

All Clearing Houses managed by
RBI, SBI, Associate Banks & Public Sector Banks

Dear Sirs,

Debiting Clearing Settlement Accounts of member banks towards transactions not related with clearing or on unilateral basis

It is noted with serious concern that despite instructions issued from time to time some clearing houses are not following the accepted procedures relating to the management of the clearing houses. It is being reported frequently that the banks managing clearing houses are unilaterally debiting the clearing settlement account of the clearing house members towards settlement of disputes which are pertaining to clearing settlements by taking undue advantage of maintaining the clearing house member's account. Even disputes not related to clearing house settlements are also unjustifiably being adjusted unilaterally in the clearing house member's account by banks managing the clearing houses.

2. The above action is unacceptable and is clearly in gross violation of the Uniform Regulations & Run for Banberr I Clearing Houses(URRBCH) r & Run 7e and not inkeeping with the spirit of clearing houses being voluntary Association of member Banks running the clearing houses under the supervision of RBI & that of managers as

not being participatory in nature

and the disputes debited unilaterally to member banks' accounts may not be considered.

Arun