

## **SBM Cheque Truncation System**

The Bank of Mauritius in collaboration with all Banks, has implemented a new system called Cheque Truncation System (CTS) since January 2013. CTS is an electronic system where clearing is carried out based on cheque images as opposed to physical exchange of cheques.

### **The Image Return Document (IRD)**

Under the CTS, you will not see any change if your cheque is honoured normally. However, in cases where a cheque deposited in your account is returned as unpaid, you will be given an Image Return Document (IRD) instead of original cheque. The IRD, which is a legal copy of the original cheque, will contain an image of the cheque and will state the reason for which payment has been refused.

### **Can an IRD be presented at the Bank?**

An IRD can only be presented again if cheque deposited has been returned due to insufficient funds. In such cases:

- Cheque has been returned for the first time for "Insufficient Funds", IRD may be presented again at the Bank. Cheque will be credited to same account.
- If the cheque is again dishonoured, then a new IRD will be issued. The IRD may be presented once again for payment.
- Under the existing cheque clearing rules, a cheque may be presented only three times, after which a new cheque must be issued by the drawer. Thus, if the cheque is dishonoured for insufficient funds on 3 occasions, an IRD will be issued with mention "Cannot be re-presented".

An IRD may not be presented again, where cheque has been returned for technical reasons such as discrepancy on date, drawer's signature or on amount in words and figures. In such cases, "Cannot be re-presented" will be mentioned on the IRD. A new cheque will then have to be issued.

Before you accept or draw a cheque you must ensure the following:-

- Cheque is correctly dated. (Not stale or post dated)
- Amount in words and figures match.
- Payee's name is correctly written.
- Cheque is signed by authorised signatory(ies).
- Additional signature of the drawer is required for any alteration made to the cheque.