

From Jan 1, inform bank or large cheques will bounce

FROM OUR BUREAU/ New Delhi

Come January 1, your cheque of a larger amount of Rs 50,000 and above will bounce unless you intimate your bank in advance on drawing up such a cheque. The new system introduces a double check on the cheque transactions.

The Reserve Bank of India (RBI) last week announced a new "Positive Pay" system for cheque truncation system (CTS) to prevent fraudsters emptying your bank account with fake cheques or tampering of your cheque leaves. The

scheme involves a process of reconfirming key details of large value cheques.

If you are issuing a larger amount cheque, you are required to inform your bank about it electronically through channels like SMS, mobile app, Internet banking, ATM, etc., providing certain minimum details of that cheque like date, name of the beneficiary, payee and amounts.

These details will be cross-checked when the cheque is presented for payment in the

CTS. Any discrepancy will be immediately flagged by CTS to the drawee bank and presenting bank, who would take redressal measures. The RBI advisory asks banks to make it mandatory in case of cheques for amounts of Rs 5 lakh and above.

Only those cheques that are compliant with the above instructions will be accepted under the dispute resolution mechanism at the CTS grids. Banks have been advised to implement similar arrangements for cheques cleared and collected outside CTS.

All scheduled commercial banks including regional rural banks, cooperative banks and small finance banks have been advised by the RBI to adopt the new scheme in the next three months to be ready for transition from January 1.

They have been also told to create adequate awareness among their customers on features of the positive pay system through SMS, display in branches, ATMs as well as through their website and internet banking.



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