

Westpac India - Cheque Collection Policy

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WESTPAC INDIA CHEQUE COLLECTION DOCUMENT HIERARCHY

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1	Westpac India Cheque Collection Policy

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1. INTRODUCTION

Westpac Banking Corporation, Mumbai branch (hereinafter called the 'Bank'), as a part of its normal banking operations will undertake collection of cheques deposited by its customers, payable at centres within India and abroad.

This Cheque Collection Policy of the Bank is the reflection of the Bank's efforts to provide better service to the customers.

2. OBJECTIVE

The objective of this policy is to establish a system whereby Westpac endeavors to make available the credits of cheques / instruments sent for collection on behalf of its customers, in the shortest possible time. This policy is based on principles of transparency and fairness in treating customers.

3. ARRANGEMENTS FOR COLLECTION OF CHEQUES AND OTHER INSTRUMENTS PAYABLE AT CENTRES WITHIN AND OUTSIDE INDIA

As per the extant practice, for the purpose of clearing, the Mumbai Clearing House has admitted Westpac, India as its sub-member through the Standard Chartered Bank. In view of this, till the bank is admitted as a full fledged member of the clearing house, it would route all the cheques/negotiable instruments for the purpose of clearing/collection through Standard Chartered Bank.

A. LOCAL CHEQUES

Local clearing is for collection of those cheques/negotiable instruments that are drawn on bank's branches within the jurisdiction of the Mumbai Clearing House.

All cheques and other negotiable instruments like pay orders, demand drafts payable locally (in Mumbai) would be presented by the Bank to the National Clearing Centre (NCC) through Standard Chartered Bank.



The Bank will neither collect 'A/c payee cheques' from any other person other than the payee constituent nor credit the proceeds of 'A/c payee cheques' to the account of any person other than the payee named therein.

Cheques/ negotiable instruments deposited at the Bank's counter before under noted specified cut-off time will be presented for clearing on the same day (Day 0).

Cheques deposited at the Bank counter after the cut-off time will be presented in the next clearing Cycle.

Monday to Friday – 0930 hours to 1200 hours

Saturday – 0930 hours to 1030 hours

The bank would provide an acknowledgement on the deposit slip for cheques deposited at its counter. All cheques/negotiable instruments deposited on Day 0 by cut-off time will be sent through Standard Chartered Bank in clearing on the same day. As a policy, Westpac would give credit to the customer account on the same day clearing settlement takes place. Withdrawals of amounts so credited would be permitted after conclusion of the cheque return schedule of the clearing house. However, availability of funds as per the stated schedule may not be applicable if there are any discrepancies in the instrument. In case of cheques/instruments deposited after the cut of time, they will be presented in the next clearing cycle and account will be credited on the same day but the withdrawals would be permitted after completion of the cheque return schedule of clearing house.

No charges will be levied for collection of cheques / instruments which are collected through local clearing.

B. OUTSTATION CHEQUES

Cheques/ negotiable instruments payable at other centres not covered by speed clearing (due to absence of Core Banking Platform), are known as outstation cheques. For collection of such cheques, the Westpac would utilize services of its correspondent banks and where such arrangements do not exist; it would send the cheques/negotiable instruments directly to the drawee bank.

It would always be the endeavor of the Bank to use speed clearing/fastest mode of collection, where ever possible, so as to provide immediate credit to the customer account and there by better customer service.

For the purpose of collection of outstation cheques/negotiable instruments the Westpac prescribes the maximum time limit of 7,10 and 14 days for the cheques/negotiable instruments drawn on bank branches located at State capitals, major cities and other locations respectively.

The timeframe specified above for collection is the outer limit and the Bank will offer the credit earlier if the process of collection gets completed earlier.



Any charges levied by the collecting banker will be recovered in full in addition to the Bank's own charges as defined in the Bank's 'Schedule of Service Charges'.

C. SPEED CLEARING

Speed clearing refers to collection of outstation cheques through the local clearing. It facilitates collection of cheques drawn on outstation core-banking-enabled branches of banks, if they have net-worked branch locally. Under this system cheques are paid at any location obviating the need for their physical movement to the drawee branch. By utilising these services, collection period gets reduced from 1 to 3 weeks to a day or two and the customer is also not required to pay any collection charges.

For the purpose of clearing the Westpac would present outstation cheques drawn on bank branches that are on a core banking platform through Mumbai Clearing House.

D. CHEQUES PAYABLE IN FOREIGN CURRENCY

Westpac would send cheques/instruments drawn in AUD, USD, EUR, GBP, and JPY directly to the drawee bank for collection, with instructions to credit proceeds thereof to the respective Nostro account of the bank, maintained with one of the correspondent banks. As regards cheques drawn in other currencies the Bank would utilize the services of other branches of the Westpac with instructions to convert the proceeds into one of the aforesaid currencies or into INR as permitted by the local regulations.

The Bank will credit the customer's account upon sighting of credit in the Bank's Nostro account with the correspondent bank.

For crediting the cheque proceeds to the customer's account, the Westpac will apply the exchange rate (telegraphic transfer buying rate) prevailing as on the date of credit to his/ her account.

The bank will recover, charges levied by the collecting/correspondent bank in full in addition to the Bank's charges as defined in the Bank's 'Schedule of Service Charges'.

4. IMMEDIATE CREDIT OF LOCAL / OUTSTATION CHEQUES

The bank will provide the facility of immediate credit for Indian Rupees demand drafts issued by Westpac and for Interest and Dividend warrants up to a total aggregate value of INR 5000 (INR Five



Thousand only) deposited by individual account holders holding current or savings accounts. This facility will be provided subject to the satisfactory operations of such accounts for a period of at least six months. The criteria for satisfactory conduct include (i) the account operations and dealings should be satisfactory with no irregularities noted, (ii) no cheques or instruments have been returned unpaid due to insufficient funds, (iii) there was no difficulty in recovering amounts due to the bank, including for cheques returned after providing immediate credit, (iv) the account has been in existence for at least 6 months, etc.

In the event an instrument against which immediate credit has been provided is returned, the Bank shall immediately recover the amount of the instrument from the customer along with interest at the temporary overdraft rate for the period during which the Bank was out of funds.

5. PURCHASE OF LOCAL/OUTSTATION CHEQUES

Purchase of local/outstation cheques Bank may, at its discretion, purchase local/outstation cheque tendered for collection at the specific request of the customer or as per prior arrangement. Besides satisfactory conduct of account, the standing of the drawer of the cheque will also be a factor considered while purchasing the cheque.

6. PAYMENT OF INTEREST FOR DELAYED COLLECTION OF LOCAL AND OUTSTATION CHEQUES

Refer Compensation Policy

7. . PAYMENT OF INTEREST FOR DELAY IN COLLECTION OF BILLS

Refer Compensation Policy

8. CHEQUES/INSTRUMENTS LOST IN TRANSIT / IN CLEARING PROCESS OR AT PAYING BANK'S BRANCH –

Refer Compensation Policy

9. DISHONOUR OF CHEQUES

Dishonoured instrument will be returned/ despatched to the customer promptly (within 24 hours). The Westpac will recover, in full, any charges that may be levied by the collecting bank, in addition to the



Bank's charges as defined in the Bank's 'Schedule of Service Charges' and communicated to customers.

The Westpac will return all cheques dishonoured for want of funds in respect of all accounts along with a memo indicating therein the reason for dishonour.

Information/data in respect of each dishonoured cheque for amount of Rs. 1 crore and above will be made part of the Bank's MIS. Further, Westpac as part of its MIS relating to broker entities maintain details about cheques drawn in favour of stock exchanges and dishonoured, irrespective of value of such cheques.

10. PAYMENT OF CHEQUES/DRAFTS/PAYMENT ORDERS/BANKER'S CHEQUES

Effective April 1, 2012, the bank would not make payment of cheques/drafts/payment orders/banker's cheques bearing that date or any subsequent date, if they are presented beyond the period of 3 months from the date of such instruments.

11. FORCE MAJEURE

The Bank will not be liable to compensate customers for delayed credit for unforeseen events (including but not limited to civil commotion, sabotage, accident, fires, terrorist attacks, natural disasters or other "Acts of God", war, damage to the Bank's properties/facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc.) which is beyond the control of the Bank and prevents it from performing its obligations within the specified service delivery parameters.

Reference

- (1) Ref. RBI Master Circular on Customer Service in Banks dated July 1, 2015
https://rbi.org.in/scripts/BS_ViewMasCirculardetails.aspx?id=9862
- (2) Model Policy on collection of Cheques/instruments issued by IBA
[http://www.iba.org.in/Model%20Policy/a\)%20IBA%20Model%20Policy%20on%20Collection%20of%20Cheques_Instruments.pdf](http://www.iba.org.in/Model%20Policy/a)%20IBA%20Model%20Policy%20on%20Collection%20of%20Cheques_Instruments.pdf)
- (3) Circular issued by Department of Payment & Settlement System RBI, CO, Mumbai bearing No.DPSS.CO.CHD.No.274/03.01.02/2012-13 dated August 10,2012
http://rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=7500 and DPSS.CO.CHD.No.284/03.06.03/2012-13 dated August 13,2012
http://rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=7502