

Salient features of Positive Pay System for Cheque payments

From January 1, 2021, Reserve Bank of India (RBI) has decided to implement a new concept of Positive Pay System for Cheque Truncation System (CTS) as an additional protection to customers for payment of high-value cheques.

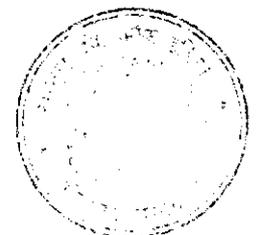
How does Positive Pay work?

The concept of Positive Pay involves a process of reconfirming key details of large-value cheques. Under this process, the issuer of the cheque submits electronically, through channels like Mobile app and Internet banking, certain minimum details of that cheque (like date, name of the beneficiary/payee, amount and purpose of cheque issuance) to the drawee bank, the details of which are cross-checked with the presented cheque by CTS. This will have to be done before handing over the cheque to the beneficiary.

Cheques will be processed for payment by the drawee bank based on information passed on by its customer at the time of issuance of cheque. When the beneficiary submits the cheque for encashment, the cheque details are compared with the details provided to the drawee bank through Positive Pay. If the details match, the cheque is honored. In case of mismatch in cheque details, the discrepancy is flagged by CTS to the drawee bank and the presenting bank, which would take redress measures.

Will Positive Pay facility be available for cheques of any amount?

After the National Payments Corporation of India (NPCI) develops the facility of Positive Pay in CTS and makes it available to our bank, the bank in turn has enabled it for all account-holders issuing cheques for amounts of Rs.50,000 and above. While availing of this facility is at the discretion of the account-holder and Central Bank of India made it mandatory for cheques for amounts of Rs.5 lakh and above in terms of RBI Circular RBI/2020-21/41 DPSS.CO.RPPD.No.309/ 04.07.005/2020-21 dated 25th Sept 2020.



Protection to Customers issuing high value cheques:

Under the Positive Pay system, the drawee bank is already aware from the issuer the details of the high-value cheque (above Rs.50,000) he has issued. Without this intimation if a cheque gets presented, then the drawee bank can reject payment and examine the case. Positive Pay is going to benefit both the issuer and the beneficiary. For the issuer, the benefit from this concept is that there cannot be fraudulent cheques encashed out of issuer's account. For the beneficiary, the benefit is that the cheques handed out to him will mostly get honored.



About Positive Pay (Central Bank of India)

To safeguard the cheques issued from Central Bank of India accounts, a new service has been introduced on Internet Banking and Centmobile App. This service is called Positive Pay and can be accessed through menu.

All you need to do is share the details of issued cheque like Cheque Number, Cheque date, Payee name, Purpose, Amount etc, before handing it over to the beneficiary.

When the beneficiary submits the cheque for encashment, the cheque details are compared with the details provided to the Bank through Positive Pay. If the details match, the cheque is honoured. In case of mismatch in cheque details, the cheque is referred to you.

Customers who do not have INB or Mobile App can submit Positive Pay information through application.

Please note:

- Positive Pay service is currently available for cheques issued from Central Bank of India accounts which are deposited by the beneficiary through other banks and presented through CTS clearing

