



UiO • **Faculty of Law**
University of Oslo

**Case studies on
Uniform Commercial Practices on
Documentary Credits and National Law**



Case 1¹

The Beneficiary of a Letter of Credit presents documents to obtain payment under the Letter of Credit. The Bank refuses payment, because not all the documents listed in the instruction have been presented. In particular, a “Receipt signed and proving delivery of the goods” was listed as one of the documents to be presented, and was not presented. The Beneficiary claims that payment is due in spite of the lack of this document, because the delivery can be proven by other means. Is the Beneficiary entitled to obtain payment under the Letter of Credit?

¹ *Société de Banque Suisse v. Société Generale Alsacienne de Banque*, Entscheidungen des schweizerischen Bundesgerichts, 1989, II, 67.

Case 2¹

A Letter of Credit is issued by the Philippine National Bank, as part of a settlement between the the—president of the Philippine Ferdinand Marcos and Chuidan’s business. Shortly thereafter the government of President Marcos is overthrown, and the new government instructs the Philippine National Bank not to make payment under the Letter of Credit issued to Chuidan, on the ground of suspected fraudulent settlement. A Los Angeles branch of the Philippine National Bank acted as an advising bank. Chuidan requests payment to the advising bank in accordance with the Letter of Credit. Is the Beneficiary entitled to payment under the Letter of Credit?

¹ *Chuidan v. Philippine National Bank*, 976 F.2.d 561 (9th Cir. 1992).

Case 3¹

A Letter of Credit is issued by an Ugandan bank. Citibank of New York acts as an advising bank. In 1972 the Ugandan government prohibits the Ugandan bank from making foreign exchange payment to the Israeli beneficiary. Consequently, the issuing bank instructs the advising bank to cancel the Letter of Credit. The Beneficiary claims payment under the Letter of Credit from Citibank. Is the Beneficiary entitled to payment in accordance with the Letter of Credit?

¹3 *J.Zeevi & Sons v. Grindlisy's Bank (Uganda)*.

Case 4¹

DCA has entered into a contract for the supply of certain military equipment to the State of India, and has issued a Letter of Credit as a performance guarantee. The main document to be presented to obtain payment under the Letter of Credit is a certificate by the State of India stating that DCA is in breach of contract. War breaks out between India and Pakistan, and the USA announces an embargo on India. The military equipment is delivered FOB at the DCA's plant; DCA alleges that it has performed its obligation to supply the equipment at its plant. The embargo prevents the shipment abroad, and the State of India presents to the banks a certificate of breach of contract and requests payment under the letter of Credit. Is the Beneficiary entitled to payment under the Letter of Credit?

¹ *Dynamics Corp. Of America v. Citizens and Southern National Bank*, 356 F.Supp.991 (1973).