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**RESERVE BANK OF INDIA
NOTIFICATION
Mumbai, the 23rd November 2010**

DPSS. AD. No.1146/02.27.004/2010-11-

The Reserve Bank of India, recognizing the need for facilitating inter-bank cheque drawing arrangements and to provide for enhanced services to customers of banks, in exercise of its powers conferred under clause (d) of sub-section (1) of Section 4 of the Payment and Settlement Systems Act, 2007 (51 of 2007) and of all the powers enabling it in this behalf, hereby directs that the provisions of sub-section (1) of Section 4 of the Payment and Settlement Systems Act, 2007 (51 of 2007) shall not apply to the banks entering into bilateral inter-bank cheque drawing arrangements in India or arrangements for instruments of similar nature, irrespective of the nomenclature employed for describing the instrument, subject to the condition that one of the banks involved is a scheduled commercial bank.

2. Notwithstanding the aforesaid exemption, the payment system operated by the banks as mentioned above, shall be deemed to be authorized payment systems for the purposes of the Payment and Settlement Systems Act, 2007 (51 of 2007) and all other provisions of that Act shall apply accordingly.

G. PADMANABHAN, Chief General Manager
(ADVT III/4/38/10-EXTY)