

Service Charges on Cheque Clearing

February 3, 2015

i) Local Cheques

The service / processing / maintenance charges levied from other member banks by the bank managing a Clearing House are as follows –

(a) MICR Cheque Processing Centres (MICR CPCs):

The processing charges for the instruments processed at MICR-CPCs were recovered on a monthly basis by debit to the accounts of the member banks maintained with the bank managing the Clearing House, or by any other method, at the rate prescribed by the Reserve Bank of India. The bank managing a MICR Cheque Processing Centre was not entitled to levy any other extra charges, for a service / facility relating to the clearing process other than the rate prescribed by Reserve Bank of India towards processing charges. The charges prescribed were @ ₹ 2.50 per cheque (₹ 1/- from the presenting bank and ₹1.50 from the drawee bank).

It may however be mentioned that all MICR CPCs in the country have now been subsumed with Cheque Truncation System.

(b) Cheques processed through Grid based Cheque Truncation System (CTS)

Presently Grid based Cheque Truncation System has been put in place through National Payments Corporation of India(NPCI) in New Delhi, Mumbai and Chennai. NPCI shall not levy any other extra charges, for a service / facility relating to the clearing process other than the rate prescribed by Reserve Bank of India towards processing charges. Currently the charges prescribed are @ ₹1.50 per cheque (₹0.50 from the presenting bank and ₹1.00 from the drawee bank).

(c) Other Clearing Houses:

The bank managing the Clearing House may recover the charges incurred by it towards rent for accommodation, depreciation on equipment and furniture, and recurring establishment expenses including salaries paid to the staff of the

bank conducting the clearing calculated on a proportionate basis for the period for which their services are utilised for the clearing operations, and overtime allowance paid to such staff for the purpose of balancing the books / reconciling the differences in the clearing, telephones, electricity, stationery, maintenance charges for equipment and expenses towards any other facilities provided, which, shall be shared equally by all the members.

(d) Charges for banks managing back-up clearing centres (MICR and non-MICR centres)

Banks managing back-up clearing centres (primary or alternate) shall get themselves compensated by the member banks of the Clearing House for the relative investment made by them on computer hardware / software and other operating expenses on equal sharing basis. Additionally, the back-up banks may also recover expenses incurred by them during contingencies / disruptions / contingency drills from the member banks of the Clearing House. The expenses recovered must be reasonable and should be approved by the President of the Clearing House.

(ii) Charges to customer on cheque collections

Charges for clearing cheques, both local and outstation, are levied by banks based on their collection policies and will be disclosed in the individual Cheque Collection Policies framed and placed on their website.

Notwithstanding the above, the charges levied by banks for offering the cheque collection service should not exceed the framework of charges as indicated in [RBI circular DPSS.CO.CHD.No.1671/03.06.01/2010-11 dated January 19, 2011](#). Copy of the circular has been made available under the link

<http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=6228&Mode=0>