

355.5-116 Choice of law and forum.

- (1) The liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction chosen by an agreement in the form of a record signed or otherwise authenticated by the affected parties in the manner provided in KRS 355.5-104 or by a provision in the person's letter of credit, confirmation, or other undertaking. The jurisdiction whose law is chosen need not bear any relation to the transaction.
- (2) Except as otherwise provided in this subsection, the liability of an issuer, nominated person, or adviser is governed by any rules of custom or practice, such as the Uniform Customs and Practice for Documentary Credits, to which the letter of credit, confirmation, or other undertaking is expressly made subject. If:
 - (a) This article would govern the liability of an issuer, nominated person, or adviser under subsection (1) of this section;
 - (b) The relevant undertaking incorporates rules of custom or practice; and
 - (c) There is conflict between this article and those rules as applied to that undertaking, those rules govern except to the extent of any conflict with the nonvariable provisions specified in KRS 355.5-103(3).
- (3) If there is conflict between this article and Article 3, 4, 4A, or 9 of this chapter, this article governs.
- (4) The forum for settling disputes arising out of an undertaking within this article may be chosen in the manner and with the binding effect that governing law may be chosen in accordance with subsection (1) of this section.

Effective: July 1, 2001

History: Repealed and reenacted 2000 Ky. Acts ch. 408, sec. 16, effective July 1, 2001.
-- Amended 1986 Ky. Acts ch. 118, sec. 8, effective July 1, 1987 -- Created 1958 Ky. Acts ch. 77, sec. 5-116, effective July 1, 1960.