

**PHILIPPINE CLEARING HOUSE CORPORATION**

*Manila, Philippines*

Memo Circular No. 3126

06 June 2016

**T O : All Clearing Banks/Institutions**

**R E : NON-ACCEPTANCE OF OLD FORMAT CHECKS STARTING 01 JULY 2017**

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1. **Effective 01 July 2017**, PCIIC will no longer accept old format Checks in its clearing operations. Except for Post-dated Checks which are warehoused by banks up to December 31, 2016, PCHC will only accept and process Checks that comply with the New Check Design Standards and Specifications.
2. The non-acceptance of old format checks (*which can easily be recognized/distinguished due to the absence of the waiver and authorization statement*), will enable banks to comply with the requirements of the soon to be implemented Check Image Clearing System or CICS. As most old format Checks lack the security features embedded in the new format, non-acceptance will mitigate if not avoid fraud that may be attempted within an image clearing environment.
3. Old format checks (dated beyond July 2017) but warehoused with the Banks up to December 2016 should be properly marked by the presenting bank and continue to be accepted by the drawee bank.
4. Except for warehoused PIXCs, old format Checks that would be sent for clearing starting 01 July 2017 shall be subject to penalty of Pphp250 per item to be collected by PCHC from the Presenting Bank. Drawee Banks may have the option to return such items and collect the corresponding Service Charge from the drawer. (*Return reason to be used shall be announced prior to July 1, 2017*) If the Drawee Bank opts to honor, it shall process and similarly collect a penalty charge of Pphp250.00 per item to be collected from the presenting bank.
5. PCHC Memo Circular 2636 dated 19 June 2014 required all the accredited Security Printers to print checks with the new design standards starting 01 January 2015. In the same Memo, banks were also encouraged to start ordering new check books bearing the prescribed standards. To date, floatation rate has already reached more than 50%.
6. We count on the full cooperation of all participating banks to start their respective information campaign towards replacing those old format Checks.