

UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

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