



## Ohio Revised Code

### Section 1304.85 Choice of law - UCC 4A-507.

Effective: October 23, 1991

Legislation: House Bill 221 - 119th General Assembly

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(A) All of the following apply unless the affected parties otherwise agree or division (C) of this section 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 division (A) of this section 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)(1) A funds-transfer system rule may select the law of a particular jurisdiction to govern either of the following:

(a) The rights and obligations between participating banks regarding payment orders transmitted or processed through the system;

(b) 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.

(2) A choice of law made pursuant to division (C)(1)(a) of this section is binding on participating banks. A choice of law made pursuant to division (C)(1)(b) of this section 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 division (C)(1) of this section 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 division (B) of this section and a choice-of-law rule under division (C) of this section, the agreement under division (B) of this section 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.