insurance. He is part of a select group of senior practitioners at the Singapore Bar accredited by the SAL as a Senior Accredited Specialist in Maritime & Shipping law.

Wai Yue is often ranked as a leading lawyer ranked various legal directories and is noted for being 'brilliant in the way he deals with complexities', the lawyer who 'understands the business practices and operations', and a 'strategist who can come up with detailed solutions'. Wai Yue is qualified to practise in three jurisdictions, namely Singapore, Hong Kong and England & Wales.

Wai Yue also brings to the team his previous experience of working as a defence lawyer in the largest international Group P & I Club, advising shipowners and charterers in relation to, amongst other things, the drafting, acceptance and enforcement of Letters of Indemnity.

Wai Yue's expertise spreads across contracts and disputes in relation to the trading of oil, dry bulk cargoes and trade finance. He is also a leading lawyer on charterparties, bills of lading, contracts for port services, unsafe port and cargo claims, and ship building/sale and purchase disputes. He is a regular speaker, both regionally and internationally, on topics relating to maritime law, international trade, commercial disputes and risk & compliance.

Wai Yue is on the Panel of the International Arbitrators of the Shanghai International Arbitration Centre. He also serves as a member of the Procedure Committee of the Singapore Chamber of Maritime Arbitration (SCMA).

Speaker / Panellist



Ms Maureen Poh
Director, Helmsman LLC Singapore

Maureen Poh, Director, Helmsman LLC is well-known as a key name for charterparty and carriage of goods by sea disputes, and commodity sale and purchase matters. She is lauded for being ‘proactive, clear and fast in analysing specific points’. Maureen has significant experience with contentious and transactional shipping and commodity-related matters. Her experience spans a range of vessels from bulk carriers, oil and chemical tankers to gas tankers and floating storage and regasification units (FSRU). Maureen has particular expertise in energy-related transportation and sale and purchase contracts, including Liquefied Natural Gas (LNG), crude oil and refined products.

Chambers 2022 recognises Maureen as a leading expert in shipping and commodity trading. Maureen was also cited in Legal 500 as “a key name for charterparty disputes, carriage of goods by sea and cargo claims”, and complimented for being “proactive, clear and fast in analysing specific points”. She is qualified to practise law in England and Wales, and Singapore.

Maureen is also admitted to the Fellowship of the Chartered Institute of Arbitrators.



Number of Public CPD point: 1.5
Practice Area: Admiralty Practice/ Shipping | Training Level: General

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