



Circular No. OPS/014/2020-21

30th December 2020

To: Branch Banking, Financial Institutions Group, Institutional Banking (TASC), Micro Banking, Rural Banking, Channels, Audit, Compliance, Risk, IT, Service Quality and Vigilance

Subject: Implementation of Positive Pay System (PPS) effective from 1st January 2021

Background:

Reserve Bank of India (“RBI”), vide their circulars, directions and guidelines issued from time to time, have advised banks to implement Positive Pay System effective from 1st Jan’2021 (**RBI’s Circular No. RBI/2020-21/41/DPSS.CO.RPPD.No.309/04.07.005/2020-21, issued on September 25th 2020**). The concept of Positive Pay involves issuer of the high value cheque to reconfirm the key details of that cheque to the drawee bank.

The RBI says the Positive Pay system is to augment the customer safety in cheque payments and reduce instances of fraud occurring on account of tampering of cheque leaves.

Ujjivan Small Finance Bank (“Bank”) has formulated a process to deal with the PPS and this document details the process to be followed at Branches and by other channels

Positive Pay System

Under Positive Pay system, the issuer of the high value cheques (Rs.50, 000/- and above) to reconfirm the cheque issuance electronically, through Mobile app/Internet Banking/Phone Banking

The customer confirmation involves certain minimum details of the issued cheque i.e. cheque date, name of the beneficiary, or payee, cheque number and amount to the drawee bank, details of which are later compared with the cheque presented for the payment in Cheque Truncation System (CTS).

Modes/Channels available for Ujjivan customers to provide PPS confirmation

1. Mobile Banking
2. Internet Banking
3. Phone Banking

Mobile Banking

Screen Path:-Services>> Cheque services >> Positive pay system

Internet Banking

Screen Path:-Services>> Cheque services >> Positive pay system



Positive Pay System – Key Features

- This issuer of the high value cheque i.e. Rs.50 000/- and above to confirm the cheque issuance under PPS. However, in respect of cheques with an amount of Rs.5 Lacs and above, it is mandatory for the customer to update cheque details under Positive Pay upon issuance.
- Proposed Modes/channels available for Ujjivan SFB customer to submit the PPS confirmations are Mobile Banking, Internet Banking and Phone Banking all these modes/channels will be available 24x7 for updating the Positive Pay confirmations and Branch can assist customer's to provide PPS confirmation through alternative channels.
- A reference number will be shared to the customer through SMS on the registered mobile number for the successful submission of the Positive Pay confirmation, PPS rejection at NPCI end SMS will be triggered to the customer.
- Modification or deletion of customer PPS confirmation shared with any mode/channel cannot take place once the data is submitted to National Payment Corporation of India (NPCI).
- Cheque issuance confirmation submitted before **3 pm (daily)** will be shared with NPCI on the same day. All confirmation received after cut-off time will be processed in next day clearing session.
- The data collected from various channels/modes will be consolidated and shared as a single file to NPCI through our clearing sponsor bank HDFC
- When the cheque is presented for payment, the details of the cheque will be compared with customer confirmation shared through PPS.
- If there's a mismatch between the cheque presented for payment and cheque issuance confirmation received under PPS, the bank may dishonour the cheque. Hence it will be customer's sole responsibility to upload the correct details under the PPS.
- Stale cheque (3 months older from date of confirmation) will not be accepted and Post-dated cheque will be accepted under PPS.
- PPS system is an additional tool for validation of cheques. All other parameters with respect to validation of Cheques remain unchanged and Customer has to maintain sufficient funds up to the cheque presentment.
- Only those cheques that are complaint with PPS will be accepted under the dispute resolution mechanism.
- Customer can log the complaints through branches and phone banking channels in case of any disputes

DD/PO details uploading under PPS:

- Banks to upload the information of the instrument issued by themselves like DDs and Pay orders etc.
- The DD issuance data pertains to both Ujjivan and HDFC should be shared with NPCI on a daily basis



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