Cheque Collection Policy

Introduction

The cheque collection policy of the bank is a reflection of its ongoing efforts to provide better service to its customers and set higher standards for performance. The policy is based on principles of transparency and fairness in the treatment of customers. The Bank is committed to increased use of technology to provide quick collection services to its customers.

The current policy document covers the following aspects:

- Collection of cheques and other instruments payable within India and abroad.
- The Bank's commitment to customers regarding time norms for collection of instruments and communication of the same to the customers.
- Policy on payment of compensation in cases where there is a delayed credit beyond the committed timelines.
- Our policy on dealing with collection instruments lost in transit.

Arrangements for collection

1. **Local cheques**

   All cheques and other negotiable instruments payable locally would be presented through the clearing system prevailing at the centre. Cheques deposited at branch counters and in collection boxes within the branch premises before the specified cut-off time will be presented for clearing on the same day. Cheques deposited after the cut-off time and in collection boxes outside the branch premises including off-site Automated Teller Machines will be presented in the next clearing cycle. As a policy, the Bank would give credit to the customer account on the same day the clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearing house. Wherever applicable, facility of high-value clearing (same day credit) will be extended to customers.

   Bank branches situated at centres where no clearing house exists, would present local cheques on drawee banks across the counter and it would be the Bank's endeavour to credit the proceeds at the earliest.

Timing for acceptance

Cheques would be accepted during business hours of the Bank branch. Alternately, cheques can be deposited at ATM centers round the clock.

Collection timings for local cheques drawn on other banks (local clearing)

The cut-off time for sending cheques for collection would be worked out for each location / branch based on cut-off time afforded by clearing house at each location. The cut-off timings would be displayed at branches for customers.

Collection timings for local cheques drawn on own branches of bank (transfer cheques):

1	Cheques deposited across the counter	Same day
2	Cheques deposited in branch drop box	Branch not supported by service branch – Same day for cheques deposited before branch closing time; Next day (upto 12 noon) for cheque deposited post branch closing time
		Branch supported by service branch – Same day for cheques deposited upto 12 noon; Next day (upto 2 pm.) for cheque deposited post 12 noon
		Cut-off time will be displayed on the cheque collection drop box
3	Cheque deposited in ATM drop box	Next day (based on transit time between ATM and branch/Service)

2. Outstation cheques

Cheques drawn on other banks at outstation centres will normally be collected through bank's branches at those centres. Where the bank does not have a branch of its own, the instrument would be directly sent for collection to the drawee bank or collected through correspondent bank.

Cheques drawn on bank's own branches at outstation centres will be collected using the inter-branch arrangements in vogue. Branches, which are connected through a centralized, processing arrangement and are offering anywhere banking services to its customer will provide same day credit to its customers in respect of outstation instruments drawn on any of its branches in the Core Banking Solution network.

The definition of outstation cheques excludes demand drafts, banker cheques, IPAY, I-multipay instruments, interest warrants, dividend warrants drawn on Bank itself.

Policy on collection of foreign cheques/instruments

1. Timing for acceptance of cheques

Foreign currency cheques/instruments would be accepted during business hours of the Bank branch.

2. Arrangements for collection

Cheques payable at foreign centres will be collected (realized) using services of correspondent banks. Cheques drawn on foreign banks at centres where the Bank does not have cheque collection arrangement with its correspondent banks will be sent directly to the drawee bank for collection with instructions to credit proceeds to the respective nostro account of the bank maintained with one of the correspondent banks. The cheque collection would be conducted within following parameters:

- Instruments above the below mentioned limits will only be accepted for processing, to ensure that the charges is always lesser than the value of the cheque / instrument. For currencies not mentioned herein, the limits applicable will be USD equivalent. These limits can be reviewed and modified by Bank.

Currency	Units
SGD payable within Singapore	15
GBP payable within UK	7
AUD payable within Australia	10
EUR payable within EU	10

CAD payable in Canada	15
USD payable in USA	10
FCC Payable in India	USD 75 or its equivalent for respective currencies
FCC Payable outside the home country (e.g. GBP payable in USA)	USD 150 or its equivalent for respective currencies

- The mode of collection for foreign currency cheques / instruments will depend on the currency, drawee location and the amount of the instrument and would be informed to customer.
- The date of credit to account will be reckoned considering the value date of credit to Nostro account or credit to the nostro account plus applicable cooling period as stated in the below Para C.
- The exchange rate prevailing on the day of processing will be applied to the customer's transaction.
- The charges applicable would depend on the mode of collection under which the cheque/instrument is sent for collection and as mentioned in Schedule of Charges duly updated in our website and with Branches.

3. Modes of collection for Foreign Currency Cheques and time frame for credit

- **Cash Letter arrangement:** Under this arrangement, multiple cheques are attached as part of a "Cash Letter" and sent to the correspondent bank for clearing. The correspondent bank offers provisional credit in ICICI bank's nostro account held with it and it is subject to return at a later date. To mitigate the risk of return, ICICI bank passes on the credit to the customer after observing a cooling period of 21 days and value date the credit with the date on which the provisional credit been received in the Bank's nostro account, thereby being eligible for interest. The cooling period commences from the day the cheque is lodged by the central processing centre with our correspondent bank. The cooling period may be reviewed and modified by the bank and would be notified to the customers in advance with 30 days notice.

  Cheques drawn in the following currencies and countries below a particular threshold (as specified and renewed from time to time) are sent

for realisation under this arrangement. The current threshold limits are 10,000 currency units.
USD in USA
GBP in UK
EURO in EU
AUD in Australia
SGD in Singapore
CAD in Canada

Provisional credit on sighting of funds in Nostro: For cheques sent under Cash Letter Arrangement, the Bank may at its discretion, extend credit on sighting funds in Bank's nostro account.
Branches of the Bank will extend such provisional credit for foreign currency cheques/instruments subject to the Bank's parameters on customer's relationship size, vintage of the account and satisfactory track record in respect to cheque returns.

- **Cheques sent under final collection service arrangement:** This arrangement is available only for cheques / instruments beyond a threshold (that could be reviewed from time-to-time) and drawn on USD & GBP where the payable location is situated in USA and UK respectively. The current threshold limits are USD 10,000 and GBP 10,000. For USD cheques drawn on New York, Philadelphia and Pennsylvania, the confirmed credit is provided to ICICI Bank after 6 international working days from the date of receipt of cheque in the US. For other states the credit is received after 15 international working days from the day the cheque is received by the correspondent bank in US. For GBP cheques/instruments the credit is received after 15 international working days from the time the cheque is received by the correspondent bank in UK. The transit time between receipt of such cheques from branch and the corresponding Bank is approximately 3-4 days.

  'International Working days' excludes Saturdays, Sundays, any public or declared holidays in USA, UK and India.

- **Cheques sent under pure collection basis:** Any cheque/instrument that do not qualify to be sent under any of the afore-mentioned arrangements are sent for collection to the drawee bank. Credit in such cases is given when the Bank realises the same. Though, there is no definite time period for collection of such cheques, as per our analysis it takes approximately 30 - 40 days for realizing the credit depending on the country on which the cheque is drawn.

  For currencies where ICICI Bank does not have nostro arrangements, the funds would be received in our USD nostro for subsequent conversion to INR. Currently, ICICI Bank has nostro arrangement for cheque collection in the following currencies:

AED, AUD, CAD, CHF, DKK, EUR, GBP, HKD, JPY, NOK, NZD, QAR, SEK, SGD, USD, ZAR.

The Bank reserves a right to send the cheques/instruments under any of the above arrangements depending on the threshold limit and correspondent banking arrangement.

For current account holders, credit for foreign currency cheques will be extended on the date the credit is sighted in the Bank's Nostro account based on the mode of collection.

4. Charges applicable for foreign currency cheques

The charges levied for foreign currency cheques depend on the mode of collection for such cheques. The charge schedule is available at the Bank's branches and duly updated in our website. For foreign currency cheques sent on collection, correspondent bank charges and courier charges as incurred will be additionally levied, wherever applicable.

In all above scenarios in case of any returns, the applicable return charges charged by the correspondent bank, courier charges and any other applicable charges, borne by ICICI Bank, would be debited from the account in which the cheque has been deposited. The charges would be as approved by the concerned Business Head from time to time based on cost of operations, market practice, etc.

5. Instant credit of foreign currency cheques/instruments

The Bank may, at its discretion, provide instant credit for foreign currency cheques / instruments tendered for collection at the specific request of the individual customers which meet all of the following criteria with respect to the cheque/instrument and the account.

- The upper limit of such instant credit would be USD 300 or equivalent.
- Instant credit would be offered only for cheque/instrument denominated in USD, GBP, EURO, AUD, SGD, CAD currencies.
- Minimum vintage of account should be at least 1 year from the date of account activation.
- No cheque returns issued by the customer in the account in the last 12 months.
- The account status should not be "Inactive" or "Dormant".
- This facility will not be given to overdraft/loan account.
- No earlier "immediate credit" should be outstanding for collection or returned unpaid.

The Bank would levy nominal charges for this facility.

In case of subsequent return of such instruments, the amount of the cheque along with all relevant charges would be recovered by debit to customers' account on the day of receipt of the return instrument or intimation of return.

The policy of instant credit would be reviewed annually considering the amount of losses, frauds, customer issues, etc.

6. **Compensation for delayed credit**

For cheques/instruments sent on collection basis, the Bank will value date the collection once the proceeds have been credited to the Nostro account of the Bank with its correspondent bank.

In case of delay beyond the date when the amount is due for credit, compensation is payable for any adverse movement of exchange rate.

n case of delay beyond the date when the amount is due for credit, interest will be paid to the customer. For delay upto 9 days interest will be paid at Savings Bank rate and where the delay is beyond 9 days it will be paid @ 2 % over the applicable Savings Bank rate.

7. **Instruments lost in transit/in clearing process or at paying bank's branch**

In the event the Bank is notified of an instrument being lost in transit or during collection, the Bank shall notify the account holder. The Bank will also provide necessary assistance to the customer to obtain a duplicate instrument.

For cheques lost prior to receipt by the correspondent, the Bank will bear the stop payment charges on customer producing the relevant document. Compensation for Foreign currency cheques would be applicable only if the Bank or its correspondent bank loses the cheque. The compensation in such cases would be as follows:

- In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- In addition, the Bank will pay interest on the amount of the cheque for a further period of 15 days at savings bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- The Bank would also compensate the customer for any reasonable charges he/she incurs in getting duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/ institution who would charge a fee for issue of duplicate instrument.
- Compensation for any possible loss due to adverse movement of foreign exchange rate in case of foreign currency cheques.

8. **Return of foreign currency cheque/instrument**

If the instrument sent for collection is returned unpaid at any time for any reason whatsoever including but not limited to "insufficient funds", "account closed", "fraudulent cheque" etc., the returning and other applicable charges

would be recovered from the account in which the cheque has been deposited along with the value of the instrument if already credited.
Similarly, if any instrument for which immediate credit has been afforded or provisional credit given is returned unpaid, ICICI Bank will recover from the account the amount so credited together with other charges, if any, at the prevailing exchange rate along with applicable interest rates as may be decided by ICICI Bank.

The customer instructing the Bank to perform services shall be bound by and liable to indemnify the Bank against all obligations and responsibilities imposed by foreign laws and usages. Customers depositing cheques drawn on foreign centres are expected to be aware of usage/practices and laws related to cheques collection prevailing in drawee countries.

The cheques sent for collection by the collecting bank can be returned by the Banks located in any foreign country (after their presentation in clearing/collection) due to fraud/financial reasons. The fraudulent cheques can be returned by the banks in foreign countries at any time after their presentation.

In case of returned cheques, no protection is available to the collecting bank. Since the foreign bank recovers the amount of returned cheques earlier credited into account of collecting bank by debiting its nostro account, the collecting bank will not be able to provide any compensation to the depositor for cheques returned on fraud/financial reasons.

Further, the Bank has right to recover the proceeds of the cheques credited in depositor's account (at the ruling exchange rate equivalent to foreign currency amount debited by foreign bank to the nostro account of the collecting bank) along with the interest from the date of credit of proceeds till the date on which amount is recovered.

The various articles as detailed in the International Chamber of Commerce, Uniform rules for collection (ICC-522) will be applicable for collection of cheques.

Immediate credit of local/outstation cheques/instruments

Branches/extension counters of the Bank will grant immediate credit for outstation cheques/instruments up to the aggregate value of Rs. 15,000 tendered for collection by individual account holders subject to satisfactory conduct of such accounts.

This immediate credit facility shall be subject to the account fulfilling the following criteria:

a) Operating accounts of individuals (NRO (savings), NRE (savings) accounts, Minor accounts, Young Star and Bank@campus accounts shall not eligible)
b) The account should be in Indian Rupees

c) The cheque/DD should be drawn on a scheduled commercial bank, payable in India (excluding a co-operative bank)
d) The facility shall be extended to a customer at his/her base branch only
e) The account should have been opened more than one year back. In case of the I-kit accounts the period shall be considered from the date of activation
f) Cheques shall not be post dated/out of date/nearing out of date (to avoid risk of return in clearing). The cheque must be deposited at least 7 working days from the date of expiry of the cheque
g) The account shall not have been charged for non-maintenance of Quarterly Average Balance in last three months / one quarter
h) The account shall not be "inactive" or "dormant"
i) The account shall not have had any cheque return charges – both for Inward & outward clearing in last three months preceding the Immediate credit request
j) The amount of immediate credit, whether for a single or multiple cheques/DDs, shall not exceed Rs.15,000 in an eligible account, at any point in time
k) There should be no partial immediate credit of a cheque/DD
l) The cheque shall not be the customer's own cheque from another account i.e. not a self-drawn cheque
m) This limit of Rs.15,000 for immediate credit is exclusive of the normal powers delegated to the Branch Head for cheque purchase
n) Immediate credit will be provided against such collection instruments to customers on deposition of cheques
o) The facility of immediate credit will be offered on savings bank/current/cash credit accounts of the customers. Operating accounts of individuals (Non-Resident Ordinary(savings), Non-Resident External (savings) accounts, minor accounts, Young Star and Bank@campus accounts shall not be eligible).

The policy of immediate credit would be reviewed annually considering the amount of losses, frauds, customer issues.

Purchase of local/outstation cheques

The 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 the account, the standing of the drawer of the cheque will also be a factor considered while purchasing the cheque.

Time frame for collection of local/outstation cheques/instruments:

Sr. No.	Cheque Type	Time Norms	Remarks
1	Local Cheque –	Same day clearing	Applicable to areas covered by

	High Value (minimum Rs. 100,000)		High Value clearing. Both, presenting Bank and drawee bank should be participants of high value clearing session.
2	Local Cheque – non-high value	On Settlement of funds	For local cheques presented in clearing, credit will be afforded as on the date of settlement of funds in clearing and the account holder will be allowed to withdraw funds as per return clearing cycle is complete and clear credit is available in customer account.
3	Outstation cheques where cheque is drawn on a state capital	Seven working days	Working days shall not include Bank Holidays and days when clearing house is not operational. Working days will be considered only if it is working day at both the ends / centers.
4	Outstation cheques where cheque is drawn on a major city	Ten working days	
5	Outstation cheques where cheque is drawn on any other location in India	Fourteen working days	
6	Cheque drawn on foreign countries	Best effort basis	Bank would give credit to the party on credit of proceeds to the bank's Nostro Account with the correspondent bank after taking into account cooling periods as applicable to the countries concerned.

The above time norms (except cheques drawn branches in foreign countries) are applicable irrespective of whether cheques / instruments are drawn on the bank's own branches or branches of other banks if they participate in clearing house a the drawee location.

Payment of Interest for delayed collection of outstation cheques

The Bank will pay interest to its customer on the amount of collection instruments in case there is a delay in giving credit as per the matrix below:

Sr.no	Scenario	Applicable Interest Rate
Cheque Deposited in Operative Account		
1	Drawn on State Capitals and Major Cities	1) Savings account interest rate for delay upto 30 days 2) Delay beyond 30 days – Prevailing Fixed Deposit Interest Rate on the date of deposit of cheque (applicable for period of delay. FD interest would be compensated from 1st day of delay).
2	In any other location apart from state capitals or major cities	1) Savings account interest rate for delay upto 45 days. 2) Delay beyond 45 days – Prevailing Fixed Deposit Interest Rate on the date of deposit of cheque (applicable for period of delay. FD interest would be compensated
Cheque Deposit in Loan Account		
1	Any delay more than 29 days`	Interest rate applicable to loan account

*Delay would be calculated from delay of expiry of turn-around-time indicated

Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the bank's own branches or on other banks for the purpose of payment of interest on delayed collection. It may be noted that the interest payment would be applicable only for instruments (drawn in INR) sent for collection within India where ICICI Bank has a branch or cheque is collected by correspondent bank. In case the delay is on account of payment of delayed interest, all claims raised on the bank for the exact amount as per policy would be settled within 90 days of receipt of such a claim.

Cheques/Instruments lost in transit/in clearing process or at paying bank's branch

In the event a cheque or an instrument accepted for collection is lost in transit or in the clearing process or at the paying bank's branch, the Bank shall immediately on coming to know of the loss, bring the same to the notice of the account holder so that the account holder can inform the drawer to record stop payment and also take care that cheques, if any, issued by him/her are not dishonoured due to non-credit of the amount of the lost cheques/instruments. The Bank would provide all assistance to the customer to obtain a duplicate instrument from the drawer of the cheque. This will be applicable only to instruments drawn in INR payable within India.
If the Bank loses the cheque, the Bank will bear the stop payment charges on customer producing relevant document.

The compensation in such cases would be as follows:

- **i.** In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- **ii.** In addition, bank will pay interest on the amount of the cheque for a further period of 15 days at Savings Bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof.
- **iii.** The bank would also compensate the customer for any reasonable charges he/she incurs in getting duplicate cheque/instrument upon production of receipt, in the event the instrument is to be obtained from a bank/ institution who would charge a fee for issue of duplicate instrument.

Force majeure

The Bank shall not be liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, accident, fires, natural disasters or other "Acts of God", war, damage to the bank's facilities or of its correspondent bank(s), etc beyond the control of the bank prevents it from performing its obligations within the specified service delivery parameters. This would exclude incidences of strike & absence of suitable means of communication or all types of transportation.

Charging of interest on cheques returned unpaid where instant credit was given

If a cheque sent for collection for which immediate credit was provided by the bank (as aforesaid in clause 2D above) is returned unpaid, the value of the cheque will be immediately debited to the account. The customer will not be charged any interest from the date immediate credit was given to the date of return of the instrument unless the bank had remained out of funds on account of withdrawal of funds. Interest where applicable would be charged on the notional overdrawn balances in the account had credit not been given initially.

If the proceeds of the cheque were credited to the savings bank account and were not withdrawn, the amount so credited will not qualify for payment of interest when the cheque is returned unpaid. If proceeds were credited to an overdraft/loan account, interest shall be recovered at the rate of 2% above the interest rate applicable to the overdraft/loan from the date of credit to the date of reversal of the entry if the cheque / instrument were returned unpaid to the extent the bank was out of funds.