

**84-4a-201. Security procedure.** "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 or 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:** L. 1990, ch. 367, § 9; Jan. 1, 1991.