

Policy on Collection of Cheques / Negotiable Instruments

1 Arrangements for Collection

1.1 Local Cheques

All cheques and other Negotiable Instruments payable locally would be presented through the clearing system prevailing at the centre. Cheques deposited at branch counters and in collection boxes within the branch premises before the specified cut-off time will be presented for clearing on the same day. Cheques deposited after the cut-off time and in collection boxes outside the branch premises including off-site ATMs will be presented in the next clearing cycle. As a policy, Bank would give credit to the customer account on the same day clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearinghouse. Wherever applicable, facility of high-value clearing (same day credit) will be extended to customers.

Bank branches situated at centres where no clearing house exists, would present local cheques on drawee banks across the counter and it would be the Bank's endeavour to credit the proceeds at the earliest. Further, Bank would be guided by the RBI circular on Guidelines for Clearing of cheques where there is no formal clearing house.

1.2 Outstation Cheques

Cheques drawn on other banks at outstation centres will normally be collected through Bank's branches at those centres. Where the Bank does not have a branch of its own, the instrument would be directly sent for collection to the drawee bank or collected through a correspondent bank.

Cheques drawn on Bank's own branches at outstation centres will be collected through centralized processing same day credit will be provided to the customers, if deposited before the specified cut-off timings.

Charges for outstation cheques will be collected as per the rates specified in the Schedule of Charges. The charges would not be based on an arbitrary percentage of the value of the instrument.

1.3 Outstation Cheques (Speed Clearing)

Speed Clearing refers to collection of outstation cheques through the local clearing. It facilitates collection of cheques drawn on outstation core-banking-enabled branches of banks, if they have a net-worked branch locally. The collection of outstation cheques, till now, required movement of cheques from the Presentation centre (city where the cheque is presented) to Drawee centre (city where the cheque is payable) which increases the realisation time for cheques. Speed Clearing aims to reduce the time taken for realisation of outstation cheques.

Banks have networked their branches by implementing Core Banking Solutions (CBS). In CBS environment, cheques can be paid at any location obviating the need for their physical movement to the Drawee branch. The concept of Speed Clearing combines the advantages of MICR clearing with that of CBS. Cheques drawn on outstation CBS branches of a Drawee bank can be processed in the Local Clearing under the Speed Clearing arrangement if the Drawee bank has a branch presence at the local centre.

Currently, the local cheques are processed on T+1 working day basis and customers get the benefit of withdrawal of funds on a T+1 or 2 basis. 'T' denotes transaction day viz. date of presentation of cheque at the Clearing House. So, the outstation cheques under Speed Clearing will also be paid on T+1 or 2 basis.

1.4 Cheques payable in Foreign Countries

Cheques payable at foreign centres where the Bank has branch operations (or banking operations through a subsidiary, etc.) will be collected through that office. The services of correspondent banks will be utilized in country/centres where the correspondent has presence. Cheques drawn on foreign banks at centres where the Bank or its correspondents do not have direct presence will be sent direct to the drawee bank with instructions to credit proceeds to the respective Nostro Account of the Bank maintained with one of the correspondent banks. The Exchange rate for conversion would be the one that is prevalent on the day when the proceeds are credited into the customer's account.

1.5 Immediate Credit of Local / Outstation Cheques / Instruments

Branches / extension counters of the Bank will consider providing immediate credit for outstation cheques / instruments up to the aggregate value of Rs.5,000/- tendered for collection by individual account holders subject to satisfactory conduct of such accounts for a period not less than 6 months. This facility may not be extended to certain categories of customers such as non-residents, minors etc., as may be determined by the Bank from time to time. Immediate credit will be provided against such collection instruments at the specific request of the customer or as per prior arrangement. The facility of immediate credit would also be made available in respect of local cheques at centres where no formal clearing house exists.

The facility of immediate credit will be offered on Savings Bank / Current / Cash Credit Accounts of the customers. For extending this facility there will not be any separate stipulation of minimum balance in the account.

Under this policy, prepaid instruments like Demand Drafts, Interest / Dividend warrants shall be treated on par with cheques.

In the event of dishonour of cheque against which immediate credit was provided, interest shall be recoverable from the customer for the period the Bank remained out of funds at the rate applicable for overdraft limits sanctioned for individual customers.

For the purpose of this Policy, a satisfactorily conducted account shall be the one

- a) Opened at least six months earlier and complying with KYC norms.
- b) Conduct of which has been satisfactory and Bank has not noticed any irregular dealings.
- c) Where no cheques / instruments for which immediate credit was afforded returned unpaid for financial reasons.
- d) Where the Bank has not experienced any difficulty in recovery of any amount advanced in the past including cheques returned after giving immediate credit.

Bank shall levy normal collection charges and out of pocket expenses while providing immediate credit against outstation instruments tendered for collection. Exchange charges applicable for cheque purchase will not, however be charged.

1.6 Purchase of Local/Outstation Cheques

Bank may, at its discretion, purchase local/outstation cheque tendered for collection at the specific request of the customer or as per prior arrangement. Besides satisfactory conduct of account, the standing of the drawer of the cheque will also be a factor considered while purchasing the cheque

2 Time Frame for Collection of Local/Outstation Cheques / Instruments:

For local cheques presented in clearing, credit will be afforded as on the date of settlement of funds in clearing and the account holder will be allowed to withdraw funds as per return clearing norms in vogue.

Cheques / Instruments presented in high value clearing shall be credited on the same day (applicable only in areas covered by high value / same day clearing) provided such instruments are deposited before the specified cut-off timings, at the branch counters/drop boxes specifically designated for high value cheques .

For cheques and other instruments sent for collection to centres within the country the following time norms shall be applied:

Domestic Cheques:

Category	Provision of credit	Remarks
Local Cheque - High value (Deposited and payable Barclays branch locations)	Same Day Credit	<ul style="list-style-type: none"> Amount of the cheque subject to local clearing house regulations Credit will be provided immediately after getting it realised from the clearing house
Local Cheque – MICR Clearing/ Non MICR Clearing (Barclays Branch locations)	Same day Credit / Next day Credit as may be applicable.	<ul style="list-style-type: none"> Credit will be provided after the return clearing process and in any case withdrawal shall be allowed on the same day or maximum within an hour of commencement of business on the next working day, subject to usual clearing norms in vogue
Outstation Cheque – Speed Clearing	T+1/T+2	<ul style="list-style-type: none"> Credit will be provided after the return clearing process and in any case withdrawal shall be allowed on the same day or maximum within an hour of commencement of business on the next working day, subject to usual clearing norms in vogue
Outstation Cheque - payable at state capitals	7 working days	
Outstation Cheque - payable at major cities	10 Working Days	
Outstation Cheque - payable at other locations	14 Working Days	

Note:

- The provision of credit in case of Cash Management arrangements will be as per the specified agreement signed between the Bank and the customers.
- All local / outstation cheques deposited at branch counters and in collection boxes within the branch premises before the specified cut-off time will be processed on the same day of deposit.
- Cheques deposited after the cut-off time and in collection boxes outside the

branch premises including off-site ATMs will be presented on the next day of deposit.

Foreign Currency Cheques

Such instruments are accepted for collection on the 'best of efforts' basis. Bank may enter into specific collection arrangement with its correspondent bank for speedy collection of such instrument. Bank would give credit to the party on credit of proceeds to the Bank's Nostro Account with the correspondent bank after taking into account cooling periods as applicable to the countries concerned.

The above time norms are applicable irrespective of whether cheques/instruments are drawn on the Bank's own branches or branches of other banks

3 Payment of Interest for delayed Collection of Outstation Cheques

As part of the compensation policy of the Bank, the Bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period mentioned above. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the Bank's own branches or on other banks for the purpose of payment of interest on delayed collection.

Interest for delayed collection shall be paid at the following rates:

- a) Savings Bank rate for the period of delay beyond 7/10/14 days as the case may be in collection of outstation cheques.
- b) In case of extraordinary delay, i.e. delays exceeding 90 days interest will be paid at the rate applicable for Term Deposit for the respective period
- c) In the event the proceeds of cheque under collection were to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account. For extraordinary delays i.e. delays exceeding 90days, interest will be paid at the rate of 1% above the rate applicable to the loan account It may be noted that interest payment as given above would be applicable only for instruments sent for collection within India

3.1 Payment of Interest for Delayed Realisation of Local Cheques

As part of the Compensation policy of the Bank, the Bank will pay interest to its customer on the amount of local instrument in case of delay in giving credit beyond the time period mentioned above.(this is same day credit for MICR and next day credit for non MICR at Barclays locations) Such interest shall be paid without any demand from customers in all types of accounts.

Interest for delayed collection of local cheques shall be paid at the following rate

"Savings Bank Rate for the period of delay. Where the delay is beyond 14 days interest will be paid at the card rate applicable to Term deposits for the respective period. In case of extraordinary delay .i.e delay exceeding 90 days interest will be paid at the rate of 1% above the corresponding term deposit card rate. In the event that the proceeds of the cheque were to be credited to an overdraft/ loan account of the customer, interest will be paid at the rate applicable to the Loan/overdraft account. For extraordinary delays, interest will be paid at the rate of 1% above the rate applicable to the loan account"

3.2 Payment of Interest for Delayed Credit for Foreign Cheques

The Bank will compensate the customer for undue delays in affording credit once proceeds are credited to the Nostro Account of the Bank with its correspondent. Such compensation will be given for delays beyond one week from the date of credit to Nostro Account/ due date after taking into account normal cooling period stipulated. The compensation in such cases will be worked out as follows:

- a) Interest at Savings Bank Rate for the delay in crediting proceeds.
- b) Compensation for any possible loss on account of adverse movement in foreign exchange rate.

Cheques / Instruments lost in transit / in clearing process or at paying bank's branch:

In the event a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, the Bank shall immediately on coming to know of the loss, bring the same to the notice of the

accountholder so that the accountholder can inform the drawer to record stop payment and also take care that cheques, if any, issued by him / her are not dishonoured due to non-credit of the amount of the lost cheques / instruments. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.

In line with the compensation policy of the Bank, the Bank will compensate the accountholder in respect of instruments lost in transit in the following way:

- a) In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (7/10/14 days as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- b)) In addition, Bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- c) The Bank would also compensate the customer for any reasonable charges he/she incurs in getting duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/ institution who would charge a fee for issue of duplicate instrument.

5 Purchase of Local Cheques, Drafts, etc. during suspension of Clearing

There may be occasions when Clearing House operations may have to be temporarily suspended for reasons beyond the control of the authorities concerned. To minimise the inconvenience and hardship to Banks' constituents and also to maintain good customer service, whenever the clearing is suspended and it is apprehended that the suspension may be prolonged for more than three consecutive working days, Branches/Extension counters of the Bank who are members of such clearing houses shall temporarily accommodate their constituents by purchasing the local cheques, drafts, etc., deposited in their accounts for collection, based on the following parameters.

- Cheques upto the aggregate value of Rs.10,000 will be considered for purchase under this facility. Drafts issued by other banks and cheques issued by companies of repute (public sector companies and companies having credit rating of AAA of CRISIL) upto the aggregate value of Rs.25,000 will be considered for purchase under this facility.
- Satisfactory conduct of such accounts for a period not less than 6 months. The Bank will also take into account the creditworthiness, integrity, past dealings and occupation of the constituents for offering this facility.
- This facility may not be extended to certain categories of customers such as non-residents, minors etc., as may be determined by the Bank from time to time.
- This facility will be provided at the specific request of the customers in the format appended below
- In the event of dishonour of cheque which was purchased, interest and charges will be recovered from the customer for the period the Bank remained out of funds at the rate applicable for overdraft limits sanctioned for individual customers.

6 Force Majeure

The Bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil disruptions, sabotage, lockout, strike, accidents or other labour disturbances, accident, fires, natural disasters or other "Acts of God", war, damage to the Bank's infrastructure or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc beyond the control of the Bank which prevents it from performing its obligations within the specified service delivery parameters.

7 Cheque Returns

The Bank shall levy Cheque return charges only in cases where the customer is at fault and is responsible for such returns. The illustrative, but not exhaustive, list of return reasons, where the customers are not at fault and where no

cheque return charges will be levied is indicated below

Code No.	Reason for Return
33	Instrument mutilated; requires bank's guarantee
35	Clearing House stamp / date required
36	Wrongly delivered / not drawn on us
37	Present in proper zone
38	Instrument contains extraneous matter
39	Image not clear; present again with paper
40	Present with document
41	Item listed twice
42	Paper not received
60	Crossed to two banks
61	Crossing stamp not cancelled
62	Clearing stamp not cancelled
63	Instrument specially crossed to another bank
67	Payee's endorsement irregular / requires collecting bank's confirmation
68	Endorsement by mark / thumb impression requires attestation by Magistrate with seal
70	Advice not received
71	Amount / Name differs on advice
72	Drawee bank's fund with sponsor bank insufficient(applicable to sub-members)
73	Payee's separate discharge to bank required
74	Not payable till 1st proximo
75	Pay order requires counter signature
76	Required information not legible / correct
80	Bank's certificate ambiguous / incomplete / required
81	Draft lost by issuing office; confirmation required from issuing office
82	Bank / Branch blocked
83	Digital Certificate validation failure
84	Other reasons-connectivity failure
87	'Payee's a/c Credited' - Stamp required
92	Bank excluded

The Bank shall represent cheques which need to be re-presented without any recourse to the payee, in the immediate next presentation clearing not later than 24 hours(excluding holidays) with due notification to the customers of such representation through SMS alert, email etc.

8 Charging of Interest on cheques returned unpaid where Instant Credit was given:

If a cheque sent for collection for which immediate credit was provided by the Bank is returned unpaid, the value of the cheque will be immediately debited to the account. The customer will not be charged any interest from the date immediate credit was given to the date of return of the instrument unless the Bank had remained out of funds on account of withdrawal of funds. Interest where applicable would be charged on the notional overdrawn balances in the account had credit not been given initially.

If the proceeds of the cheque were credited to the Savings Bank Account and were not withdrawn, the amount so credited will not qualify for payment of interest when the cheque is returned unpaid. If proceeds were credited to an overdraft/loan account, interest shall be recovered at the rate of 2% above the interest rate applicable to the overdraft/loan from the date of credit to the date of reversal of the entry if the cheque/ instrument was returned unpaid to the extent the Bank was out of funds.

9 Customer Grievance Redressal

Any customer complaint / grievance will be addressed in accordance with the Bank's grievance redressal procedures.

Format of the request letter to be obtained from the customer for purchase of cheques

From

To The Branch Manager,

Barclays Bank PLC,

_____ **Branch**

Dear Sir,

Sub: Request for purchase of cheques

I/We have deposited the following instruments (cheque/s & draft/s) today for local clearing. As the clearing is suspended for _____, we request you to purchase these instruments and provide me/us the credit in my/our account no. _____ maintained with your branch.

I/We hereby undertake to pay interest and other charges for the purchase of these instruments. I/We hereby also undertake to repay the principal amount of the cheque/s alongwith interest if any, if these instruments are returned subsequently, when presented in clearing.

SI.No	Instrument No	Date of Instrument	Instrument Amount	Drawn on Bank/Branch	Issued by

Thanking you,

Yours faithfully,

