



BANK OF THAILAND NEWS

Communications and Relations Office, Management Assistance Department
Tel. 0-2283-5016-7 FAX 0-2281-5648 www.bot.or.th

No. 18/2003

The Bank of Thailand clarifies the process of a new cheque clearing system -Bill for collection - 3 days

The Bank of Thailand has developed a new cheque clearing system called the Bill for Collection-3 day (B/C-3D). The newly designed system will reduce the cheque collection payable on difference clearing area from 6 banking days to 3 banking days.

Mrs. Nopamart Manoleehagul , the Assistant Governor (Operation) of the Bank of Thailand, announced that at present there are 70 provincial clearing houses across the country. In the previous circumstances, it took 6 banking days to clear cheques deposited to collecting branches where the paying branches were located in a different provincial clearing area. After launching the B/C-3D clearing system on 14 February 2003, the collection period has been reduced to only 3 banking days. In the initial stage the B/C -3D services cheques deposited to banks in the Bangkok Metropolitan areas where the paying branches are in 22 provinces of the central region. By the third quarter of 2003, the service will cover the whole country. Since the system has been implemented, the volume and value of cheque cleared via B/C-3D has increased continuously from 48,433 cheques and 1,943.92 million baht in February 2003 to 140,540 cheques and 6,474.15 million baht in May 2003.

Under the B/C – 3D arrangement, the collecting branches simply can send the cheques to the payers' correspondent branches which are located in the same clearing area. The corresponding branches will authorize, report returned cheque information and debit customers' accounts. The web technologies are used for transmitting cheque data between the clearing house and member banks, and payer's signature verification is done by correspondent branches on behalf of payers' branches.

The new B/C-3D is beneficial to depositors in terms of the shortening the time lapse of funds received from 6 banking days to 3 banking days. Under the new system payers should maintain enough balance in their accounts at due date for the cheque comparing to the

conventional system, payers had ample time for 3-6 days to cover their balance for their cheques to be cleared. If there is insufficient funds on the due date, that cheque may be returned. Since the implementation of B/C-3D in February 2003, the rate of returned cheques to cleared cheques has increased to 4 percent, which is relatively high compared to only 0.4 percent of returned cheque value in the BKK and Metropolitan area. **The Bank of Thailand would recommend customers to have sufficient funds on the due date of the cheques**, as well as updating the signature presented at the bank.

Bank of Thailand

18 June 2003