



BANK OF THAILAND NEWS

Communications and Relations Office, Management Assistance Department

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Imaged Cheque Clearing and Archive System (ICAS)

Mr. Chim Tantiyaswasdikul, Assistant Governor, Information Technology Group, Bank of Thailand (BOT), announced that the Bank of Thailand (BOT) is developing a new cheque clearing system called **Imaged Cheque Clearing and Archive System (ICAS)**, using digital images instead of physical cheques in the clearing process. **The aim is to enhance efficiency of the cheque clearing system by shortening the cheque clearing cycle to only 1 day nationwide** and to eliminate the cheque transportation cost. The new system is scheduled to launch in Bangkok and the metropolitan area in February 2010 and roll out nationwide by 2012.

The image-based cheque clearing approach of the ICAS will benefit businesses and all cheque usage in Thailand. With the ICAS initial implementation in Bangkok and its vicinity in February next year, banks in such area will be able to extend the closing time of the deposit-hours from currently around 1:00 pm-2:00 pm to 2:30 pm-3:30 pm which is toward the end of regular banking hours. Soon afterwards, the Bangkok inter-provincial cheque clearing system (Bill for Collection, B/C) will be replaced by the ICAS to reduce the collection time of inter-provincial cheques in Bangkok and the metropolitan area from 3 business days to only 1 business day. The BOT will then gradually roll out the ICAS system to regional areas throughout the country which expects to be completed by 2012. With the new system, all cheques including inter-provincial cheques all over the country will be cleared within just 1 day.

In ICAS, the clearing of cheques is based on grayscale and black & white digital images along with the cheque data which are all transmitted electronically throughout the clearing process. The paying banks will use the images instead of physical cheques for verification. With the new system, there is no need to move the physical cheques from the collecting banks to the clearing house and then to the paying banks. This could reduce the collection time and remove the cost of cheque transportation.

Apart from the ICAS's main role in cheque clearing function, it will also serve as digital data and image archive center for cheque clearing records and will include other types of financial documents in the future. **The BOT has proposed the ICAS as the model application of Thailand to the Thailand Electronic Transactions Commission for approval of using the ICAS printouts as official documents and evidence in court, as alternative to physical cheques.**

Please be advised that the main objective of the BOT's ICAS adoption is to enhance efficiency of the existing cheque clearing system for the country's greatest benefit with minimal impact to all businesses and general public. Nevertheless, with the approach of truncating deposited cheques at the collecting banks, the paying banks will rely on legible appearances of drawers' signatures on the cheque images for signature verification and authorization processes. The use of company stamps, embossed seals, or colored company seals may interfere with the legibility of drawers' signatures and other important information on the cheque images. In addition, the paying banks will not be able to verify the raised marks of the embossed seals and the correct shades of the colored seals from the images. With the purpose of seamlessness and efficiency of the ICAS operation, **the BOT has issued a circulation letter requesting the member banks to ask for their customers' cooperation to stop the use of stamps, embossed seals, and colored seals as part of their signatory conditions.**

Bank of Thailand

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