भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

NCC. MRO.NPT. Cir. No. 103 /03.30.08/2008-09 April 13, 2009

All Member and sub-member banks of the
Brihan-Mumbai Bankers' Clearing House (BBCH)

Dear Sir/Madam,

High Value Clearing

As you are aware, High Value Clearing was introduced in response to the request made by corporate customers to the banks to reduce the interest cost for the debit balances in their cash credit accounts by introducing an efficient clearing system to be settled on T+0 (same day process and settlement) basis. Accordingly, the High Value Clearing was introduced in the early 1990s. The cheques of the value of Rs.1 lakh and above drawn on designated branches, were permitted to be presented in High Value Clearing.

2. In the last few years various payment and settlement systems like the Real Time Gross Settlement System (RTGS) and National Electronics Fund Transfer (NEFT) system have been introduced which facilitates transfer of funds both local and outstation, in quick time. These electronic modes of payment systems have reduced the need for paper based clearing on T+0 basis, besides ensuring quick and safe transfer of funds across the country. Further, in order to encourage migration of non-cash payment to electronic mode, a cap for charges viz. not exceeding Rs.5/- per transaction upto Rs.1 lakh and Rs.25/- per transaction for Rs.1 lakh and above in the case of funds transferred through NEFT and an amount not exceeding Rs.25/- per transaction for Rs.1 lakh to Rs.5 lakh and Rs.50/- per transaction for Rs.5lakh and above in the case of RTGS was introduced by RBI. Now most of the branches of banks participating in High Value Clearing at Mumbai are RTGS/NEFT enabled and payments can be effected more efficiently using RTGS and NEFT funds transfer mechanisms.

राष्ट्रीय समाशोधन केन्द्र, मुंबई क्षेत्रीय कार्यालय, फ्री प्रेस हाऊस , पहली मंजिल, 215, नरीमन पाईन्ट, मुंबई 400 021.
NATIONAL CLEARING CENTRE, Mumbai Regional Office, Free Press House, 1st Floor, 215, Nariman Point, Mumbai 400 021. Phone - 22022830, 22023696, 22844172, 22812064, 22882197, 22023050, FAX- 22882726, 22817327

3. In view of the above, the Standing Committee of BBCH in its special meeting held on March 12, 2009 has prepared a road-map to phase out High Value Clearing by increasing the minimum amount of cheque presented in High Value Clearing from the present Rs.1.00 lakh to Rs.5.00 lakh with effect from May 1, 2009 and from Rs.5.00 lakh to Rs.10.00 lakh from August 01, 2009 and phase out the High Value Clearing completely with effect from November 01, 2009.

4. You may advise the branches under your jurisdiction accordingly. You may also ensure that the branches offer alternative mode of funds transfer through NEFT and RTGS for High Value Clearing customers, so that they are not deprived of efficient payment systems mechanisms for fund transfer.

Yours faithfully,

(K. HariKrishnan)
General Manager