

(2) Other definitions applying to this article and the sections in which they appear are:

"Notation of credit". Section 28:5—108.

"Presenter". Section 28:5—112(3).

(3) Definitions in other articles applying to this article and the sections in which they appear are:

"Accept" or "Acceptance". Section 28:3—410.

"Contract for sale". Section 28:2—106.

"Draft". Section 28:3—104.

"Holder in due course". Section 28:3—302.

"Midnight deadline". Section 28:4—104.

"Security". Section 28:8—102.

(4) In addition, article 1 contains general definitions and principles of construction and interpretation applicable throughout this article.

§ 28:5—104. Formal requirements; signing

(1) Except as otherwise required in subsection (1)(c) of section 28:5—102 on scope, no particular form of phrasing is required for a credit. A credit must be in writing and signed by the issuer and a confirmation must be in writing and signed by the confirming bank. A modification of the terms of a credit or confirmation must be signed by the issuer or confirming bank.

(2) A telegram may be a sufficient signed writing if it identifies its sender by an authorized authentication. The authentication may be in code and the authorized naming of the issuer in an advice of credit is a sufficient signing.

§ 28:5—105. Consideration

No consideration is necessary to establish a credit or to enlarge or otherwise modify its terms.

§ 28:5—106. Time and effect of establishment of credit

(1) Unless otherwise agreed a credit is established

(a) as regards the customer as soon as a letter of credit is sent to him or the letter of credit or an authorized written advice of its issuance is sent to the beneficiary; and

(b) as regards the beneficiary when he receives a letter of credit or an authorized written advice of its issuance.

(2) Unless otherwise agreed once an irrevocable credit is established as regards the customer it can be modified or revoked only with the consent of the customer and once it is established as regards the beneficiary it can be modified or revoked only with his consent.

(3) Unless otherwise agreed after a revocable credit is established it may be modified or revoked by the issuer without notice to or consent from the customer or beneficiary.

(4) Notwithstanding any modification or revocation of a revocable credit any person authorized to honor or negotiate under the terms of the original credit is entitled to reimbursement for or honor of any draft or demand for payment duly honored or negotiated before receipt of notice of the modification or revocation and the issuer in turn is entitled to reimbursement from its customer.

§ 28:5—107. Advice of credit; confirmation; error in statement of terms

(1) Unless otherwise specified an advising bank by advising a credit issued by another bank does not assume any obligation to honor drafts drawn or demands for payment made under the credit but it does assume obligation for the accuracy of its own statement.

(2) A confirming bank by confirming a credit becomes directly obligated on the credit to the extent of its confirmation as though it were its issuer and acquires the rights of an issuer.

(3) Even though an advising bank incorrectly advises the terms of a credit it has been authorized to advise the credit is established as against the issuer to the extent of its original terms.

(4) Unless otherwise specified the customer bears as against the issuer all risks of transmission and reasonable translation or interpretation of any message relating to a credit.

§ 28:5—108. "Notation credit"; exhaustion of credit

(1) A credit which specifies that any person purchasing or paying drafts drawn or demands for payment made under it must note the amount of the draft or demand on the letter or advice of credit is a "notation credit".

(2) Under a notation credit