



Electronic Funds Transfer

Frequently Asked Questions

1. What is ACH?

The ACH (Automated Clearing House) is the electronic payment network that allows the clearing of electronic payments between Financial Institutions (FI). The Eastern Caribbean Automated Clearing House (ECACH) is an electronic network for clearing and settlement of cheques and other electronic transactions within the eight territories of the Eastern Caribbean Currency Union (ECCU).

2. What are the benefits of ACH?

Transfers through the ACH are reliable. The system is more secure, convenient and cost-effective and the transaction time is faster than processing transfers manually.

3. What is EFT and how does it work?

Electronic Funds Transfer is an authorized transmission of funds from or to accounts through the Automated Clearing House. A bank's customer will send a list of transactions to be made (e.g. on the accounts of its employees, clients, suppliers, etc.) to their Financial Institution. The transaction information should include the name of the account holder, the account number, the Routing Number (RT) of the Financial Institution which holds the account of the receiver of the transaction and the amount to be paid or collected. Their Financial Institution will send these transactions in a specific format to the ECACH for transmission to the banks at which the accounts of these employees, clients, suppliers etc. are held. The transactions can either be funds transferred to accounts (e.g. salaries) or funds transferred from accounts (e.g. insurance premiums).

4. Why are we launching EFT?

The ECACH is launching EFT in an effort to provide the customers of banks within the ECCU with a faster, cost-effective and secure payment solution and to ensure that the ECCU is innovating its payments systems in order to align with international standards.

5. How would individual consumers benefit from the introduction of EFT on the ACH?

Today some payments are still transmitted manually or using more costly payment methods. With EFT,

payments will be transmitted electronically, at a lower cost and more quickly.

6. What are the benefits of using EFT?

This enhancement will provide bank customers with the ability to transfer and settle funds between financial institutions in a number of more convenient ways e.g. through online banking. The process is secure, fast and convenient.

7. What is the impact of changing the usual method of payment to EFT and for whom?

The impact of switching to EFT on the ACH for payments will be greatest for large companies that utilise expensive wire transfers and numerous cheques which must be stored. The use of EFT will provide a cheaper, faster and more convenient option for sending or receiving funds. Their customers or employees will likewise be impacted as they will be able to receive funds or make payments in easy, secure and fast method. It will eliminate the risks that exists with the high use of cheques and cash.

8. What is the action required and by whom?

- All businesses and individuals that are doing payroll transactions via an FI and/or individuals that transfer money or pay bills within the Eastern Caribbean are impacted by the introduction of EFT.
- Through the new features of ACH business customers will now have the opportunity to bring all transactions to one Financial Institution within the Eastern Caribbean.
- With EFT there is no longer a need to split their payroll and the way that people receive their money is changing. This can now be processed by one single FI.

9. Who can have access to EFT Products offered by FIs?

Any of the member banks' corporate customers can have access to EFT products. The EFT product will enable the transmission of bulk payments (e.g. payroll, insurance premiums, supplier payments etc.) and details on how this product works and any associated charges should be directed to your bank.

10. What types of transactions can I process using ECACH's EFT?

Only direct debit and direct credit transactions to savings and chequing accounts will be processed using ECACH/EFT. The following transactions can be sent through the ECACH/ECFH system - e.g. pension payments, dividends, utility payments, hire purchase payments etc. Please check with your financial institution, as products and services may vary.

11. In which currencies will EFT transactions be allowed?

EFT transactions to be exchanged across banks will be allowed in XCD currency only at this time.

12. Can I make payments to any bank account using EFT?

Payments can be made to any valid chequing or savings account at any of the 16 commercial banks within the 8 territories of the ECCU.

13. How secure is the ECACH?

The ECACH is very secure. Files in which transactions are sent are validated, digitally signed and encrypted when they are transmitted from a bank to the ECACH and from the ECACH to the receiving bank. Communications links are also secure.

14. How will confidentiality of information exchanged across banks be maintained under the new EFT/ACH process?

The ECACH uses encryption to protect the confidentiality of information transmitted through it. Each bank that sends and receives payments through the ECACH takes special precautions to protect information. Access to the system is limited to only authorized personnel.

15. Are there any limits to the number and value of EFT transactions that I can perform?

There are no limits mandated by our Regulator at this time however at your financial institution level the existence of any limits should be discussed, as it can be an option to control the nature of the transactions that could be initiated.

16. What if I make a mistake in the file submitted, how can I correct it?

If an erroneous file or duplicate file is submitted by the customer, the Financial Institution (FI) must be contacted immediately. The ACH Reversal Request

must be completed and the correct file must be made available to the FI within 24 - 48 hours of sending the initial file. Special care must be taken in ensuring that transactions are correctly submitted. Reversals do not guarantee that funds will be returned.

17. How will I recognize an Electronic Funds Transfer at my bank?

EFT will appear as transactions on your bank statement or internet/mobile banking. Funds sent by you from your account or funds collected from your account by an entity, such as a service provider, will appear as a debit on your internet banking or on your bank statement. Funds deposited to your account, such as salaries from your employer, will appear as credits. Transactions may be identified by different descriptors such as the name of the entity with which the transaction was made or the purpose of the transaction etc.

18. Are all Banks involved in ECACH Processing?

All commercial banks in the Eastern Caribbean Currency Union (ECCU) are participants in the ECACH and are mandated to adopt EFT. All banks will therefore be able to receive and send EFT messages on behalf of their clients.

19. How frequently will EFT transactions be exchanged between banks and how soon could beneficiaries expect to receive funds?

Banks exchange EFT transactions each business day between 8:00am and 3:30pm. Clients can expect to receive funds the same day that their bank receives value for payment on behalf of their client.

20. Will EFT transactions be subject to any compliance or regulatory requirements?

The commercial banks will continue to be governed by Anti-Money Laundering (AML) legislation applicable to their respective jurisdictions. Therefore, all transactions, irrespective of the amount and medium for payment, will be subject to AML scrutiny.

