

Cheque Collection Policy

Scope: DBS Bank India Branches

Issuer: GTS & T&O

Version: 3.0

1 Introduction and Guiding Principle

The Bank's Cheque Collection Policy reflects ongoing efforts to provide best in class service to our customers and set higher standards for performance. The policy is based on principles of transparency and fairness in the treatment of customers. We are committed to increased use of technology to provide quick collection services to our customers. This policy document covers the following aspects:

- Collection of cheques and other instruments payable at centres within India and abroad
- Our commitment regarding time norms for collection of instruments
- Payment of interest in cases where there is delay beyond time norms in realization of proceeds of cheques
- Dealing with collection instruments lost in transit

This policy is applicable for all DBIL Branches. A copy of the Cheque Collection Policy (CCP) shall be made available to the customer upon request. Additionally, the CCP shall be displayed on the Bank's website and be made available in the Branch Notice Board Files.

2 Policy

Arrangements for Collection

It may be noted that the Account Payee Cheques will only be credited to Account Holder's account and will not be credited to any Third-Party Account.

Cheque Collection

All CTS compliant cheques and other Negotiable Instruments which are payable under National Grid system locally would be presented through the clearing system prevailing at the centre. Cheques deposited at our branch counters within 1:30 PM and in our Cheque Collection Boxes within branch premises till 1:30 PM on working days of the branch, will be presented for clearing on the same day and cheques/instruments deposited after the cut-off time will be presented in the next working day's clearing cycle. As a policy, the Bank would give credit to the customer account on the same day of fund realization.

The above time frame is not applicable if there has been any discrepancy in the cheques / instruments. The branch cut-off timings for acceptance of cheques/instruments and the list of centres can be obtained from the DBS branches.

Collection timings for Cheques, Drafts, Pay orders and Banker' cheques drawn on own branches of our Bank (Transfer Cheques) – all such cheques deposited across the Bank's counters will be credited on the same day.

The clearing timelines may be adjusted in accordance with any changes to the RBI's clearing timelines. Any further modifications or specific cut-off times will be prominently displayed on our branch notice boards and at Cheque drop-box locations for your convenience. We encourage customers to check these notices regularly for the most up-to-date information.

Collection of Account Payee Cheque – Prohibition on Crediting Proceeds to Third Party Account:

Account payee cheques for any person other than the payee constituent shall not be collected. Bank has option to collect account payee cheques drawn for an amount not exceeding Rupees Fifty thousand to the account of their customers who are co-operative credit societies, provided the payees of such cheques are the constituents of such co-operative credit societies.

Cheques drawn in the name of Karta

Account payee cheques shall not be collected for any person other than the payee constituents and the bank collecting instruments drawn in the name of 'Karta' to the account of the HUF is not prohibited.

For this, Bank to take a mandate from the account holder at the time of opening an account in the name of HUF, that the cheques drawn in favour of the Karta can also be collected in the account and vice-versa.

Delay in Re-presentation of Technical Return Cheques and Levy of charges for such returns:

As you are aware, banks are expected to indicate the timeline for realization of cheques in their Cheque Collection policy (CCP) and charges for cheque returns to be levied in an upfront manner with due prior notice to the customers.

Cheque return charges shall be levied only in cases where the customer is at fault and is responsible for such returns.

The illustrative, but not exhaustive, list of returns, where the customers are not at fault are indicated in the below Annexure I.

Cheques that need to be re-presented without any recourse to the payee, shall be made at the immediate next presentation clearing not later than 24 hours (excluding holidays) with due notification to the customers of such re-presentation through SMS alert, email etc.

Annexure I

Code No	Reason for Return
33	Instrument mutilated; requires bank's guarantee
35	Clearing House stamp / date required
36	Wrongly delivered / not drawn on us
37	Present in proper zone
38	Instrument contains extraneous matter
39	Image not clear; present again with paper
40	Present with document
41	Item listed twice
42	Paper not received
60	Crossed to two banks
61	Crossing stamp not cancelled
62	Clearing stamp not cancelled
63	Instrument specially crossed to another bank

67	Payee's endorsement irregular / requires collecting bank's confirmation
68	Endorsement by mark / thumb impression requires attestation by Magistrate with seal
70	Advice not received
71	Amount / Name differs on advice
72	Drawee bank's fund with sponsor bank insufficient (applicable to sub-members)
73	Payee's separate discharge to bank required
74	Not payable till 1st proximo
75	Pay order requires counter signature
76	Required information not legible / correct
80	Bank's certificate ambiguous / incomplete / required
81	Draft lost by issuing office; confirmation required from issuing office
82	Bank / Branch blocked
83	Digital Certificate validation failure
84	Other reasons-connectivity failure
87	'Payee's a/c Credited' - Stamp required
92	Bank excluded

Documentation and Compliance for Collection of Crossborder / FCY Cheques

Customer Responsibilities:

- For all transactions, customers must provide the purpose of the transaction and any supporting documents as required.
- For personal remittances, branches are responsible for obtaining details regarding the relationship between the remitter and beneficiary.
- For cheques received on behalf of Institutional Banking Group (IBG) customers, branches must collect the appropriate purpose code and related invoice copies.

Branch Responsibilities (Prior to Sending Cheques to Central Operations):

- **Pre-submission Checks:** Before forwarding cheques to the Mumbai Central Operations (Cash Operations ITT) team for collection, branches must ensure:
 - The customer's account is Know Your Customer (KYC) compliant.
 - There are no freezes on the account due to Legal Enforcement Agency (LEA) requests or other reasons.
 - Sufficient funds are available to cover collection charges.
- **Scanning and Tracking:** Local branches are to scan all foreign currency (FCY) cheques and request letters into the Transaction Information Workflow (TIW) system for efficient tracking and follow-up.

- **Document Retention:** Branches must retain complete copies of all cheques and associated documents received from customers, storing and preserving them according to the bank's physical document storage policy.

Central Operations Responsibilities (Upon Receipt of Cheques):

- **Screening:** The Central Operations team will screen the names of the drawer, drawee, and payee on the cheque through the Electronic Watchlist Screening System (EWSS) to identify any potential matches, adhering to the bank's policy for EWSS screening.
- **True Hits:** In the event of a "True Hit" (a confirmed match), the Cash Operations team will inform the respective branch and return the cheque.

Crediting Customer Accounts (Upon Nostro Credit):

Once credit is sighted in the Nostro account, funds will be passed to the customer's account on a "clear funds" basis, with varying cooling periods depending on the currency:

- **USD:** Credit will be passed to the account after a cooling period of 21 business days from the credit date in our Nostro.
- **SGD:** Credit will be passed on the next business day following the credit date in our Nostro.
- **GBP:** Credit will be passed on the next working business day following the credit date in our Nostro.
- **Other Currencies:** Credit will be passed on the next business day following the credit date in our Nostro, provided the credit is on a clear fund basis.

Holiday Adjustment:

- If the calculated credit day falls on a holiday in India, the credit will be processed on the next working day (excluding Saturdays).

In case the credit into the customer account is delayed beyond the due dates specified above, the compensation will be paid as per the prevailing Domestic Savings Bank interest rate for the period of delay. FCY Cheques are cleared for DBS India customers however as a collecting bank DBS India also clears SGD drafts issued by DBS Singapore.

Interest Payment for Delayed Collection

Under Continuous clearing, processing of cheque and release of the payment to the customers is done continuously and on a real-time basis. Information of positive/negative confirmation shall be sent by the drawee banks to the clearing house immediately after processing. The presenting bank shall process the same and release the payment to the customers immediately, but not later than 1 hour from successful settlement, subject to usual safeguards.

During Phase 1 (From October 4 till Phase 2 implementation): Drawee banks shall be required to confirm (positively / negatively) cheques presented on them latest by end of confirmation session (i.e. 7:00 PM)

In Phase 2, the item expiry time of cheques shall be changed to T+3 clearing hours. For example, the cheques received by drawee banks between 10:00 AM and 11:00 AM will have to be confirmed positively or negatively by 2:00 PM (3 hours from 11:00 AM)

DBS Bank shall pay to its customers interest on delayed credit for the period of delay beyond the time frames mentioned above. Compensation will be paid for the period of delay without any claim required from the customer as per the Bank's Compensation Policy guidelines. (Proposed – Beyond the date of actual realization of cheque). It is proposed to cover the exclusions related to “prior communication and clearing extensions if would have been requested by other Banks”.

Dishonour / Return of Cheques

If a cheque sent for collection is returned unpaid, the value of the cheque will be immediately debited to the account, apart from recovering the applicable charges, and interest thereof. The above arrangements will be applicable for all customer cheque deposits. Dishonoured instruments are returned / dispatched to the customer promptly without delay, in any case within 24 hours. Further,

1. If a cheque sent for collection is returned unpaid, the value of the cheque will be immediately debited to the account. Bank shall charge interest at Clean Advances rate for the period the bank was out of funds.
2. 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.
3. If proceeds were credited to an overdraft/loan/credit card 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.
4. If a cheque sent for collection for which the bank has provided credit is returned unpaid, the value of the cheque will be immediately debited to the account even if the account goes to debit balance because of this debit and the outstanding balance shall be treated as any other clean overdraft. Bank shall charge interest at Clean Advances rate for the period the bank remains out of funds.
5. Bank shall also charge “Cheque Return Charges” at rates applicable from time to time, duly adhering to RBI guidelines.

Cheque Lost in Transit

In the event a cheque or an instrument accepted for collection by the Bank is subsequently lost in transit, the Bank, on coming to know of the loss, shall immediately inform the customer so that the account holder can inform the drawer to record stop payment and can also take care that other cheques issued 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. The Bank will not levy additional charges for the replacement instrument sent into clearing or on collection. The Bank would compensate the customer for any direct and reasonable charges the customer incurs in getting duplicate cheques/ instruments, upon production of relevant documentary proofs and interest for reasonable delays occurred in obtaining the same in line with the Bank's Compensation Policy.

The bank should reimburse the account holder-related expenses for obtaining duplicate instruments and interest for reasonable delays occurred for obtaining the same.

Further, Bank will attempt to take care that other cheques issued by him are not dishonoured due to non-credit of the amount of the lost cheques / instruments. The onus of such loss lies with the collecting banker and not the accountholder.

Force Majeure

Force Majeure Event means acts of God, flood, drought, earthquake or other natural calamity or condition, disaster, epidemic or pandemic, terrorist attack, war or riots, nuclear, chemical or biological contamination, industrial action, power failure, computer breakdown or sabotage, and collapse of buildings, fire, explosion or accident or such other acts which are beyond reasonable control of the Bank.

Performance of obligations of the Bank shall stand suspended for as long as the Force Majeure Event or circumstance continues to make the performance impossible. On a best effort basis Bank is committed to take reasonable action(s) to minimize the consequences of a Force Majeure Event. In case of any industrial action, power failure, computer breakdown or sabotage, Bank shall take reasonable steps to reduce delay in provision of its services and endeavor to provide uninterrupted services to its customers.

Governance

3.1 Ownership and Approving Authority

DBS Bank India Ltd. (DBIL) is a Wholly Owned Subsidiary (WOS) of DBS Bank Ltd (DBL) headquartered in Singapore. As a matter of sharing best practices DBIL will draw on experience and expertise of DBL when dealing with complex, long tenor, large or important transactions to ensure that the minimum acceptance criteria of the Group is complied with.

This Policy shall be owned by Issuer and approved by the Bank's Board.

3.2 Deviations

Any deviations, including any addenda, if any, shall be on an exceptional basis and must be documented by Issuer and approved by Bank's Board. Any changes that are not substantive, but incidental or administrative in nature, do not require a sign-off by the approving authority. Cheque collections for corporate customer will be as per the terms agreed with the corporate customer at the time of offering the service.

3.3 Review

This Policy should be reviewed on annual basis (with a grace period of up to three months) or when material changes are required/appropriate to ensure continued relevance.

Appendix 1 Record of Deviations					
Effective Date	Section	Endorsed by & Endorsement date	Approved by & Approval date	Deviation Description	Reason for deviation
dd mm yyyy	Section in this document where deviation occurs	Endorsement by Group/Country Head of the Unit/Function that applied for the deviation Endorsement date: dd mm yyyy	Approval by document owner for the deviation Approval date: dd mm yyyy	This describes the deviation applied to the section	This explains the reasons for the deviation
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Appendix 2 Version History		
Version	Date of Issue	Summary of Key Changes
1.0	May 2019	First issue (following incorporation of DBS India as a Wholly Owned Subsidiary)
2.0	February 2022	Reference to list of branches has been removed to make the policy applicable to all DBIL branches. The language has been updated to reflect the current cheque clearing where most of the banks participate in CTS Clearing.
3.0	January 2026	Changes as part of On-Realization Cheque Clearing