

I've Read the UCC Amendments so You Don't Have To – Part One

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By Mercedes Kelley Tunstall
Partner | Financial Regulation

Welcome to this series of articles in *Cabinet News & Views* where we will be reviewing changes to the Uniform Commercial Code ("UCC"). Before I lose folks, let me explain why . . .

The UCC is our basic contracting law in the United States and establishes what is “commercially reasonable” in transactions. As the name of the law suggests, the UCC applies to commercial transactions, but because the bar for consumer transactions is deemed to be higher than commercial transactions, we still look to the UCC for the baseline by which to judge what is happening in consumer transactions. As they say, a rising tide lifts all ships.

Our goal in this series is to broadly explain the impact the 2022 Amendments will have on everyday contracts and even on legal practices that rarely tangle with the UCC. There will be some mention of the intricacies of the UCC that keep the expert practitioners busy, but that will mostly be to signal when it would be appropriate to consult them. As I said, I have read the changes so you don't have to!

Hopefully we have convinced you to keep reading, and, while a lot of these articles will be written by yours truly, I will ask some colleagues who have a better grasp of certain topics to step in and provide their thoughts. One caveat – we will not be covering every change to the 2022 Amendments, just the ones we think will impact our readers the most. Our first two articles discussing changes are published alongside this article – On Being Conspicuous, addressing changes to the definition of “conspicuous” and On the Money, addressing changes to the definition of “money.”

To start – what is happening with the UCC? There are now the “2022 Amendments” to the UCC which includes a new Article 12, entitled “Controllable Electronic Records”. This new Article 12 is focused upon a variety of cryptocurrency-based contracting and financial transaction issues. Cadwalader has already published extensively on aspects of Article 12, so you do not have to wait for coverage on Article 12 in this series, although we will get there. See links to our articles in the footnote below.

So far, 24 states and the District of Columbia have adopted the 2022 Amendments, and they are pending on the legislative dockets of five other states. Some states have withdrawn or failed to move forward legislation involving the 2022 Amendments, including Arkansas, Montana, Texas and West Virginia.

1. [A New Age of PerFFFection June 2024 - Potential Impact of UCC Article 12 on Fund Finance Transactions](#)
2. [TriBar Releases Report on Digital Asset Opinions Under UCC Article 12](#)
3. [Expert Q&A on the Effect of the 2022 UCC Amendments on Fund Finance Transactions](#)