

# **Finality Rules within the Law of Domestic Large Value Electronic Funds Transfer in China**

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## **Abstract**

This paper examines an important component of the law of domestic large value electronic funds transfer (EFT), “the finality rules”, under current Chinese banking practice and banking law system, by observing and analogizing the Uniform Commercial Code (UCC) Article 4A of the United State, the UNCITRAL model law on international credit transfer, and six leading cases of this area from the UK, continental Europe and the US. It attempts to propose a group of feasible finality rules for China, in which this area is still blank in law, by dividing the domestic large value EFT into three major categories, which are intra-branch transfer, inter-branch transfer, and inter-bank transfer. The possible conclusion is that different forms of domestic large value EFT requires different finality rules, and the lawmakers may leave some of the categories to the regulation of contractual networks, soft law as well as internal operation rules of each individual electronic payment system, such as China National Advanced Payment System (CNAPS). It may be only necessary to codify the finality rules in a few categories of the domestic large value EFT, and this kind of codification has to be done with carefulness, and without preventing the computing and Internet technology innovation and adoption in electronic payment system; meanwhile, this sort of codification must also comply with international customs and cross-border electronic banking practice.

**Keywords:** China, EFT, large value, finality rules