

TITLE 5: UNIFORM COMMERCIAL CODE
DIVISION 5: LETTERS OF CREDIT

§ 5111. Warranties on Transfer and Presentment.

(1) Unless otherwise agreed the beneficiary by transferring or presenting a documentary draft or demand for payment warrants to all interested parties that the necessary conditions of the credit have been complied with. This is in addition to any warranties arising under divisions 3 [5 CMC § 3101 et seq.], 4 [5 CMC § 4101 et seq.], 7 [5 CMC § 7101 et seq.] and 8 [5 CMC § 8101 et seq.] of this title.

(2) Unless otherwise agreed a negotiating, advising, confirming, collecting or issuing bank presenting or transferring a draft or demand for payment under a credit warrants only the matters warranted by a collecting bank under division 4 of this title [5 CMC § 4101 et seq.] and any such bank transferring a document warrants only the matters warranted by an intermediary under divisions 7 [5 CMC § 7101 et seq.] and 8 [5 CMC § 8101 et seq.] of this title.

Source: PL 3-56, § 1 (§ 5111).