

Now, cheques to be cleared in a few hours

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Reserve Bank of India (RBI) has proposed continuous clearing of cheques with 'on-realisation-settlement' Cheque Truncation System, instead of the current clearing cycle of two working days to speed up payments and enhance efficiency in the system.

At present, cheque clearing through Cheque Truncation System (CTS) operates in a batch processing mode. Under the proposed system, cheques will be cleared within a few hours on the day of presentation. This will speed up cheque payments and benefit both the payer and the payee.

The cheques will be scanned,

presented, and passed in a few hours and on a continuous basis during business hours.

The clearing cycle will reduce from the present T+1 days to a few hours. Detailed guidelines in this regard will be issued shortly, RBI today said in a statement accompanying the Monetary Policy Review.

The new system is expected to improve cheque clearing efficiency, reduce settlement risk for participants, and enhance customer experience, RBI said.

M V Rao, chairman, Indian Banks' Association (IBA) & managing director & CEO, Central Bank of India said "on realisation-settlement" will benefit the public in general.

