336.5-112 MS 1996 [Repealed, 1997 c 11 art 1 s 20]

336.5-112 TRANSFER OF LETTER OF CREDIT.

(a) Except as otherwise provided in section 336.5-113, unless a letter of credit provides that it is transferable, the right of a beneficiary to draw or otherwise demand performance under a letter of credit may not be transferred.

(b) Even if a letter of credit provides that it is transferable, the issuer may refuse to recognize or carry out a transfer if:

(1) the transfer would violate applicable law; or

(2) the transferor or transferee has failed to comply with any requirement stated in the letter of credit or any other requirement relating to transfer imposed by the issuer which is within the standard practice referred to in section 336.5-108(e) or is otherwise reasonable under the circumstances.

History: *1997 c 11 art 1 s 12*