

# **Cheque Collection Policy**

## Introduction

The Cheque Collection Policy of the Bank is a reflection of our on-going efforts to provide better service to our customers and set higher standards for performance. This policy document for The Hongkong and Shanghai Banking Corporation Limited (HSBC) covers the following aspects:

- Collection of cheques and other instruments payable locally, at centres within India
- Collection of cheques and other instruments payable at foreign centres
- 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 realisation of proceeds of instruments
- Our policy on dealing with collection instruments lost in transit Arrangements for Collection

	<b>ChequeType</b>	<b>Credit Day*</b>	<b>Transaction Mode</b>	<b>Remarks</b>
<b>A.</b>	Local Cheque	Clear funds will be available by next working day from the presentation of Cheque, provided it is deposited prior to clearing cut-off time*	Via Clearing House	Both the presenting bank as well as the drawee bank should be located within the Local Clearing Network decided by clearing house
<b>B.</b>	Speed Clearing	Clear funds will be available by next working day from the presentation of Cheque, provided it is deposited prior to clearing cut-off time*	Via Clearing House	The Reserve Bank of India launched 'Speed Clearing' with the objective of reducing the time taken for collection of outstation cheques by leveraging the technological advantage arising out of implementation of Core Banking Solution (CBS) in banks. Speed clearing eliminates the need of physical movement of cheques to bank branch locations which participate in Speed Clearing
<b>C.</b>	Outstation Cheque - payable at all State Capitals	Within 7 working days (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	Currently available for cheques drawn on State Capitals <sup>^</sup>
<b>D.</b>	Outstation Cheque - payable at all major cities other than mentioned above <sup>^^</sup>	Within 10 working days (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	Currently available for cheques drawn on major cities
<b>E.</b>	Outstation Cheque - payable at all other locations except for State Capitals and Major cities	Credit for collection instrument will be given within a period of 14 working days	Collection basis	Covers cheques drawn on all locations that are not covered under the above categories
<b>F.</b>	Outstation Cheques- drawn on HSBC's own branch	Same day credit	Via inter-branch arrangement	Covers Cheques drawn on HSBC's own branches at outstation centres
<b>G.</b>	Foreign Currency Cheques	Within 25 working days	Via Correspondent Bank or Collection Basis	Covers USD denominated or other foreign currency cheques payable in US/foreign centres

Discontinuation of acceptance of Traveller's cheques for HSBC India - Please be advised that HSBC India will cease to accept Traveller's Cheques (TCs) for encashment or credit to the HSBC India account with effect from 18 December 2013. Customers are requested to take note of the same and make alternate arrangements as may be necessary for the encashment of any Traveller's Cheques held by them. For any clarifications, please feel free to contact our PhoneBanking service, the nearest HSBC branch in India or your respective Relationship Manager.

The credit timelines would vary in case of Cash Management deals and the same would be determined on the basis of overall relationship and market conditions.

\*The day of credit is given assuming that on Day 0 the cheques are deposited within clearing cut-off timings applicable at the branch of deposit. For cheques received after clearing cut off, Day 0 will be the next working day. Clear funds are available post clearing house confirmation on return cheques.

^State capitals include Hyderabad, Itanagar, Dispur, Patna, Chandigarh, Raipur, Delhi, Panjim, Gandhinagar, Shimla, Srinagar, Jammu, Ranchi, Bengaluru, Thiruvananthapuram, Mumbai, Imphal, Shillong, Aizawal, Kohima, Bhubaneshwar, Bhopal, Jaipur, Gangtok, Chennai, Agartala, Lucknow, Dehradun and Kolkata.

^^The major cities include Noida, Gurgaon, Ludhiana, Jodhpur, Vadodara, Indore, Thane, Pune, Nagpur, Mysore, Visakhapatnam, Coimbatore, and Kochi.

The cut-off timings^^^ for acceptance of cheques are available at the respective branches. Additionally, the consolidated branch-wise cut-off timings are available on HSBC's website: <http://www.hsbc.co.in/1/2/personal/bank-accounts/acconrules#chqtiming>

Customers will be notified of cheques that are delayed by drawee Banks/dishonoured on receipt of information from Clearing house/drawee Banks.

## Other Details

<p><b>Delays in collection of cheques#</b></p>	<p>As part of the compensation policy of the Bank, the Bank will pay interest to its customer on the amount of collection instruments in case there is delay in giving credit beyond the time period mentioned above. Such interest shall be paid without any demand from customers in all types of accounts. There shall be no distinction between instruments drawn on the Bank's own branches or on other banks for the purpose of payment of interest on delayed collection.</p> <p><b>Interest for delayed collection shall be paid at the following rates:</b></p> <ul style="list-style-type: none"> <li>• Savings bank rate for the period of delay beyond the time frame mentioned above for cheques mentioned in point no. A, B, C, D, E &amp; F</li> <li>• In case of extraordinary delay, i.e. exceeding 90 days, interest at the rate of 2 per cent per annum above the fixed deposit rate applicable to the period of delay beyond the stipulated time frame, will be payable to the customers for the number of days of delay</li> <li>• In the event the proceeds of cheques under collection were to be credited to an overdraft/loan account of the customer, interest will be paid at the rate applicable to the loan account upon production of relevant documentary proof. For extraordinary delay, i.e. exceeding 90 days, interest will be paid at rate of 2% above the rate applicable to loan account</li> <li>• The interest payment is applicable only for cheques that are sent on collection within India</li> </ul>
<p><b>Cheques lost in transit</b></p>	<ul style="list-style-type: none"> <li>• In the event a cheque or an instrument accepted for collection is lost in transit or in clearing process or at the paying Bank's Branch, the Bank would immediately on coming to know of the loss send a letter to the accountholder so that the accountholder can inform the drawer to record stop payment and also take care that other cheques issued by him/her are not dishonoured due to noncredit of the amount of the lost cheques/instrument</li> <li>• In case intimation regarding loss of instrument is conveyed to the customer beyond the time limit stipulated for collection (as defined in category A, B, C, D, E &amp; F as the case may be) interest will be paid for the period exceeding the stipulated collection period at the rates specified above</li> <li>• In addition Bank will pay interest on the amount of the cheque for a further period of 15 days at the savings bank rate to provide for likely further delay in obtaining duplicate cheque/instrument and collection thereof</li> <li>• The Bank would compensate the accountholder for any direct and reasonable charges the customer incurs in getting duplicate cheques/instruments, upon production of relevant documentary proof</li> </ul>
<p><b>Collection of Account Payee Cheque - Prohibition on Crediting Proceeds to Third Party Account</b></p>	<ul style="list-style-type: none"> <li>• In consonance with the legal requirements and in particular the intent of the Negotiable Instruments Act, 1881 the Bank will prohibit crediting 'account payee' cheque to the account of any person other than the payee named therein</li> <li>• The Bank will not collect account payee cheques for any person other than the payee constituent</li> </ul>
<p><b>Immediate credit of cheques accepted for outstation clearing</b></p>	<ul style="list-style-type: none"> <li>• Bank will consider providing immediate credit for outstation cheques up to the aggregate value of ₹15,000 tendered for collection by individual accountholders subject to satisfactory conduct## of such account for a period of not less than 6 months. This facility will be provided only for those cheques that are drawn on HSBC branch location</li> <li>• Bank will levy normal collection charges and actual out of pocket expenses</li> <li>• In the event the cheque is returned unpaid, interest at HSBC's PLR will be recovered from the date of credit of the cheque till date on which the amount is made good to the Bank</li> <li>• The facility of immediate credit will be provided only upon a specific request made by the customer</li> </ul>
<p><b>Domestic INR cheques returned due to technical reasons (reasons where customer is not at fault) and related return charge</b></p>	<ul style="list-style-type: none"> <li>• Customers shall not be charged for cheque returns where such returns are due to technical reasons (reasons where customer is not at fault)</li> <li>• Further, such return cheques shall be re-presented by the Bank in the very next available clearing cycle (excluding holidays) with due notification to customers through SMS alerts (where customers have enabled such alert service of the Bank)</li> </ul>

<p><b>Separate clearing sessions for non-CTS-2010 cheques</b></p>	<ul style="list-style-type: none"> <li>Cheques not complying with CTS-2010 standards will be cleared through Separate Clearing sessions w.e.f. 1 January 2014. The separate clearing sessions would operate thrice a week (Mondays, Wednesdays and Fridays) until 30 April 2014. Thereafter, the sessions would operate twice a week (Mondays and Fridays) up to 31 October 2014 and further, once a week (Mondays) from 1 November 2014 onwards</li> <li>Non-CTS-2010 cheques deposited by customers would be presented in the very next available separate clearing session. There may be delays in realisation of non-CTS-2010 cheques due to the separate clearing sessions operating with reduced frequency</li> </ul>
<p><b>USD/Non-USD denominated cheques payable in foreign countries</b></p>	<ul style="list-style-type: none"> <li>Cheques payable at foreign centres where HSBC has correspondent banking arrangements (either with HSBC Group entities operating in such countries or other banks) will be collected through such arrangements. Cheques drawn on foreign banks at centres where the Bank or its correspondent do not have direct presence will be sent direct to drawee bank with instruction to credit proceeds to the respective Nostro Account of the Bank maintained with one of the correspondent bank. The credit for all Foreign currency denominated cheques will be on realisation/clear funds basis. The average realisation time for foreign currency cheques is 25 working days from the time the cheque is deposited at HSBC branch. HSBC reserves the right to debit the customer's account for the value of any Foreign Currency Cheque(s) sent through HSBC for collection, in the event of the cheque(s) being returned unpaid (for any reasons whatsoever) by the drawee bank at a later date after crediting the customer's account. The conversion rate used is the rate prevalent on the day of credit to the customer's account</li> <li>Corporate Customers having account with HSBC for more than 6 months can be offered foreign currency cheque collection services. Instruments of value up to USD 5,000 only can be sent for collection under this arrangement. For instruments with value greater than USD 5,000, please contact your respective Relationship Manager</li> <li>All foreign currency cheques need to be accompanied by an indemnity for collection of such cheques. You can provide the indemnity at the time of each deposit or the one-time indemnity if you deposit foreign currency cheques with us often</li> <li>Clients are encouraged to use the electronic mode of transfers for all remittances</li> </ul> <p>Service Charges – Charges for collection of Foreign Currency Cheques are updated in the Bank's tariff sheet (link appended).  <a href="http://www.hsbc.co.in/1/2/personal/bank-accounts/accounts-service-charges-and-fees#remit">http://www.hsbc.co.in/1/2/personal/bank-accounts/accounts-service-charges-and-fees#remit</a></p> <p>* Working Days – Days when both India and US (and any other country in whose currency the cheque is denominated) are working.</p> <p><b>Indemnity for collection of foreign currency cheques:</b></p> <ol style="list-style-type: none"> <li>To be provided with each deposit, OR</li> <li>To be provided one-time to the Bank</li> </ol>
<p><b>Delay in collection of foreign currency denominated cheques</b></p>	<ul style="list-style-type: none"> <li>Customer will be paid interest on the value of the cheque from the date of sighting credit in our Nostro account till such time customer's account is credited. There shall be no distinction between instruments drawn on the Bank's own branches or on other banks for the purpose of payment of interest on delayed collection.</li> </ul> <p><b>Interest for delayed collection shall be paid at the following rate:</b></p> <ul style="list-style-type: none"> <li>Savings bank rate for the period of delay in passing the funds to customer post sighting of funds in the nostro accounts for such foreign currency cheques</li> <li>In case of extraordinary delay beyond the agreed collection period, interest will be paid at savings bank rate plus 1 per cent per annum for next 90 days and savings bank rate plus 2 percent per annum for any delays beyond that. Such interest shall be paid without the customer requesting for the same</li> </ul> <p>The interest payment is only applicable to cheques which are sent outside of India for collection.</p> <p>* Working Days – Days when both India and the country where cheques have been dispatched for clearing are working.</p>
<p><b>Contact</b></p>	<ul style="list-style-type: none"> <li>The Bank has a dedicated processing unit in Mumbai, which is responsible to ensure quick realisation of outstation cheques. For any queries please call our customer helpline number at your city, details of which are available on our website</li> </ul>

It may be noted that clear funds would be credited to the customers in line with the Cheque Collection Policy, however, in case of corporate customers who require customised cheque receivable services involving flexibility to opt for fixed day credit arrangement, the Bank on specific customer request may consider offering a 'clear + 1' arrangement on terms and conditions as may be agreed between the customer and the Bank.

#The bank is not liable to compensate customers for delayed credit if some unforeseen event (including but not limited to civil commotion, sabotage, lockout, strike or other labour disturbances, accident, fires, natural disasters or other 'Acts of God', war, damage to HSBC's facilities or of its correspondent bank(s), absence of the usual means of communication or all types of transportation, etc.) beyond the control of the Bank prevents it from performing its obligations within service delivery parameters specified above.

##Satisfactorily conducted account shall be the one:

- Opened at least six months earlier and complying KYC norms
- Conduct of account is satisfactory and bank has not noticed any irregular dealing
- Where no instrument, for which immediate credit was afforded returned unpaid for financial reason
- Where bank has not experienced any difficulty in recovery of any amount advanced in the past including cheques returned after giving immediate credit

^^^Cheque DepositTimings

Branch	Local Clearing on Weekdays	Local Clearing on Saturdays
Ahmedabad	15:00	12:30
Andheri	12:00	9:30
Bandra	12:00	9:30
Bengaluru	15:00	12:30
Borivali	11:30	9:30
Chandigarh	14:00	12:00
Chembur	11:30	9:30
Chennai	14:00	12:00
Coimbatore	14:00	12:00
Dalhousie	16:00	14:00
Gariahat	16:00	14:00
Greater Kailash	11:45	9:45
Gurgaon	12:30	10:15
Hyderabad	14:30	12:00
Jaipur	14:00	12:00
Jayanagar	13:30	10:00
Juhu Vile Parle	11:30	9:30
Kochi	14:00	10:30
Lower Parel	11:30	9:30
Mumbai (M G Road)	14:30	11:30
New Delhi	14:00	12:00
Noida	13:00	10:00
Peddar Road	12:00	9:30
Powai	11:00	9:00
Pune	13:30	12:30
South Extension	14:00	12:00

The enclosed cheque deposit timings at the respective branches are subject to change without prior notice.

## ATM Cheque Clearance Timings

Branch Name	Cut-off Timings - Weekdays	Local Clearing on Saturdays
Ahmedabad	9:30 AM	9:30 AM
Andheri	8:45 AM	8:45 AM
Bandra	9:10 AM	9:10 AM
Bengaluru	9:00 AM	9:00 AM
Borivali	9:00 AM	9:00 AM
Chandigarh	9:30 AM	9:30 AM
Chembur	8:30 AM	8:30 AM
Chennai	11:00 AM	11:00 AM
Coimbatore	4:00 PM	2:00 PM
Dalhousie Road	10:00 AM	10:00 AM
Gariahat	9:45 AM	9:45 AM
Greater Kailash 1	9:00 AM	9:00 AM
Gurgaon	9:15 AM	9:15 AM
Hyderabad	9:00 AM, 2:30 PM	9:00 AM
Jaipur	9:00 AM	9:00 AM
Jayanagar	8:45 AM	8:45 AM
Juhu Vile Parle	8:30 AM	8:30 AM
Kochi	9:00 AM	9:00 AM
Lower Parel	9:00 AM	9:00 AM
Mumbai (M G Road)	8:30 AM	8:30 AM
New Delhi	10:00 AM	10:00 AM
Noida	9:00 AM	9:00 AM
Peddar Road	9:30 AM	9:30 AM
Powai	8:30 AM	8:30 AM
Pune	9:00 AM	9:00 AM
South Extension	9:00 AM	9:00 AM

You can call us

[Click here](#) for our PhoneBanking numbers