Commodity and trade disputes in arbitration

Dr Alexander Ressos, TEP
Attorney-at-Law (Switzerland and Germany),
Solicitor (England & Wales and Hong Kong)
Of Counsel, KGP Legal LLC
alexander.ressos@kgplegal.com.sg
www.ressos.com.sg

Trade as the largest category

Trade disputes form the largest single category of SIAC's caseload. In 2025, 346 of the new cases, or 39 per cent, concerned trade, followed by commercial disputes with 177 cases, corporate disputes with 90 and maritime and shipping disputes with 85. The sectors listed range from commodities, energy, mining and agriculture to banking, insolvency, crypto-assets.[1]

This profile mirrors the economy of the city. Singapore is the leading trading hub of Asia for oil, metals and agricultural commodities, as Part G shows. Trading companies buy and sell cargoes under contracts that often contain arbitration clauses, while the banks of the financial centre finance those cargoes. When prices fall sharply, buyers refuse delivery, sellers claim damages and banks look for the goods that secured their loans. Many of these disputes end in arbitration.

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The London tradition and the standard-form associations

Commodity arbitration has its own traditions. For grain, oilseeds, sugar, coffee and cocoa, the standard-form contracts of London trade associations have long provided for arbitration under their own rules. The Grain and Feed Trade Association, for example, incorporates its arbitration rules into all of its standard forms and provides for a two-stage system with an appeal.[2] Disputes under these forms usually go to London, even where both parties are based in Asia.

Singapore has therefore competed for commodity disputes from another angle. Its offer is aimed at bespoke contracts, at disputes between Asian trading houses and their suppliers, and at contracts in which Asian parties want a seat in their own time zone. Energy contracts, coal and iron ore supplies and long-term offtake agreements often fall into this category. The high share of Singapore law in SIAC cases suggests that many Asian traders choose the substantive law of Singapore together with the seat.

Maritime arbitration and the SCMA

Shipping disputes have their own institution. The Singapore Chamber of Maritime Arbitration was established in November 2004 as a department of SIAC and became an independent arbitral institute in May 2009. It focuses on maritime and international trade disputes. Its board is chaired by Chao Hick Tin, a former Vice President of the Court of Appeal. Its fourth edition of rules, in force since 1 January 2022, includes an expedited procedure with caps on arbitrators' fees and recoverable legal costs.[3]

The decisive step was the inclusion of Singapore in standard clauses. The SCMA is one of the default options for dispute resolution under BIMCO's Law and Arbitration Clause 2020 and under the NYPE Time Charter 2015.[4] A shipowner who signs a charterparty on a standard form can therefore choose Singapore by ticking a box. For a port that is also the world's largest bunkering hub, a subject of Chapter G.III, this link between shipping and dispute resolution strengthens the maritime cluster.

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A coal dispute as illustration

Coal & Oil Co LLC v GHCL Ltd shows the type of dispute that reaches Singapore. Under an agreement of 26 April 2007, a Dubai-registered supplier undertook to deliver between 180,000 and 190,000 metric tons of coal to an Indian buyer in three to four shipments. An addendum of 17 March 2008 raised the price of the third shipment, of 70,000 tons, by US$18.50 per ton. After paying, the buyer demanded the difference back, arguing that the addendum had been procured through coercion. The contract provided for arbitration in Singapore, where SIAC appointed a sole arbitrator under its 2007 Rules. The tribunal held the addendum vitiated by duress and awarded the buyer US$1,295,888 with interest.[5]

The case contains the typical elements. The parties came from different jurisdictions, while the price of the commodity was renegotiated during the life of the contract. The seller, having lost on the price adjustment, tried to set the award aside on procedural grounds. The High Court's refusal showed foreign traders that a Singapore award would hold.

Interim relief, assets and sanctions

Commodity disputes often turn on the speed of interim relief. A cargo can be sold, a vessel can leave port and a bank account can be emptied within days. The emergency arbitrator, the protective preliminary order and the power of the High Court to grant interim measures in support of arbitrations seated anywhere give creditors several routes to preserve assets in Singapore. Where a counterparty has defrauded its banks, as in the collapses of 2020 examined in Chapter H.II, arbitration is only one of several proceedings, alongside insolvency, criminal prosecution and claims in court.

Sanctions add a further layer. A contract with a sanctioned party raises questions about the administration of the case, the payment of fees and the enforcement of the award. Russian parties continued to appear in SIAC cases in 2025, both as claimants and as respondents.[6] The legal framework for sanctions and export controls is the subject of Chapter H.IV.

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Notes

1. SIAC, *Annual Report 2025*, Statistics 2025, "Categories of Disputes in 2025": Trade 346 (39 %), Commercial 177 (20 %), Others 106 (12 %), Corporate 90 (10 %), Maritime/Shipping 85 (10 %), Construction 82 (9 %); "Sectors" list including commodities, agriculture, banking/financial services and blockchain/cryptocurrency. ↩
2. GAFTA, "Arbitration" (gafta.com, accessed November 2026): rules "incorporated in all Gafta standard forms of contracts"; "a two-stage arbitration system"; Rules No. 125 and No. 126 effective from 1 July 2026. ↩
3. Singapore Chamber of Maritime Arbitration, "About us" (scma.org.sg, accessed November 2026); SCMA, home page (scma.org.sg, accessed November 2026): 4th Edition Rules "Effective 1 January 2022"; Expedited Procedure (Rule 44) with caps on fees; "one of the default options for dispute resolution under BIMCO's Law and Arbitration Clause 2020"; also the NYPE Time Charter 2015. ↩
4. SCMA, home page (n above), on BIMCO's Law and Arbitration Clause 2020 and the NYPE Time Charter 2015. ↩
5. *Coal & Oil v GHCL* (n above): agreement of 26 April 2007 for 180,000 to 190,000 metric tons of coal in three to four shipments; plaintiff "a company registered in Dubai, United Arab Emirates"; addendum of 17 March 2008 (price increase of US$18.50 per MT for the third shipment of 70,000 MT); demand of 18 May 2008 for US$1,295,888; SIAC Rules 2007, sole arbitrator; award for GHCL, application to set aside dismissed. ↩
6. SIAC, *Annual Report 2025*, Statistics 2025, "Geographical Origin of Parties": Russia, 5 claimants and 4 respondents (plus subsidiaries of Russian parent companies). ↩

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Author contact: Dr Alexander Ressos, TEP · contact@ressos.com