

## Summary Judgment in a Gaming Credit Facility Dispute — Star Cruise Services Limited v Chen Teng Fah (2021)

In the recent Court of Appeal case of **Star Cruise Services Limited v Chen Teng Fah** (unreported), Star Cruise succeeded in obtaining summary judgment against a patron to recover a debt pursuant to a gaming credit facility. There have to date been no reported Court of Appeal decisions in respect of the grant of summary judgment on a “*gaming*” debt matter.

### Summary

On 16 April 2021, the Court of Appeal granted summary judgment in favour of Star Cruise Services Limited (“Star Cruise”) in respect of a gaming credit facility — a Cheque Cashing Facility (“CCF”) from its patron, Chen Teng Fah (“Patron”).

The CCF was executed outside Malaysia and the CCF was governed by Panama Law. The Patron sought to set aside the writ action on the ground of forum non conveniens and opposed the summary judgment on grounds of illegality and public policy.

### Decision

The Court of Appeal held the following:

In determining the validity of the CCF, Panama law, and not Malaysian law, applies:

- a) Section 26 of the **Civil Law Act 1956** and Section 31(1) of the **Contracts Act 1950** are therefore inapplicable to Star Cruise’s claim;
- b) Star Cruise’s claim is not contrary to public policy pursuant to Section 24(e) of the **Contracts Act 1950**;
- c) Star Cruise is entitled to recover the debt owed by the Patron and maintain the action in Malaysia;
- d) The issue of forum non conveniens does not arise; and
- e) There is no necessity for this matter to be heard by way of a full trial.

## Conclusion

The case has legal significance and demonstrates the robustness of the Malaysian Courts in giving effect to the commercial realities in matters relating to gaming credit agreements.

It reinforces the legal position that a casino may recover a gaming credit debt from its patron in Malaysia as held in **Wynn Resorts (Macau) S.A. v Poh Yang Hong** [2019] MLJU 2003. Second, the Court of Appeal recognized summary judgment as appropriate in such matters. This decision will no doubt result in debtors thinking twice before reneging on their obligations after having enjoyed the benefits of gaming credit facilities overseas.

\*[Shanti Mogan](#), [Lilien Wong](#) and [Yiew De Quan](#) of Messrs Shearn Delamore & Co acted for Star Cruise.

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