Trade Finance in Singapore: summary

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Trade finance in Singapore rests on self-liquidating credit secured on identified goods, delivered through documentary credits, collections, trust receipts, guarantees and receivables finance, and supplemented for the large trading houses by borrowing base facilities, inventory and repurchase financing, prepayments and syndicated revolving credits. The Court of Appeal's decision in *Winson Oil* in 2024, arising from the collapse of Hin Leong, confirmed that the fraud exception to the autonomy of letters of credit extends to reckless misrepresentation. The three local banks, DBS, OCBC and UOB, form a stable core of lenders alongside European, Japanese, Chinese, Indian and Gulf banks, whose relative weight has shifted towards Asia since several European banks left the business in 2020. Singapore adopted the UNCITRAL Model Law on Electronic Transferable Records through Part 2A of the Electronic Transactions Act in 2021 and built public infrastructure for digital trade documents in TradeTrust, SGTraDex and the Trade Finance Registry of 2023. The frauds of 2020 led to a Code of Best Practices adopted by 28 banks with the support of MAS, which has made finance more demanding for mid-sized traders while keeping Singapore one of the two leading centres of commodity trade finance alongside Geneva.

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