

THE ECACH HERE TO REVOLUTIONIZE THE CHEQUE PAYMENT SYSTEM IN THE REGION

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Eastern Caribbean Automated Clearing House (ECACH) now serving Banks across the E.C.C.U.

The Eastern Caribbean Central Bank (ECCB) in collaboration with banks in the Eastern Caribbean Currency Union (ECCU) are getting ready to revolutionize the clearing system between banks in the region. Soon, the existing manual clearing house exchange, operated across *Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, St. Lucia and St. Vincent and the Grenadines* will be replaced by The Eastern Caribbean Automated Clearing House (ECACH). This Automated Clearing House is a secure, private electronic payment transfer system which will connect all banks within the ECCU. The ECACH will be operated through the Eastern Caribbean Automated Clearing House Services Incorporated (ECACHSI).

This new Automated Clearing House (ACH) will result in faster and more secure processing and settlement of payments between banks.

Banks are required to adopt and implement new standards, procedures and rules relating to the production, acceptance, presentment and clearing of cheques and other financial instruments.

How it Works



Receiver

Authorization



Originator

ECACH



Receiving Financial Institution



Originating Financial Institution



BENEFITS OF THE ECACH

The establishment of the ECACH will allow:

- ✦ **A consistent approach** by adoption of consistent payment standards, procedures and rules by all banks in country and across the ECCU.
- ✦ **Faster Access to Funds** by reducing cycle time for cheque clearing and settlement.
- ✦ **Increased Security** by **reducing cheque fraud** within the system.
- ✦ **Added value to banks, which can offer new and improved products and electronic services.**
- ✦ **Added convenience to customers** by the ability to offer new electronic services and faster turn-around times.
- ✦ **Improved efficiency and accuracy** within the system, by replacing manual, paper-based payment processes with electronic process.
- ✦ **A more environmentally friendly approach- reduced amount of paper** used in the payment processes.
- ✦ **Better service to EC Banking customers**

WHAT CUSTOMERS NEED TO KNOW:

- ✦ Physical cheques will no longer be forwarded in monthly statements.
- ✦ Only use CPA 006 compliant cheques going forward
- ✦ Only black or blue ink pens should be used for cheque and draft writing/signing.
- ✦ No writing or marks should be placed on the MICR line of cheques
- ✦ Ensure that sufficient funds are placed in accounts to cover cheques, as cheques will be cleared quickly



MESSAGE FROM THE CHAIR

Commercial Banks in the ECCU have collaborated with the Eastern Caribbean Central Bank (ECCB) to launch the Eastern Caribbean Automated Clearing House (ECACH), a secure payment transfer system that allows financial institutions to exchange cheques electronically.



Donald Thompson
ECACH SI Chairman

Financial institutions will capture images of the front and back of each cheque, as well as the code line (called a MICR Line) data at the bottom of the cheque. These images and MICR line information will then be transmitted between financial institutions electronically, allowing for the quick clearing and settlement of cheques.

“The establishment of the ECACH will bring with it several changes and benefits...”

This shift to image-based clearing in the ECCU will not only improve efficiency, but it will also allow financial institutions to introduce new services that provide faster and more convenient access to cheque images for than the traditional practice of enclosing cancelled cheques with customer statements.

The establishment of the ECACH will bring with it several changes and benefits, including the following:

- *Paper cheques will be converted to an electronic document and will be transferred electronically*
- *The transmission of the electronic cheque will occur more quickly and efficiently*
- *The need to move physical items will be eliminated.*
- *The more efficient system will result in reduced settlement time.*
- *Cheques between the participating islands will be cleared in the same timeframe as local cheques.*
- *Physical cheques will no longer be returned with monthly statements.*
- *Customers will have to ensure that sufficient funds are available on accounts to cover all cheques at the time cheques are written.*

Countries all around the world have already moved or are moving towards electronic forms of cheque processing and with this move by the commercial banks in the ECCU will ensure that the ECCU clearing system keeps pace with global trends.


Individuals and businesses wishing to get more information on the ECACH should contact their local bank for more details or visit the ECACH website at www.ecach.org.




COMPLIANT CHEQUE FEATURES

FRONT VIEW

STANDARD LAYOUT FOR PERSONAL SIZE CHEQUE – FRONT (not to scale)

YOUR NAME 123 ANY STREET YOUR TOWN, PROVINCE M4P 1V5		001 DATE M M D D Y Y Y Y
PAY TO THE ORDER OF _____		\$
YOUR FINANCIAL INSTITUTION 456 MAIN STREET YOUR TOWN, PROVINCE L1L 1L1		100 DOLLARS  Security features included. Details on back.
MEMO _____		MP
@001 123456789 123456789		

ALTERNATE LAYOUT FOR BUSINESS CHEQUE – FRONT (not to scale)

YOUR FINANCIAL INSTITUTION 456 MAIN STREET YOUR TOWN, PROVINCE A4B 4C5	YOUR COMPANY NAME 123 MAIN STREET YOUR TOWN, PROVINCE A1B 2C3	0001 DATE M M D D Y Y Y Y
PAY TO THE ORDER OF _____		\$
ABC COMPANY 875 MAIN STREET WEST YOUR TOWN, PROVINCE A4B 5C6	PER _____ PER _____	 Security features included.
@0001 123450000 1234567890		

BACK VIEW

1.5"	3.0"	3.0"
Endorse Here Do Not Write Stamp or Sign below This Line	Bank / Branch of First Deposit	Area of Endorsement
2.875"		
0.625"	MICR Clear Band	