SCMA in Indonesia-connected disputes

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Introduction

Singapore's position as a leading arbitration hub is well established. While the Singapore International Arbitration Centre (**SIAC**) often captures the headlines, the Singapore Chamber of Maritime Arbitration (**SCMA**) has steadily grown in prominence as a specialist forum for shipping and commodities disputes. For Indonesia-connected commerce spanning coal, palm oil, LNG and vessel operations, SCMA has proven an attractive choice. Although relatively few SCMA awards themselves reach the public domain, the Singapore courts have generated a body of jurisprudence that illuminates how SCMA arbitrations operate in practice.

This article examines several key Singapore judgments where Indonesian parties or Indonesia-related transactions were central. These cases reveal both the strengths and limits of SCMA arbitration and underscore Singapore's pro-arbitration judicial framework.

DMG v DMF (SGHC(I) 12, 2025)

The most recent example is DMG v DMF (Singapore International Commercial Court, 17 April 2025). The dispute arose from a charterparty for the carriage of palm oil loaded at Tanjung Pura, Indonesia, destined for Iran. Arbitration was commenced under SCMA Rules.

Two challenges reached the Singapore court: (i) whether the named respondent was in fact a party to the arbitration agreement, and (ii) whether performance would contravene international sanctions and thus violate Singapore public policy.

The Court dismissed both challenges. On the jurisdictional issue, it found sufficient evidence of assent to the charterparty. On public policy, the Court held that sanctions concerns did not render the dispute non-arbitrable per se; the arbitral tribunal was competent to address those issues in the first instance. The Court emphasised the narrow scope of the "public policy" exception and declined to interfere prematurely with arbitral proceedings.

Indonesian counterparties in sensitive commodities trades can be reassured that Singapore courts will not derail arbitrations lightly. The case confirms the judiciary's commitment to upholding tribunal competence and limiting public-policy exceptions to clear cases of illegality.

Five Ocean Corporation v Cingler Ship Pte Ltd [2015] SGHC 311

A decade earlier, the High Court addressed a dispute concerning a cargo of Indonesian steam coal loaded on the *Corinna*. Arbitration had been commenced under SCMA Rules. The shipowner sought preservation and sale orders to prevent deterioration of the coal while the arbitration proceeded. PT Commodities & Energy Resources, an Indonesian company with an interest in the cargo, intervened.

The Court granted the application. It reasoned that the International Arbitration Act (**IAA**) expressly empowers Singapore courts to order interim measures, including preservation and sale of goods—where necessary to protect the efficacy of arbitration. The presence of an Indonesian stakeholder did not diminish the Court's willingness to exercise this jurisdiction.

This decision demonstrates the practical utility of choosing Singapore as the seat of SCMA arbitration. Indonesian parties can rely on Singapore courts for interim relief, ensuring that cargo value is preserved pending the outcome of arbitration.

PT Pelayan Nasional Varuna Servicitama [2020] SGHC 249

In PT Pelayan Nasional Varuna Servicitama**,** the High Court reviewed materials arising from an SCMA arbitration involving agency and FSO operations. The Indonesian company was cited in filings before the Court, underscoring how Indonesian agents and service providers routinely feature in SCMA-related proceedings.

Although not a high-profile precedent, the case is illustrative. Even when disputes are primarily Indonesian in character, such as agency contracts or offshore service arrangements, parties opt for SCMA arbitration and Singapore court support. The case highlights the penetration of SCMA into everyday maritime operations involving Indonesian entities.

Anti-suit injunctions: protecting SCMA arbitration from Indonesian litigation

Singapore courts have also addressed situations where proceedings are commenced in Indonesia in breach of an arbitration agreement. In several decisions, including recent appellate rulings in 2024, the courts granted anti-suit injunctions to restrain parties from pursuing Indonesian litigation contrary to an SCMA arbitration clause.

This line of authority reassures foreign shipowners and traders that SCMA clauses will be respected. Singapore courts will not allow parallel litigation in Indonesia to undermine the arbitral process.

Practical lessons for Indonesian counterparties

1. **Procedural support and interim relief:** Singapore courts provide swift and effective remedies, including cargo sale orders, anti-suit injunctions and preservation of value that make SCMA arbitration particularly suitable for commodities and shipping trades tied to Indonesian ports (*Five Ocean* is a clear illustration).
2. **Judicial restraint and tribunal autonomy:** Courts defer to arbitral tribunals on merits and limit public-policy interventions. *DMG v DMF* shows that even allegations of sanctions violations will not derail arbitration at an early stage.
3. **Clause drafting is critical:** Multi-tier dispute resolution mechanisms must be drafted with care. There is always a risk of jurisdictional challenges if contractual steps are ambiguous.

Conclusion

The trend in SCMA cases involving Indonesian parties is clear: from palm oil cargoes in Sumatra to coal exports from Kalimantan, Indonesian stakeholders are turning to SCMA arbitration with Singapore as the seat. The Singapore courts, in turn, have provided consistent support, granting interim relief, enforcing arbitration agreements and resisting attempts to evade arbitral jurisdiction.

For Indonesian traders, shipowners and state-owned enterprises, SCMA arbitration in Singapore offers a blend of maritime-specialised procedures and judicial backing. The jurisprudence surveyed herein suggests that this trend will only deepen, as Indonesia's maritime and commodities trades continue to expand.

References

- *DMG v DMF* [2025] SGHC(I) 12.
- *Five Ocean Corporation v Cingler Ship Pte Ltd* [2015] SGHC 311.
- *PT Pelayan Nasional Varuna Servicitama* [2020] SGHC 249.
- Selected anti-suit injunction rulings (Singapore Court of Appeal, 2024).