

## Indiana Code 2020

### TITLE 26. COMMERCIAL LAW

#### IC 26-1-1-301 Choice of law

Sec. 301. (1) Except as otherwise provided in this section, if a transaction bears a reasonable relation to Indiana and also to another state or nation, the parties may agree that the law either of Indiana or of the other state or nation shall govern their rights and duties.

(2) In the absence of an agreement under subsection (1), and except as provided in subsection (3), [IC 26-1](#) applies to transactions bearing an appropriate relation to Indiana.

(3) If any of the following provisions specifies the applicable law, that provision governs, and a contrary agreement is effective only to the extent permitted by the law so specified:

- (a) [IC 26-1-2-402](#).
- (b) [IC 26-1-2.1-105](#) and [IC 26-1-2.1-106](#).
- (c) [IC 26-1-4-102](#).
- (d) [IC 26-1-4.1-507](#).
- (e) [IC 26-1-5.1-116](#).
- (f) [IC 26-1-8.1-110](#).
- (g) [IC 26-1-9.1-301](#) through [IC 26-1-9.1-307](#).

*As added by P.L.143-2007, SEC.5.*

#### IC 26-1-2.1-106 Limitation on power of parties to consumer lease to choose applicable law and judicial forum

Sec. 106. (1) If the law chosen by the parties to a consumer lease is that of a jurisdiction other than a jurisdiction in which the lessee resides at the time the lease agreement becomes enforceable or within thirty (30) days thereafter or in which the goods are to be used, the choice is not enforceable.

(2) If the judicial forum chosen by the parties to a consumer lease is a forum that would not otherwise have jurisdiction over the lessee, the choice is not enforceable.

*As added by P.L.189-1991, SEC.3.*

#### IC 26-1-4.1-507 Choice of law

Sec. 507. (a) The following rules apply unless the affected parties otherwise agree or subsection (c) applies:

- (1) The rights and obligations between the sender of a payment order and the receiving bank are governed by the law of the jurisdiction in which the receiving bank is located.
- (2) The rights and obligations between the beneficiary's bank and the beneficiary are governed by the law of the jurisdiction in which the beneficiary's bank is located.
- (3) The issue of when payment is made pursuant to a funds transfer by the originator to the beneficiary is governed by the law of the jurisdiction in which the beneficiary's bank is located.

(b) If the parties described in each paragraph of subsection (a) have made an agreement selecting the law of a particular jurisdiction to govern rights and obligations between each other, the law of that jurisdiction governs those rights and obligations, whether or not the payment order or the funds transfer bears a reasonable relation to that jurisdiction.

(c) A funds-transfer system rule may select the law of a particular jurisdiction to govern (i) rights and obligations between participating banks with respect to payment orders transmitted or processed through the system, or (ii) the rights and obligations of some or all parties to a funds transfer any part of which is carried out by means of the system. A choice of law made pursuant to clause (i) is binding on participating banks. A choice of law made pursuant to clause (ii) is binding on the originator, other sender, or a receiving bank having notice that the funds-transfer system might be used in the funds transfer and of the choice of law by the system when the originator, other sender, or receiving bank issued or accepted a payment order. The beneficiary of a funds transfer is bound by the choice of law if, when the funds transfer is initiated, the beneficiary has notice that the funds-transfer system might be used in the funds transfer and of the choice of law by the system. The law of a jurisdiction selected pursuant to this subsection may govern, whether or not that law bears a reasonable relation to the matter in issue.

(d) In the event of inconsistency between an agreement under subsection (b) and a choice-of-law rule under subsection (c), the agreement under subsection (b) prevails.

(e) If a funds transfer is made by use of more than one funds-transfer system and there is inconsistency between choice-of-law rules of the systems, the matter in issue is governed by the law of the selected jurisdiction that has the most significant relationship to the matter in issue.

*As added by P.L.189-1991, SEC.4.*

#### **IC 26-1-5.1-116 Applicable law regarding liability of issuer; choice of forum**

Sec. 116. (a) 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 [IC 26-1-5.1-104](#) 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.

(b) Unless subsection (a) applies, the liability of an issuer, nominated person, or adviser for action or omission is governed by the law of the jurisdiction in which the person is located. The person is considered to be located at the address indicated in the person's undertaking. If more than one (1) address is indicated, the person is considered to be located at the address from which the person's undertaking was issued. For the purpose of jurisdiction, choice of law, and recognition of interbranch letters of credit, but not enforcement of a judgment, all branches of a bank are considered separate juridical entities and a bank is considered to be located at the place where its relevant branch is considered to be located under this subsection.

(c) 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:

- (i) [IC 26-1-5.1](#) would govern the liability of an issuer, nominated person, or adviser under subsection (a) or (b);
- (ii) the relevant undertaking incorporates rules of custom or practice; and
- (iii) there is conflict between [IC 26-1-5.1](#) and those rules as applied to that undertaking;

those rules govern except to the extent of any conflict with the nonvariable provisions specified in [IC 26-1-5.1-103](#)(c).

(d) If there is conflict between [IC 26-1-5.1](#) and [IC 26-1-3.1](#), [IC 26-1-4](#), [IC 26-1-4.1](#), or [IC 26-1-9.1](#), [IC 26-1-5.1](#) governs.

(e) The forum for settling disputes arising out of an undertaking within [IC 26-1-5.1](#) may be chosen in the manner and with the binding effect that governing law may be chosen in accordance with subsection (a).

*As added by P.L.183-1996, SEC.4. Amended by P.L.57-2000, SEC.31.*