

Client Communication on implementation of CTS 2010 standards for Cheques

Dear Sir / Madam,

Subject: Standardization and Enhancement of Security Features in Cheque Forms – Migrating to CTS 2010 Standards

This is further to our earlier communications on the subject matter. Please be informed that RBI vide their circular Ref No. RBI/2013-14/141 DPSS.CO.CHD.No./133/04.07.05/2013-14 dtd. July 16, 2013 has stated that the "non-CTS 2010" standard cheques will continue to remain valid and the following arrangements would be put in place for clearing of residual non-CTS-2010 standard cheques:

- i) Separate clearing session to be introduced in the three CTS centers (Mumbai, Chennai and New Delhi) for clearing the residual non-CTS 2010 instruments (including PDC and EMI cheques) with effect from January 1, 2014.
- ii) The separate clearing session will initially operate thrice a week (Monday, Wednesday and Friday) up to April 30, 2014.
- iii) Thereafter, the frequency of such separate sessions will be reduced to twice a week up to October 31, 2014 (Monday and Friday) and further to weekly once (every Monday) from November 1, 2014 onwards. If the identified day for clearing "non-CTS-2010" instruments falls on a holiday under the Negotiable Instruments Act, 1881, the clearing session on such occasions will be conducted on the previous working day.

Further, on commencement of special session for non-CTS-2010 standard instruments, banks would be required to present non-CTS-2010 instruments, only in the special clearing session for non-CTS-2010 instruments as referred to above.

In view of the above, please ensure to deposit only CTS-2010 standard cheques with Bank of America with effect from January 1, 2014 to avoid delays in realization of non-CTS-2010 standard instruments.

In addition we would encourage you to ensure migration to CTS-2010 compliant standard cheque stationary with immediate effect, if not done already so as to avoid any last minute challenges.

To reiterate, "CTS-2010" sets the minimum security features to ensure uniformity across all cheque forms issued by banks and also helps presenting banks while scrutinising / recognising cheques of drawee banks in an image-based processing scenario. This homogeneity in security features is expected to act as a deterrent against cheque frauds, whereas standardization of field placement on cheque forms will enable straight-through-processing through usage of optical character recognition technology.

In case of any queries please feel free to contact the branch or your Service Manager at the below numbers for the respective locations or write to us at india.clientservices@baml.com and we shall assist you further.

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Thanking You.
Bank of America, N.A.