

Frequently Asked Questions (FAQs)

What is an Automated Clearing House (ACH)?

An Automated Clearing House (ACH) is an electronic payment network that facilitates the exchange of financial transactions. In the Cayman Islands, the ACH will be used to facilitate Electronic Funds Transfers (EFT) and the exchange and settlement of cheques between Participating Banks.

Will all of the financial institutions in the Cayman Islands be involved in ACH processing?

No. The institutions participating in ACH processing are the local Class A retail banks: Butterfield Bank (Cayman) Limited, Cayman National Bank Ltd., CIBC FirstCaribbean International Bank (Cayman) Limited, Fidelity Bank (Cayman) Limited, RBC Royal Bank (Cayman) Limited and Scotiabank & Trust (Cayman) Ltd. These institutions are referred to as Participating Banks.

What is Electronic Funds Transfer (EFT)?

Electronic Funds Transfer (EFT) refers to transactions that take place over an electronic payment network, either among accounts at the same bank or among accounts at Participating Banks in an ACH. EFTs may include direct-debit transactions, direct deposits and other branch and online banking-initiated transactions.

How does the EFT process work?

An EFT transaction Originator must first make arrangements with a Participating Bank to transmit EFT transactions by signing up for an EFT origination product. Please contact your bank to learn more about its EFT origination product offerings and how to access and use them.

Who is an Originator?

An Originator is any client of a Participating Bank who wishes to either credit funds to, or debit funds from, a bank account of another client or a bank account of their own, held at another Participating Bank.

Why are we launching an EFT service?

ACH (Cayman) Limited, the company formed by the six Participating Banks to provide ACH services, is launching the EFT service to provide customers with a fast and secure local funds transfer solution to ensure that the Cayman Islands market benefits from international and regional payment innovation and best practice.

How will customers benefit from the introduction of EFT via the ACH?

The EFT process is secure, fast and convenient. This service will provide clients with the ability to transfer and settle funds locally among Participating Banks within the same day, subject to the exchange timelines agreed among the Participating Banks.



What types of transactions can I process using the EFT services of the ACH?

Credit or debit transactions between personal and/or business accounts held at other banks can be processed using EFT. For example, payment of utility bills, insurance premium payments, payroll transactions, invoice payments and sundry transfers between accounts.

Can an EFT debit transaction be processed to my account without my permission?

No. Account owners must give an EFT transaction Originator signed instructions to allow their accounts to be debited. It is the responsibility of the Originator's bank to ensure that such instruction has been obtained and is being stored for reference by the EFT transaction Originator.

Do I need to notify my bank to arrange for receiving payments by EFT?

No. There is no need for you to notify your bank, in advance, that you will be receiving EFT transactions. Arrangements for EFT transactions to be conducted against your account need to be agreed with the EFT transaction Originator to ensure that they are provided with accurate banking information for you, to allow them to successfully submit an EFT transaction to your account.

What type of information does an EFT Originator require in order to send an EFT transaction?

The information required can vary based on the receiving bank's requirements for processing an EFT transaction. These requirements will be advised when you make contact with your bank about using EFT. Examples of key information are Receiver's Account Number, Receiver's Account Type, Receiver's Transit Number, Receiver's Branch Number, Receiver's Routing Number, Receiver's Name, Transaction Amount, Transaction Type, Transaction Currency and Transaction Description.

How secure is the ACH?

The ACH system is accessed through a secure connection provided to the Participating Banks only. The network over which the ACH system works is well-protected from multiple types of threats.

Note, customers will not connect directly to the ACH, only the Participating Banks will have the ability to access the ACH system.

How will confidentiality of the information exchanged across Participating Banks be maintained under this new ACH process?

All transaction files exchanged across the ACH network will be encrypted. Participating Banks' access to the ACH system is restricted; allowing them to only view, receive and or process the files sent to, or by their bank.

Is there any limit to the number or value of EFT transactions that an Originator can perform?

The ACH system has no limit to the volume of transactions that can be submitted, but there is a maximum value of US\$500,000.00 or its equivalent in KYD, per any single transaction. Please contact your bank to discuss any other EFT Origination product level limits which may be required.



Are there any restrictions on the sending or receiving of EFT transactions?

Sending and receiving of EFT transactions is restricted to the Participating Banks, and between accounts maintained in USD or KYD only. Additionally, financial service providers that are customers of any of the six Participating Banks are not to send or receive EFT transactions on the behalf of, or for their clients. These providers can only send or receive EFT transactions which are for their own account, such as business operating expenses/staff payroll etc. Please contact your bank for further information on these restrictions.

Will customers be contacted in regard to the using ACH services such as EFT, via email?

ACH Participating Banks will agree with, and advise their clients, of the legitimate methods for communicating any information related to the use of the EFT service facilitated by the ACH. Please always ensure that you are safeguarding your banking information by not providing these details to an unknown or unreliable source. If you receive any suspicious or unexpected communications, do not follow any of the instructions provided within them and immediately contact your bank for further instructions.

How frequently will EFT transactions be exchanged between participating financial institutions and how soon could beneficiaries expect to receive funds?

EFT transactions will be exchanged across Participating Banks between the hours of 6:00am and 2:30pm (Cayman Time) Monday to Friday. Transactions received during these hours will be applied same day to the receiver's account by the end of their bank's business day. EFT processing will not be conducted on Bank Holidays. Please contact your bank to discuss other internal cut-off times that may apply to originating EFT transactions.

In which currencies will EFT transactions be allowed?

EFT transactions will be allowed in USD or KYD currency only. Cross Currency foreign exchange transactions between USD and KYD currencies will be completed by receiving banks as necessary. Please discuss with your bank any restrictions or charges that may apply to foreign exchanges resulting from EFT transactions.

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

Yes, EFT transactions are subject to all normal compliance and regulatory requirements, just like any other electronic transaction.

