

Korean state-owned bank beats billion-dollar claim

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IBK building in Seoul (Credit: Shutterstock/JHVEPhoto)

A Korean state-owned bank has defeated the bulk of a US\$1.4 billion HKIAC claim by a group of commodities traders over its alleged failure to honour purchase obligations during the covid-19 pandemic.

GAR understands that an HKIAC tribunal issued a unanimous final award yesterday requiring the Industrial Bank of Korea (IBK) to pay US\$66.5 million to Singapore-based Antanium Resources and its affiliates.

It also upheld IBK's counterclaim for US\$60.3 million and ordered it to pay part of the claimants' costs.

The tribunal was chaired by **Michael Moser** and included Singapore's **Alan Thambiayah** and South Korea's **Joongi Kim** as co-arbitrators.

The claimants were represented by Watson Farley & Williams and barristers from Temple Chambers in Hong Kong. Omni Bridgeway provided third-party funding to Antanium.

IBK took counsel from South Korean firm Shin & Kim, having turned to Ashurst for an emergency arbitration phase.

The eight claimants are part of the Antanium group and traded commodities including palm oil under a receivables purchase agreement with a Korean asset manager as principal and IBK as trustee.

The claimants [alleged](#) that IBK failed to meet minimum commitments to purchase commodities from them during the covid-19 pandemic. Antanium – known until last year as Rhodium Resources – suffered financial difficulties in 2020, including withdrawals of related credit insurance cover, and is currently in a debt restructuring process in Singapore.

In April 2020, the claimants launched an emergency arbitration that went before French-Iranian arbitrator **Yas Banifatemi** of GBS Disputes in Paris. They sought a declaration that IBK was in breach of the agreement by failing to make purchase orders. She instructed IBK to comply with its obligations under the contract pending the arbitration.

IBK argued it had terminated the agreement and was not liable for any breaches since March 2020.

In the arbitration, the claimants initially sought US\$490 million, but increased this to US\$1.4 billion on the basis that IBK's actions had worsened Antanium's financial issues.

IBK argued it had no express requirement to make purchases, which remained discretionary. It brought a counterclaim for unjust enrichment, alleging the claimants failed to transfer funds owed to the bank.

The tribunal made an order for security for costs in the bank's favour in 2021 and held a virtual merits hearing in the same year.

In the final award, the tribunal found IBK liable for failing to purchase commodities under the agreement in March and April 2020. Although the bank had terminated the contract in March 2020, the tribunal said IBK's obligations did not expire for a further 30 days.

The claims in relation to other time periods were rejected, while IBK's counterclaim succeeded in full.

Last year, Antanium was reported to be facing debts of hundreds of millions of dollars after credit insurance providers withdrew cover for its commodities trading operations. The company's dispute with insurers have sparked litigation in Australia, the UK and elsewhere.

Antanium Resources and others v Industrial Bank of Korea

In the arbitration

Tribunal

- **Michael Moser** (Austria) (chair)
- **Alan Thambiayah** (Singapore) (appointed by the claimants)
- **Joongi Kim** (South Korea) (appointed by IBK)

Counsel to Antanium Resources and others

- Watson Farley & Williams

Partner **Sumeet Malhotra*** and senior associates **Christina Whitehead*** and **Josephine Jung** in Singapore and partner **Steven Burkill** in Bangkok

**brought the case with them from Hill Dickinson in 2021*

- **Charles Manzoni QC, Harrison Miao and Karen Tsang** of Temple Chambers in Hong Kong

Counsel to IBK

- Shin & Kim

Partners **Jae Min Jeon, Youngwon Yoon and Rockey Yoo** and associates **Sang Hyeop Lee, Jihyuk Song, Kimberly Kim and Jung Hoon Yang** in Seoul

Expert witnesses for the claimants

- **John McNamara** and **Richard Wulff** of Valere Capital (commodities and credit insurance)
- **Mark Taylor** of Secretariat in London (quantum)

Expert witnesses for IBK

- **Allen Lee** of Structured Commodities in New Jersey (commodities and credit insurance)
- **Tiago Duarte-Silva** of Charles Rivers Associates in New York (quantum)

In the emergency arbitration

Emergency arbitrator

- **Yas Banifatemi** (France, Iran)

Counsel to Antanium Resources and others

- Hill Dickinson

Partner **Sumeet Malhotra** and senior associate **Christina Whitehead** in Singapore

- **Charles Manzoni QC** of Temple Chambers in Hong Kong

Counsel to IBK

- Ashurst

Partner **Ronnie King** in Tokyo

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[View full biography](#)