

Cheques, Clearing House and Payment Systems

Chapter Two

Cheques, Clearing House and Payment Systems

First: Cheques

1- Settlement of Cheques

1/1 ⁶With reference to circular no. (43/2010) dated 12/5/2010 on the delay in implementation of article no. (580) of the Trade Law no. (27) of the year 2006 concerning the settlement of the cheque when presented regardless of the date shown in its face, the law no. (7) of the year 2010 has been issued in 13/5/2010 stipulating that the text of article no. (580) shall be replaced with a new one (a copy of the law is attached to annex no (114)). The new text shall include the same provisions of the previously-applied law regarding the settlement of the cheque.

Accordingly, the law no. (7) of the year 2010 shall come into effect, and any provisions contradictory to the provisions of the law shall be null and void.

- The amended article no. (580):

"The cheque shall be settled when presented, and any contradictory settlement shall be invalid. If the cheque carries a post date to the actual draw date, and was presented to be settled before the due date, the bank shall not pay its value till the cheque's issuance date. If the bank settles the amount of the cheque before that date, it shall be responsible for the damages may occur." The application end date of this article shall be on May 2010, as the article no. (580) of the Trade Law no. (27) of the year 2006 is still into effect.

- The article no. (581) of the Trade Law no. (27) of the year 2006 states the following:

"The cheque, which is due to be drawn and settled inside Qatar, must be presented to be settled within a maximum period of six months. If it is due to be drawn outside Qatar and to be settled inside Qatar, it shall be presented within a maximum period of eight months. The above-mentioned periods shall start as of the issuance date of the cheque. If this cheque is presented to a bank, to a clearing

⁶ Refer to circular no. (52/2010) dated 31/5/2010.

house, or to any other legally-recognized entity, or held by a telephone or a telegraph to be withdrawn, it will be considered as presented to be drawn."

1/2 By virtue of article no. (565) of the Trade Law no. (27) of the year 2006; "If the cheque is written in words and figures together, the reference when discrepancy arises would be to words".

2- Standards of Printing the Cheques

The specifications and standards, which should be met by banks when printing the cheques, contain the following:

- The basic legal principles of designing formatting.
- The used papers and specifications of printing.
- Use of magnetic inks.
- Automatic recognition of numbers, letters, and requirements of designing.
- Personal cheques.
- Commercial cheques.
- Forms of illustration.

3- ⁷Legal Format of Printing Cheques

With reference to article no. (561) of Trade Law no. (27) of the year 2006, to Decree Law no. (33) of the year 2006 concerning QCB, and to QCB's Instructions To Banks concerning the above-mentioned subject, banks should comply with the following:

3/1 The cheques must include the following:

- The word (cheque) should be written in the language of the cheque.
- Date and place of the cheque issuance.
- The drawee name.
- The beneficiary name or in order in compliance with articles no. (567) and (568) of the Trade law.

⁷ Refer to circular no. (93/2008) dated 14/7/2008.

- Unconditional order to pay a certain amount.
- Settlement location.
- Name and signature of the drawer.

3/2 Comply with standard and formats of printing cheques.

3/3 Cheques submitted by banks that are not committed to the Law and QCB's instructions, concerning electronic cheque clearing system, will not be accepted as of 1/1/2009.

If banks are not committed to these instructions, QCB will take the legal procedures.

4- Classifying Returned Cheques

All banks should use the reasons mentioned below when returning the cheques, as no returned cheques would be accepted because of other reasons.

<u>Code</u>	<u>Reason of Returning Cheques</u>	<u>Bank Paying the Fees</u>
1	No funds/insufficient funds	Pay
2	Effects not cleared, please represent	Pay
3	Cheque post-dated, please represent on due date	BDF
4	Out of date	BDF
5	Drawer's signature differs	Pay
6	Alteration in date/words/figures requires drawer's full signature	BDF
7	Order cheque requires payee's endorsement	BDF
8	Endorsement irregular	BDF
9	Not drawn on us	BDF
10	Drawer deceased/bankrupt	Pay
11	Account closed	Pay
12	Stopped by drawer due to cheque lost, bearer's	Pay

	bankruptcy or a judicial order	
13	Mutilation requires drawer's/banker's confirmation	BDF
14	Date/beneficiary name is required	BDF
15	Presentment cycle expired	BDF
16	Already paid	BDF
17	Requires drawer's signature	BDF
18	Transaction timeout	Pay
19	Cheque information and electronic data mismatch	BDF

5- Controls of Combating Cheques With No Funds Phenomenon

These protective and deterrent procedures are guidance. The bank is allowed to increase such procedures or adopt some of them. In all cases, the bank must set internal policies and procedures in order to control the phenomenon of cheques with no funds. Bank's administration staff should also monitor implementation of, and provide QCB with, such policies and procedures.

5/1 Protective Procedures

- To ensure that previous cheques of the applicant for opening the account have not been returned, and that the applicant is known and has a good reputation.
- To set an appropriate minimum limit for opening a current account consistent with the financial condition and credibility of the client.
- To issue checkbooks with a limited number of checks for new customers.
- To encourage customers to use ATM and different credit cards.
- To encourage minors to open saving accounts.
- The application for opening an account must include a summary of the provisions of article no. (357) of the Penal Code no. (11) of the 2004. It must also include an undertaking by the customer not to issue cheques on an account with no or insufficient funds.
- Any other procedures deemed appropriate by the bank.

5/2 Deterrent Procedures

These procedures shall be taken against customers who have previously issued cheques on accounts with no funds:

- No new checkbooks shall be issued to them. Old checkbooks in their possession shall be recalled.
- To send a warning to the customer when one or more of his cheques is returned.
- To impose progressive fines on returned cheques.
- To keep and periodically update the special records for returned cheques, including detailed information about names of the issuing customers.
- Any other deterrent procedures deemed appropriate by the bank.

5/3 Regulatory Procedures

- Each bank shall properly refer to its internal policy when dealing with the names of persons who have been convicted of a crime of issuing a cheque with no funds.
- No one of the mentioned persons should be referred to QCB. Accordingly, rejection of dealing with such persons should not be attributed to QCB.

5/4 Controls of Closing the Accounts due to Returning Cheques

- If the cheques have been repeatedly returned three times at most in certain accounts due to the insufficient funds, letters must be addressed to holders of the concerned accounts requesting them to rectify them. If they fail to comply with the instructions of the bank and more cheques have been returned for insufficiency of funds, their accounts may be closed in accordance with the Trade Law no. (27) of the year 2006.
- The bank shall keep a monthly statement of closed accounts, indicating the account's number, the customer's name and balance, number of returned cheques, and reasons and date from which the account may be closed.

6- ⁸Cheques With No Funds

A- Upon request of Ministry of Interior and QCB's desire to reduce the phenomenon of the returned cheques with no/insufficient funds and for the sake of the public interest, all banks should comply with the following:

- If a cheque with no funds is returned, the customer's (drawer's) ID number should be written in the "return information" part or in the "note" part at the top of the cheque (cheque data) and the cheque should not be delivered to the customer before making sure that the drawer's ID number is written through the Electronic Cheque Clearing System (ECS).
- When a customer wants to encash a cheque from the bank's treasury and the drawer's account has no funds, the drawer's ID number should be accurately and clearly written on the back of the cheque or on the slip attached to the cheque.
- As for the commercial companies and institutions, the ID number of the authorized signatory (signatories) should be written.
- QCB will take the legal procedures against banks violating these instructions by virtue of QCB Law no. (33) of the year 2006.
- This circular is effective from 8/7/2009.

B- With reference to item no. (6) of circular no. (66/2009) dated 8/7/2009 and in order to reduce the phenomenon of the returned cheques with no funds, it has been noticed that some banks are violating the above-mentioned circular as they are still not including the ID number in the report of the electronic data of the cheque.

Accordingly, all banks should comply with circular no. (66/2009) and write the customer's ID number in the report of the cheque data. In case of violating this circular, QCB will impose a proper financial fine on every cheque that does not include the ID number by virtue of article no. (105) of QCB Law no. (33) of the year 2006.

This procedure is effective from 2/5/2010.

⁸ Refer to circular no. (66/2009) dated 8/7/2009.

Cheques, Clearing House and Payment Systems

Second: Clearing House

1- Controls on the Cheques Circulated through Clearing House

- The cheque issuance date should be accurately and completely written on the cheque in figures, as it is considered a basic pillar.
- The bank should not accept the cheque that contains two blanks for dates. If the cheque was cashed, the bank would charge all relative consequences.
- All banks should not write off, damage, delay or cancel the cheques delivered to them to be collected, instead they should render them back to the customer as it has been delivered attached with an independent note explaining the returning reasons.
- All banks are forbidden to cash or deal with cheques that carry two dates and to collect these cheques through the clearing house.

2- Times of Returning Cheques.

It has been decided to limit the times of returning cheques through the clearing house not to be more than three times, regardless of the of returning reasons. It have been also decided that QCB shall collect a commission of QR 5 per returned cheque.

3- Acceptable Cheques Circulated through Clearing House

- QCB shall accept the circulated, settled and governmental cheques, through clearing house, issued by banks to their customers. QCB shall not accept the circulated and settled private cheques.
- QCB shall run a documentary revision to cheques presented for clearing in order to make sure that it does not include any non-excluded private cheques.
- The profit coupons, payment orders or cheques, that are not standardized by QCB, issued by the companies, charity and cooperative associations, and government and semi-government institutions, shall not be accepted. Consequently, all banks have to inform their customers, as soon as possible, with

these instructions in order to take the necessary precautions to print and use the cheques of the mentioned standards, with the exception for both the governmental cheques and private post-dated cheques.

- The statements sent by banks to QCB including the data of private cheques of theirs or of the customers are considered the basis for determining the private post-dated cheques, which have been excluded from these instructions.

4- ⁹Dividend Coupons and Payment Orders issued by Banks and Companies

4/1 With reference to cheques circulated through clearing house mentioned in item (3) in page no. (56), all banks should comply with following:

- Banks should not accept dividend coupons, payment orders, or cheques without standard formats prescribed by QCB for purpose of collection by clearing house.
- Banks should notify customers to collect dividend coupons or payment orders directly from the drawee bank without using the electronic cheque clearing system.
- By virtue of article no. (105) of QCB's Law no. (33/2006), QCB shall impose a financial fine on banks offering dividend coupons or payment orders through electronic cheque clearing system. Additionally, a financial fine will be imposed on banks paying values of such dividend coupons or payment orders through the electronic cheque clearing system.
- These instructions are effective from 1/6/2008, and any provisions contradictory to the provisions of the law shall be null and void.

4/2 ¹⁰Collection of dividend cheques issued by banks and companies:

With reference to QCB's instructions concerning cheques circulated through electronic cheque clearing house and to circular no. (70/2008) concerning the above-mentioned subject, all banks should comply with these instructions.

Banks are not allowed to collect any fees or commissions on cheques included in the above-mentioned circular on behalf of customers whether manually or

⁹ Refer to circular no. (70/2008) dated 6/5/2008.

¹⁰ Refer to circular no. (40/2009) dated 20/5/2009.

through the electronic cheque clearing system. Accordingly, any collected fees or commissions on the mentioned cheques should be given back the customers during this year.

5- Settlements of Banks' Accounts with QCB

- All banks should daily review all recorded entries of the daily account statements sent by QCB, quantify any differences, and immediately follow up the settlement process.

As an integrated part of such instructions, banks should comply with the following:

- A- Banks should settle all suspended amounts shown in the monthly settlement statements so that they do not exceed seven days of the beginning of the next month.
 - B- The monthly settlement statements should be delivered to QCB in a date not exceeding the eighth working day of the next month after all suspended amounts have been settled as mentioned in item "A".
 - C- Banks should use the form mentioned in annex no. (6) to prepare the monthly statements and any form other than the mentioned one will not be considered.
 - D- For any queries about any suspended or disputable amounts at banks, banks can contact the clearing house of the Public Debt, Banking Affairs and Issuance Department.
 - E- The above instructions are effective from February 2006.
- QCB shall not accept the daily inter-bank payments sent through Swift Financial Messages, beyond daily business cut-over time.
 - The forward daily payments will not be recorded on the clearing accounts.
 - Unifying standards of calculating fractions of the daily payment amounts using the well-known mathematical rounding rule (raising the decimal number by a unit when it is five or more).
 - Providing QCB with a monthly settlement note approved for the clearing account,

with which is attached a statement of all the suspense amounts (with its reasons) between the bank and QCB.

- Providing QCB with the daily account statements using the (MT950) Swift System.

6- Using Clearing Account with QCB

6/1 The bank may overdraw its account with QCB during the working hours in order to settle its different accounts with banks and QCB according to the ceiling amount determined by QCB, and the following are the sequences of overdrawing the accounts:

- When the bank's overdrawn amount exceeds the allowed ceiling amount or the overdrawing occurs after the official work hours, a fine of not more than QR 5000 shall be imposed per day of clearing.
- When the bank exceeds and is not able to cover the allowed ceiling amount after the QCB's warning, QCB shall deduct any balances from the government bonds, the required reserve, or any other account of the bank held with QCB.

6/2 Qatar Money Market Rates (QMR):

- If the bank uses the instrument of Qatar Money Market Rates when borrowing, within the ceiling amount, an interest of the one-night borrowing shall be calculated on the balance during the working hours each time.
- For the rest of the day's transactions, the current instrument shall be applied.
- The Bank's required reserve is considered a guarantee for the depositing and lending transactions of the QMR and monthly changeable.

Please inform QCB with your approval on this letter in compliance with the above-mentioned conditions. For any queries, please contact Mr. Director of the Public Debt, Banking Affairs and Issuance Department.

This decision is effective from January 2006.

7- Performance of the Clearing House

To improve the performance of the clearing house and to facilitate the inter-bank exchange of cheques, please comply with the following:

- Hours of the clearing process shall be daily from 11:00 to 11:30 am.
- The banks' representatives shall attend quarter an hour before of the date of clearing process.
- The banks' representatives who will be late or attend after ending of the clearing process should be allowed neither to get in the clearing house nor to attend the process in the next day unless they get the bank's approval after mentioning the reasons.
- The mission of the banks representatives shall be limited, in the clearing house, to receive, review and deliver the cheques withdrawn on banks.
- The only representatives approved by QCB shall be allowed to attend the clearing process.

The banks' representatives should kindly comply with the above mentioned instructions in order to guarantee that the proceedings are going well. ¹¹If they are not complied with the QCB's instructions concerning the attendance dates of the clearing house, QCB shall take the proper legal procedures against the violating bank.

¹¹ Refer to circular no. (103/2006) dated 16/7/2006.

Cheques, Clearing House and Payment Systems

Third: Payment and Settlement Systems

1- Daily Payments

- QCB shall accept settlement of the daily inter-bank payments using the clearing house within the available balance of account as well as the balance granted by QCB.
- QCB shall daily receive the messages of such payments till 1:00 pm., and any message delivered after mentioned time shall not be accepted.

2- Messages of the Daily Inter-Bank Payments

- The message no. "MT203" or "MT202" should be used to transfer any amount from the clearing account of the bank to one or more of the banks operating in the State of Qatar, and no other messages would be accepted for that purpose.
- The field "58A" should be used to indicate the beneficiary bank, and if the beneficiary bank is not one of the Swift system users, the field "58D" should be used according to the bank's identification symbol.
- If it is not committed with the two items mentioned above, the sender bank would be informed by the message no. "MT999" and has to correct the situation before the due date.
- The sender bank would charge the consequences due to sending the messages in a wrong way, including its responsibility of interests as a result of overdrawing accounts of the sender bank or beneficiary banks.
- The bank would be responsible for exchanging the BKE codes, as well as their validity and the validity of the certificates exchanged with the SWIFT (CV's).

3- ¹²Inter-Bank Payments System

3/1

A- For purpose of developing the inter-bank payments system, it has been decided to add new information to the Swift messages no. (MT202) and (MT203), including the financial information according to the purpose of the payment:

- Lending Money Payment
- Repayment
- Third Party Payment (institutions or individuals), and information about the sender (institutions or individuals)
- Foreign Exchange Payment (US Dollar), and NAPS transactions and other current settlements.

Banks should co-ordinate with the Banking, Payment and Settlement Systems Department to be informed with the technical details. The testing stage on the messages should take four weeks as of the 29th January 2007, followed by the application stage.

B- ¹³With reference to circular no. (16/2007) dated 29/1/2007, under the above-mentioned item no. (3/1 - A) please be noted that the classifications of the inter-bank payments have been added in order to reduce the use of the category (“Others”).

Subsequently, please coordinate with the Banking, Payment and Settlement Systems Department to complete the technical issues as the implementation of the additional classifications will come into effect within 4 weeks as of the issuance date (25 January 2009).

Extra Inter-bank Transactions Classification			
1	PFLB	Payments for local banks (transfers)	دفعات من مراسلين لصالح بنوك محلية
2	ECCC	ECC In / Out Correction	تصحيح لشيكات صادرة/واردة مقبولة بالخطأ
3	LBPC	Local banks payments correction	تصحيح لدفعات بين البنوك

¹² Refer to circular no. (16/2007) dated 29 /1/2007.

¹³ Refer to circular no. (7/2009) dated 25/1/2009.

4	RTPP	Return of wrong third party payment details	إعادة دفعات معلومات الطرف الثالث غير صحيحة
5	RISP	Return of incomplete salary payment	إعادة دفعات رواتب معلوماتها غير مكتملة
6	CCST	Credit Card settlement	تسوية عمليات بطاقات ائتمان
7	HLST	Housing loan settlement	تسوية قروض إسكان
8	LCSC	LCs commission	عمولات خطابات الضمان (اعتمادات)
9	LCPI	LCs payment - import -	دفعات اعتمادات - واردات
10	LCOE	LCs payment - export-	دفعات اعتمادات - صادرات
11	COBP	Collection of bills payment	دفعات بوليصة تحصيل
12	CUGP	Claim under guarantee payment	مطالبة بموجب خطابات ضمان
13	DPIN	Delayed payment interest	فوائد مقابل دفعات متأخرة
14	RFRB	Return of funds due to rejection of receive by beneficiary	استرداد المبالغ المحولة من البنك المستفيد في حالة رفض العميل للاستلام
15	CHCP	Check clearing collection Payment	دفعات شيكات تحصيل
16	SOPY	Standing Orders Payment (As per list)	دفعات تعليمات مستديمة (حسب الكشف).
17	SCPY	Salary/Corporate Payment (As per list)	دفعات رواتب للشركات (حسب الكشف).
18	CNTP	Payment To Contractor	دفعات للمقاول
19	GWDL	Goods/Work Done, Local	دفعات توريد بضائع/عمل/محلي.
20	CDPY	Cash Dividend Payment	دفعات أرباح أسهم نقدية.
21	PFST	Personal Finance Settlement	تسوية قروض أفراد.
22	PFVL	Payment For Vendors/Local Banks	دفعات لصالح موردين/بنوك محلية

^{143/2} With reference to QCB's letter no. (166/2007/ن م) dated 28/3/2007, circular no. (16/2007) dated 29/1/2007, and circular no. (8/2006) dated 3/1/2006, concerning developing the inter-bank payments system, and upon the request of some banks to have an additional period to complete the final tests conducted on the new messages, all banks have been given additional three weeks. Thus, the non-identical payments would be refused as of Sunday 29/4/2007 and a fine of QR 100 per cancelled payment would be accordingly imposed.

^{3/3} With reference to the circular no. (16/2007) mentioned in the above item no. (3/1), a test has been conducted on the newly amended messages (Extra Fields For MT Message) in several banks in co-ordination with QCB in order to verify all technical details and ways of dealing with the new information added to the inter-bank payment messages no. (MT202) and (MT203). Accordingly, all banks should send the newly amended messages as of 1/4/2007. Thus, all non-identical messages would be ignored for only one week as the message no. (MT999) will be sent to the concerned banks to be informed with the non-identical messages. So, the non-

¹⁴ Refer to item no. (21) in page no. (414).

identical messages would be cancelled after that period of one week and banks should then send the identical messages to ensure that the payments will be processed.

4- Inter-Bank Payments System Using V-Topology

The V-Topology approach has been applied to all inter-bank payments, as of the 22nd January 2006, in conformity with the following:

4/1 The payment message no. "MT202" or "MT203" shall be processed if there are balances covering the payment or facilities to overdraw the account according to QCB's letter dated 14th July 2005, concerning using the clearing account held with QCB.

4/2 The paying bank and the beneficiary bank shall be notified, the former of a debit note message no. (MT900) and the latter of credit note message no. (MT910).

4/3 The non-processed payments shall be suspended on a waiting list of payments until there is a sufficient balance to process the payment or facilities to overdraw the account.

4/4 Banks shall send the message no. (MT296) to apply for canceling the non-processed payments. Thus, QCB will send a notice message no. (MT296) to inform the concerned bank with the result of the application.

4/5 The concerned banks shall be notified of the suspended payments on the waiting list through the SWIFT messages twice a working day at 10:30 am and 12:30 pm.

4/6 All suspended payments on the waiting list shall be cancelled within 15 minutes before the bank stops receiving the daily payments.

4/7 The payments received on post or pre due dates, or after the limited period of receiving the payments, shall not be accepted.

4/8 Fees of QR 100 shall be imposed per payment cancelled by the QCB because of the late delivery or of a mistake in the date or in the beneficiary bank's data or the like.

4/9 The steps and procedures mentioned above are all automated through the related SWIFT messages.

4/10 If the SWIFT system is broken down and not available for any reason during the official working day hours of receiving the payments (from 8:00 am to 1:00 pm), the banks may use available alternatives of payments through the encoded Telex messages (Test Key) or Fax messages in the co-ordination with the Public Debt, Banking Affairs and Issuance Department.

4/11 Banks will be given a three-month experimental period, ended at the 28th April 2006, whereas neither fees nor fines will be imposed on returned or refused payments.

4/12 Daily closing balances will be treated as currently working.

4/13 QCB will extend, through issuing later circulars, the final date of receiving the payments and automated instructions sent through the SWIFT messages without using the alternatives mentioned in item no. (4/10) regarding the extension time which shall be determined in further circulars.

¹⁵4/14 As of Sunday 18/6/2006, the fees mentioned in item no. (4/8) according to the circular no. (80/2006), QR 100 shall be paid per payment cancelled by QCB because of the late delivery or of a mistake in the date or in the beneficiary bank's data or the like.

Please comply with dates and specifications of payments avoiding the determined fees.

5- Electronic Cheque Clearing System

5/1 Definitions

Electronic Clearing :	Clearing using the electronic record and scanned copy of cheques.
The Drawer :	The account 's holder who issues the cheque
The Drawee Bank:	The bank in which the drawer keeps banking accounts, and the drawn cheque is issued under its name.

¹⁵ Refer to Circular no. (80/2006) dated 8/6/2006.

The Sender Bank : The bank which presents the cheque to the clearing house using the scanned copy.

The Beneficiary Bank : The individuals or institutions who present the cheque to the sender bank either to be drawn in cash or to be deposited in their account.

5/2 Sender Bank's Responsibility

If the cheque is presented either to be drawn in cash or to be deposited in the account at any counter of the sender bank, the latter should make sure that cheque:

- Is correct regarding the general form and is neither damaged, cut nor counterfeit.
- Does not have any deleting, changing or correcting features that are hardly visible after copying or scanning, such as; using the white ink (the corrector) for correction, rewriting on the words and figures, and a change in the ink color degree that can not be noticed if photocopied or scanned.
- Includes the main legal data that are to be provided in the cheque form, such as; the cheque due date, the cheque value in words and figures, the drawee bank, the beneficiary name or to his order, the fulfillment place and the drawer signature.
- The sender bank should scan the two faces of every cheque drawn on any other bank. The original cheque should be kept till it is delivered to the drawee bank. The cheque's copies, information and any other remarks should be sent electronically to QCB.
- The sender bank is responsible for the data entered in the electronic record that is attached with the electronic scanned copy of the cheque.
- The sender bank, according to the electronic notification sent from the drawee bank through QCB, shall take the necessary procedures to pay in cash, deposit the amount in the account of the beneficiary, or retrieve the original cheque to the beneficiary bank and attach a refusal note with the reason.

- The sender bank would bear the responsibility of any mistakes affecting the cheque soundness in terms of form or electronic data mismatches with the cheque data. It should also bear all the legal results and other consequences, and is committed to repay the value of the cheque.

5/3 Drawee Bank's Responsibility

- The Drawee bank should examine the cheque's data shown in the copy and other electronic information sent by the sender bank, and shall make sure of the following:
 - The due date of the cheque shall be correct and does not exceed the legal due period.
 - If the cheque shall be presented before the due date, the drawee bank should take the administrative decision if the drawer has an administrative arrangement or approved banking facilities. Thus, the drawee bank should notify the sender bank of agreement or non-agreement to the settlement, charging the full responsibility of that decision.
 - The drawer should have a sufficient fund that covers the value of the drawn cheque, or has banking facilities that enable him to cash the cheque.
 - The cheque shall be issued by the drawee bank.
 - There shall be no order to prevent cashing of the cheque and there are no other legal or administrative precautions.
 - The drawer's signature in the electronic scanned copy should be identical to his ratified signature at the bank.
 - The drawee bank should electronically send its reply of approving or disapproval, showing the reasons, to QCB.

5/4 QCB's Responsibility

- QCB should electronically send a scanned copy to the drawee bank attached with the cheque data and electronic record.
- QCB should electronically inform the sender bank with the drawee bank's reply directly after receiving it.
- QCB should settle any dispute between the sender bank and the drawee bank

concerning the electronic clearing. The copy of the cheque entered by the sender bank and sent through QCB would be the ratified document.

5/5 Exchanging the Original Cheques

- The accepted original cheques shall be daily exchanged through the system at 11:00 am. in the clearing house.

5/6 Electronic Clearing Controls

They should be implemented in compliance with the following procedures:

- The amounts of the cheques presented for special clearing, reaching QR 250.000 or more, shall be recorded in the clearing accounts directly after the approval of the drawee banks.
- The electronic record data and the scanned copy of the mentioned cheque shall be considered as the clearing stamp, and working with the clearing stamp used in the direct clearing system shall be stopped.
- QMR transactions should be spontaneously performed for the daily debit and credit balances of the clearing accounts after recording the transactions of the electronic clearing and the National Net "NAPS", for banks using the QMRs instrument.
- The stamp "the value is recorded on the beneficiary account at the bank", put on the back of government cheques, shall be cancelled.
- The deadline of sending cheques to the drawee banks through the electronic clearing system shall be 3:00 pm., including the half hour allowed for the delays in communications, and the deadline of verifying the cheque "QA" shall be 2:30 pm.
- The deadline of responding to the cheques shall be 5:00 pm. The electronic clearing settlement would be recorded in the banks' accounts at 6:00 pm. of each working day.
- The deadline of presenting the special clearing cheques that are classified as "B" shall be one hour before the official closing time.
- The bank should finish the on line integration between the banking systems and the electronic cheque clearing system "ECS" so that all banks can benefit

from the system capabilities.

- The follow up committee of electronic system developments will revisit the banks to assess the extent of its commitments to QCB's instructions and will provide banks with the results so that each bank can identify the positive sides and shortcomings, if any.
- The priorities and fees system related to the electronic cheque clearing system, which were previously delivered to the banks in May 2004, shall be activated.
- QCB would set a particular mechanism to solve the operational cases related to the electronic cheque clearing system such as; losing the original cheques from the banks, whereas the latter would be informed with this mechanism directly after finishing.
- To eliminate the slowing down in the connection lines used in the electronic cheque clearing system, QCB shall update these lines. Banking Systems Unit shall provide the banks with all the technical aspects related to this project.

5/7 Fines of Electronic Clearing

- It is decided to impose fines on banks when they are not committed to the instructions of the clearing and to the procedures that ensure the speed and precise clearing of the cheques. For more details, refer to annex no. (130).

5/8 Getting Data History of Clearing Cheques

The following table shows the fees of getting data history of electronic clearing cheques:

Period	Cheques' Data with Copies	Cheques' Data without Copies
Less than one month	Free	QR 500
Less than 3 months	QR 5000	QR 2000
Less than 6 months	QR 1000	QR 5000
More than 6 months	QR 3000	QR 10000

These fees shall be imposed in coordination with Banking, Payment and Settlement Systems Department at QCB.

5/9 General Provisions

- The electronic cheque clearing system has started since February 2003 and all the banks should possess the necessary technical expertise and equipment.
- The defined fees for the electronic clearing are indicated in the annex no. (118).
- The Fees of the electronic clearing paid for QCB shall be recollected (QR one per cheque) as of July 2006. Please refer to circular no. (65/2002) dated 25/7/2002.