

**554.2326 Sale on approval and sale or return rights of creditors.**

1. Unless otherwise agreed, if delivered goods may be returned by the buyer even though they conform to the contract, the transaction is

*a.* a "sale on approval" if the goods are delivered primarily for use, and

*b.* a "sale or return" if the goods are delivered primarily for resale.

2. Goods held on approval are not subject to the claims of the buyer's creditors until acceptance; goods held on sale or return are subject to such claims while in the buyer's possession.

3. Any "or return" term of a contract for sale is to be treated as a separate contract for sale within the statute of frauds section of this Article (section 554.2201) and as contradicting the sale aspect of the contract within the provisions of this Article on parol or extrinsic evidence (section 554.2202).

[C24, 27, 31, 35, 39, § **9948**; C46, 50, 54, 58, 62, § 554.20; C66, 71, 73, 75, 77, 79, 81, § 554.2326]

2000 Acts, ch 1149, §143, 187