

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.

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. 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 their bank to transmit payments by signing up for an EFT origination product. Please contact your Financial Institution(s) to learn more about their EFT origination product offerings.

Who is an Originator?

An Originator is an individual or company who wishes to either debit funds from, or credit funds to, the bank account of an individual or company.

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 the Cayman Islands market benefits from international and regional payment innovation and best practices.

Will all 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.

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

The EFT process is secure, fast and convenient. This enhancement will provide clients with the ability to transfer and settle funds between multiple banks within the same day, subject to the agreed exchange timelines between the participating banks.

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

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

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

No. Account owners have to give an EFT transaction Originator signed consent to allow their accounts to be debited. It is the responsibility of this Originator's bank to ensure that such approval has been obtained and is 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 will need to have been agreed with the EFT transaction Originator to ensure that they have accurate banking information for you, to allow them to successfully submit an EFT transaction to your account.

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 financial institutions 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 will also be restricted to allow only the viewing, receipt and processing of files sent by or to their bank.

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

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

Are there any restrictions on the sending of EFT transactions?

The sending of EFT transactions is restricted to receiving accounts that are maintained locally at one of the 6 participating banks in either USD or KYD dollars only.

What type of information does an EFT Originator need to have for a person/company to whom an EFT transaction is to be sent?

The information required can vary based on your bank's requirements for transmitting an EFT transaction, and these specific details will be advised when you make contact with your bank about using EFT. Examples of key information are Receiver's/Beneficiary Account Number, Receiver's/Beneficiary Routing Number, Beneficiary Name, Transaction Amount, Transaction Type, Transaction Currency and Transaction Description.

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 6:00 a.m. and 2:00 p.m. (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.

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 will be subject to all compliance and regulatory requirements with which financial institutions must comply today in the Cayman Islands.