

## **New Cheque Images Set to Speed Up Thai Banking**

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The Imaged Cheque Clearing and Archive System (ICAS) is a system initiated by the Bank of Thailand and developed with the Thai Bankers Association (TBA) that allows physical cheques to be replaced by images in exchanges between commercial banks. The law underpinning ICAS is section 12/1 of the Electronic Transactions Act, which states that electronic documents created under the specified rules can be presented as evidence in court.

These rules encompass the image specification, conversion process, and security measures. The main principle of the rules is that the output must be equivalent to the input, meaning that an electronic document must convey the same content or format as the original document. To ensure full compliance with section 12/1, the BOT is responsible for seeing to it that commercial banks perform in accordance with the requirements.

Many countries permit the use of electronic documents as evidence in legal proceedings. The US takes it to another level, whereby after an original cheque is reproduced as a set of cheque images, a “substitute cheque” may be created from the data and images. The substitute cheque can be used in the same way as the original, as it is legally equivalent to the original cheque. The concept is suitable for a country with several thousand banks and with a high overall degree of technical sophistication. What is needed for Thailand, however, is that following the conversion of physical document, the original may be disposed with impunity.

ICAS is the first major initiative enforced via the Electronic Transactions Act. Although the initial aim is to minimise negative impacts on consumers, some changes are inevitable. The BOT and the TBA therefore see the need to spread awareness of the changes to members of the public and officials involved in legal processes. To this end, a seminar aimed at legal sector was held on March 30, with more seminars scheduled to promote understanding of the new cheque clearing processes and electronic documents under ICAS.

If we want to make Thailand a “one-day cheque clearing country”, changes are necessary. This new payment infrastructure will help enhance the competitiveness of Thailand among its neighbours and the global community.

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**(The views expressed in this column are the writer’s own.)**

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