



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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DPSS.CO.CHD.No./133 / 04.07.05 / 2013-14

July 16, 2013

The Chairman and Managing Director / Chief Executive Officer
All Scheduled Commercial Banks including RRBs /
Urban Co-operative Banks / State Co-operative Banks /
District Central Co-operative Banks/Local Area Banks

Madam / Dear Sir

Standardization and Enhancement of Security Features in Cheque Forms/Migrating to CTS 2010 standards

Please refer to the instructions contained in our [circular no. DPSS.CO.CHD.No. 1622/04.07.05/2012-13 dated March 18, 2013](#) wherein the timeline for withdrawal of residual non-CTS-2010 standard cheques was extended up to July 31, 2013 subject to a review in June 2013. Banks were also advised to report the progress made towards migration to CTS-2010 on a monthly basis.

2. On a review of the position and the progress made by banks in this direction, it has been noticed that while banks have begun to issue fresh cheques in the CTS-2010 format there is still a large volume of non-CTS-2010 format cheques being presented in image-based clearing. Accordingly, it has been decided to put in place the following arrangements for clearing of residual non-CTS-2010 standard cheques:

- Separate clearing session will be introduced in the three CTS centers (Mumbai, Chennai and New Delhi) for clearing of such residual non-CTS 2010 instruments (including PDC and EMI cheques) with effect from January 1, 2014. This separate clearing session will initially operate thrice a week (Monday, Wednesday and Friday) up to April 30, 2014. Thereafter, the frequency of such separate sessions will be reduced to twice a week up to October 31, 2014 (Monday and Friday) and further to weekly once (every Monday) from November 1, 2014 onwards. If the identified day for clearing non-CTS-2010 instruments falls on a holiday under the Negotiable Instruments Act, 1881, presentation session on such occasions will be conducted on the previous working day. Operational instructions in this regard will be issued separately by the CTS centers.
- Upon the commencement of special session for non-CTS-2010 standard instruments, drawee banks will return the non-CTS-2010 instruments, if any, presented in the regular CTS clearing, under the reason code '37-Present in proper zone'. Such returned instruments will have to be re-presented by the collecting bank in the immediate next special clearing session for non-CTS-2010 instruments in accordance with the instructions contained in [RBI circular no. DPSS.CO.CHD.No.2030/03.06.01/2012-2013 dated May 7, 2013](#).

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- c) Banks may educate and notify their customers of the likely delay in realisation of non-CTS-2010 standard instruments in view of proposed arrangement for clearing of such instruments at less frequent intervals. Banks' Cheque Collection Policies (CCPs) may also be modified suitably to reflect this change. They shall also put in place appropriate arrangement for handling customer complaints, if any, arising out of this new arrangement.
- d) Banks can continue to present such non-CTS-2010 instruments in Express Cheque Clearing System (ECCS) centres and MICR CPCs till such time the CPCs are in operation.
- e) During the transition period (i.e. up to December 31, 2013), the existing clearing arrangements will continue and all cheque issuing banks are advised to make efforts to withdraw the non-CTS-2010 Standard Cheques in circulation.
- f) It is further advised that the volume of instruments processed in the three CTS Centers in all clearing sessions will be monitored with respect to the non-CTS-2010 instruments presented by banks. RBI may consider levying penalty on drawee banks (and presenting banks where necessary) which violate the instructions issued under the Payment and Settlement Systems Act, 2007.
- g) All other instructions issued in paragraphs 1(a), 1(b), and 1(g) of our circular dated March 18, 2013 referred in this circular remain unchanged and banks shall continue to adhere to such instructions.

3. The above instructions are issued under section 18 of the Payment and Settlement Systems Act 2007 (Act 51 of 2007).

4. Please acknowledge receipt.

Yours faithfully,

(Vijay Chugh)
Chief General Manager