

## **Policy on collection of Cheques/Instruments**

### **1. Introduction**

This collection policy of the Bank is a reflection of its on-going 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.

This policy document covers the following aspects:

Collection of cheques and other instruments payable locally, at centres within India and abroad.

- Our commitment regarding time norms for collection of instruments.
- Policy on payment of interest in cases where the bank fails to meet time norms for realization of proceeds of outstation instruments.
- Our policy on dealing with collection instruments lost in transit.

### **2. Arrangements for Collection:**

#### **a. 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, 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	Cheque deposited in branch drop box	Branches not supported by service branch – Same day for cheques deposited upto 6 pm; Next day (upto 12 noon) for cheque deposited post 6 p.m.  Branches supported by service branch – Same day for cheques deposited upto 12 noon; Next day (upto 2 p.m.) for cheque deposited post 12 noon  Cut off time will be displayed on drop box.
3	Cheque deposited in ATM drop box	Next Day (based on transit time between ATM and branch/Service)

#### **b. 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 a 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 centralised, processing arrangement and are offering anywhere banking services to its customers 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.

#### **c. Cheques payable in Foreign Countries**

Cheques payable at foreign centres will be collected using services of correspondent banks. Cheques drawn on foreign banks at centres where the Bank or its correspondents do not have direct presence will be sent direct to the drawee bank 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:

- Cooling period is 15 international working days from the date of credit (value date) to our Nostro Account.
- The exchange rate (Telegraphic Transfer Buying) prevailing as on the date of application of fund and credit to customer account will be applied.
- The date of credit to account will be reckoned considering the value date of credit to Nostro account plus normal cooling period as stipulated above.

**d. 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.15000 tendered for collection by individual account holders subject to satisfactory conduct of such accounts. Immediate credit will be provided against such collection instruments to customers on deposition of cheques.

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 eligible).

The underlying processes would be referred to Product & Process Approval Committee for approval.

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

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

**3. Time Frame for collection of local/Outstation cheques/instruments:**

<b>Sr.</b>	<b>Cheque Type</b>	<b>Time Norms</b>	<b>Remarks</b>
1	Local Cheque – High Value (minimum Rs. 100,000)	Same day Clearing	Applicable to areas covered by 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 ICICI Bank has	Seven working days	Working days shall not include Bank Holidays and days when clearing house is not operational. Working days will be considered at both the ends/centres. Under no

4	Outstation cheques where ICICI Bank does not have branch	21 working days	
5	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 at the drawee location.

#### 4. 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 delay in giving credit beyond 30 days as per the below matrix:

Sr No	Scenario	Interest Rate
	Cheque Deposit in Operative Account	
1	Delay* upto 30 days	Savings Account Interest Rate
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 1 <sup>st</sup> day of delay*)
	Cheque Deposit in Loan Account	
1	Any delay* more than 29 days	Interest applicable to loan account

\*Delay would be calculated from day of expiry of turnaround 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 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 correspondent bank.

#### **5. 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:

- 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, 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.

#### **6. 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.

#### **7. 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 was 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 was returned unpaid to the extent the bank was out of funds.