

554.4502 Presentment of “on arrival” drafts.

If a draft or the relevant instructions require presentment “on arrival”, “when goods arrive” or the like, the collecting bank need not present until in its judgment a reasonable time for arrival of the goods has expired. Refusal to pay or accept because the goods have not arrived is not dishonor; the bank must notify its transferor of the refusal but need not present the draft again until it is instructed to do so or learns of the arrival of the goods.

[C66, 71, 73, 75, 77, 79, 81, §554.4502]

94 Acts, ch 1167, §114, 122