



CHANGES IN THE CLEARING HOUSE RULES

The Port-Louis Clearing House was automated in November 2002. New sets of rules have been made with the collaboration of all participating commercial banks. These rules have recently been revised. Some of the salient changes are highlighted below:

In common agreement, all banks have decided to issue Magnetic Ink Character Recognition (MICR) encoded cheques. MICR encoding has made it possible to organise cheque clearing automatically, thus doing away with the previous practice of manual clearing of cheques. Interbank clearing of MICR cheques deposited by bank customers and drawn on a bank other than the bank where it has been deposited, was previously carried out three times on each business day, notably at 10.00 hours, 13.30 hours and 15.00 hours.

As from 2 May 2003, interbank clearing of cheques is done two times on each business day, namely at 10.00 hours and 15.00 hours. The Bank of Mauritius may increase the number of clearing sessions if the need arises in future.

Settlement of cheque clearing is effected through the Mauritius Automated Clearing and Settlement System (MACSS) on a net basis at the end of each clearing session through accounts maintained by commercial banks with the Bank of Mauritius.

Where MICR encoded cheques drawn on the Head Office as well as branches of commercial banks are returned unpaid they have to be returned not later than the second clearing of the working day following their first presentation at the clearing. This represents a change from the previous practice whereby unpaid cheques and other articles drawn on the Head Office of commercial banks in Port Louis had to be returned not later than the second clearing of the working day following presentation whereas cheques drawn on all branches including Port Louis branches had to be returned not later than the second clearing of the second working day following their first presentation.

There may be a maximum of three reasons at a time for returning unpaid MICR encoded cheques presented in the clearing. Further a cheque that has been returned more than three times or with the reason "Refer to drawer" should not be presented again for payment.

A MICR encoded cheque cannot be stamped more than two times for the same reason and not more than six stamps should appear, at any time, on the face of the cheque.

MICR encoded cheques drawn on a bank not represented in Rodrigues and deposited with a bank in Rodrigues shall be sent to Mauritius for clearing. Unpaid cheques in this connexion will be returned no later than the seventh working day following first presentation. Previously such unpaid items had to be returned no later than the tenth working day following first presentation.

Any modifications in the future to the Clearing House Rules would be communicated through the Bank Bulletin.

For more information on the PLACH rules, please refer to the Bank of Mauritius website at the following address:

<http://bom.intnet.mu>

