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Level 3

# Cheque Collection Policy



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## 1. Introduction

This Cheque Collection Policy of Deutsche Bank AG, India ("Bank") is a reflection of our on-going efforts to provide better 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. The Bank is committed to increased use of technology to provide quick collection services to its customers.

- This policy document has been formulated on the basis of RBI Master Circular No. RBI/2015-16/59 DBR No. Leg.BC. 21/09.07.006/2015-16, RBI Circular No. RBI/2012-13/493 DPSS. CO. CHD. No. 2030/03.06.01/2012-2013 on Delay in Re-presentation of Technical Return Cheques and Levy of Charges for such Returns, IBA Model Policy on Collection of Cheques / Instruments.

This policy covers the following aspects:

- Collection of cheques and other instruments payable locally, at centres within India and abroad
- Our commitment regarding turnaround times for collection of instruments
- Payment of interest in cases where the Bank fails to meet time norms for realization of proceeds
- Dealing with collection instruments lost in transit

## 2. General Guidelines

### Arrangements for Collection

#### 2.1. Local Cheques

All cheques and other negotiable instruments payable locally would be presented through the clearing system prevailing at the branch location. 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 at branch counters and in collection boxes within the branch premises after the cut-off time and in collection boxes outside the branch premises including off-site ATMs will be presented in the clearing cycle on the next working day. As a policy, Bank would give credit to the customer account on the day the clearing settlement takes place. Withdrawal of amounts so credited would be permitted as per the cheque return schedule of the clearing house.



Cheque type	Pricing *	TAT**	Transaction mode	Remarks
INR Local Cheque - e.g., Cheques deposited in Mumbai payable at Mumbai	NIL	CTS - Clear funds available in customer's account on next working day	Via Clearing House	Both the presenting bank as well as the drawee bank should be located within the Local Clearing Network decided by clearing house  Timelines for cleared funds to be available for withdrawal by the customer would depend on the clearing house timelines for return of cheques by the drawee bank in that city

\* Pricing mentioned above is market driven and subject to change at the sole discretion of the Bank. However, any increase in pricing will be effected with one month's notice and necessary communication will be sent to all customers in this regard

\*\* Excluding transit time of 48 hours. The TAT also depends on any specific written agreement / arrangement with the customer as part of the Bank's Cash Management mandate

\*\* Communication shall be sent to the customer in case of a delay from the paying bank's end in realizing the instrument and sending the proceeds.

Important note: Non- CTS cheque clearing has been discontinued with effect from December 31, 2018 as per RBI circular CC.MRO.CIRNO.1764/03.01.005/2017-18. dated Jun 22, 2018.

#### Cut-off Time for DB Branches:

Branch Name	Working Days / 1 <sup>st</sup> , 3 <sup>rd</sup> , and 5 <sup>th</sup> Saturday Cut-Off Time
Mumbai	2.30 PM
Khar	1.30 PM
Pune	2.00 PM
Kolhapur	4.30 PM
Aurangabad	2.00 PM
Ahmedabad	2:30 PM
Surat	2:30 PM
HT House (Delhi)	2.15 PM
Noida	1.15 PM
Gurgaon	1.15 PM

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Ludhiana	2:00 PM
Moradabad	3.30 PM
Chennai	2.00 PM
Bangalore	2.30 PM
Salem	4.30 PM
Vellore	3.30 PM
Kolkata	4.00 PM

Pick up timings of cheques from non-branch DB ATMs done by vendor – 9:30 AM. All cheques received post the cut-off is processed on the next working day.

## 2.4 Cheques payable in Foreign Countries

Cheques payable at foreign centres where the Bank has branch operations (or banking operations through a subsidiary, etc.) will be collected through that office. The services of correspondent banks will be utilized in country/centres where the correspondent has presence.

- a) Bank would give credit to its customer on credit of proceeds to the bank's Nostro Account with the correspondent bank after taking into account cooling period\* (\*Cooling period is the actual time of waiting by the collecting bank for confirming the definite clearance of cheque presented to drawee bank. The collecting bank releases the amount lying in its Nostro Account to its customer's account only after completion of Cooling Period) as applicable to the countries and currencies concerned as defined below:
- b) The exchange rate at which the conversion is done shall be the TT (Telegraphic Transfer) Buying rate as on the date of credit
- c) The value date of credit to the customer's account shall be the date of receipt of funds in the bank's Nostro account

Serial	Cheque type	Pricing *	TAT / Cooling Period**	Transaction mode	Remarks
(i)	Foreign Currency Cheques	As per schedule of charges or as per arrangement with the customer	As per below	Collection basis	Covers Cheques drawn on locations where DB has a nostro banking arrangement, specifically in the following currencies – Euro, Australian Dollar, Hong Kong Dollar, Singapore Dollar, Canadian Dollar, Saudi Riyal, UAE Dirham
(ii)	Euro cheques payable in a EURO drawn on banks in Germany, Belgium,	As per schedule of charges or as per arrangement with the	After 21 days from the date the funds reflect in nostro	Collection basis	Final credit given 21 calendar days post receipt of credit by the Bank with value date of the day of credit to NOSTRO

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	France, UK, Italy, Luxemburg, Netherlands, Austria, Portugal, Spain	customer			
(iii)	Other currency cheques sent on collection basis directly to Drawee bank	As per schedule of charges or as per arrangement with the customer	After 8 days from the date the funds reflect in nostro	Collection basis	Credit given 8 calendar days post receipt of credit by the Bank with value date of the day of credit in NOSTRO

### Correspondent Bank List

Currency	Correspondent Bank	Location	SWIFT Code	Account No.
EUR	Deutsche Bank AG	Frankfurt	DEUTDEFF	1009534785
SGD	Deutsche Bank AG	Singapore	DEUTSGSG	2702496-00-0
AUD	National Australia Bank Limited	Melbourne	NATAAU33	1803072125500
HKD	Deutsche Bank AG	Hong Kong	DEUTHKHH	02-03760-00-0
CAD	Bank of Nova Scotia	Toronto	NOSCCATT	71714
AED	Emirates Bank International Ltd	Dubai	EBILAEAD	0022-808211-784
NZD	ANZ National bank, New Zealand	New Zealand	ANZBNZ22	881060/00001

#### 2.5 Purchase of local / outstation cheque and Immediate Credit of Local / Outstation Cheques / Instruments:

Branches of the Bank will consider providing 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 for a period not less than 6 months. Immediate credit will be provided against such collection instruments at the specific request of the customer or as per prior arrangement. The facility of immediate credit would also be made available in respect of local cheques at centres where no formal clearing house exists.

The facility of immediate credit will be offered on Savings Bank / Current / Cash Credit Accounts of the customers as per Bank's internal policy. For extending this facility there will not be any separate stipulation of minimum balance in the account. Under this policy, prepaid instruments like Demand Drafts, Interest / Dividend warrants shall be treated on par with cheques. In the event of dishonour of cheque against which immediate credit was provided,



interest shall be recoverable from the customer for the period the Bank remained out of funds at the rate applicable for overdraft limits sanctioned for individual customers.

For the purpose of this policy, a *satisfactorily conducted* account shall be the one

- a) Opened at least six months earlier and complying with KYC norms
- b) Conduct of which has been satisfactory and Bank has not noticed any irregular dealings
- c) Where no cheques / instruments for which immediate credit was afforded returned unpaid for financial reasons
- d) Where the Bank has not experienced any difficulty in recovery of any amount advanced in the past including cheques returned after giving immediate credit.

The Bank shall levy normal collection charges and out of pocket expenses while providing immediate credit against outstation instruments tendered for collection. Exchange charges applicable for cheque purchase will not, however be charged. Please refer to Schedule of Charges for more information.

## **2.6 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 one of the factors considered while purchasing the cheque at Bank's discretion.

## **2.7 Purchase of cheques / drafts during suspension of clearing**

There may be an occasion when clearing house operations have been temporarily suspended for reasons beyond the control of the concerned authorities. Such suspension entails hardship to the constituents of the bank because of the inability to realize promptly the proceeds of the cheques / drafts drawn on local banks other than those with whom they maintain account. During such time, Bank may at its own discretion extend their consent to purchase local cheque or drafts basis the recommendation by Area Manager, Commercial Director and approval by Credit Risk Management (CRM), duly taking into account customer's creditworthiness, integrity, past dealing and occupation of the constituents, so as to safeguard themselves against any possibility of such instruments being dishonoured subsequently.

## **3. Payment of Cheques/Drafts/Pay Orders/Banker's Cheques**

Bank will not make payment of cheques/drafts/pay orders/banker's cheques bearing that date or any subsequent date, if they are presented beyond the period of three months from the date of such instrument.

Also, Bank will not clear cheques received in third party names or credit proceeds to any third-party account.

## **4. Payment of Interest for delayed collection of Local, Outstation and Foreign Currency cheques**



As part of the compensation policy of the Bank, the Bank will pay interest to its customers on the amount of collection instruments in case there is delay in giving credit beyond the time period mentioned above.

Interest for delayed collection for INR cheques shall be paid as follows:

- Savings Bank rate for the period of delay beyond the time frame mentioned in the above table for local and outstation cheques
- Where the delay in collection of any cheque is beyond 14 days, interest will be paid at the rate applicable for term deposit offered by our bank for the respective period.
- In case of extraordinary delay, i.e., exceeding 90 days, interest will be paid at the rate of 2% per annum above the fixed deposit rate applicable to the period of delay beyond the stipulated time frame, will be payable to the customers for the number of days of delay.
- In the event the proceeds of cheques under collection were to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan/overdraft. For extraordinary delay, i.e., exceeding 90 days, interest will be paid at rate of 2% above the rate applicable to such overdraft / loan account

It may be noted that interest payment as given above would be applicable only for instruments sent for collection within India.

## 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 accountholder so that the accountholder 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 onus of such loss lies with the collecting banker and not with the account holder. The Bank would provide all reasonable assistance to the customer to obtain a duplicate instrument from the drawer of the cheque.

In line with the compensation policy of the Bank, it will compensate the account holder in respect of instruments lost in transit in the following way:

- In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (as per the table given above) interest will be paid for the period exceeding the stipulated collection period at the rates specified above.
- In addition, Bank would pay interest at the Saving Account rate to provide for the delay in obtaining duplicate cheque and collection thereof, up to a maximum of 15 days.
- The Bank would compensate the account holder for any direct and reasonable charges the customer incurs in getting duplicate cheques / instruments, upon production of relevant documentary proof, in the event the instrument is to be obtained from a bank / institution who would charge a fee for issue of duplicate instrument.





- If the cheque / instrument have been lost at the paying bank's branch, the collecting banker has a right to recover the amount reimbursed to the customer for the loss of the cheque / instrument from the paying banker.

Notwithstanding the above, any other terms and conditions which have otherwise been specifically agreed by the Bank and its customers shall prevail over the above in the event of any inconsistency, to the extent not provided by applicable laws and / or regulations.

## 6. Delay in re-presentation of technical return cheques and levy of charges for such returns

- Bank will levy cheque return charges wherein the customer is at fault and is responsible for such returns.
- Bank will represent the cheques only in cases where in the bank is at fault, without any recourse to payee, immediately in the next presentation clearing not later than 24 hours (excluding holidays).

Clearing Grid	Presentation time	Return time
North India	7:30 PM	2:30 PM
South & East India	7:30 PM	1:30 PM
Western India	7:30 PM	2:00 PM

## 7. Force Majeure

The Bank shall not be liable to compensate customers for delayed credit or any other grievances, complaints or claims if some unforeseen event (including but not limited to civil commotions, sabotages, lockouts, strikes or other labour disturbances, accidents, fires, natural disasters or other "Acts of God", war, damage to the Bank's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc.) or any reasons beyond the control of the Bank prevents it from performing its obligations within the specified service delivery parameters.

## 8. 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 is returned unpaid, the value of the cheque will be immediately debited to the account of the customer. 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 was returned unpaid to the extent the Bank was out of funds.

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## 9. Service Charges

For all collection services, the bank will recover appropriate service charges as decided by the bank from time to time and communicated to customer as indicated in the code of banks commitment to customers.

## 10. Cheques returned unpaid by Payee Bank:

In the event, cheque presented in local clearing or sent for collection is returned unpaid, the instrument along with an advice providing reasons for return will be dispatched to the account holder at his/her address recorded with the bank. Charges applicable as per schedule of service charges of the bank will be levied.

## 11. Contact

The Bank has a dedicated processing unit in Mumbai, which is responsible to ensure quick realization of outstation cheques. For any queries, please call phone banking details of which are available on our website.

It is reiterated that the policy covers only compensation for financial losses which customers might directly incur due to deficiency in the services offered by the Bank and as such the commitments under this policy are without prejudice to any right the Bank will have in defending its position before any forum duly constituted to adjudicate banker-customer disputes. Further, the Bank shall not be liable for any loss of profits, or any indirect, incidental, ancillary, or consequential losses, damages, or expenses. Acceptance of the compensation under this policy shall be deemed to be full and final settlement of all claims or issues arising out of grievances for which compensation is claimed and for this purpose this policy is made part of the General Business Conditions of the Bank applicable to all customers.

### Circular Reference

Sr. No.	Circular Date	RBI Circular No.	Subject
	-	IBA	Model Policy on Collection of Cheques / Instruments
	July 1, 2015	RBI/2015-16/59 DBR No.Leg.BC. 21/09.07.006/2015-16s	Master Circular on Customer Service
	May 7, 2013	RBI/2012-13/493 DPSS.CO.CHD.No. 2030/03.06.01/2012-2013	Delay in re-presentation of technical return cheques and levy of charges for such returns
	January 2018	BCSBI	Code of Bank's Commitment to Customer – BCSBI



## 11. Annexure:

### Illustrative but not exhaustive list of objections where customers are not at fault

(Applicable for Instrument and Image-based Cheque Clearing to Uniform Regulations and Rules for Bankers' Clearing Houses)

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