

RBI/2004/57

DIT(CO)No. H -1126/06.50.13/2003-2004

13 February 2004

1. All Clearing Houses managed by Reserve Bank of India
2. Regional Directors of RBI
3. All MICR Cheque Processing Centres
4. All Public Sector Banks managing clearing houses

Dear Sir

Amendment to Uniform Regulations and Rules for Bankers' Clearing Houses (URRBCH) – Addition of a new Regulation No.25

The recent changes in the banking industry following liberalization has resulted in mergers and closures of various clearing houses due to non-viability or in the interest of better customer service. In view of this, it is proposed to add a new Regulation No.25 to the existing URRBCH prescribing the reasons and procedures for smooth closure of clearing houses. The text of the new Regulation 25 is enclosed.

2. The Presidents of the clearing houses and in-charges of MICR CPCs may please note this addition to the URRBCH and arrange to take up the same for being adopted by their respective clearing houses / CPCs. A confirmation about the adoption of the same may be intimated to this office in due course.

Yours faithfully

Sd/-
(G. Raghuraj)
Assistant General Manager

Encl. : As above

Uniform Regulations and Rules for Bankers' Clearing Houses

REGULATION 25

A clearing house may be closed for the following reasons:

- a) In the event of a reduction in the membership which is below the required minimum making the operations of the clearing house non-viable.
- b) Extension of jurisdiction of the clearing house to cover the area of operation of another clearing house.
- c) Merger of two clearing houses, resulting in closure of one of them.
- d) The procedure to be followed for the closure of the clearing house will be as under :
 - i) An Extraordinary General Body Meeting of all the members of the said clearing house may be convened after giving notice of not less than 14 clear days and the resolution of closure should be passed by the vote of a majority of not less than three-fourths of the members on the roll of that clearing house.
 - ii) The Clearing House should thereafter make a request for closure to the Regional Office of the Department of Banking Operations and Development (DBOD), Reserve Bank of India, in the State where the clearing house is located / under whose jurisdiction the clearing house is located alongwith a copy of the Resolution passed.
 - iii) The closure may be effected after receiving the approval of the Regional Office of DBOD.
 - iv) One month's notice will be given to the members before effecting the closure of the said clearing house.
 - v) The public in the jurisdiction of the clearing house will be duly informed through the local newspapers regarding the impending closure.