

§5-1102. Definitions

(1). As used in this Article, unless the context otherwise indicates, the following terms have the following meanings.

- (a). "Adviser" means a person who, at the request of the issuer, a confirmer or another adviser, notifies or requests another adviser to notify the beneficiary that a letter of credit has been issued, confirmed or amended. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (b). "Applicant" means a person at whose request or for whose account a letter of credit is issued. The term includes a person who requests an issuer to issue a letter of credit on behalf of another if the person making the request undertakes an obligation to reimburse the issuer. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (c). "Beneficiary" means a person who under the terms of a letter of credit is entitled to have its complying presentation honored. The term includes a person to whom drawing rights have been transferred under a transferable letter of credit. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (d). "Confirmer" means a nominated person who undertakes, at the request or with the consent of the issuer, to honor a presentation under a letter of credit issued by another. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (e). "Dishonor" of a letter of credit means failure to timely honor or to take an interim action, such as acceptance of a draft, that may be required by the letter of credit. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (f). "Document" means a written draft or other demand, document of title, investment security, certificate, invoice or other record, statement or representation of fact, law, right or opinion that:
- (i) Is presented in a written or other medium permitted by the letter of credit or, unless prohibited by the letter of credit, by the standard practice referred to in section 5-1108, subsection (5); and
 - (ii) Is capable of being examined for compliance with the terms and conditions of the letter of credit. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (g). "Good faith" means honesty in fact in the conduct or transaction concerned. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (h). "Honor" of a letter of credit means performance of the issuer's undertaking in the letter of credit to pay or deliver an item of value and unless otherwise provided occurs:
- (i) Upon payment;
 - (ii) If the letter of credit provides for acceptance, upon acceptance of a draft and, at maturity, its payment; or
 - (iii) If the letter of credit provides for incurring a deferred obligation, upon incurring the obligation and, at maturity, its performance. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (i). "Issuer" means a bank or other person that issues a letter of credit, but does not include an individual who makes an engagement for personal, family or household purposes. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]
- (j). "Letter of credit" means a definite undertaking that satisfies the requirements of section 5-1104 by an issuer to a beneficiary at the request or for the account of an applicant or, in the case of a financial institution, to itself or for its own account, to honor a documentary presentation by

payment or delivery of an item of value. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

(k). "Nominated person" means a person whom the issuer:

(i) Designates or authorizes to pay, accept, negotiate or otherwise give value under a letter of credit; and

(ii) Undertakes by agreement or custom and practice to reimburse. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

(l). "Presentation" means delivery of a document to an issuer or nominated person for honor or giving of value under a letter of credit. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

(m). "Presenter" means a person making a presentation as or on behalf of a beneficiary or nominated person. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

(n). "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

(o). "Successor of a beneficiary" means a person who succeeds to substantially all of the rights of a beneficiary by operation of law, including a corporation with or into which the beneficiary has been merged or consolidated, an administrator, executor, personal representative, trustee in bankruptcy, debtor in possession, liquidator and receiver. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

[PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

(2). Definitions in other Articles applying to this Article and the sections in which they appear are:

"Accept" or "Acceptance" section 3-1408

"Value" sections 3-1303, 4-211-A. [PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

(3). Article 1 contains certain additional general definitions and principles of construction and interpretation applicable throughout this Article.

[PL 1997, c. 429, Pt. A, §2 (NEW); PL 1997, c. 429, Pt. A, §4 (AFF).]

SECTION HISTORY

PL 1997, c. 429, §A2 (NEW). PL 1997, c. 429, §A4 (AFF).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the First Special Session of the 132nd Maine Legislature and is current through October 1, 2025. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.