Cheque Collection Policy

Introduction

The Cheque Collection Policy of YES BANK Limited is a reflection of our on-going 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. This policy document covers -

- Collection of cheques and other instruments payable locally and at centers within India and outside India
- Our commitment regarding time norms for collection of instruments
- Policy on payment of interest in cases where the bank fails to meet time norms for realization of proceeds of outstation instruments
- Our policy on dealing with collection instruments for checks dishonored / lost in transit
- Policy with regards to issuance of payable-at-par chequebooks
- Policy with regards to clearing of non-CTS-2010 Standard cheques

Definition

Collection can be defined as the process of clearing instruments on behalf of the customers. The instruments cover:

- Cheque/ Demand Drafts drawn in the same city/clearing zone of collection as the drawer bank branch
- Cheques/Demand Drafts drawn in a city/clearing zone other than the Drawer bank branch

Payable-at-par chequebooks

Payable-at-par / multi-city CTS 2010 standard cheques are issued to all customers and no charges will be levied for clearing of PAP cheques.

Separate clearing session will be introduced in the three CTS centers (Mumbai, Chennai and New Delhi) for clearing of residual non-CTS 2010 instruments (including PDC and EMI cheques) with effect from January 1, 2014. This separate clearing session will initially operate thrice a week (Monday, Wednesday and Friday) up to April 30, 2014. 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, presentation session on such occasions will be conducted on the previous working day.

Upon the commencement of special session for non-CTS-2010 standard instruments, YES BANK will return the non-CTS-2010 instruments, if any, presented in the regular CTS clearing. Such returned instruments will be re-presented by the Bank in the immediate next special clearing session for non-CTS-2010 instruments.

Collection Arrangements

	Cheque Type	Availability of Funds	Transaction Mode	Remarks
A	Local Cheque – MICR Clearing/Non MICR Clearing	Same day Credit / Next Day Credit (Clear funds will be available for withdrawal by the customer depending on the clearing house timelines for return of cheques in that city	Clearing House	Both the presenting bank as well as the drawee bank should be located within the local clearing area as per the local clearing rules
B	Outstation Cheque - deposited at Metro location and payable at another metro location (Mumbai, Chennai, Kolkata & New Delhi)	7 working days	Collection Basis	
C	Outstation Cheque - payable at YES BANK branch locations other than Metro Location	10 Working Days	Collection Basis	

	Cheque Type	Availability of Funds	Transaction Mode	Remarks
D	Outstation Cheque - payable at State Capitals or Metro centers (other than those of North Eastern States and Sikkim)	10 Working Days	Collection Basis	
E	Outstation Cheque - payable at Locations where YES BANK does not have a Branch	14 Working Days	Collection Basis	
F	Outstation cheque - payable in speed clearing	Same day Credit / Next Day Credit (Clear funds will be available for withdrawal by the customer depending on the clearing house timelines for return of cheques in that city)	Collection Basis	➢ Cheques not Payable locally and Non "AT PAR" of banks participating in Speed Clearing at the location are presented in Speed Clearing. ➢ The Banks participating have core-banking-enabled branches. ➢ Available at select MICR centres

Conditions

- The Credit Timelines would vary in case of Cash Management arrangements and the same would be applicable as per the agreed arrangement
- All local cheques deposited at branch counters and in collection boxes within the branch premises before the specified cut-off time will be processed for clearing on the same day
- Cheques deposited after the cut-off time and in collection boxes outside the branch premises including off-site ATMs will be presented in the next clearing cycle
- The specified cut-off time at each branch is normally two hours before the respective clearing house timing and will be displayed at each of the branches.
- Outstation Cheques (locations where YES BANK Limited does not have clearing facility) are sent on collection basis
- Customers shall be able to utilize the proceeds, subject to adequate withdrawable balance, as soon as clear funds have been received in line with return clearing time lines at various locations.

Cheque return charges shall be levied only in cases where the customer is at fault and is responsible for such returns. Cheque that needs to be re-presented is presented immediately within 24 hours (excluding holidays). Further, the Bank as a process sends alerts to all its customers (who are registered for alerts) for cheque deposited in their accounts. Accordingly, the customer will receive an alert from the Bank for the cheque which is represented.

Cheques payable in Foreign Countries

Cheques payable at foreign locations, where the bank has Correspondent banking arrangements, will be collected through correspondent banks. Cheques drawn on foreign banks at centres where the bank or its correspondents do not have direct presence will be sent directly to the drawee bank with instructions to credit proceeds to the respective Nostro Account of the bank maintained with one of the correspondent banks.

Bank will send the US Dollar denominated cheques under the 'Secured clean collection facility'.

Customer shall be liable to repay the amount with all expenses which the bank may incur, if the cheque tendered for collection / purchased is returned unpaid. Instances in which returned cheques are lost in transit; correspondent bank charges shall be debited to the customer's account on the basis of the non-payment advice received from the correspondent bank.

The timelines for collection of such cheques, payable at foreign locations are as follows:

Currency	Collection
For USD cheques sent under the secured clean collection facility arrangement of our Correspondent Bank(Cheques greater than USD 150 and less than USD 250,000)	Immediate credit to customer's account after sighting the funds in our Nostro account
Upto GBP 250: Cheques will be send under Cash Letter facility of our GBP correspondent bank	10 international working days after credit received in our Nostro account
For other currencies EUR/AUD/CAD/SGD and for amount > GBP 250: Cheques will be send under cheque collection facility of our correspondents	Immediate credit to customer's account after sighting the funds in our Nostro account

Fee and Service charges as defined in the applicable Schedule of charges as amended from time to time would be levied. The conversion rate applicable would be the applicable card rate/forex rate provided by treasury as on the date of credit to the customer account.
For USD Cheque amounts greater than USD 250,000 customers are advised to use the TT / Wire Transfer route.

Compensation Policy

YES BANK Ltd will take remedial steps to compensate the customer, using variety of modes like value dating the credit or payment of interest etc. Interest for delayed collection shall be paid as per the bank's Compensation Policy.

Policy on Cheques Lost in Transit/Dishonored Cheques

In event of cheque or an instrument accepted for collection is lost in transit or in clearing process or at the paying bank's branch, the bank on coming to know of the loss, will bring the same to the notice of the account holder through expeditious means so that the account holder can inform the drawer to record stop payment and also take care that cheque, if any, issued by him / her are not dishonored due to non-credit of the amount of the lost cheque/instruments. The compensation for all such accounts Lost in Transit/Dishonored Cheques will be as per Bank's Compensation Policy.

Immediate Credit Facility

Bank will provide immediate cheque credit facility for outstation/local cheques upto an aggregate value of Rs 15,000/- tendered for collection by individual account holder at home branch subject to satisfactory conduct of such account

- The facility is applicable only to account payee cheques for local clearing and outstation collection where YES BANK Ltd has a branch or a correspondent bank arrangement and can be availed only at the home branch of the account
- The Customer will be required to fill in pre designed special deposit slips
- The immediate cheque credit will be given at the time of cheque deposit
- Bank will not levy any additional interest/charges and normal collection charges will be applicable
- In case of cheque being returned, for whatever reason, the bank will recover interest at Bank's PLR, for the period the bank will remain out of funds:
    - If a cheque send 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, apart from recovering the applicable charges
    - No interest will be charged to customer from the date immediate credit was given to the date the instrument was returned unless the bank has remained out of funds on account of withdrawal of funds. Bank will charge interest from date of return till reimbursement of money to the bank only to the extant the bank remained out of funds

Criteria for Satisfactory Conduct

- Account should be live for more than one year with the bank.
- Account should have maintained product level AQB in last one year, for every quarter
- Conduct of the account is satisfactory and bank has not noticed any irregular dealing including instances of cheque return, ECS return, SI return in account for the past one year.
- Bank has not experienced any difficulty in recovery of any amount/charges/commissions in past one year.
- At least one customer initiated transaction in each quarters for the last two quarters.

Force Majeure

Bank shall not be liable if any transaction does not fructify or may not be completed or for any failure on part of the Bank to perform any of its obligations contemplated hereunder if performance is prevented, hindered or delayed by a Force Majeure event (defined below) and in such case its obligations shall be suspended for so long as the Force Majeure. "Force Majeure Event" means any event due to any cause beyond the reasonable control of the Bank, including without limitations, unavailability of any communication systems, breach, or virus in the processes or payment or delivery mechanism, sabotage, fire, flood, explosion, natural disasters or other "Acts of God", war, damage to the bank's facilities or of its correspondent bank(s), civil commotion, strikes or industrial action of any kind, riots, insurrection, war, acts of government, computer hacking, unauthorized access to computer data and storage devices, computer crashes, malfunctioning in the computer terminal or the systems getting affected by any malicious, destructive or corrupting code or program, mechanical or technical errors/failures or power shut down, faults or failures in telecommunication etc which prevents it from performing its obligations within the specified service delivery parameters