

SECTION. THE TERMS IN THE NOTICE TO THE TRANSFEREE BENEFICIARY MAY DIFFER FROM THE TERMS IN ANY NOTICE TO THE TRANSFEROR BENEFICIARY TO THE EXTENT PERMITTED BY THE LETTER OF CREDIT, CONFIRMATION, AMENDMENT, OR ADVICE RECEIVED BY THE PERSON WHO SO NOTIFIES.

5-108. ISSUER'S RIGHTS AND OBLIGATIONS.

(A) EXCEPT AS OTHERWISE PROVIDED IN § 5-109 OF THIS TITLE, AN ISSUER SHALL HONOR A PRESENTATION THAT, AS DETERMINED BY THE STANDARD PRACTICE REFERRED TO IN SUBSECTION (E) OF THIS SECTION, APPEARS ON ITS FACE STRICTLY TO COMPLY WITH THE TERMS AND CONDITIONS OF THE LETTER OF CREDIT. EXCEPT AS OTHERWISE PROVIDED IN § 5-113 OF THIS TITLE AND UNLESS OTHERWISE AGREED WITH THE APPLICANT, AN ISSUER SHALL DISHONOR A PRESENTATION THAT DOES NOT APPEAR SO TO COMPLY.

(B) AN ISSUER HAS A REASONABLE TIME AFTER PRESENTATION, BUT NOT BEYOND THE END OF THE 7TH BUSINESS DAY OF THE ISSUER AFTER THE DAY OF ITS RECEIPT OF DOCUMENTS:

(1) TO HONOR;

(2) IF THE LETTER OF CREDIT PROVIDES FOR HONOR TO BE COMPLETED MORE THAN 7 BUSINESS DAYS AFTER PRESENTATION, TO ACCEPT A DRAFT OR INCUR A DEFERRED OBLIGATION; OR

(3) TO GIVE NOTICE TO THE PRESENTER OF DISCREPANCIES IN THE PRESENTATION.

(C) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (D) OF THIS SECTION, AN ISSUER IS PRECLUDED FROM ASSERTING AS A BASIS FOR DISHONOR ANY DISCREPANCY IF TIMELY NOTICE IS NOT GIVEN, OR ANY DISCREPANCY NOT STATED IN THE NOTICE IF TIMELY NOTICE IS GIVEN.

(D) FAILURE TO GIVE THE NOTICE SPECIFIED IN SUBSECTION (B) OF THIS SECTION OR TO MENTION FRAUD, FORGERY, OR EXPIRATION IN THE NOTICE DOES NOT PRECLUDE THE ISSUER FROM ASSERTING AS A BASIS FOR DISHONOR FRAUD OR FORGERY AS DESCRIBED IN § 5-109(A) OF THIS TITLE OR EXPIRATION OF THE LETTER OF CREDIT BEFORE PRESENTATION.

(E) AN ISSUER SHALL OBSERVE STANDARD PRACTICE OF FINANCIAL INSTITUTIONS THAT REGULARLY ISSUE LETTERS OF CREDIT. DETERMINATION OF THE ISSUER'S OBSERVANCE OF THE STANDARD PRACTICE IS A MATTER OF INTERPRETATION FOR THE COURT. THE COURT SHALL OFFER THE PARTIES A REASONABLE OPPORTUNITY TO PRESENT EVIDENCE OF THE STANDARD PRACTICE.

(F) AN ISSUER IS NOT RESPONSIBLE FOR:

(1) THE PERFORMANCE OR NONPERFORMANCE OF THE UNDERLYING CONTRACT, ARRANGEMENT, OR TRANSACTION;

(2) AN ACT OR OMISSION OF OTHERS; OR