



Uniform Law Commission

NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS

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WHY STATES SHOULD ADOPT THE 2012 AMENDMENTS TO UCC ARTICLE 4A

Preemptive federal regulations for remittance transfers became effective in February 2013. The delayed implementation was given to provide the Uniform Law Commission and/or interested parties time to make changes that would permit some aspects of remittance transfers to continue to be covered by UCC Article 4A. The federal regulation is intended to cover primarily consumer remittance provider disclosure and limited other issues in funds transfers (remittances) that go out of the United States.

The 2012 amendment revises UCC §4A-108 to provide that Article 4A does apply to a remittance transfer that is not an electronic funds transfer under the Federal Electronic Funds Transfer Act (EFTA). The amendment maintains the coverage of UCC 4A for some aspects of wire transfers, while initial aspects of generated consumer remittance transfers will be covered by the federal rules. Without enactment of the amendment, neither the federal rule nor UCC 4A will apply to some aspects of remittance transfers. The result would be no statutory rules for remittance transfers that may involve mistaken addresses or payees, duties of intermediaries and other issues beyond the initial sending of the transfer.