

Part 1 Subject Matter and Definitions

70A-4a-101 Short title.

This chapter is known as Uniform Commercial Code -- Funds Transfers.

Enacted by Chapter 294, 1990 General Session

70A-4a-102 Subject matter.

Except as otherwise provided in Section 70A-4a-108, this chapter applies to funds transfers defined in Section 70A-4a-104.

Enacted by Chapter 294, 1990 General Session

70A-4a-103 Payment order -- Definitions.

- (1) "Beneficiary" means the person to be paid by the beneficiary's bank.
- (2) "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.
- (3) "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:
 - (a) the instruction does not state a condition to payment to the beneficiary other than time of payment;
 - (b) the receiving bank is to be reimbursed by debiting an account of, or otherwise receiving payment from, the sender; and
 - (c) 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.
- (4) "Receiving bank" means the bank to which the sender's instruction is addressed.
- (5) "Sender" means the person giving the instruction to the receiving bank.
- (6) If an instruction complying with Subsection (3) is to make more than one payment to a beneficiary, the instruction is a separate payment order with respect to each of the payments.
- (7) A payment order is issued when it is sent to the receiving bank.

Amended by Chapter 237, 1993 General Session

70A-4a-104 Funds transfer -- Definitions.

- (1) "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.
- (2) "Intermediary bank" means a receiving bank other than the originator's bank or the beneficiary's bank.
- (3) "Originator" means the sender of the first payment order in a funds transfer.
- (4) "Originator's bank" means:

- (a) the receiving bank to which the payment order of the originator is issued if the originator is not a bank; or
- (b) the originator if the originator is a bank.

Amended by Chapter 237, 1993 General Session

70A-4a-105 Other definitions.

(1) In this chapter:

- (a) "Authorized account" means a deposit account of a customer in a bank designated by the customer as a source 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 chapter.
- (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 clearing house, or other communication system of a clearing house 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) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing.
- (g) "Prove" with respect to a fact means to meet the burden of establishing the fact under Subsection 70A-1a-201(2)(h).

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

- (a) "Acceptance," Section 70A-4a-209.
- (b) "Beneficiary," Section 70A-4a-103.
- (c) "Beneficiary's bank," Section 70A-4a-103.
- (d) "Executed," Section 70A-4a-301.
- (e) "Execution date," Section 70A-4a-301.
- (f) "Funds transfer system rule," Section 70A-4a-501.
- (g) "Funds transfer," Section 70A-4a-104.
- (h) "Intermediary bank," Section 70A-4a-104.
- (i) "Originator," Section 70A-4a-104.
- (j) "Originator's bank," Section 70A-4a-104.
- (k) "Payment by beneficiary's bank to beneficiary," Section 70A-4a-405.
- (l) "Payment by originator to beneficiary," Section 70A-4a-406.
- (m) "Payment by sender, to receiving bank," Section 70A-4a-403.
- (n) "Payment date," Section 70A-4a-401.
- (o) "Payment order," Section 70A-4a-103.
- (p) "Receiving bank," Section 70A-4a-103.
- (q) "Security procedure," Section 70A-4a-201.
- (r) "Sender," Section 70A-4a-103.

- (3) The following definitions in Chapter 4, Uniform Commercial Code - Bank Deposits and Collections, apply to this chapter:
- (a) "Clearinghouse," Section 70A-4-104.
 - (b) "Item," Section 70A-4-104.
 - (c) "Suspends payments," Section 70A-4-104.
- (4) In addition, Chapter 1a, Uniform Commercial Code - General Provisions, contains general definitions and principles of construction and interpretation applicable throughout this chapter.

Amended by Chapter 272, 2007 General Session

70A-4a-106 Time payment order is received.

- (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 70A-1a-202. A receiving bank may fix a cutoff time or times on a funds transfer business day, as a cutoff time for the receipt and processing of payment orders and communications canceling or amending payment orders. Different cutoff times may apply to receipt of payment orders, cancellations, or amendments, or to different categories of payment orders, cancellations, or amendments. A cutoff time may apply to senders generally or different cutoff 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 cutoff 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 chapter refers to an execution date or payment date or states a day on which a receiving bank is required to take any 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 chapter.

Amended by Chapter 272, 2007 General Session

70A-4a-107 Federal reserve regulations and operating circulars.

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 chapter to the extent of the inconsistency.

Enacted by Chapter 294, 1990 General Session

70A-4a-108 Exclusion of consumer transactions governed by federal law.

This chapter does not apply to a funds transfer any part of which is governed by the Electronic Fund Transfer Act of 1978, Title XX, Public Law 95-630, 92 Stat. 3728, 15 U.S.C. Section 1693 et seq., as amended.

Enacted by Chapter 294, 1990 General Session