

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962
Part 1
SUBJECT MATTERS AND DEFINITIONS

440.4601 Short title.

Sec. 4A101.

This article shall be known and may be cited as "uniform commercial code" funds transfers".

History: Add. 1992, Act 100, Imd. Eff. June 25, 1992

440.4602 Applicability of article.

Sec. 4A102.

Except as otherwise provided in section 4A108, this article applies to funds transfers defined in section 4A104.

History: Add. 1992, Act 100, Imd. Eff. June 25, 1992

440.4603 Definitions; instruction as a separate payment order; issuance of payment order.

Sec. 4A103.

(1) As used in this article:

(a) "Payment order" means an instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank to pay, a fixed or determinable amount of money to a beneficiary if the following apply:

(i) The instruction does not state a condition to payment to the beneficiary other than time of payment.

(ii) The receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender.

(iii) The instruction is transmitted by the sender directly to the receiving bank or to an agent, funds-transfer system, or communication system for transmittal to the receiving bank.

(b) "Beneficiary" means the person to be paid by the beneficiary's bank.

(c) "Beneficiary's bank" means the bank identified in a payment order in which an account of the beneficiary is to be credited pursuant to the order or which otherwise is to make payment to the beneficiary if the order does not provide for payment to an account.

(d) "Receiving bank" means the bank to which the sender's instruction is addressed.

(e) "Sender" means the person giving the instruction to the receiving bank.

(2) If an instruction complying with subsection (1)(a) is to make more than 1 payment to a beneficiary, the instruction is a separate payment order with respect to each payment.

(3) A payment order is issued when it is sent to the receiving bank.

History: Add. 1992, Act 100, Imd. Eff. June 25, 1992

440.4604 Definitions.

Sec. 4A104.

As used in this article:

(a) "Funds transfer" means the series of transactions, beginning with the originator's payment order, made for the purpose of making payment to the beneficiary of the order. The term includes any payment order issued by the originator's bank or an intermediary bank intended to carry out the originator's payment order. A funds transfer is completed by acceptance by the beneficiary's bank of a payment order for the benefit of the beneficiary of the originator's payment order.

(b) "Intermediary bank" means a receiving bank other than the originator's bank or the beneficiary's bank.

(c) "Originator" means the sender of the first payment order in a funds transfer.

(d) "Originator's bank" means (i) the receiving bank to which the payment order of the originator is issued if the originator is not a bank, or (ii) the originator if the originator is a bank.

History: Add. 1992, Act 100, Imd. Eff. June 25, 1992

440.4605 Definitions; sections where other definitions appear.

Sec. 4A105.

(1) As used in this article:

(a) "Authorized account" means a deposit account of a customer in a bank designated by the customer as a source of payment of payment orders issued by the customer to the bank. If a customer does not so designate an account, any account of the customer is an authorized account if payment of a payment order from that account is not inconsistent with a restriction on the use of that account.

(b) "Bank" means a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company. A branch or separate office of a bank is a separate bank for purposes of this article.

(c) "Customer" means a person, including a bank, having an account with a bank or from whom a bank has agreed to receive payment orders.

(d) "Funds-transfer business day" of a receiving bank means the part of a day during which the receiving bank is open for the receipt, processing, and transmittal of payment orders and cancellations and amendments of payment orders.

(e) "Funds-transfer system" means a wire transfer network, automated clearinghouse, or other communication system of a clearinghouse or other association of banks through which a payment order by a bank may be transmitted to the bank to which the order is addressed.

(f) "Prove" with respect to a fact means to meet the burden of establishing the fact as defined in section 1201(2) (h).

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

"Acceptance". Section 4A209.

"Beneficiary". Section 4A103.

"Beneficiary's bank". Section 4A103.

"Executed". Section 4A301.

"Execution date". Section 4A301.

"Funds transfer". Section 4A104.

"Funds-transfer system rule". Section 4A501.

"Intermediary bank". Section 4A104.

"Originator". Section 4A104.

"Originator's bank". Section 4A104.

"Payment by beneficiary's bank to beneficiary". Section 4A405.

"Payment by originator to beneficiary". Section 4A406.

"Payment by sender to receiving bank". Section 4A403.

"Payment date". Section 4A401.

"Payment order". Section 4A103.

"Receiving bank". Section 4A103.

"Security procedure". Section 4A201.

"Sender". Section 4A103.

(3) The following definitions in article 4 apply to this article:

"Clearing-house". Section 4104.

"Item". Section 4104.

"Suspends payments". Section 4104.

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

History: Add. 1992, Act 100, Imd. Eff. June 25, 1992 ;-- Am. 2012, Act 86, Eff. July 1, 2013

440.4606 Payment order or communication canceling or amending payment order; determining time of receipt.

Sec. 4A106.

(1) The time of receipt of a payment order or communication canceling or amending a payment order is determined by the rules applicable to receipt of a notice stated in section 1202. A receiving bank may fix a cut-off time or times on a funds transfer business day for the receipt and processing of payment orders and communications canceling or amending payment orders. Different cut-off times may apply to payment orders, cancellations, or amendments, or to different categories of payment orders, cancellations, or amendments. A cut-off time may apply to senders generally or different cut-off times may apply to different senders or categories of payment orders. If a payment order or communication canceling or amending a payment order is received after the close of a funds transfer business day or after the appropriate cut-off time on a funds transfer business day, the receiving bank may treat the payment order or communication as received at the opening of the next funds transfer business day.

(2) If this article refers to an execution date or payment date or states a day on which a receiving bank is required to take action, and the date or day does not fall on a funds transfer business day, the next day that is a funds transfer business day is treated as the date or day stated, unless the contrary is stated in this article.

History: Add. 1992, Act 100, Imd. Eff. June 25, 1992 ;-- Am. 2012, Act 86, Eff. July 1, 2013

440.4607 Regulations of federal reserve system as superseding article.

Sec. 4A107.

Regulations of the board of governors of the federal reserve system and operating circulars of the federal reserve banks supersede any inconsistent provision of this article to the extent of the inconsistency.

History: Add. 1992, Act 100, Imd. Eff. June 25, 1992

440.4608 Applicability of article to certain funds transfer; inconsistency; "electronic fund transfer act" defined.

Sec. 4A108.

(1) Except as provided in subsection (2), this article does not apply to a funds transfer any part of which is governed by the electronic fund transfer act.

(2) This article applies to a funds transfer that is a remittance transfer as defined in 15 USC 1693o-1, unless the remittance transfer is an electronic fund transfer as defined in 15 USC 1693a.

(3) In a funds transfer to which this article applies, in the event of an inconsistency between an applicable provision of this article and an applicable provision of the electronic fund transfer act, the provision of the electronic fund transfer act governs to the extent of the inconsistency.

(4) As used in this section, "electronic fund transfer act" means the electronic fund transfer act, 15 USC 1693 to 1693r.

History: Add. 1992, Act 100, Imd. Eff. June 25, 1992 ;-- Am. 2014, Act 105, Imd. Eff. Apr. 10, 2014