Bank of Mauritius

Port Louis Automated Clearing House

Participant Rules

Contents

1 Foreword

The Bank of Mauritius is entrusted with the duty to promote, regulate and organize the efficient and secure operation of the payment and clearing system.

Section 48(1) of the Bank of Mauritius Act 2004 provides for the Bank, in conjunction with banks, to organize a clearing house to facilitate the clearing of cheques and other payment and credit instruments and issue instructions concerning such instruments, their processing, collection, payment and retention and the functioning of other clearing houses that it may authorize. Section 48(6) of the Act empowers the Bank to issue instructions or to make regulations for the smooth functioning of a clearing house and payment systems.

Following the enactment of the Bank of Mauritius Act in 1966 which empowered the Bank of Mauritius to organise in conjunction with authorised banks, a clearing house to facilitate the clearing of cheques and other credit instruments, a clearing house known as the Port Louis Clearing House (PLCH) was established in 1967 for the clearing of cheques and other articles. To manage and make rules with respect to the Port Louis Clearing House, a Clearing House Committee comprising members from all authorised domestic banks was set up, under the chairmanship of the Bank of Mauritius.

The first phase of automation of the PLCH started in November 2002 when, the Bank of Mauritius, in common accord with banks participating in the Clearing House, agreed that the Port Louis Clearing House would be automated. This phase involved the standardisation of cheques using Magnetic Ink Character Recognition (MICR) technology which was followed by electronic clearing and settlement of cheques and other articles through the Mauritius Automated Clearing and Settlement System (MACSS).

The clearing house was renamed Port Louis Automated Clearing House (PLACH) and the Port Louis Automated Clearing House (PLACH) Committee was set up. The PLACH Committee issued a new set of rules, the Port Louis Automated Clearing House (PLACH) Rules.

In 2011, the second phase of the automation of the PLACH was started with the objective of carrying out bulk clearing of low value payments and truncation of cheques. The PLACH Rules have been amended to cater for the operations of the Bulk Clearing and Cheque Truncation system. The PLACH Rules, as amended, are as stipulated hereinafter.

2   Preliminary

2.1   Definition

In these Rules, except where the context otherwise requires,

"ACH" means the "Automated Clearing House";

"articles" means MICR encoded cheques, drafts, debit vouchers, credit vouchers or other claims on participating banks drawn in the settlement currencies of the MACSS;

"BCS" means the Bulk Clearing System.

"BCS/X" means the patented software, to run the BCS.

"business day" means a day on which the Central Bank is open for the settlement of transactions with banks in Mauritius and MACSS is operating;

"Central Bank" means the Bank of Mauritius established under the Bank of Mauritius Act 2004;

"clearing" means the electronic exchange, according to a format predetermined and agreed, of information contained in MICR encoded and non-MICR encoded articles drawn on participating banks for the purpose of netting and establishment of final positions for settlement through MACSS;

"MACSS" means the Mauritius Automated Clearing and Settlement System, owned and operated by the Central Bank;

"magnetic ink character recognition (MICR)" means a technique, using special MICR machine-readable character, by which MICR-encoded articles are read by machines for electronic processing;

"Mauritius Bankers Association Limited" means the official association of banks formed for the representation and protection of their rights and common interests and recognised as such by the Central Bank;

"MICR encoded article" means an article which is encoded with MICR;

"MICR Specifications document" means the Cheque and MICR Specifications document issued by the Port Louis Automated Clearing House Committee;

"netting" means the determination of the net payment/settlement obligation between two or more participating banks within PLACH;

"Participant" means an institution which participates in the PLACH;

"participating bank" means the Central Bank or a bank which is a Participant to the Port Louis Automated Clearing House;

"payment/settlement obligation" means an indebtedness that is owed by one participating bank to another as a result of one or more payment instructions;

"PLACH" means the Port Louis Automated Clearing House;

"PLACH Committee" means the Port Louis Automated Clearing House Committee established under Section 17 of these Rules;

"Rules" means the rules issued by the Port Louis Automated Clearing House Committee.

2.2   Bulk Clearing System (BCS)

The Bulk Clearing System is an electronic platform running at the PLACH that provides its Participants a facility for presenting interbank retail payments in batches, to one another, in order to be netted by the system for calculating multilateral clearing balances for each Participant and subsequent settlement, including those for future settlement dates. The payment instructions may include cheques, pre-authorised debit instructions, direct debit instructions or direct credit instructions.

2.3   Objective

The objective of the BCS is to contribute to the efficient operation of the financial system. The system is expected to increase security of payment processing, reduce associated risks, and to promote efficiency in terms of speed, cost and robustness.

2.4   Membership

Membership of the PLACH shall be mandatory for all banks and non-bank financial institutions operating in the Republic of Mauritius and involved in the clearing of cheques or electronic transactions. Membership is also open to such other entities as may be approved by the Central Bank.

Indirect participants shall also be deemed to be members of the PLACH.

2.5   PLACH Rules

The PLACH Rules shall govern the operations and the use of the BCS as well as the roles and responsibilities of the Participants and the Central Bank.

2.6   Amendments to the PLACH rules

The PLACH Rules may be amended from time to time by the PLACH Committee.

2.7   Usage of the Clearing House

All Participants shall comply with the PLACH Rules.

3 Participant Access

3.1 Participant Types

The BCS supports the following types of participation.

Direct Participant: that is, a Participant who maintains a current account in the books of the Central Bank reflected by only one settlement account in the MACSS as well as a direct communication link with the BCS, using the MACSS network or SWIFT network and a Participant platform, allowing direct data exchange with the system.

Indirect Participant: that is, a Participant who maintains a current account in the books of the Central Bank reflected by only a settlement account in the MACSS but has no direct communication link with the BCS. Communication with the system shall be through the communication link of a direct Participant with whom the indirect Participant may have a service agreement.

Notes:
   a) *A direct Participant represents the indirect ones only for transmission of payment instructions. Therefore the direct Participant and his indirect Participants are responsible for the settlement of their own respective clearing obligations.*
   b) *An indirect Participant of MACSS may be a direct Participant of the PLACH*

Sub Participant: that is, an entity that has neither a communication link with the PLACH system nor a settlement account in the MACSS. Such a Participant sends its payment transfers to a direct or indirect Participant who in turn submits them to the PLACH system. The direct or indirect Participant is also responsible for settlement of the said payment transfers of the sub Participant through its own account. A sub-Participant should be registered in the system.

Technical Participant: that is, a Participant who may send ACH transactions via a direct communication link to the PLACH system but has no settlement account in the MACSS. Its position shall be settled through the account of direct or indirect Participant to whom this technical Participant belongs and has service agreement with. A technical Participant need not be registered in the system.

3.2 Participants Membership

3.2.1 Initial Member

The Central Bank and all Participants of MACSS are initial Participants in the PLACH. The list of these Participants is as indicated in Appendix I.

3.2.2 Admission of New Members

The Central Bank may authorize the admission of a new Participant in the PLACH provided that the Central Bank, in its sole discretion, deems that the new Participant meets all qualifying criteria and agrees to abide by these Rules

3.2.3 Prerequisites for the Participants

All initial and future direct as well as indirect Participants shall be Participants of MACSS.

All direct and technical Participants shall have relevant systems, procedures and trained staff complement, meeting the criteria set by the Central Bank from time to time for participation in the PLACH.

The Central Bank may, from time to time, monitor the continued maintenance of the specified criteria and Participants shall permit access to their operations and facilities to the Central Bank for the purpose of such monitoring.

Participants shall endeavour to keep their systems updated and in synchronization with the Central Bank's criteria.

3.2.4 Suspension/Removal

The Central Bank shall have the sole discretion to suspend or remove a Participant, either temporarily or permanently from the PLACH, if it deems, in its sole opinion, that

(i)   the Participant has ceased to meet the prevailing qualifying criteria, or
(ii)   the Participant is declared insolvent or its banking license is revoked by the Central Bank, or
(iii)   the Participant has breached any of the terms of the agreement, or
(iv)   the suspension or removal of the Participant from the system is warranted for such other reason as the Central Bank may deem appropriate.

3.2.5 Participants' Withdrawal

A Participant may signify its intention to withdraw from the PLACH, either definitely or temporarily, by providing the Central Bank with

(i)   a written notice to that effect at least 60 days from the date of its proposed withdrawal, and
(ii)   evidence that it has ceased to issue cheques.

The Participant may withdraw from the system after obtaining the prior permission of the Central Bank and subject to such conditions as may be specified by the Central Bank.

A Participant may withdraw from the PLACH but retain membership in the MACSS.

The Participant shall issue a communiqué regarding its proposed withdrawal from the PLACH immediately after obtaining the permission of the Central Bank to that effect.

3.2.6 Obligations on cessation of membership

Where a Participant has been suspended or removed or has withdrawn from the PLACH, all its pending payment messages shall be cancelled. However, the cessation of the membership shall not absolve the Participant from any liability towards payments due to any other

Participant. The Participant shall also continue to remain liable for all its accrued and accruing obligations under these rules.

The Central Bank may, as appropriate, direct the Participant to surrender its rights, systems, software and any other material that relates to the PLACH and the Participant shall forthwith comply with these directions.

3.2.7 Revocation of Suspension

The Central Bank may at its sole discretion decide to revoke the suspension of a Participant. In such cases, the Central Bank shall send a notice to that effect to all other Participants.

3.2.8 Notice period for suspension, removal, withdrawal and revocation.

a) When the Central Bank decides to remove or suspend the membership of a Participant, it shall notify the Participant of the removal or suspension by sending a communication to that effect via the PLACH Web Monitor or by fax or a letter addressed to the Chief Executive of the Participant immediately. The notice shall be deemed delivered as soon as the PLACH Web Monitor message is released or the fax is transmitted or the letter delivered at the premises of the Participant. Other Participants shall be advised immediately of the removal or suspension of the Participant through similar means of communication.

b) The Central Bank shall notify all other Participants of the withdrawal of a Participant immediately after granting its permission to the Participant to withdraw from the system.

c) The Central Bank shall notify other Participants of the re-admission of a Participant which had been suspended by the Central Bank or had temporarily withdrawn from the system, at least 7 days' prior to the re-admission through a communication to that effect.

3.3 Participant Identification

Each Participant shall be represented on the PLACH System with a unique identification code, known as the Participant BIC (SWIFT Bank Identification Code). PLACH shall register the following additional information for Participant identification purposes.

Each direct, indirect, sub-Participant or technical Participant, on admission, shall furnish the following information for identification purpose at the system level:

#	Parameter	Details
2	Participant BIC	The same identification code (BIC) of Participants as in MACSS shall be used.
3	ID of Participants other than direct Participants	For indirect Participants, sub-Participants and technical Participants, this will be the bank code of the direct Participant who will technically represent it in the system
4	Participant's BIC	For Participants who are SWIFT members it is SWIFT BIC, and it is a special code in other cases
5	Participation mode	For example, Direct Participant, indirect Participant, technical Participant, sub-Participant, etc.
6	Participant's name	Name of Participant

10	Address	For possible paper mail
11	Legal address	Registered address of the Participant
12	Telephone	Telephone number of the representative of the Participant
13	Fax	Fax number of the representative of the Participant
14	E-Mail	Electronic address of the representative of the Participant
15	Country	Country name
16	Country Code	International ISO code of the Participant's country

3.4 Responsibility of Direct and Indirect Participants

3.4.1 Requirement for Participants Accounts

All direct and indirect Participants of PLACH shall maintain a Settlement Account in MACSS at the Central Bank and shall comply with the conditions stipulated by the Central Bank for operation of the Settlement Account.

3.4.2 Responsibility for maintaining sufficient liquidity

The Direct and Indirect Participants shall ensure that they are maintaining sufficient balances in their MACSS settlement accounts for effecting payments generated by their own clearing settlement debit as well as for those Technical Participants and sub-Participants for whom they are acting as settlement agents. It is the responsibility of each Participant to monitor its settlement accounts for the purpose of maintaining sufficient liquidity therein.

3.4.3 Settlement arrangements for Technical Participants

The Direct or Indirect Participants wherever acting as settlement agent for Technical Participants shall be responsible for completion of settlement on behalf of the Technical Participants by maintaining adequate funds in the settlement account.

3.4.4 Central Bank access to information on Clearing Transactions

The Central Bank, in its role as regulator and operator of the PLACH, shall have full access and authority to generate transactions and access information on Participants' accounts. The Central Bank shall, however, not be held responsible for monitoring of Participants' settlement accounts.

3.5 Technical Requirements for Direct and Technical Participants

All direct and technical Participants shall set up and maintain the systems and applications as per the BCS design requirements. The requirements specified in this respect are as hereunder:

3.5.1 Network Connectivity

The total availability of the BCS depends on the availability of every link of network. The platform of the Participant communicates with the BCS central server via the MACSS network.

3.5.2 Participant Platform

The Participants shall install the following hardware equipment for the Participant platform which connects with BCS host system:
• An Application Server for PLACH Participant
• Controller PC with an optional database
• Operator PC

The Central Bank shall define the hardware and software specifications of the above equipment. Participants shall ensure that they will comply and maintain the above equipment as per instruction provided by the Central Bank.

3.5.3 PKI Key Management

Participants are required to adopt the PKI (Public Key Infrastructure) security as provided in the Participant connectivity platform for sending messages to and receiving messages from the PLACH system. Each user authorized by the Participant will be responsible to own a key pair (public key and a private key) and key certificates.

3.5.3.1 Private and Public Key

The public key is used to encrypt and verify the data. The private key is used to decrypt and sign the data. Each key contains the following parameters: abonent, description, date of key creation and date of key expiration. All parameters are integral parts of the key, so it is impossible to change them after key generation.

3.5.3.2 Certificate

Certification is designed to prevent substitution of public keys by signing them with the certified key. The key signature with parameters on the certification key is called a certificate. The certificate may be saved with the key in a key base or in a file.

3.5.3.3 Working with Keys

The Participants shall be guided by the procedure described in the BCS document "User's Guide – Key Manager" provided to them. Using the KeyManager interface, users can generate new key, view existing keys, set a key or a base as default and manage key certificates. The Participants should submit public and private keys generated to the Central Bank for certification prior to the activation of keys for production use.

Each user of the Participant is solely responsible to safe-keep the public key, private key and certificates information in secured physical medium and to ensure that the information will not be compromised by unauthorized personnel.

4 System Operations

4.1 Type of Operations

BCS processes the following types of operations:

- **Credit transfers** from one Participant to another: These are fund transfers from sending Participant to customers of the receiving Participant. The transfer supports the following transaction types:
    - repayment of credit card bills, sundry credits, standing credit operations, salary credits, dividend credits, inward remittance credits, pension credits, international payment orders, subscriptions etc.
- **Direct debits** presented to the system by the Central Bank e.g. transaction fees and/or other authorized parties e.g. court orders for requesting payment transfer from a Participant. The transfer will be effected without the need of a pre- authorization from the paying Participant.

- **Pre-authorized direct debit** originating from a Participant's customer (payee) to request payment transfer from another Participant's customer (payer). The payer must provide a pre-authorized debit authority to the payee's bank Participant to debit his account through the payer's bank Participant. The transfer supports the following transaction types:

  utility bills direct debit payments, repayment of instalment loan/mortgage loan.
- **Cancellation** of a credit/debit transfer by a Sender.
- **Return** of a credit/debit transfer by a Receiver during the permitted time schedule of a business day before settlement of the transfer occurs.
- **Non-financial messages** :
  o Enquiry by a Participant about his current clearing balance: message addressed to the PLACH system, to which the system responds in real time.
  o Requests for status of a file/batch/individual transaction: message addressed to the PLACH system, to which the system responds in real time.
  o Free text messages and the replies thereto.

4.2 PLACH Business Calendar

The Central Bank shall prepare an annual Business Calendar for the conduct of business through the PLACH. All Participants shall adhere to the Business Calendar. The Central Bank shall declare and update the Calendar in the event any unscheduled holiday is declared. The Central Bank will make the best effort to declare and update the Calendar before the 'unscheduled' holiday starts. The PLACH shall not be open for business on any day which is or has been declared a public holiday in Mauritius, unless the Central Bank issues a circular to the contrary. The Central Bank may, however, for just and reasonable causes, declare that the PLACH shall not be open for business on any specific day or for a specified period of time.

4.3 Business Cycle

A business cycle in the BCS commences with exchange session for transmission of payment (credit as well as debit) transfer instructions, proceeds through processing of these instructions by the BCS and working out the Participant-wise net clearing balances in a dynamic manner, submission of these instructions to the receiving Participants by the PLACH at the end of specified clearing session, return of the unapplied transfers by the receiver, and closes with arriving at the settlement clearing balances and their settlement in the RTGS.

4.4 Business Hour Timetable

The Central Bank shall define the PLACH operating hours in advance. Each new working day shall have its own value date in accordance to the Gregorian calendar. A message shall be broadcasted by the system to all the Participants to inform them about the beginning and the end of every period.

Four clearing sessions will be carried out during the business day at times given in the table below:

Clearing Session1	10h00
Clearing Session2	12h00
Clearing Session3	15h00
Clearing Session4	16h00

During the four sessions, clearing of cheques and electronic fund transfers (EFTS) will be carried out indiscriminately.

The Central Bank reserves the right to alter the start, end time of each business period at any time depending on the operating environment. The Participants shall be informed of any changes to the value date or the timings for the system, through electronic mode or otherwise.

Description of Activities in the PLACH
Start day
Technical initialization of the clearing day, loading of the day's profile and system operations parameters with possibility to modify them.

Business Day Initialization
Loading of Participants' debit caps with possibility of adjustment by the Central Bank's authorized staff.

Exchange
The system will send a notification message to all Participants to indicate the start or end of this period. Standard transmission of PLACH transaction files and messages by the Participants takes place. The system performs validation, clearing, debit cap management and bill-book management for all payments instructions received.

Exchange Return
Participants are allowed to transmit files containing payment instructions which are returned to the respective sender Participants.

Pre-clearing (Adjustment)
The BCS will send notification to all Participants about their net positions, arrangements for settlement funds by the Participants and adjustment of Debit Caps.

Clearing
BCS performs clearing of payment messages from all Participants. At the end of the clearing process, BCS transmits the clearing results files and bill book contents (outgoing files) to Participants.

Settlement
Settlement of the BCS netting results in MACSS for all Participants.

Cancellation
At the end of business cycle, BCS will automatically cancel any transaction in 'held' status, i.e. transactions which have not been cleared because of pending debit cap position adjustment.

Clearing Reports
BCS will send the appropriate clearing session reports to each Participant.

4.5 Cancellation and Returns of BCS Transaction

4.5.1 Cancellation

After Participants have transmitted their payment files to PLACH in the Exchange Session, Participants may cancel any individual instructions in the payment files BEFORE the respective instruction is sent to the receiving Participant. Only the sender Participant is allowed to perform the cancellation and it can only take place within the same exchange session in which the payment is originally sent to PLACH.

4.5.2 Returns

Once the settlement for payment instruction processed in the previous exchange sessions has been completed, the transfer of funds is irrevocable.

If the receiver Participant needs to return any instruction AFTER the settlement has been completed, the receiver shall liaise with the sender Participant and agree on initiating a reverse transaction in subsequent exchange sessions.

Return of EFTs shall be made by a MACSS payment.

Return of cheques is subject to special handling procedures and described in section 10 of this document.

4.6 Processing for Suspended /Excluded Participants

When the system receives transfer instructions presented by a suspended Participant or destined to a suspended Participant, it stores the operations in the database, until the status of the suspended Participant changes to Active. Once the Participant is changed to 'active' status, the system processes the transfer instructions as normal. If the status of Participant is maintained as 'suspend' at the end of the business day, the transfer instructions shall be rejected and BCS will inform the Participant accordingly.

When the system receives transfer instructions presented by an excluded Participant or destined to an excluded one, the system will immediately reject the instructions.

4.7 End of Clearing Session – Outgoing files to Participants

At the end of each session, the system shall send to all Participants the following information:
  a. Transfers composed by the system, following the same rules as incoming remittances (Instructions rejected by the system or cancelled by the sender are not included, to avoid confusion).
  b. Contents of the bill-book for the current day and following days (for future value dates).
  c. Position of the Participant's clearing account as compared to his debit cap.
  d. Summary of the session in terms of number of files/batches/transactions sent by and to this Participant.

4.8 Settlement Management

After the system has sent the outgoing files to Participants and all exchange sessions for current day have ended, the actual settlement shall occur in the MACSS, as follows:
  a. BCS shall send a list of all clearing balances to the MACSS system by means of a SWIFT MT971 message (settlement request).

b. MACSS shall treat the MT971 message as one instruction on the principle of "all or none". Even if one balance cannot be settled for some reason, the whole message is rejected.

c. MACSS will then check if all debit balances can be settled, i.e. whether the settlement accounts of the Participants in debit position are sufficient to cover their debit balance. If so, the system immediately debits these accounts (against an internal management account). For Participants with credit balances, MACSS credits their settlement accounts with the balances.

d. When the settlement is successful, MACSS will send a notification to the BCS, as well as notifications of debit/credit to all Participants (MT900/MT910).

e. If the settlement cannot be successfully performed because of an insufficient balance on ANY Participant's account, MACSS shall queue the clearing transaction until the respective Participant settlement account has sufficient funds to settle the clearing transaction.

4.9   End-of-Day Processing

The end of day procedure is executed by BCS after the settlement period has been completed, as follows:

a. No payment transfer message can be accepted by the system. Any message received by BCS will be rejected.

b. The transfer instructions which are on 'held' status will be rejected automatically by the system.

c. Statistical information about the day's activities is sent to the Operation Management Workplace and all Participants.

d. Technical maintenance processing is automatically performed by the system, including archiving

e. System shall be ready for shutdown by PLACH administrator.

4.10 Overnight processing mode

At the end of a business day, and at the sole discretion of the Central Bank, the system will be open in overnight processing mode for value date corresponding to the next business day.

Overnight processing mode is provided for convenience only and no support is available to Participants during this mode of operation. The Central Bank may, at its sole discretion, decide not to open the system for overnight processing and inform all participants accordingly.

4.11 Future Value Payments

4.11.1 Number of Future Business Days

The BCS currently accepts credit transfer instructions up to two business days in the future. The Participants may accordingly send the credit transfer instructions up to two business days prior to the settlement date. Such transfer instructions shall be reckoned by the BCS

for all purposes for processing, clearing and settlement on the due date as specified in submission.

The range of future value dates shall be determined by the PLACH committee.

4.11.2 Cancellation of Future Payments

The sender may cancel future dated credit transfer instructions in any exchange session before BCS sends the instruction to the receiving Participants on the future value date.

4.12 Special Processing Days

4.12.1 Public Holidays

PLACH System operations shall not be available on public holidays.

4.12.2 Unscheduled Holidays

In the event of the declaration of an unscheduled holiday (not known earlier):

a. The settlement date for the unsettled debit payment instructions shall be deferred to the working day following the unscheduled holiday.

b. Similarly, the credit transfer instructions due for settlement on the unscheduled holiday shall be deferred to the working day following the unscheduled holiday.

4.12.3 Early closure of business day

In the event that the business day has to be closed at short notice due to any force majeure, including but not limited to Cyclonic conditions, riots etc, the PLACH Administrator shall notify all Participants through the system message broadcast and require that the current period is cleared and settled within the time allotted by the Administrator. All other clearing sessions of the business day shall be cancelled.

4.13 Monitoring by the Central Bank

The Central Bank shall monitor the activities of each Participant of the PLACH electronically and may conduct a physical inspection at the Participant's premises to ensure that Participants are operating in the PLACH strictly in accordance with agreements and rules that govern the PLACH. Another objective of this monitoring is to control the risk management aspects in the system that include but are not limited to credit and liquidity risks.

4.14 Authority of the Bank of Mauritius

The Bank of Mauritius shall have sole authority over the following:

a. Installation, maintenance including updates, operations, security, and contingency arrangements of the BCS and related systems such as the Gateways, the Web Monitor Link and the telecommunication links connecting the PLACH and the Participants.

b. Day-to-Day control over the management of operations of the BCS and the technical aspects of the system including the communication between the core system and the Gateways.

c. The Management of system capacity and telecommunication traffic.

5 Transactions Processing

5.1 PLACH File Submission Procedure

The PLACH system provides a facility at the Participant premises for Participants to submit instructions for direct debit or direct credit payments via electronic network. The Participants will prepare the debit and credit payment instructions as per the specifications prescribed in section 5.2 below for transmission in accordance with the PLACH business hour time table.

5.2 PLACH File Specification

5.2.1 General

PLACH File specification follows a three-tier structure for submission of payment instructions as under:

File ⇨ Batch ⇨ Payment

The file is at the apex and acts as a container. A file contains batches, which are sets of individual transaction instructions.

File Strucutue

File Header

Batch Header

Payment

Payment

Batch Trailer

Batch Header

Payment

Payment

Batch Trailer

File Trailer
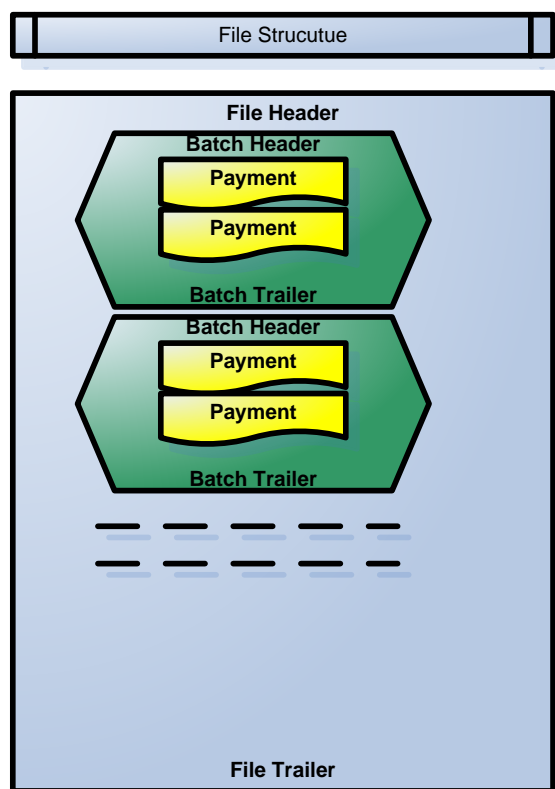
a. All payment instructions are organized into batches of a certain type (MT102/104)

b. Every batch must contain instructions of the same category (type) i.e. only debit payments (104) or only credit payments (102)

c. All instructions in a batch must be grouped by the Sender Bank and Receiver bank

d. All instructions must have same value date

e. Payment references within the batch should be unique

f. Batch reference should be unique within the business day for a certain Participant

g. Batches before sending to system and upon receiving from system are grouped into transport level message MT150 (file).

For more details please refer to Message Format Handbook.

Unique key of a File
The following group of fields uniquely identifies each file:

a. Participant's BIC identifying the sender of file
b. File reference number

In case of erroneous transfer (except for value), the file may be corrected by the sender and then resent with the same unique key. Nevertheless, to avoid any ambiguity in the correspondence between the Message Input Reference Number and transfer identification, it is recommended to resend such file with new unique key.

Note: A Participant **cannot resubmit a file which has already been accepted by the system.**

File/Batch/Message Formats
The available message types for transmission to BCS and their application are as follows:

(In the table below, CB stands for Central Bank)

No.	Message type	Description	To/From whom may be sent
1.	MT150	Presentation file: collection of batches to send as a whole	Participant→BCS/X, BCS/X→Participant; CB→BCS/X, BCS/X→CB
1.	MT102	Batch: Multiple customer payment transfer. The only debit and credit accounts may be specified within same MT102	Participant→BCS/X, BCS/X→Participant (Copy) within presentation file; CB→BCS/X, BCS/X→CB (Copy) within presentation file
2.	MT104	Batch: Direct Debit and Request for Debit Transfer with Cheque image	Participant→BCS/X within presentation file; CB→BCS/X within presentation file
3.	MTn98	Proprietary format message. It is used as envelope to send messages of proprietary types	Participant→BCS/X →Participant; Participant→BCS/X →CB; CB→BCS/X →Participant
4.	MT199/ TEXTMESSAGE or	This message represents an e-mail sent from one Participant to another one.	Participant→BCS/X →Participant; Participant→BCS/X →CB;

No.	Message type	Description	To/From whom may be sent
	MT999/ TEXTMESSAGE	CB may be issuer or receiver of this message as well.	CB→BCS/X →Participant
5.	Set of system requests MT199 or MT999	Request to change corresponding parameter of the system. It doesn't contain field :21:.	Participant→BCS/X (restricted set); CB→BCS/X (full set)
6.	Set of system replies MT199 or MT999	Reply on related request. Reply contains field :21:.	BCS/X→Participant (restricted set); BCS/X→CB (full set)
7.	MT195/STAT	Request for status of a file, batch or payment instruction	Participant→BCS/X; CB→BCS/X
8.	MT196/STAT	Reply on request for a status of a file, batch or payment instruction	BCS/X→Participant; BCS/X→CB
9.	MT998/SPDC	Debit Cap setting for a list of positions	Participant -> BCS/X
10.	MT198	Request for status of payment instruction within a batch	Participant→BCS/X; CB→BCS/X
11.	MT198	Report on status of payment instruction within a batch	BCS/X→Participant; BCS/X→CB
12.	MT195/LIST	Request for status of selected payment instructions within a file or batch	Participant→BCS/X; CB→BCS/X
13.	MT198/STAT	Report on status of selected payment instructions within a batch	BCS/X→Participant; BCS/X→CB
14.	MT158	Report on status of selected payment instructions within a file	BCS/X→Participant; BCS/X→CB
15.	MT192	Request to cancel non-settled (non-cleared) batch or payment instruction previously sent to the system	Participant→BCS/X; CB→BCS/X
16.	MT196/CANC	Reply on request to cancel or reject non-settled (non-cleared) batch or payment instruction previously sent to the system	BCS/X→Participant; BCS/X→CB
17.	MT198	Individual cancellations within a batch. Requests	Participant→BCS/X; CB→BCS/X
18.	MT198	Individual cancellations within a batch. Reports	BCS/X→Participant; BCS/X→CB
19.	MT158	Cancellations with no request within a file	BCS/X→Participant; BCS/X→CB

No.	Message type	Description	To/From whom may be sent
20.	MT195/COPY	Request for copy of a File, a Batch or a single Payment Instruction previously sent to the system	Participant→BCS/X; CB→BCS/X
21.	MT156	Copy of a File previously sent to the system	BCS/X→Participant; BCS/X→CB
22.	MT196/COPY	Copy of a Batch previously sent to the system	BCS/X→Participant; BCS/X→CB
23.	MT196/COPY	Copy of a single Payment Instruction previously sent to the system	BCS/X→Participant; BCS/X→CB
24.	MT198	Request for copy of selected payment instructions within a batch	Participant→BCS/X; CB→BCS/X
25.	MT198	Copy of selected payment instructions within a batch	BCS/X→Participant; BCS/X→CB
26.	MT985/TTLS	Request for totals of clearing activity during clearing session	Participant→BCS/X; CB→BCS/X
27.	MT985/TTLD	Request for totals of clearing activity during current business day	Participant→BCS/X; CB→BCS/X
28.	MT985/TTLF	Request for totals of clearing activity initiated by instructions of file	Participant→BCS/X; CB→BCS/X
29.	MT985/TTLV	Request for totals of clearing activity during definite value date	Participant→BCS/X; CB→BCS/X
30.	MT986/TTLS	Clearing Session Totals Report	BCS/X→Participant; BCS/X→CB
31.	MT986/TTLD	Day totals report	BCS/X→Participant; BCS/X→CB
32.	MT986/TTLF	File totals report	BCS/X→Participant; BCS/X→CB
33.	MT986/TTLV	Value date totals report	BCS/X→Participant; BCS/X→CB
34.	MT985/STAT	Account status request	Participant→BCS/X; CB→BCS/X
35.	MT985/TRNR	Transaction Report request	Participant→BCS/X; CB→BCS/X
36.	MT985/SSCH	Settlement Schedule request	Participant→BCS/X; CB→BCS/X
37.	MT986/STAT	Reply to related account status request	BCS/X→Participant; BCS/X→CB

No.	Message type	Description	To/From whom may be sent
38.	MT986/TRNR	Transaction report	BCS/X→Participant; BCS/X→CB
39.	MT986/SSCH	Settlement Schedule report	BCS/X→Participant; BCS/X→CB
40.	MT973	Netting request message	Participant→BCS/X; CB→BCS/X
41.	MT970	Netting Statement	BCS/X→Participant; BCS/X→CB
42.	MT972	Netting interim statement	BCS/X→Participant; BCS/X→CB
43.	MT971	Netting statement	BCS/X→Participant; BCS/X→CB
44.	MTn90	Advice of Charges, Interest and Other Adjustments	BCS/X→CB
45.	MTn91	Request for Payment of Charges, Interest and Other Expenses	BCS/X→Participant
46.	MTn96/ERRC	This message is generated if error occurs in related request message processing.	BCS/X→Participant; BCS/X→CB

All instructions must be submitted in the prescribed BCS message formats (Please refer to the Message Formats Handbook).

5.2.2 Details of Batch content

Unique Key of a batch

Each batch is uniquely identified by the following group of fields:
- Participant's BIC identifying the sender Participant
- Batch reference number
- Value Date

In case of errors occurred during a transmission, the Participant may resend a batch with the same unique key after the error has been rectified. In other cases, a new unique key should be used.

Constraints on Batch contents

A batch must contain transactions in accordance with the following constraints:
- with the same value date
- with the same transaction type e.g. credit transfer or debit transfer
- for the same receiving Participant

5.3 Unique Transaction Reference

Each individual payment inside a batch is uniquely identified by the field21: Each individual payment sent to the PLACH system must have a unique transaction reference number (TRN).

The system does not provide any scope for reuse of the same TRN for another message/transaction.

5.3.1 Identification of Destination Customer

The receiving Participant shall use account numbers provided in the incoming file as the primary identifiers for the application of the payment instructions. The receiving Participant shall, however, not be liable for errors arising as a result of incorrect or incomplete information provided by the sending Participant.

5.3.2 Priority of ACH Messages

Since BCS transactions are cleared and settled on deferred net settlement (DNS) basis, all transfer instructions accepted by the PLACH for clearing and settlement enjoy the same priority. However, the net settlement arrived at for the accepted transactions shall have a higher priority in the RTGS system.

5.4 Validation Process

The transfer instructions submitted to PLACH must pass the following validation tests, failing which these will be rejected by the system.

5.4.1 Format validation

BCS verifies the validity of file and batch remittance header and trailer against the format residing in the system and rejects the whole file or batch as the case may be, if found not conforming to the rules.

BCS then verifies the format of each transaction inside the batches against the prescribed formats in the Message Formats Handbook. Once the format is matched, the system will verify that mandatory fields of the record are filled, and the data they contain is valid. Transactions not respecting the formats will be rejected and the batch is considered as "partially accepted". The system recalculates the totals in number and amount of the valid operations inside the batch.

Please refer to the Message Formats Handbook for the detailed description of the contents of each element of the file structure.

5.4.2 Validation of the transactions

The following items are verified under the validation process:
a. Participant code. Sending and receiving Participants' codes must be different because the system does not accept intra-bank operations
b. Status of the sending and receiving Participants
c. Reference of the transaction (TRN) (unique and correct sequence). The message bearing the duplicate TRN is rejected by the system.
d. Currency of the transaction
e. Amount of individual credit transfer and direct debit operations (not exceeding the maximum amount fixed as a limit for such transactions)
f. Aggregate amount of instructions contained in each credit transfer batch shall not exceed the debit cap limit applicable for the sender.
g. Conformity to the presentation date.
h. Validity as regards the time of the day when the transaction is received. For example, non-financial operations can be sent at any time of the day, while payment transfer instructions can only be accepted during the "exchange period" of each session.

5.4.3 Information to the Participants

Each time a transfer instruction or message is sent by a Participant, the system immediately notifies him of the result of the checks (remittance accepted/partially accepted/rejected; individual batch accepted/partially accepted /rejected; individual transactions that are rejected with the rejection motive), to allow the sending Participant to correct the contents of his remittance and re-send it (with a different sequence number) to the system.

5.5 Cancellation of Payment Messages

5.5.1 Cancellation Policy

A Participant can cancel its previously sent remittance/batch/operation. All requests for cancellation of payment message input in PLACH should be in a prescribed format and must have the TRN of the original payment message. Once a message is cancelled it cannot be resubmitted with the same TRN. All cancellation requests shall be entertained subject to the constraints below:

5.5.2 Time Limit for Cancellation

Any cancellation request must be received during the same session as the original file/batch/transaction.

Cancellation of any transaction after the closure of the session during which the original file/batch/transaction was received, is not allowed.

5.5.3 Cancellation Processing

When the system receives a valid request for cancellation of a previously received file/batch/transaction, it verifies that:
   a. The sender of the cancellation is the same as the sender of the original instruction and that the cancellation is received during the same session as the original file/batch/transaction.
   b. The instruction being cancelled does exist (its reference is correct and stored in the database).
   c. It retrieves the value date of the original instruction and calculates its settlement date and then reverses the original instruction in the bill book.

The same procedure is applied for Debit Returns. After the validation process, the system verifies that:
   a. The sender of the rejection is the same as the receiver of the original instruction and that the rejection is received within the maximum rejection delay.
   b. The instruction being rejected exists (its reference is correct and stored in the database).
   c. It retrieves the settlement delay of the original instruction and calculates its settlement date and then reverses the original instruction in the bill book.
   d. This is done by the system in real time.
   e. Participants can review their current clearing position.

6   Pre-Authorised Direct Debit

6.1   Authorisation

A Participant may enter into an arrangement with its customers whereby they pre-authorise it to entertain specific debit instructions from certain clients through a sender Participant. The receiving Participant may act on such instructions if these conform to the terms under which these have been pre-authorised.

6.2   Processing

The arrangement of pre-authorisation of debit is outside the scope of the BCS and the PLACH. The Bank of Mauritius, as operator of the system will have no responsibility or obligation for any consequences of such an arrangement nor will such a pre-authorisation be registered in the PLACH or validated before being sent to the receiving Participant. Therefore all debit instructions shall be processed by the PLACH in the normal course for clearing and settlement.

6.3   Dishonoured Preauthorised Debits

The pre-authorised debits which are dishonoured for payment for any valid reasons shall be returned to the PLACH within the prescribed return discipline for debit transfer.

7   Settlement of Payment

7.1   Time of Settlement and Settlement Schedule

After the net clearing positions have been arrived at during the clearing session on a business day and communicated to the respective PLACH Participants, the net settlement shall be submitted to the MACSS during the settlement session of the business day.

7.2   Settlement Process
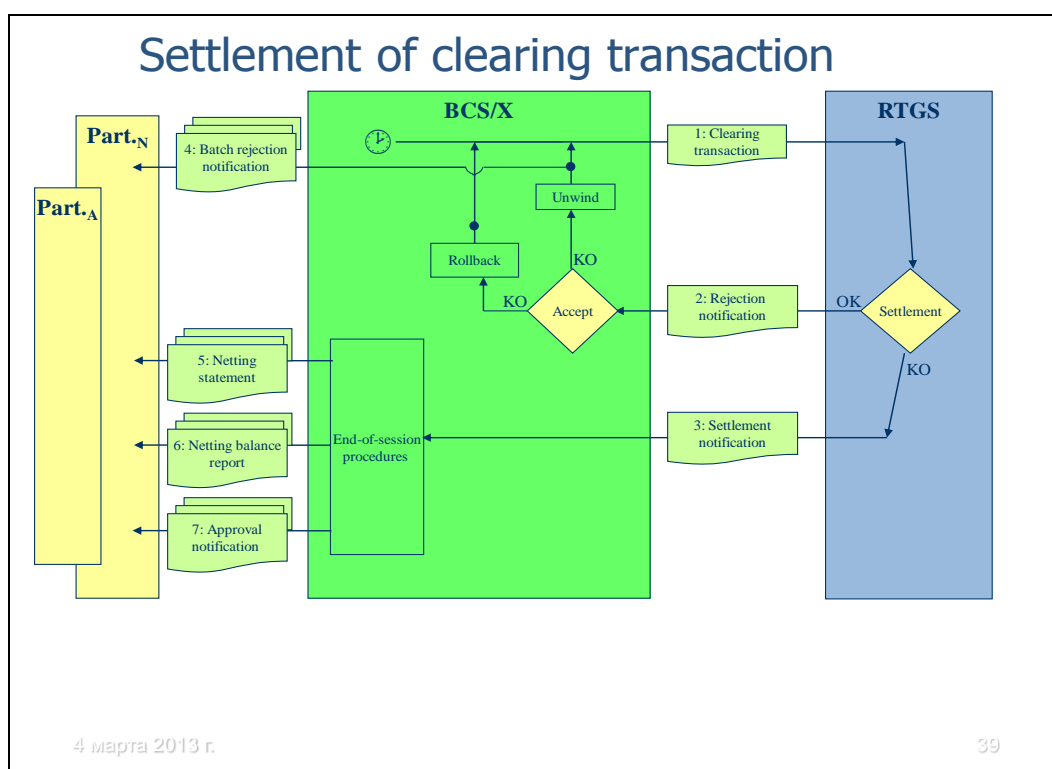
During exchange window of RTGS, the ACH submits a MT971 Message containing the Net position of Participants (credit or debit) (Step 1). RTGS validates this message and issues an error notification if it didn't pass through validation procedure. (Step2). If the validation is successful, the message is presented to Settlement as Net transaction. RTGS checks the availability of funds in Participants' Accounts with Net debit positions and, once funds are available, debit and credit the Accounts of clearing Participants on an "all-or-none" basis. In case of lack of funds on any account, Net transaction is queued. (This transaction enjoys settlement priority number 3 in the RTGS. The system doesn't suspend ordinary settlement procedure during this period. If there are no sufficient funds to settle Net transaction on Settlement account(s) of any Participant(s), the system informs that Participant(s) by sending a special message (Step 3) to Participants that should cover their Debit positions. This message contains Net Debit position and Available balance of the Settlement account.

7.3   Notification of Settlement

After settlement, each Participant, whose Account was debited/ credited receives appropriate debit/credit notification (e.g., MT900/MT910) (Steps 4, 5 and 6). The system shall produce appropriate advice to the Clearing system when the clearing results are settled.

7.4   Failure of Settlement

If one Participant cannot fund its account and fulfil its settlement obligation, the Central Bank shall not unwind and cancel all clearing transactions for that Participant **immediately** but shall provide the following options for remedying the situation:

1. The failing Participant borrows funds from the interbank market.

2. The failing Participant requests for liquidity via Repo in MACSS (please refer to the MACSS Participant Procedures for liquidity support under intra-day repo).

The options have to be explored within the settlement session.

Table of RTGS Messages in the Scheme

Sequential number of message in the diagram	SWIFT message type	Name of message in the diagram
1	MT971	Clearing transaction
2	MT996	Validation error notification
3	MT986	Participants Clearing Position report
4	MT900	Debit confirmation
5	MT910	Credit confirmation
6	MT296	Settlement notification
7	MT296	Cancellation notification
8	MT971	Cancellation notification

8 Debit Cap Management (Future Use)

8.1 Setting up of Debit Cap

The Central Bank's BCS administrator shall set maximum debit cap limits for each Participant at the start of the business day based on an assessment with regards to the Participant's credit risk profile. The BCS administrator can modify maximum debit cap for each Participant for the current day.

8.2 Monitoring of the Debit Cap

As the system posts amounts to each Participant's clearing bill-book, it calculates the current clearing balance. When a Participant has a debit clearing balance, the system verifies whether the clearing balance is close to or exceeds his debit cap.

When the debit clearing balance reaches 80% of the debit cap, the system will send an alarm to the system's administrator at the host and to the concerned Participant on his Participant's platform.

At any time during the session the system will inform Participant (on the basis of Participant's request) about Debit Cap applied, details of batches that debit its position and credit its position and total net position. This position is provisional since it may become worst e.g., if another Participant cancels a batch which credits the position of the Participant, or may become better if e.g. credit transfer from another Participant is accepted by the system.

During the pre-clearing session (when cancellations are not allowed) the system will calculate current positions and inform Participants about current net debit or credit for today's batches. Participant can compare against their Debit Caps and request the Central Bank to increase their Debit Cap, if necessary, by sourcing funds for settlement purposes.

At the beginning of the session or day, if a Participant's clearing balance is already close to the Debit Cap or beyond it, as a result of operations sent to the system during previous sessions or days, an alarm is sent to the concerned Participant and the system administrator. All incoming operations concerning this Participant's clearing account are stored for processing until there is available balance.

Currently, all debit caps have been set to the maximum available balance of a participant.

8.3 Modification in Debit Cap

The Participant may send to RTGS system a transaction that will reserve additional funds for clearing purposes and therefore gives to the Participant the possibility to increase its Debit Cap in the clearing system. In case a Participant desires to raise its Debit Cap, it shall be made through RTGS System using MTn98 message. *This message will contain clear identification of the purpose of Repo operation*.

The Central Bank reserves the right to approve an increase of the debit cap in accordance with the Participant settlement balance.

When the Central Bank increases the debit cap of a Participant, the ACH system will process all batches 'held' and whose total are within the increased limit.

8.4 Payment instructions in excess of the Debit Cap

At the end of the pre-clearing session, if certain payment instructions are held because the debit cap has been exceeded, the system will cancel all the held instructions and inform the sender and the receiver.

9 Finality of Payment

9.1 Obligations of the Sender Participant

9.1.1 Responsibility for correct beneficiary/payer details

It shall be the customer's responsibility to provide the Sending Participant with sufficient, correct and clear information to enable the Receiving Participant to identify his customer unequivocally.

9.1.2 Unique identification of Receiver's Customer

The sending Participant shall be responsible for transmitting correctly the details provided to it by its customer, in field 59 of MT 102 or MT 104 as the case may be. However, the Sender Participant shall not be liable for any errors or incompleteness in the information provided by its customer.

9.2 Obligations of the Receiving Participant

9.2.1 Value Date of Transaction

The Receiving Participant of a credit transfer, upon receiving notification of settlement of credit transfer payment message, must credit the Beneficiary with same-day value as soon as possible, after due process of identification of beneficiary/payer.

On the other hand, the receiving Participant upon receiving and validating a debit transfer instruction shall debit the payer customer as soon as possible within the due date for settlement i.e. a settlement delay of one business day.

9.2.2 Inability to execute payment

If the Receiving Participant is unable to execute a Payment Message for legitimate reasons, it is the responsibility of the Receiving Participant to contact the Sending Participant for clarification or return the transfer.

9.3 Definition of Finality

Once the Settlement account of the sending Participant has been debited for credit transfer or credited for debit transfer and the account of the receiving Participant has been credited for credit transfer, or debited for debit transfer, the payment for the credit transfer or debit transfer via BCS shall be deemed final and irrevocable.

9.4 Return of Funds

Once a PLACH payment is settled in MACSS and reached finality, any request for return of funds should follow the same rules as defined for MACSS operations.

10 Cheque Handling Procedures

10.1 Introduction

Cheques are handled in BCS/X as MT104 Direct Debit XML messages with images embedded inside as attachments.

Participating banks will use their internal systems to scan cheques and prepare files in the format required by the BCS. The default format accepted by BCS is the MT104 with images as described in the Message Formats Handbook.

An overview of the clearing process is depicted in the scheme below.
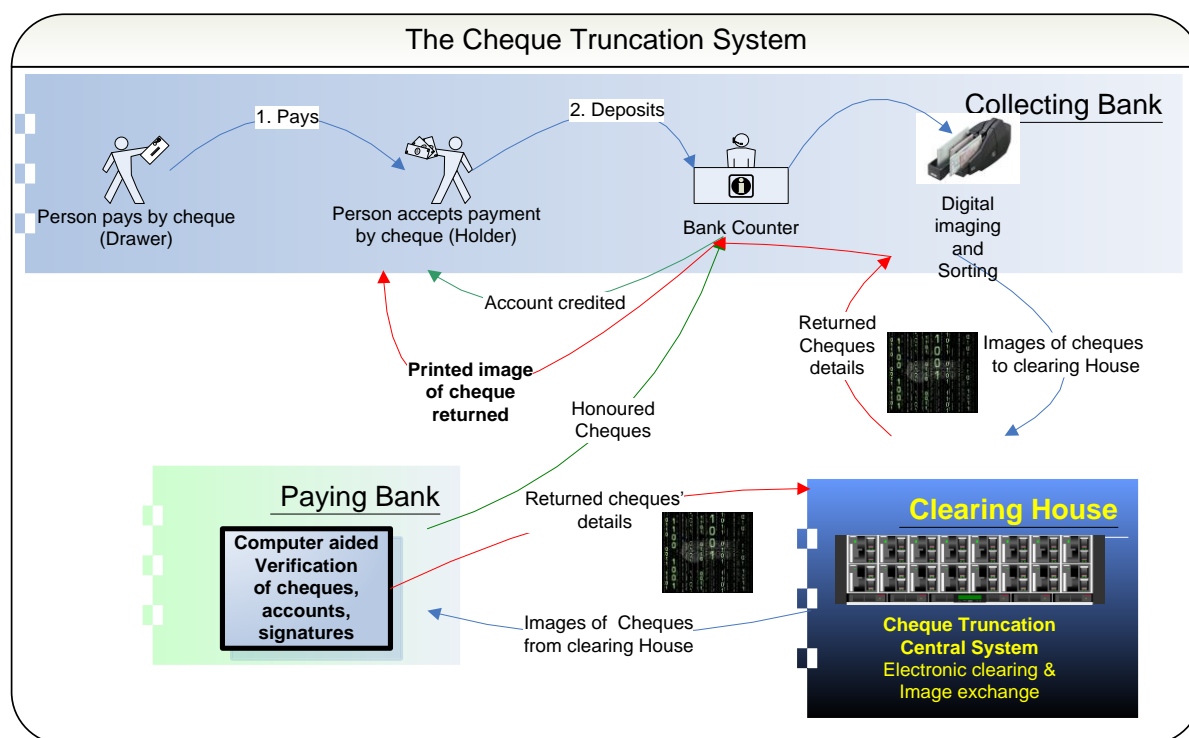
10.2 General provisions

1. Items submitted for truncation shall be imaged and their data captured and exchanged for outward processing and subsequently, for inward processing by the respective Collecting and Paying banks in accordance with these procedures.
2. Any arrangements made outside the system shall be deemed as bilateral arrangements between the Participants concerned and are not covered by the operational procedures.
3. All Participants shall endeavour to transmit outward items / outward returns to the BCS central system and download inward items / inward returns from BCS central system at the earliest possible time or not later than the start of the next cycles.
4. The Collecting bank will keep the physical cheques for 30 days from the date the cheque is deposited.
5. Images and the data of clearing and non-clearing items will be maintained central on the BCS.

6. When providing a customer with a display, printout, copy or any output of an image of a cheque or any clearing item, Participants shall ensure that the display, printout, copy or any output of the image of the cheque or clearing item was created by the Participant or on behalf of the Participant in accordance with the procedures of the PLACH.

7. To ensure that the images are of acceptable quality and to facilitate the Paying banks to perform verification and validation, Collecting banks shall perform an image quality assurance to ensure that there are no instances of folded, too light/too dark, bent corners and skewed image, etc. before transmitting the image to the BCS. Penalties may be imposed if Participants are found repeatedly submitting poor quality images to the system.

8. Customers shall not be penalized for poor quality images attributable solely to the Collecting banks. Collecting banks shall take action to clear such items preferably on the same day.

10.3 Cheque clearing process flow

1. Participants are responsible to prepare files in the format approved and accepted by the PLACH Committee.

2. Participants shall be responsible to send the files to the BCS through any of the supported sending mechanisms below:
   a. Shared Gateway
   b. Standalone Gateway
   c. File Adapter
   d. Service Bureau scheme (network folder for central processing)

3. Participants will send the cheque data and images to the BCS before the prescribed clearing schedules for each clearing cycle.

4. Participants shall be responsible to ensure that the files sent are correctly received at the central processing node by consulting the monitoring screen.

5. The Central Bank will carry out clearing at the prescribed schedules without notification to Participants. Those Participants which, for any reason, are unable to send the files before the cut off time of the corresponding cycle should inform the Clearing House personnel, at least 5 (five) minutes before the cut off time. The Central Bank or the Clearing House shall not be responsible for delayed files.

6. The BCS will carry out netting on the files received and prepare net settlement files as per BCS procedures for settlement. Settlement will be automatically carried out on MACSS.

7. After settlement, BCS will prepare in-clearing files for Participants which will be sent through any of the prescribed modes as per paragraph 2 above. The default format for in-clearing files is XML. The system will also create in-clearing files in the PLACH-X format.

8. The PLACH settlement report will also be available for Participants on the Web Monitor.

9. Participants will have to return cheques at latest by Clearing Session 3 of the business day following the presentment of the cheques at the Clearing House. All cheques which are not returned by that time shall be deemed to be good for payment and in such circumstances, participants shall ensure that the funds are made available to the

beneficiaries on that day itself, i.e. on the next business day following the presentment of the cheque.

10. The value date of a cheque good for payment shall be the date of presentment of the cheque at the Clearing House. The date of presentment shall not exceed one business day after the cheque is deposited at a bank by the customer.

    In case a cheque is rejected by the PLACH due to the participant's failure to present the cheque or associated batch or file properly, the Participant shall ensure that the customer is not penalized by a shift in the value date.

11. In case, a Participant has, for some valid reason, to return a cheque in Clearing Session 4, that Participant has to make prior arrangements with the collecting bank otherwise, the cheque will be deemed good for payment.

12. Returned cheques will be processed as described in section 'Retuned Cheques' below.

10.4 Responsibilities of Participants

Participating banks shall, inter alia:

1. Select security printers and encoders duly accredited by the Central Bank for the printing and encoding of their MICR encoded articles.

2. Ensure that cheques are printed with a MICR code line consisting of serial numbers, bank and branch numbers, account numbers, transaction codes and check digit as specified in the MICR Specifications document.

3. Ensure that cheques meet the standard requirement of size, design and paper as laid down in the MICR Specifications document.

10.5 Responsibilities of collecting bank

1. A Collecting bank may be requested by a Paying bank for the presentment of the physical cheque for verification. Such item shall, thereafter, be retained by the Paying bank.

2. Collecting and paying banks shall assist each other in relation to the investigation of fraudulent cheques.

3. Collecting banks shall employ all necessary measures to detect irregularities on cheques, including but not limited to:

    a. **Technical Verification**
    They will have to verify physical presence of date, payee name, amount in words/figures and signature. They may reject a cheque if any of these details is missing.

    b. **Apparent alterations and mutilations**
    Collecting banks may consider not to reject the cheque, especially when the appreciation of the degree of mutilation or alteration is limited. It may direct the customer to the paying bank for confirmation of whether it will accept the cheque or not.

4. Collecting banks shall ensure that cheques are credited to the correct accounts as per customers' instructions

5. Collecting banks shall ensure that the MICR code line data contained in the data file is validated against the Check digit on the physical cheque read by the scanner. In case of corrections, the bank shall ensure that the data is the same as that on the physical cheque. All corrected Code line data must be flagged as 'C' as in the specifications of PLACH files.
6. The collecting bank shall ensure that the amount in the data file tallies with the amount mentioned on the physical cheque.

10.6 Responsibilities of paying bank

The paying bank must perform the following steps in the inward clearing of cheques received from the BCS:
1. Technical Clearing of cheques
2. Financial Clearing
3. Clearing Approval of cheques

The indicative steps for Participants to follow in each of these procedures are described in the following sections.

10.6.1 Technical Clearing

The paying bank must, at a minimum carry out the following controls:

1. Check the cheque signature against payer customer's signature
2. Check whether the amount in words and amount in figures are the same in sum and word
3. Check that any alteration on cheque must be countersigned
4. Check that the cheque date must be same as or before the current business date
5. Check whether the cheque is stale (out of date)
6. Check the MICR line on the cheque image against data captured
7. Check whether the cheque is drawn on the paying bank
8. Check the basic features of the cheque image
9. Check whether the cheque requires specific handling
10. Check whether the cheque is a stop cheque
11. Check whether the physical copy of the cheque is required to be examined.

10.6.2 Financial Clearing

The Paying bank must, additionally carry out the following checks on the received files:

1. Check whether the payer customer's account has sufficient funds
2. Check whether the payer customer's account is not in blocked or closing status

10.6.3 Clearing and approval

Participants must, after carrying out necessary controls either
1. Approve the cheque for subsequent payment to beneficiary
2. Reject the cheque with valid return reason.

In case cheques are approved for payment, banks must make the funds available to the beneficiary on the day following the presentment of the cheque for clearing.

10.7 Returned Cheques

A cheque presented for clearing may be returned with any one reason listed in Appendix II - *Reasons for return of cheques*. In case a cheque is to be returned on account of more than one reason, only one and the most appropriate return code would be mentioned in the return file. For example if a cheque is returned for financial reason as well as a technical reason; the technical reason should be mentioned as this would determine that the cheque cannot be re-presented.

The reason(s) for cheque return may be classified in two broad categories:

a) **Category A:** The cheque can be re-presented <u>without</u> any modification.

b) **Category B:** This comprises cheques where information such as signature, date, amount etc are missing or may have been incorrectly inserted and are therefore invalid for clearing.

In manual clearing process, in both cases, the original cheque, which contains the reason for non-payment by the paying bank, is returned back to the holder of the cheque. With the cheque truncation system, the original cheque will not be returned but an **Image Return Document (IRD)** will be handed to the holder. The IRD is described in the next section.

10.7.1 Procedures for returning cheques

10.7.1.1 Paying Bank

1. Paying banks will prepare a separate file for return items as per prescribed format.
2. Cheques may be returned at latest by the third session on the business day following the presentment of the cheque.
3. In case, if for some valid reason, a cheque has to be returned in the last session, the paying bank must inform the collecting bank before the end of the third session.
4. Images of return cheques should not be transmitted to collecting banks. The system will retrieve the corresponding image from the central database and append it to the inward return file for transmission the collecting bank to download.
5. Where a cheque is to be returned on account of two or more reasons, which include at least one non-presentable cheque return code, the paying bank will activate the non-presentable code only.

10.7.1.2 Collecting Bank

1. Collecting banks will download their inward return files from the **PlachXout**.
2. The cheque truncation system, when generating the inward return items, will append the images, originally signed and sent by the collecting bank. The images should be reconciled against the return file.
3. The collecting bank will issue a cheque return advice which contains a detachable part, the Image Return Document (IRD), for unpaid cheques. The bank will put in place adequate internal controls with regards to the printing of IRDs. The IRDs will be issued only after verification and appropriate authorisation as per Participants' internal procedures.
4. The collecting bank will send appropriate notification to the presenter of the cheque.

10.7.2 Category 'A' cheques

The holder must detach the IRD from the Cheque Return Advice and the IRD is used for re-presentment.

10.7.3 Category 'B' cheques

Since the original cheque remains with the presenting bank, it cannot be modified. The IRD cannot be used for re-presentment and a new cheque has to be issued. The IRD is evidence that the original cheque has not been honoured.

10.8 In-order cheques

A cheque is in order if it contains all the required details and the person who draws the cheque has enough funds in his account at the time of presentation of the cheque for payment. These cheques will be cleared on the same day that they are presented for clearing and funds will be available to the holder at close of business on the next day.

10.9 High Value Cheques (for future use)

BCS will identify high value cheques which will undergo a fast track clearing. The procedures for handling high value cheques are described hereunder:

1. Banks will send a normal batch of cheque payments to the system
2. The BCS will identify the high value instruments from the batch and split the batch into two batches, normal settlement and one for priority settlement. The total amount presented for clearing will be adjusted.
3. The batch containing high value cheques will be sent to the paying bank for decision making.
4. The paying bank will return the batch to the BCS with approval and rejection codes, as appropriate, before the high value cut-off time.
5. Cheques which are rejected by the paying bank (with reason codes) will not be settled. The presenting bank will be notified of this decision.
6. Batches containing high value cheques which are neither confirmed, nor rejected will be settled in the nearest clearing cycle. However, this should be an exception and not the rule for handling high value instruments. The participant bank must provide, in writing, the reasons for not handling the batches to the Clearing House administrator.

10.10 Office Cheques

An office cheque shall not be processed as an ordinary cheque. An office cheque is deemed to be in order and funds should be made available to the beneficiary on the day it is presented for clearing. Banks should give priority to office cheques and present them for clearing at latest by

i)   the last session on the same day for cheques deposited by 14H00; and
ii)   Session 1 of the following business day for cheques deposited after 14H00.

Presenting banks must submit office cheques separately under code 06.

Banks must put in place internal procedures to ensure strict adherence to the above procedures and inform their customers that they may make separate deposit of office cheques for same day value.

10.11 Image Return Document

Decisions whether or not to honour the cheque is made on the image of the cheque. Therefore, stamps like 'Present Again' or 'Refer to drawer' cannot be affixed on the cheque deposited. In fact where a cheque presented for payment has been dishonoured by non-payment, the presenting banker must issue to the holder an Image Return Document (IRD). The presenting bank will give the customer a Cheque Return Advice containing the IRD. The IRD shall be considered to be the cheque to which it relates and shall be admissible as evidence in any legal proceedings.

The presenting bank shall specify in the IRD that (i) the document is valid for presentment and (ii) the period of time within which the presentment shall be made.

The IRD shall contain following particulars:

> (i) the presenting banker's name and logo;
> (ii) the image of the cheque, i.e. the front view and the back view of the cheque which has been dishonoured;
> (iii) the essential features of the cheque;
> (iv) the reason for the dishonouring of the cheque;
> (v) the conditions for presentment, including the period within which the presentment has to be made; and
> (vi) the signature of a person who is authorised to issue the document on behalf of the presenting banker.

A sample Cheque Return Advice and IRD is given in Appendix III.

The IRD will be generated from the system and available to Participants through the File Adapter in XML format.

In case the IRD is lost, the presenting banker shall apply the same internal procedures as for lost cheques. The customer will be advised to apply to the presenting bank for the issue of another IRD, and shall request for cancellation of the previous IRD. The first issue of another IRD will be free.

10.11.1.1   Re-presentment of cheques

Re-presentment will be allowed only for cheques returned for financial reasons or poor image quality.

10.11.1.2 Re-presentment of cheques returned for financial reasons

1. Cheques returned unpaid for financial reasons may be represented by the cheque holder through presentment of the IRD.
2. An IRD may be presented at the bank where the cheque was originally deposited or at any of its branches within the validity of the original cheque.
3. The IRD should be deposited in the same account where the original cheque was deposited.
4. An item cannot be presented more than three times. The system will give a count regarding the number of times the item is presented. If an IRD is presented and returned again, a new IRD will be generated and will indicate the number of presentment. After the third presentment, a new cheque will have to be issued.
5. The IRD may be deposited according to banks' internal procedures. These deposits will be processed separately from normal outward clearing and only cheque details should be captured. Image attachment is not required for the re-presentment of the item as the system will link the cheque data to the corresponding image.

10.11.1.3 Re-presentment of cheques returned on account of poor image quality

Collecting banks have the responsibility to send images as per specifications. Paying banks will decide to honour, or otherwise, a cheque based on the image received. In case of poor image quality, paying banks will have the option to either request for the physical cheque from the collecting banks or return the cheque.

In case the cheque is returned, collecting banks will have to re-scan the cheque and present it as if it was being presented for the first time. They should, however, inform the Central Bank prior to representing the cheque as the existing image will have to be removed from the central database. This option will be allowed only ONCE for a returned cheque.

10.12 Preparation of out-clearing files for cheques

Each cheque should have at least 2 scanned images attached to it:

1. Front part of the image (identified with "F" in file naming convention);

2. Rear part of the image (identified with "R" in file naming convention).

Images will be converted into binary format by encoding them with Base64 encoding and stored into special tags of resulting XML file to be sent to BCS/X system (please see BCS/X format specification "CMA-I 3050-3 FS 521 010 BOM BCSX Messages formats handbook.doc"). The conversion of images and cheque data into the XML format will be carried out by the internal systems of banks.

In case Participant is using PLACH (or PLACHX) format files, the cheques flow will be supported by BCS/X conversion utility (STPAdapter) and would be as follows:

1. Image files must be placed into in folder for images (usually "PlachImagesIn") prior to placement of master file (PLACH text file);

2. All image files must be named as per the specification (please see "CMA-I 3050-3 TN 501 014 CMA BCSX Technical details.doc");

3. Conversion utility collects all the image files and generates resulting XML file targeted to hit BCS/X system once PLACH master file is available in input folder (usually "PlachIn");

4. Image files are automatically encoded by conversion utility using Base64 encoding;

5. Resulting XML with images (outward clearing file) is transferred to BCS/X system where it is stored in the central database and the Central Bank's staff can view image data as well as payment data on central node monitoring screen.

10.13 Preparation of in-clearing files for cheques

1. At the end of each cheques clearing cycle (session) BCS/X system sends back output XML messages with images inside to final receivers (inward clearing files);

2. Once received at banks side conversion utility will convert XML file back to:

   a. PLACH master file which will be stored normally in "PlachOut";

   b. And individual images files to be stored normally in "PlachImagesOut" and named as per images files naming convention.

10.14 Image Quality Assurance

Recommended format is "TIFF". Image quality should be 100 dpi in grey scale. Image size should not exceed 100KB.

10.15 Return files

Return files will be handled as reverse cheques and no image attachment is required as the system will cater for linking the original cheque data with the return cheque data. In case proprietary format is used it will be possible to have proper returns only with PLACHX (PLACH long) format. Cheques can be returned not later than Session 3 of the day following the day on which the cheque is presented. If for some valid reason, a Participant cannot send its return files by Session 3, that Participant should make prior arrangements with the collecting bank to send the files in Session 4.

Upon receiving a return batch with returned cheques, the system will produce an IRD for each cheque being returned. The IRD will contain all necessary information about cheque history including the information about number of re-presentments of the same cheque starting from the very first presentation of the cheque. More details on IRD can be found in the "CMA-I 3050-3 UD 501 002 BOM BCSX Cheque return advice.docx" template.

10.16 Represent files

A cheque can be represented for clearing for a maximum of two times within its validity period provided the first return was not made for technical reasons.

In case proprietary format is used, it will be possible to properly represent the cheque only with PLACHX (PLACH long) format.

When a cheque is represented for payment, the customer shall present the original IRD and follow internal procedures of the bank where the cheque is represented. If the IRD meets all the system conditions, the cheque will be accepted for represent and no image attachment is required as system will link represented payment data with the original cheque.

10.17 Online Access to Cheque Images

Cheque images processed by the BCS/X will be archived at the Central Bank. The BCS/X will provide a utility which will enable a Participant to have online access to images of cheques that it has presented and cheques that have been presented against it. The online access will provide facilities for downloading the images and cheque data.

11 Security Controls

11.1 Encryption of Message Transmission

The data exchange between BCS and its workplaces, central and remote nodes as well as external systems is implemented via the messages. They are submitted in the XML-format. As a rule, they consist of two parts. The first (service) part contains sender and receiver names, message priority and other system information, conform to the first, second and third S.W.I.F.T. message blocks.

The second (informative) part of the XML-report contains the information in the format conforming to the S.W.I.F.T. message block 4. There may be several such units in the message. Operator creates the message, signs its informative part and passes the message to the controller, who approves the message as well as signs it completely (both service and informative parts), and sends it to the BCS.

To begin the message exchanging process with BCS, the user should connect to a system. To process it, the user should enter the login and password. A login and password should be registered in central system node. Besides, this user should be granted authorisation to connect to the system only from the computer having definite IP-address.

Login and password are placed in the message, which is signed by a secret user key. At the moment of sending, message is encrypted by means of the session key, which itself is encrypted by the receiver public key (BCS) and added to the sent message.

The login, password, access rights and computer IP-address, from which one attempts to connect, are verified up by the BCS. If the contents of the sent message meet the requirements, the user receives a command to connect.

For all messages described above, the length of the private and public key is 1024 bits while the session key length is 128 bits.

A Session key is generated by a special crypto component for each message sent.

The Central Bank is authorized to perform certification to the public key for each Participant. Participants shall be responsible for securing and the protection of their private key.

The Central Bank will not be liable for any damage or financial loss to a Participant caused by any compromise on the private key information of the Participant.

11.2 PKI Security

The system security is described in the "Security Approach document" made available to the Participants. The Participants shall be guided by the process described therein.

11.3 Access Control

BCS identifies and authenticates each user interacting with the system, whether he is an employee of a Participant or the Central Bank, by verifying the identifier that is being used and the password. The user's digital signature is stored in the system together with each transaction he performs.

The information about user logons/logoffs or incoming and outgoing messages is stored in the database with associated timestamps, physical source identification as well as the acknowledgement message of the system.

A forced logoff facility after a certain period of inactivity (time out) shall be used by Participant. The maximum duration of an idle period is configurable both by the Participant for his own site and by the system's administrator.

The functions and rights of each Participant shall be maintained by the Central Bank using BCS Access Right Manager:

    a. to distribute responsibilities according to type of Participant and User of Participant within BCS;

    b. to assign Access Rights for each Participant independently and according to his role in the system;

    c. to adjust Access Rights for each Participant independently;

    d. to change Access Rights assigned to Participant;

    e. to audit Access Rights previously assigned to Participants.

11.4 Participant Workstations

Identity and digital signatures of all users of a Participant's workstation who communicate with a system and/or signs remittances/batches are stored at the Central node together with the time-stamp and processing results of the batch/remittance. Therefore the users are identified by way of digital information stored about them in the central node.

It is the responsibility of Participants to ensure that their staff shall protect the public and private key information, certificate and password information and safeguard against compromise by unauthorised users at their end.

12 Testing, Responsibility and Change Control

12.1 Participant Pre-Requisite

Each Participant is required to perform, at its own expense, all necessary modifications to all its systems linked to the BCS, and ensure implementation and adherence to all relevant procedures as may be required.

12.2 Participants' Responsibility

Participants have the following responsibilities:

    a. To develop their internal systems for linking to / from PLACH and ensure the maintenance, security and reliability (including back-up and contingency arrangements) of such systems at its own cost.

    b. To operate, administer and monitor BCS installations at their site

    c. Day to day responsibility for operating BCS equipment at their site, which includes Application Server, Database Server, Controller PC, Operator PC and the interface between their host system and PLACH system.

12.3 Authority to Effect Change

No Participant has the authority to make changes of any nature to the BCS or install / use any software or any part of the BCS without the prior written approval of the Central Bank.

12.4 Mandatory Reporting by Participant

Each Participant is required to advise the Central Bank immediately of any event, which may affect its role or function as a Participant in PLACH, including any known or planned disconnection from PLACH, or any significant changes to its host system interface to PLACH, its organization structure, or environment.

12.5 Internal Operating Guideline and Procedure

All Participants as well as the Central Bank shall prepare and implement their own internal guidelines and procedures, to ensure that they are compliant with the Operating Rules laid down.

12.6 Change Control

12.6.1 ACH changes

The Central Bank is authorized to make any changes to BCS, and advise Participants accordingly, giving reasonable notice to all Participants before the changes are implemented. The Central Bank may also provide directions for the safe and timely implementation of changes and for accurate and timely up-date and distribution. Changes, which may also include additions and enhancements, shall be binding on all Participants. Participants may propose changes to these operating Rules to the Central Bank, for its consideration and approval. However, the Central Bank shall not be obliged to implement any such change.

12.6.2 Implementation of changes

Each Participant shall ensure that its internal procedures and systems have the capability to deal effectively with all such changes.

12.6.3 Advice of changes

The Central Bank shall advise every Participant of any changes brought to these Rules as soon as reasonably possible. Each Participant shall provide the Central Bank with the names and contact details of their officer(s) responsible for receiving the notice of changes brought to the PLACH Rules.

13 Fees and Charges

13.1 Transaction Fees and Charges

a. The Participant acknowledges the Central Bank's right to set fees and charges so as to recover its costs in providing, managing and operating the BCS and that the fees chargeable to the Participant may be adjusted by the Central Bank from time to time.

b. The Central Bank agrees to apply the same fee structure to all Participants utilising the same services within the BCS.

c. The Central Bank agrees that charge-out of ongoing variable costs will be linked, where feasible, to system usage.

d. The Participant acknowledges that the Central Bank may change any aspect of fees and charges, following consultation with, and taking due account of the views of, the Participants.

e. All fees and charges arising from Participants' operations in the PLACH System will be charged to their accounts on MACSS. The fees and charges will be levied on the Participant at the end of each calendar month. Participants will be provided with invoices detailing the PLACH fees and charges.

f. Participants shall authorise the Central Bank to debit their account on MACSS with the fees and charges as described above.

14 Emergency Condition

The Central Bank has the special authority to perform the appropriate action under the emergency conditions, including but not limited to the provisions below:

If any malfunction, breakdown, or interruption or any emergency affects the PLACH or its operations, transactions shall be handled in accordance with the directions of the Central Bank. When such instances arises, the Central Bank may, among others, extend or reduce the hours of operations of PLACH, require any Participant not to participate in the PLACH for a specified period, direct the use of contingency facilities or close down PLACH in whole or in part. The Central Bank shall not be liable for any directions given under emergency conditions.

14.1 Request for Extension

Should there be a need for Extension of the PLACH operation hours to any of the Participants, the Participants must complete the following steps:
  a. Log a Call with the PLACH Help Desk
  b. Send a written request with authorized signature to the Head - Payment Systems Division by fax or email for authorization of the extension.

The Central Bank has the sole discretion to approve or reject the extension request.

14.2 Failure of Clearing Settlement

In the event any Participant cannot fulfil its Clearing Settlement obligations, the Central Bank will inform the Participant accordingly. It is the responsibility of the Participant to provide the funding and complete the settlement on the value date.

15 Business Continuity

The Business Continuity Plan is described in the following sections. Participants must follow the procedures as per the cases provided hereunder in the event of any of the following failures or malfunctions.

15.1.1 Case 1: Failure of the MACSS wireless network at the Central Node

The MACSS wireless network has built-in resilience where the communication switches to ISDN backup line. Participants need not carry out any change at their premises. The network will switchover to wireless whenever the latter is operational. The portion of the network between the Central Bank's Disaster Recovery (DR) site in Ebene and its Head Office in Port Louis will have fibre optic redundancy.

In case of failure of Wireless network, clearing of cheques with images will be constrained. However, clearing of all other items, i.e EFT and Electronic Debit instruments can be processed normally.

The PLACH Administrator will inform all Participants on the duration of the outage. Participants must adhere to the following rules are regards

1. Participants must send all credit payments (MT102) normally.

2. Participants must send all debit payments without images normally.

3. In case of prolonged outage of the MACSS Wireless Network, clearing of cheques will be carried by physically submitting a DVD containing cheque data and images in the format normally loaded on the STP Adapter, to the Bank of Mauritius premises in Port Louis and/or in Ebene. The administrator may alter the time and the number of clearing sessions to ensure smooth processing.

15.2 Case 2 Failing of the PLACH Central Site

The PLACH central system administrator shall immediately inform all the Participants by broadcasting the message via Web monitoring; e-mail or SWIFT messages. Web-monitoring components can function in spite of failing of the BCS core component. In case of malfunction of the Web monitoring components, the administrator will use the other means: telephone and fax, email to inform all Participants. The Central Bank will activate the PLACH DR site and resume processing. The Participants will have to send messages to the DR site.

16 Miscellaneous Provisions

16.1 Liabilities of the Central Bank

Notwithstanding anything to the contrary stated in the PLACH Rules or any of the reference documents and without prejudice to section 63 of the Bank of Mauritius Act, the Central Bank and its officers, employees and/or agents shall not be liable to the Participants or any other third party for any losses and damages or expenses incurred by them directly or indirectly from any of the following:
a. Delay caused due to breakdown, malfunctioning or deficiency of PLACH system including hardware, software, telecommunication and electrical systems.
b. Partial or complete disruption or failure of PLACH to provide all or any other services provided by PLACH.
c. For the losses caused due to failure of the Participants systems.
d. The negligence, fraud, dishonesty, misconduct, unfamiliarity or omission of the Participant or its official or employee in the use of PLACH.

16.2 Fraud

Any loss arising due to fraud originated at the Participant's business shall be borne by the Participant.

The Central Bank is authorized to interrupt any transaction if there is any suspicion of money laundering or terrorist financing activities relating to a particular transaction.

16.3 Force Majeure

The Central Bank or any Participant shall not be liable for any losses or any non-performance of the Operating Rules or of payment messages or of any obligation in relation to PLACH arising directly or indirectly from circumstances beyond its reasonable control, without limitation to, cyclone, strike, lockout, equipment malfunction, government action, riot and war.

16.4 Dispute Settlement

(a) Any dispute arising in connection with the PLACH Rules which cannot be settled by negotiation between the parties will be referred to dispute resolution in accordance with this clause. The party considering a dispute has arisen must send a notice to the other party setting out a full description of the matters in dispute.

(b) Pending the resolution of the dispute, the parties will continue to perform all their obligations under the PLACH Rules.

(c) The Chief Executive Officers of the parties must personally or through nominees attempt to resolve the dispute, on the basis that the parties wish to retain an ongoing relationship.

(d) If the Chief Executive Officers are unable to resolve any dispute within 14 days of receipt of the notice or any longer time that they may agree then either party may give to the other notice that the dispute is not settled. Following issue of such notice the dispute shall be resolved by Arbitration. The Arbitration shall take place in Port Louis, Mauritius. The Arbitrator shall be chosen by mutual consent by the Chief Executive Officers of the Participants involved in the dispute. If within thirty (30) days, no agreement is reached as to the choice and appointment of an Arbitrator, a Judge in Chambers, on the application of the most diligent party, shall appoint the Arbitrator. The decision of the Judge in Chambers shall be final and binding. The appointment of the Arbitrator and proceedings of Arbitration shall be conducted in accordance with the Code of Civil Procedure in force in Mauritius. Each Participant shall bear the cost of arbitration in the proportion decided by the Arbitrator. The Arbitrator's award shall be final, conclusive and binding on the Parties and may be rendered executory in terms of the Laws of Mauritius to that effect. Third parties to the dispute and/or referral may be allowed or required to intervene in the proceedings, in which case any ensuing award shall be binding upon such intervening party.

(e) Nothing in this clause shall preclude either party from first seeking urgent interlocutory and substantive relief from the Court.

16.5 Governing Law

These rules and the performance thereof shall be governed by the Laws of Mauritius.

16.6 Contact Details

PLACH Administrators	Dhanesswurnath THAKOOR Head – Payment Systems & MCIB Tel: 2023935 Email: dthakoor@bom.mu
	J. K Choolhun Chief – Payment Systems & MCIB Tel: 2023872 Email: jayvind.choolhun@bom.mu
	T Gobin - Jhurry Chief – Payment Systems & MCIB Tel: 2023975 Email: tilotma.gobinjhurry@bom.mu
Help Desk	Phone Numbers: 2065678
	Fax:2114434
	Email: plach@bom.mu

17 Management of the Clearing House

17.1 The Port Louis Automated Clearing House Committee

The PLACH Committee shall be responsible for organising the activities of the PLACH. The PLACH Committee shall be managed by an Executive Committee composed of one representative of each participating bank, the Chief Executive Officer of the Mauritius Bankers Association Limited and chaired by the Head of Payment Systems and MCIB Division of the Central Bank, or in his absence, by such representative of the Central Bank as may be designated by the Central Bank. The quorum for every meeting of the PLACH Committee shall be seven members. The Chairman of the PLACH Committee shall have a casting vote.

17.1.1 Secretary to the PLACH Committee

The Secretary of the Mauritius Bankers Association Limited or any other officer, as may be decided by the PLACH Committee, shall act as Secretary to the PLACH.

17.1.2 Day to day business of the clearing house

The day to day business of the PLACH shall be conducted under the control of an officer appointed by the Central Bank for that purpose. Each participating bank shall be represented at the PLACH by a competent staff member who shall deliver and receive articles referable to his bank.

17.1.3 Expenses of the PLACH

All expenses incurred in the management of the PLACH shall be shared equally by the participating banks.

17A. Cheque Standardisation and Accreditation of Security Printers and MICR Encoders

All matters pertaining to standardisation of cheques and accreditation of security printers and MICR encoders shall rest with the Central Bank which may, following consultation with the PLACH Committee, where required,

(i) facilitate co-operation between the banking industry and the printing industry for the setting up, maintenance, monitoring and if required, for bringing amendments to the uniform standards for the printing, MICR encoding and finishing of all cheques conveying financial transactions among the participating banks of the PLACH;

(ii) develop, maintain, amend and ensure adherence to the MICR Specifications document as drawn up by the Central Bank in consultation with the PLACH Committee. The MICR Specifications document may from time to time be amended by the Central Bank. Amendments, if any, to the MICR Specifications document may from time to time be motivated by the participating banks, the PLACH Committee or for reasons of legal or technical necessity by Printing Companies as may be approved and published by the Central Bank. Reasonable time shall be allowed to the participating banks for the implementation of such changes;

(iii) ensure that all authorised MICR printing companies printing cheques and other MICR encoded stationery, are accredited and monitored for performance by the Central Bank. Accreditation will be reviewed on an annual basis or more regularly at the discretion of the Central Bank;

(iv) ensure that cheques are printed and finished in accordance with the requirements agreed to in the Standards Manual and Accreditation Rules in respect of Paper, Ink, Design, Security of Product, Data and Premises, and to enforce compliance thereto;

(v) keep abreast of all new relevant technology in respect of Paper, Ink, Design, Security of Products, Data and Premises for the printing of cheques and other stationery, to investigate and, if agreed by the Bank and the PLACH Committee, incorporate such technology into the Standards Manual and Accreditation Rules;

(vi) complete, publish and update on an on-going and regular basis, the Standards Manual and Accreditation Rules and the list of approved printing companies and encoders of cheques and to ensure their availability to all participating banks; and

(vii) issue specification, manuals, rules and such other document as may be required in respect of the printing of cheques and MICR encoding of cheques, security features relating thereto and a list of approved printing companies.

18 New rules and amendment of rules

Without prejudice to the powers vested on the Bank of Mauritius under the Banking Laws,
(a) the PLACH Committee may make such rules as it thinks fit for the purpose of the PLACH.
(b) these Rules may be amended by the PLACH Committee, provided that no amendment shall be effective unless it is supported, at a meeting of the PLACH Committee convened for that purpose, by a vote of not less than seven members.

19 Repeal

The Port Louis Automated Clearing House Rules issued on 25 October 2005 are hereby repealed and replaced by these new Port Louis Automated Clearing House (PLACH) Rules.

20 Appendices

Appendix I – List of Direct Participants
Appendix II - Reasons for return of cheques
Appendix III – Return Cheque Advice and IRD

Appendix I – List of Direct Participants

Name of Participant	Clearing Code
Bank of Mauritius	01
ABC Banking Corporation Ltd	27
AfrAsia Bank Limited	25
Bank of Baroda	02
Banque des Mascareignes Ltée	14
Bank One Limited	05
BanyanTree Bank Ltd	32
Barclays Bank Mauritius Limited	03
Century Banking Corporation Ltd	31
Habib Bank Limited	06
Mauritius Post and Cooperative Bank Ltd	12
National Commercial Bank Ltd	34
SBI (Mauritius) Limited	08
Standard Bank (Mauritius) Limited	22
Standard Chartered Bank (Mauritius) Limited	23
State Bank of Mauritius Ltd	11
The Hongkong and Shanghai Banking Corporation Limited	07
The Mauritius Commercial Bank Ltd	09
The Mauritius Civil Service Mutual Aid Association Ltd	28

Appendix II - Reasons for return of cheques

1. Insufficient Funds
2. Account closed.
3. Account Payee only.
4. Account stopped.
5. Alteration to date/ amount in figures/words require/s drawer's full signature.
6. Alteration to Payee's name requires drawer's full signature.
7. Amount in figures irregular.
8. Amount in figures required.
9. Amount in figures/words differ.
10. Amount in words irregular.
11. Amount in words required.
12. Both drawers' signature missing.
13. Cheque irregularly drawn.
14. Cheque mutilated.
15. Cheque stale.
16. Date incomplete.
17. Date irregular.
18. Drawer deceased.
19. Drawer's endorsement irregular.
20. Drawer's endorsement required.
21. Drawer's power not registered.
22. Drawer's signature differs from bank's specimen.
23. Drawer's signature irregular. Drawer's signature required.
24. No account.
25. Not dated.
26. One authorised signature missing
27. Payee's name missing.
28. Payment stopped by drawer.
29. Post-dated.
30. Title of account not stated.
31. Wrongly cleared.
32. Wrongly listed/reported in file.
33. Invalid digital signature
34. No signature on file
35. Poor image quality
36. Refer to administrator
37. Refer to receiver

Appendix III – Cheque Return Advice and IRD

Cheque Return Advice

🏛 Bank Name
    Address
    Tel.

No:
Date:00-00-00

Mr Kash Rissivar

We wish to inform you that the following cheque deposited into your account has been dishonoured:

Original Payment No	XXXXXXXXXXXXXXXX	Amount	Rs
Paying Bank		Account No	XXXXXXXXXXXX
Reason of Return			
Original Sender			

Kindly detach the Image Return Document below for re-presentment of the above cheque for clearing

- -

Image Return Document

🏛 Bank Name

No:
Date: 00-00-00

Original Batch No	XXXXXXXXXXXXXXXX	Date	00-00-00
Original Payment No	YYYYYYYYYYYYYYYY	Date	00-00-00
Reason of Return			
Original Sender			

Terms and Conditions
1. The IRD is to be presented for clearing within the validity of the original cheque
2. The IRD will be retained when represented to our bank
3. IRD with any alteration, mutilation or tear will not be accepted.

This document serves as a legal copy of your cheque for re-presentment subject to terms and conditions stated above.

Bank of Payee
02 JUL 11
Clearing
Teller ___

PAYEE'S A/C CREDITED
FOR & ON BEHALF OF
BANK OF PAYEE
_____ Manager

01-01

DODO BANK
Rue de la Monnaie, Port Louis

DATE 01 July 2011

PAY Mr Kash RISSIVAR

CR ORDER Rs 908.00

RUPEES Nine hundred and eight only

MR CHEK DRAWAR

sDrawar
SIGNATURE

‖00068887 ⑈01‴01⑈ 0014030007350‴ 01‴1