

Cheque clearing system goes digital from today

MALAYSIA'S cheque clearing system will be driven by the transmission of cheque images and data between banks and the clearing house as compared to the current physical exchange of cheques, effective today.

This is part of the Cheque Truncation and Cheque Conversion System (CTCS) initiative, which aims to modernise the country's cheque processing infrastructure through the electronification of

the cheque clearing process and reduce the risks and costs associated with paper-based payment instruments, Bank Negara Malaysia said in a statement announcing the nationwide rollout of the CTCS yesterday.

Cheques account for about 91.6 per cent of non-cash payment value.

Bank Negara also said that from September 1, only the newly-designed cheques conforming to the

eSPICK Cheque Design Standards and Specifications will be accepted by banks for clearing.

Consumers are advised to exchange their unused old-design cheques for the new-designed cheques with their respective banks.

"Outstation and local cheques will be cleared on the same day and funds will be credited to the depositor's account no more than two days later.

"However, in Kelantan and Terengganu which have different weekend bank holidays, cheques deposited on Sunday will require an additional working day for funds to be made available into the depositors' accounts," the central bank said.

Bank Negara added that consumers and businesses will no longer need to pay commission fees for outstation cheques.

The CTCS is being managed and

operated by Malaysian Electronic Clearing Corp Sdn Bhd, a wholly-owned subsidiary of Bank Negara.

The system has been in operations since January 2.

The CTCS was designed to improve the efficiency of cheque clearing at banks and help lower the cost of doing business, thus enhancing the competitiveness of businesses as well as the overall economy.