UNIFORM COMMERCIAL CODE (EXCERPT)
Act 174 of 1962

440.4701 "Security procedure" defined.

Sec. 4A201. "Security procedure" means a procedure established by agreement of a customer and a receiving bank for the purpose of (*i*) verifying that a payment order or communication amending or canceling a payment order is that of the customer, or (*ii*) detecting error in the transmission of the content of the payment order or communication. A security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures, or similar security devices. Comparison of a signature on a payment order or communication with an authorized specimen signature of the customer is not by itself a security procedure.

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