355.1-103 Construction of code to promote its purposes and policies -- Applicability of supplemental principles of law -- Use of official comments.

(1) The Uniform Commercial Code shall be liberally construed and applied to promote its underlying purposes and policies, which are:

(a) To simplify, clarify, and modernize the law governing commercial transactions;

(b) To permit the continued expansion of commercial practices through custom, usage, and agreement of the parties; and

(c) To make uniform the law among the various jurisdictions.

(2) Unless displaced by the particular provisions of the Uniform Commercial Code, the principles of law and equity, including the law merchant and the law relative to capacity to contract, principal and agent, estoppel, fraud, misrepresentation, duress, coercion, mistake, bankruptcy, and other validating or invalidating cause, supplement its provisions.

(3) Official comments to the Uniform Commercial Code, as published from time to time by the National Conference of Commissioners on Uniform State Laws, represent the express legislative intent of the General Assembly and shall be used as a guide for interpretation of this chapter, except that if the text and the official comments conflict, the text shall control.

Effective: July 12, 2006

History: Repealed and reenacted 2006 Ky. Acts ch. 242, sec. 3, effective July 12, 2006. -- Created 1958 Ky. Acts ch. 77, sec. 1-103, effective July 1, 1960.