

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:145
ANSWERED ON:22.02.2013
BANK LEVY ON CHEQUE CLEARANCE
Danve Shri Raosaheb Patil

Will the Minister of FINANCE be pleased to state:

- (a) whether banks charge a certain amount for cheque clearance on inter-bank transactions;
- (b) if so, the details thereof, bank-wise;
- (c) whether the Reserve Bank of India (RBI) has formulated any guidelines / rules in this regard; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (d): The Reserve Bank of India (RBI) has issued circulars to all banks on 19.01.2011 and 11.03.2012 on service charges for collection of cheques. RBI has stipulated following service charge structure w.e.f. 01.04.2011:

(i) Service (Processing) Charges For Local Clearing (by Clearing House from Member banks) –

System	Presenting Bank (Rs.)	Drawee Bank (Rs.)
Clearing at MICR-CPCS	1.00	1.50
Cheque Truncation	0.50	1.00

(ii) However, RBI has not issued any instructions on the local cheque collection charges i.e. cheque drawn on banks within the jurisdiction of a clearing house, from the customers.

(iii) Service Charges for Outstation Cheque Collection –

(Amount in Rupees)

Value	Service Charge from Savings account customers
Upto and including 5,000	25#
Above 5,000 and upto and including 10,000	50##
Above 10,000 and upto and including 1,00,000	100##
Above 1,00,000	Banks to decide

All inclusive maximum amounts chargeable by banks to the customers.
No change

(iv) Service Charges for Cheque Collection under Speed Clearing (by collecting Banks from customers) –

(Amount in Rupees)

Value	Service Charge from Savings account customers
Upto and including 1,00,000	Nil#
Above 1,00,000	Banks to decide

No change

Further, in terms of the RBI guidelines, banks are free to fix charges for collection of instruments for credit to other types of accounts. While fixing service charges not mandated, the banks have to ensure that the service charge structure put in place by the bank should have the approval of its Board of Directors and should be reasonable and computed on a costplus basis. RBI has also advised the banks that the updated Service Charge Structure may be incorporated in their Cheque Collection Policy, and such rates may also be hosted on the website of the respective bank.