



Indian Banks' Association

No.PS&BT/CTS/ 8184

31st October, 2013

The Chief Executives of Member Banks

Dear Sir / Madam,

Adoption of Uniform Holiday Calendar under Cheque Truncation System (CTS)

Please refer to the Reserve Bank of India circular letter DPSS.CO.CHD.No. /458/ 04.07.05 / 2013-14 dated 23rd August, 2013 on the captioned subject stating that it has been decided to put in place the uniform holiday arrangement at the three CTS locations as given below with effect from 7th October, 2013:

- i. The CTS centers in New Delhi, Chennai and Mumbai will adopt RTGS holidays as uniform holidays for the respective grid.
- ii. Additionally, CTS operations will be closed on such days when all the participating states in the grid are observing holidays, even though RTGS is working on such days.
- iii. The President of the respective CTS location will notify the list of such uniform holidays well in advance to enable the participating banks to put in place inward clearing processing infrastructure at the grid location

Under CTS, inward clearing is generally processed in a centralised manner by banks at the CTS location. However, in exceptional cases, where the reference to base branch is required and the base branch is closed on account of local holiday, the drawee bank at the grid location may return the instrument to the presenting bank under return reason code 88 as enumerated in annexure D of Uniform Regulations and Rules for Bankers' Clearing Houses with the description "need reference to the drawee branch which is closed on account of local holidays/issues".

On occasions when banks are unable to process the inward clearing pertaining to specific locations due to exceptional circumstances, they can approach the President of the Clearing


House at CTS location for extension of return / blocking the presentation drawn on such locations.

In this connection, we have been receiving representations from Association/Union from time to time.

Therefore, the IBA Managing Committee at its meeting held on 29th October, 2013 deliberated on the issue in detail. The Committee is of the view that banks may approach the President of the Clearing House at CTS location for blocking the presentation drawn on bank branches in the State(s) which is/are observing holiday. The "Blockage" function in the CTS System has been designed to handle different state holidays.

You are requested to kindly take note of the above Managing Committee decision and take necessary action as considered appropriate.

Yours faithfully,



A. M. Pedgaonkar
Chief Adviser - Banking Technology

Encl: As stated above