

Uganda Bankers Automated Clearing House

CLEARING HOUSE RULES AND PROCEDURES

TABLE OF CONTENTS

1. INTRODUCTION	4
1.1. Purpose of the Rules and Procedures	4
1.2. Business of the Clearing house	4
1.3. Conventions Used	4
1.4. Definition of Terms, Abbreviations and Acronyms	4
2. MEMBERSHIP	8
2.1. Admission of New Members	8
2.2. Admission of Sub-members	8
2.3. Termination of Membership	8
3. ROLES AND RESPONSIBILITIES	10
3.1. Bank of Uganda	10
3.2. Member banks	10
3.3. Clearing house manager	11
3.4. Clearing House Committee	12
3.5. Frauds Committee	12
4. CLEARING HOUSE PROCEDURES	13
4.1. Overview of the Clearing Cycle	13
4.2. Daily Time-table for Automated Clearing	14
4.3. Failure to settle rules	14
4.4. Stamps and Endorsements	14
4.5. Delivery to the Clearing house	16
4.6. Netting and Settlement	18
4.7. Handling Dishonoured Transactions	19
5. SECURITY AND CONTINGENCY	21

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

5.1. Security	21
5.2. Contingency Arrangements	21
5.3. Retention Periods	22
6. FEES, FINES AND OTHER PENALTIES	23
6.1. Transaction Fees	23
6.2. Penalties	23
6.3. Clearing house Levied Fines	23
7. CONFLICT RESOLUTION	24
8. UPCOUNTRY CLEARING	25
9. AMENDMENTS TO THE RULES AND PROCEDURES	26
10. APPENDIX 1: BANK AND BRANCH SORT CODES	27
11. APPENDIX 2: TRANSACTION AND VOUCHER TYPE CODES	31
12. APPENDIX 3: RECORD TYPES	33
13. APPENDIX 4: MAGNETIC INK CHARACTER RECOGNITION (MICR) DOCUMENT STANDARDS	36

1. INTRODUCTION

1.1. Purpose of the Rules and Procedures

These Rules and Procedures shall govern the operations of the automated clearing house and shall be used by clearing banks in issuing, accepting and/or processing cheques and other payment instruments in the clearing process; and other matters incidental thereto

They shall be binding on all members of the clearing house.

1.2. Business of the Clearing house

The clearing house shall be a medium of exchange, presentation and settlement of non-cash payment instruments (cheques, drafts, credit clearance and similar payment orders and their electronic records) drawn on and payable to member banks, at par. The net inter-bank claims shall be settled in central bank money out of balances on members clearing accounts.

1.3. Conventions Used

Use of “Shall”, “Should” and “May”

The use of the words “shall”, and “should” within the Clearing house Rules and Procedures are in accordance with International Standards practice. The word “shall” indicates a mandatory requirement and “should” a preferential requirement. The use of the word “may” indicates an acceptable option

1.4. Definition of Terms, Abbreviations and Acronyms

ACH – Automated Clearing house

BCV - Batch Control Voucher

BoU – Bank of Uganda

CDV – Cheque Digit Verification

Clearing Bank

A Clearing bank is a bank represented at the clearing house for purposes of clearing payment instruments.

Clearing Centre

A Clearing Centre is a local clearing house where commercial banks in a given locality meet to transact clearing business.

Clearing Service Branch

The operational branch of a bank or group of banks, which prepares, presents to and accepts transactions from the clearing house.

Clearing Cycle

The timetable for processing Inter-bank payments from the day of presentation in the clearing house to the day a bank is paid.

Clearing house

This is the central location where the exchange of instruments and tabulation of settlement figures (netting) take place.

Code Line

This refers to a set of fields printed in the clear band area at the bottom of a cheque to facilitate automated data capture.

Collateral Requirements

This refers to nature and type of security that has to be pledged as a guarantee for settlement.

Collecting Bank or Branch

The bank or branch that receives payment instructions from a customer for collection from the paying bank

Discrepancy File

The file returned to the clearing service branch of the collecting bank containing details of cheques that appear in the Electronic Journal file whose corresponding physical cheques were not received by the clearing service branch of the paying bank.

Drawee Bank/Branch

The bank or branch of the bank of the customer who deposits a cheque for collection.

Drawee Clearing Service Branch

The Clearing service branch processing a cheque or instruction on behalf of the Drawee Bank/Branch.

ECS -Electronic Clearing System

Electronic record

The details of a debit (including cheques) or credit item in electronic form, that is sent to the clearing house for clearing.

EFT -Electronic Funds Transfer, the clearing file that contains electronic debits and credits, together with fines, commissions and charges_exchanged by banks in the clearing house

EJ - Electronic Journal, an electronic data file containing details of the cheques exchanged by banks in the clearing house.

Endorsement

The printing of information on the rear of the cheque or voucher.

FIS - Financial Institutions Statute

Free Cheque

A cheque for which there is no matching entry in the Electronic Journal.

Free and Matched Cheque

A cheque whose amount does not match with the corresponding electronic journal record.

Late availability

Is defined as lateness in delivery of electronic data and/or physical delivery of items that are being cleared.

Matched Electronic Journal Record

An electronic record in the electronic journal whose details match with the corresponding physical cheque

Matched Cheque

A cheque whose codeline details and amount match with the corresponding electronic journal record.

Missing (Electronic Journal) Record

An entry in the Electronic Journal for which a corresponding cheque has not been identified.

Missing and Matched Electronic Record

An electronic record in the electronic journal whose amount does not match with the corresponding physical cheque.

Multilateral Netting

Multilateral netting refers to an arrangement among three or more parties to off-set their net obligations for settlement purposes.

NCS - National Cheque Standard

Paying Bank (also referred to as Drawer's Bank)

A bank that has been ordered to effect a payment instruction.

Reason for Return Code

A code that indicates the reason for returning a payment as Unpaid or Unapplied.

Settlement

Settlement refers to the final and irrevocable discharge of an obligation of one bank in favour of another bank, in central bank money.

Settlement File

A file of totals (volume and value) of claims of one bank against each of the other banks.

Settlement Position File

A file of totals (volume and value) received by a bank from the clearing house.

SHV – Sort by Hand Voucher

Sponsored Bank

This is a bank whose items are forwarded to and received from the clearing house on its behalf by another bank.

TCV – Tray Control Voucher

Transaction Code -These are codes that indicate the nature of a transaction.

UBACH – Uganda Bankers Automated Clearing House

UCV – Unpaid Advice Control Voucher

UGX – The symbol for Uganda Shillings

Voucher

Voucher in this document refers to tray, batch and unpaid control vouchers

Wrongly Delivered Cheque

A cheque wrongly delivered to a clearing service branch other than the intended one.

2. MEMBERSHIP

Membership of the clearing house is open to all commercial banks licensed by Bank of Uganda, to carry on the business of banking in Uganda under the Financial Institutions Statute, 1993 and subsequent amendments thereto.

2.1. Admission of New Members

A bank seeking admission to the clearing house shall apply to the Chairman, Uganda Bankers Association (UBA). The application shall then be reviewed and approved by the Uganda Bankers Association on the recommendation of the Clearing House Committee.

2.2. Admission of Sub-members

A financial institution may wish to apply for sub-membership of the clearing house if it is licensed by Bank of Uganda, to carry on the business of banking in Uganda under the Financial Institutions Statute, 1993.

A sub-member shall be:

1. A financial institution that does not hold a settlement account with Bank of Uganda.
2. A bank that has recently been granted a banking licence but is not yet in a position to become a full member.
3. A bank that chooses so.

Every applicant for sub-membership shall be proposed by a member, that shall also act as a sponsor for that bank i.e. clearing items on its behalf. The application for sub-membership and termination thereof shall go through the prescribed stages for accepting a new member.

All the liabilities and risks of a sub-member participating in the clearing house shall be borne by the sponsoring bank.

2.3. Termination of Membership

Membership to the house shall terminate in any of the following circumstances:

2.3.1. Withdrawal of membership

A member may withdraw from the clearing house at any time on giving notice of not less than 28 days to the clearing house and Bank of

Uganda. Such notice should clearly state the reason for withdrawal and alternative arrangements for items in transit.

2.3.2. Revocation of banking licence

Membership shall cease if the central bank revokes the licence of the member.

2.3.3. Seizure by the central bank

Membership shall cease if the central bank takes possession of the financial institution in accordance with the Financial Institutions Statute (1993).

2.3.4. Wilful and persistent misconduct

The management of the clearing house shall recommend to the clearing house committee termination of membership if there are persistent and wilful acts that cause disruption of the smooth functioning of the clearing house.

2.3.5. Failure to meet minimum collateral requirements

Membership shall cease if a bank fails to meet its minimum collateral requirements for two consecutive days after being advised thereof.

3. ROLES AND RESPONSIBILITIES

The roles and responsibilities defined in these rules and procedures are those that directly relate to the operations of the clearing house.

3.1. Bank of Uganda

The Bank of Uganda shall:

- 3.1.1. Be responsible for appointing the Clearing house manager
- 3.1.2. Be responsible for software upgrades, system maintenance, replacement of hardware and software for the ECS in the clearing house
- 3.1.3. Be the settlement agent

3.2. Member banks

Members of the clearing house shall:

- 3.2.1. Deliver diskettes and clearing instruments for exchange at the specified times.
- 3.2.2. Ensure that diskettes used are readable, free from viruses and are kept properly.
- 3.2.3. Accept clearing instruments and their associated electronic files from other members.
- 3.2.4. Collect, clear and pay instruments within the stipulated period.
- 3.2.5. Ensure the correctness of the instruments when presenting to the paying bank.
- 3.2.6. Ensure that information about wrongly cleared items is sent to the presenting bank at or before the next clearing session so that settlement is not presumed in the normal course of business.
- 3.2.7. Advise the other members on the branches whose payment instruments are to be included in the clearing.
- 3.2.8. Ensure that they have adequate funds to meet their settlement obligations
- 3.2.9. Ensure that their clearing system software and hardware accommodates all the defined functionality, is adequately maintained and has reliable business continuity plans.
- 3.2.10. Abide by the rules and regulations at all times.

3.3. Clearing house manager

The Clearing house manager shall:

- 3.3.1. Be responsible for the day to day supervision and smooth operation of the clearing house
- 3.3.2. Be responsible for importing clearing account balances from, and exporting settlement positions to the BoU accounting system.
- 3.3.3. Ensure that the clearing house and its computer systems are adequately secured.
- 3.3.4. Ensure that the premises for clearing are accessible and usable during clearing house business hours.
- 3.3.5. Be an ex-officio member of the clearing house and frauds committees.

3.4. Clearing House Committee

The clearing house committee shall:

- 3.4.1. Be a technical committee advising the UBA on clearing house operations.
- 3.4.2. Be constituted by nominees, of officials from member banks, who can take decisions on behalf of their banks.
- 3.4.3. Elect a chairperson and a secretary from among themselves who will be responsible for convening meetings.
- 3.4.4. Elect the chairperson and secretary annually.
- 3.4.5. Formulate, review and propose amendments to the clearing house rules and procedures.
- 3.4.6. Make recommendations for improvement of the clearing processes.
- 3.4.7. Represent the interests of their organisations at the clearing house.

3.5. Frauds Committee

The frauds committee shall:

- 3.5.1. Be a technical committee advising the UBA on ways of preventing and managing fraud.
- 3.5.2. Be constituted by nominees from all member banks
- 3.5.3. Elect a chairperson and a secretary from among themselves who will be responsible for convening meetings.
- 3.5.4. Elect the chairperson and secretary annually.
- 3.5.5. Study the nature, frequency and level of success of attempted frauds through the clearing house.
- 3.5.6. Propose ways of mitigating clearing house fraud.

4. CLEARING HOUSE PROCEDURES

4.1. Overview of the Clearing Cycle

Day 1:

- 4.1.1. Banks present their payment instructions for exchange and netting the clearing house.
- 4.1.2. Settlement balances are posted to commercial bank accounts held at Bank of Uganda.

Day 2:

- 4.1.3. In house processing of cheques and payment records at the banks.
- 4.1.4. Discrepancy Files and unpaid instruments and their associated files are exchanged at the clearing house.

Day 3:

4.1.5. Last day for exchange of unpaid cheques and their associated electronic files at the clearing house.

4.2. Daily Time-table for Automated Clearing

10.00	Clearing house opens for Banks to deposit their data files or send them over telecommunication lines.
10.15	Cut off time for receiving diskettes and telecom files. Reading and Processing of the clearing files starts.
10.45	Clearing house receives commercial bank balances.
10.50	Clearing house finalises processing and banks are given their settlement position certificates.
11.00	The clearing house closes the day's business if all banks have sufficient funds to meet their clearing obligations. If any bank is unable to settle, then failure to settle rules will be invoked.

4.3. Failure to settle rules

To be included after they have been exhaustively discussed and agreed.

4.4. Stamps and Endorsements

4.4.1. Stamps

All cheques and other documents that have passed through the clearing house shall bear a clearing stamp affixed by the collecting bank on the unrestrained area of the cheque.

The stamp may be any shape, but shall fit into a rectangle not exceeding 40 mm by 25 mm. The following details must be clearly visible after stamping:-

Bank name
Branch Name
Date (DD MM YY)
Description e.g. "CLEARING".

4.4.2. Processing Endorsements (Optional)

Where automated endorsements are applied it may not be possible to position or fit them within the second quarter reserved for collecting bank endorsements documented in the National Cheque Standard. Therefore automated endorsements may be applied across Zones 1 to 3. However, the following rules shall apply:

Processing Endorsements by the Collecting Bank

- Shall be printed **ABOVE** an imaginary horizontal line 50mm from the bottom edge of the voucher.
- Shall be up to 40 characters in length including spaces with the following details - Bank Code, Processing number, Processing Date and Reason for Return Code

Example: XX 123456789 ddmmyy ZZ

Where:

XX - The two digit bank code of the Clearing Service Branch endorsing the cheque.

123456789 - Processing number consisting of nine numeric digits set by the Clearing Service branch creating the endorsement. The Processing number shall also be included in the Electronic Journal record for the cheque by the Collecting Clearing service branch.

DD/MM/YY = Clearing Centre Processing date

ZZ - Reason for Return Code, 00 for the first presentation of cheque, 17 for a cheque being represented, or the reason for return provided for in these rules and procedures.

Processing Endorsement by the Paying Bank

- Shall be printed **BELOW** an imaginary horizontal line 50mm from the bottom edge of the voucher.

- Shall be up to 40 characters in length including spaces with details as required by the Paying Bank.

Further details may be included on lines below the fixed detail. Clearing service branches may include any additional detail they believe appropriate in the remaining space.

4.5. Delivery to the Clearing house

4.5.1. Place for conducting the clearing house business

Exchange of payment instruments and their associated electronic files, shall take place at the Bank of Uganda premises, 34/37 Kampala Road. However the clearing house committee may, with approval of UBA and BoU change location if deemed necessary.

Clearing banks may also make bilateral exchanges of payment instruments provided that the settlement figures realised shall be included in the settlement files exchanged at the next clearing session.

4.5.2. Representation at the clearing house

Each member bank shall be represented at the clearing house by one or two representative(s) who shall deliver and receive the documents and electronic files to be cleared.

The bank shall send the full names, designation and specimen signatures of their representatives to the clearing house. The clearing house shall reserve the right to confirm the authenticity of the representative.

Members shall take full responsibility for the action of their representatives such as delay in arriving at the clearing house.

The member bank representatives shall abide by these rules and regulations and refrain from any activity that will disrupt the clearing.

4.5.3. Delivery/Collection Times and Frequency (Refer to 4.2 above)

There shall be one clearing session on each business day. In this clearing, settlement files shall be presented to the clearing house not later than 10.15 a.m.

4.5.4. Presentation of items at the clearing house

Physical payment instruments

All the physical payment instruments shall be presented at the clearing house in batches. Control vouchers shall separate the batches as follows:

1. *Tray Control Voucher (TCV)*

A TCV shall be placed in front of a maximum of every 1,000 cheques of a one type e.g first presentation, unpaids and sort by hand being presented to a clearing service branch.

2. *Batch Control Voucher (BCV)*

The BCV shall be inserted after every 100 cheques within a batch contained in the TCV. It will show the totals of that batch of cheques being presented for payment.

3. *Unpaids Control Voucher (UCV)*

The UCV shall be inserted after every 100 cheques within a batch contained in the TCV. It will show the totals of that batch of cheques being returned Unpaid. The unpaid cheques shall be presented in a different envelope from other cheques.

4. *Sort by Hand Voucher (SHV)*

The SHV shall be inserted after every 100 cheques. It will show the totals of that batch of cheques being presented for payment, which the collecting centre considers unsuitable for automated handling because they are mutilated, without a codeline or the codeline is faulty.

The sort by hand cheques shall be presented in a separate envelope clearly marked sort by hand.

The code-line of control vouchers shall be encoded with the sort code and transaction code. The amount shall be printed or hand-written in the amount area. (Details of the control vouchers are shown in appendix 4)

Electronic Payment Data

Each Clearing service branch shall provide:

1. Electronic journal files – detailing all the cheques, arranged in the same order as the physical batches.
2. Electronic funds transfer files – detailing the credit transfers and direct debits being exchanged by banks

3. Discrepancy files - detailing the discrepancies of reconciling the physical instruments received against the associated electronic records.
4. Settlement files - showing summary details for the payments transferred to each of the other banks for a particular session and currency.

These files shall be sent to the clearing house either on diskette or over telecommunications lines.

4.5.5. Securing items destined to the clearing house

Lockable briefcases

To ensure safety and keep cheques in good condition, brief cases should be used to deliver cheques being exchanged.

Diskette Containers/Envelopes

Diskettes used for exchange of electronic files shall be presented in either sealed containers or envelopes to the clearing house.

Each diskette being exchanged shall be clearly labelled with the presenting bank's name and bank code.

Digital Security

All the electronic files to and from the clearing house shall be secured by an electronic file authentication system supplied by the clearing house.

4.6. Netting and Settlement

4.6.1. Multilateral Netting

The Electronic Clearing System (ECS) shall receive the settlement files from all the banks and execute multilateral netting, from which net obligations for each bank will be derived.

Multilateral netting shall be performed at every clearing session.

4.6.2. Settlement

The net balances derived from the multilateral netting process shall be exported to the BoU accounting system where settlement will be

effected by posting the net figures into the respective commercial bank clearing accounts.

Settlement will only be possible if there is sufficient balance in the clearing account. At no point should a clearing account be overdrawn.

4.7. Handling Dishonoured Transactions

4.7.1. Unpaid Instruments

Instruments can be dishonoured for any of the reasons listed on appendix 3. Such instruments shall be returned through the clearing house with the reason for return code endorsed or clearly written on the rear of the cheque.

The electronic records of the unpaid instruments shall contain all the details of the instrument in the original record, with an amendment on the reason code.

However, if a payment instrument has been unpaid because of suspected fraud or criminal activity, it may not be returned; only a photocopy may be provided.

The last day of return of all unpaid instruments shall be day 3, however, they could be returned earlier than that.

4.7.2. Number of times an unpaid instrument can be presented through the clearing house.

An unpaid instrument shall only be presented through the clearing house once. If the same instrument is unpaid again, it should be sent on collection basis.

4.7.3. Discrepancies

The discrepancies shall be sent in an electronic file, which shall include:

1. Free items (i.e. physical items for which a corresponding entry in the Electronic Journal has not been identified)
2. Missing items (i.e. items in the Electronic Journal for which a physical item has not been identified)

3. Matched items where only the value differs. (i.e. items where the details on the physical instrument correspond with those in the Electronic Journal record with the exception of the value).
4. Differences between the Settlement totals provided by the clearing house and the total of the payments records in the exchanged files.

4.7.4. Missing/Lost Instruments

Where an instrument is missing before it has been applied/posted, the paying bank shall inform the collecting bank to place a temporary **STOP PAYMENT** on the instrument.

The paying bank will also request for the details of the drawer (i.e. name and account number), and contact him/her to confirm that he/she issued the instruction. The bank can then take appropriate action basing on the response of the drawer.

If the cheque is subsequently found, then it shall be sent through the normal process with an appropriate reason code (15).

5. SECURITY AND CONTINGENCY

5.1. Security

All banks shall ensure that the strictest security and tested contingency arrangements are in place.

The following basic rules shall apply:-

- 5.1.1. Access to the clearing house and individual Clearing banks "clearing operations areas" shall only be by authorised personnel.
- 5.1.2. Maintenance of software and hardware, modification of parameters, and installation of replacement software shall be under dual control. Each Clearing bank shall maintain a diary (audit trail) of changes made.
- 5.1.3. Checks to ensure the integrity of diskettes being exchanged shall be put in place
- 5.1.4. Checks to ensure that diskettes received and sent are free of all known viruses shall be put in place.
- 5.1.5. All files for exchange between banks shall be protected using a File Authentication System (FAS).

5.2. Contingency Arrangements

5.2.1. Delays

Any member bank of the clearing house which anticipates that it will delay to appear at the clearing house for any reason, shall promptly inform the Clearing house manager of such delay.

The clearing house will proceed without the late bank, but they shall be obliged to come and collect their inward files although they shall not present their outward files.

If a member fails to show up completely, the clearing house manager shall send to the concerned bank their inward files, within one hour of the closure of the clearing house business.

5.2.2. Business Continuity Plan

Each clearing bank shall ensure business continuity (which should be documented) in the event of disasters e.g. fire, floods.

The clearing banks shall notify the clearing house of these arrangements

5.2.3. Loss of data in the Clearing house

The clearing house shall set up and ensure the functional soundness of an offsite back-up facility.

5.3. Retention Periods

5.3.1. Exchange Files sent to the clearing house and Settlement Files sent to the Bank of Uganda.

Clearing banks shall retain for a minimum of 10 years copies of all files passed and received from the Clearing house. Copies of files may be used for the resolution of differences.

5.3.2. Retention of Cheques and Control Vouchers

Customers and collecting banks are entitled to request, and receive evidence of a payment transfer at any time up to ten years after the transaction. Therefore Clearing banks shall retain audited copies or the actual instrument for 10 years.

Control vouchers may be destroyed after the day's work has been processed and any differences resolved.

6. FEES, FINES AND OTHER PENALTIES

6.1. Transaction Fees

The clearing house committee shall from time to time recommend transaction fees. These recommendations shall be reviewed and approved by Uganda Bankers association.

6.2. Penalties

6.2.1. A bank that presents corrupt data shall be required to produce proper data within the time for receiving files, otherwise they will only be able to receive their inward from the clearing house.

6.2.2. Data that is presented late shall not be processed, however, the concerned bank shall receive their inward files from the clearing house

6.3. Clearing house Levied Fines

6.3.1. Virus Infection

A clearing bank shall be charged UGX 1,000,000/- for presenting a diskette with a virus to the clearing house.

6.3.2. Unsigned files

A clearing bank shall be charged UGX 250,000/- for presenting unsigned files per session.

7. CONFLICT RESOLUTION

If there is a conflict between any of the members of the clearing house, they shall follow the following guidelines:

1. Report the problem to the Clearing house manager in writing clearly explaining the nature of the problem, the time of occurrence and the rules and procedures that may have been breached.
2. The Clearing house manager will convene a meeting of the conflicting parties and discuss the problem with a view to arriving at an amicable solution.
3. If an agreement cannot be reached, the Clearing house manager will refer the matter to the clearing house committee.
4. If after the clearing house committee, a member is still not satisfied, the member may appeal to the UBA.
5. Where a member is not satisfied with the ruling of the UBA, the member shall have recourse to the legal systems.

8. UPCOUNTRY CLEARING

Before the electronic clearing system covers the whole country, the current rules relating to upcountry clearing will continue to operate

9. AMENDMENTS TO THE RULES AND PROCEDURES

Steps

1. These Rules and Procedures may be amended at any time.
2. Any member bank proposing an amendment shall write to the Clearing house manager who shall, in liaison with the Chairman of the clearing house committee cause an extra ordinary meeting to be held to debate on the proposal. The proposal shall clearly state the nature of the proposed amendment and reasons thereto and must be copied to all the other clearing banks.
3. The extraordinary meeting shall be convened not later than four weeks from the date of the communication proposing the amendment.
4. By a 2/3 majority vote of all voting members present any rule or procedure contained herein shall be amended.

APPENDICES**10. Appendix 1: BANK AND BRANCH SORT CODES**

	BANK BRANCH	SORT CODE
	Barclays Bank – Luwum Street	01-28-47
	- Kampala Road	01-34-47
	- Head Office	01-38-47
	Bank of Baroda – Kampala Main Branch	02-01-47
	- Railway Station Branch	02-02-47
	- Jinja Branch	02-01-41
	- Iganga Branch	02-02-41
	- Mbale Branch	02-01-42
	- Mbarara Branch	02-01-62
	Stanbic Bank	04-01-47
	- IPS Branch	04-04-47
	DFCU Bank – Head Office	05-01-47
	- William Street Branch	05-02-47
	- Luwero Branch	05-04-47
	- Masaka Branch	05-05-34
	Tropical Africa Bank – Kampala Branch	06-01-47
	- Jinja Branch	06-02-41
	- Masaka Branch	06-03-34
	Nile Bank - Jinja Road Branch	07-07-47
	- Kampala Road Branch	07-17-47
	- Mbarara Branch	07-27-62
	Standard Chartered Bank	
	- Kampala Head Office	08-01-47
	- Kampala Speke Road Branch	08-02-47
	- Kampala City Branch	08-03-47
	- Mbale Branch	08-04-42
	- Mbarara Branch	08-05-62

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

	- Jinja Branch	08-06-41
	Uganda Commercial Bank Ltd	
	- International Division	10-67-47
	- Chief Accountant	10-85-47
	- Corporate Branch	10-84-47
	- City Branch	10-83-47
	- Entebbe Airport	10-80-47
	- Entebbe Main Branch	10-79-47
	- Jinja Road Branch	10-76-47
	- Inland Revenue Branch	10-65-47
	- Katwe Branch	10-75-47
	- Makerere University Branch	10-70-47
	- Mukono Branch	10-69-47
	- Mulago Branch	10-68-47
	- Kawempe Branch	10-74-47
	- Kireka Branch	10-73-47
	- Kyambogo Branch	10-88-47
	- Nkrumah Road Branch	10-64-47
	- Wandegeya Branch	10-62-47
	- Town Hall Branch	10-63-47
	- Kalangala Branch	10-61-34
	- Kyotera Branch	10-60-37
	- Luwero Branch	10-59-47
	- Masaka Branch	10-58-34
	- Mityana Branch	10-57-47
	- Mpigi Branch	10-56-47
	- Mubende Branch	10-55-47
	- Nakivubo Branch	10-01-47
	- Nakawa Branch	10-90-47
	- Lugazi Branch	10-48-47
	- Kiboga Branch	10-04-47

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

- Bwamiramira Branch	10-10-47
- Jinja Main Branch	10-52-41
- Iganga Branch	10-53-41
- Kamuli Branch	10-50-41
- Busia Branch	10-47-42
- Kapchorwa Branch	10-46-42
- Kotido Branch	10-45-42
- Kumi Branch	10-44-42
- Malaba Branch	10-43-42
- Mbale Branch	10-41-42
- Moroto Branch	10-40-42
- Pallisa Branch	10-39-42
- Soroti Branch	10-38-42
- Tororo Branch	10-37-42
- Bushenyi Branch	10-35-62
- Ibanda Branch	10-34-62
- Ishaka Branch	10-33-62
- Kabale Branch	10-32-61
- Kabwohe Branch	10-31-62
- Kihhi Branch	10-30-61
- Kisoro Branch	10-29-61
- Lyantonde Branch	10-28-62
- Mbarara Branch	10-27-62
- Ntungamo Branch	10-26-62
- Rukungiri Branch	10-25-61
- Budibugyo Branch	10-11-60
- Fortportal Branch	10-08-60
- Kasese Branch	10-05-60
- Apac Branch	10-21-55
- Arua Branch	10-20-54
- Adumani Branch	10-22-54

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

	<ul style="list-style-type: none"> - Gulu Branch - Kitgum Branch - Lira Branch - Moyo Branch - Nebbi Branch - Masindi Branch - Hoima Branch - Pakwach Branch 	<p>10-19-55</p> <p>10-18-55</p> <p>10-16-55</p> <p>10-15-54</p> <p>10-14-54</p> <p>10-02-55</p> <p>10-07-55</p> <p>10-12-55</p>
	<p>Orient Bank - Main Branch</p> <ul style="list-style-type: none"> - Jinja Branch - Savings Branch - Nkrumah Branch - William Street Branch - Entebbe Town Branch - Entebbe Airport Branch 	<p>11-01-47</p> <p>11-02-41</p> <p>11-03-47</p> <p>11-04-47</p> <p>11-05-47</p> <p>11-06-47</p> <p>11-07-47</p>
	<p>Allied Bank - Head Office</p> <ul style="list-style-type: none"> - 24 Jinja Road Branch - Equatoria Branch - Jinja Branch 	<p>13-04-47</p> <p>13-01-47</p> <p>13-02-47</p> <p>13-03-41</p>
	<p>National Bank of Commerce</p> <ul style="list-style-type: none"> - Kampala Branch - Kabale Branch 	<p>15-01-47</p> <p>15-01-61</p>
	<p>Centenary Rural Development Bank</p> <ul style="list-style-type: none"> - Entebbe Road Branch - Namirembe Road - Mityana Branch - Fortportal Branch - Kasese Branch - Masaka Branch - Kyotera Branch - Mbarara Branch 	<p>16-30-47</p> <p>16-25-47</p> <p>16-90-47</p> <p>16-55-60</p> <p>16-15-60</p> <p>16-40-34</p> <p>16-60-34</p> <p>16-50-62</p>

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

	- Kabale Branch	16-70-61
	- Soroti Branch	16-45-42
	- Lira Branch	16-10-55
	- Mbale Branch	16-31-42
	- Arua Branch	16-20-54
	- Hoima Branch	16-80-47
	- Wobulenzi Branch	16-35-47
	- Gulu Branch	16-75-55
	- Ishaka Branch	16-65-62
	- Head Office Branch	16-85-47
	Crane Bank - Kampala Branch	17-01-47
	- Jinja Branch	17-01-41
	Cairo International Bank	18-01-47
	Diamond Trust Bank	19-01-47
	Citi Bank	22-01-47
	Bank of Uganda - Kampala Road	99-01-47

11. Appendix 2: TRANSACTION AND VOUCHER TYPE CODES

TRANSACTION AND VOUCHER TYPE	CODE
Non-MICR Cheques	03
Savings Account Cheque	10
Current Account Cheque	11
Bank Draft	12
Travellers Cheque	13
Treasury Bill Cheque	14
Government Cheque	15
Bankers Cheque	16
Gift Cheque	17
Interest/Dividend Warrant	18
Certificate of Deposit	19
Money Order	20
Promissory Note	21
Other Future Debit Instruments	22-33
Inter-bank fine - clearing house generated	34

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

TRANSACTION AND VOUCHER TYPE	CODE
Other future debit instruments	35-39
Direct Debit	40
Banks internal debit instruments	41-50
Counter Credit - Cheques only	50
Counter Credit - cash only	51
Counter credit - Cheques and cash	52
Reserved for future use	53-58
Direct Credit	59
Reserved for Future use	60-69
Tray Control Voucher	70
Batch Control Voucher	71
Unpaid Control Voucher	72
Sort by Hand control Voucher	73
Totals Record (for EFT use only)	75
Reserved for future use	74-79

12. Appendix 3: RECORD TYPES

The table below shows record types/ and reason for return codes used by ECS to identify records. Note that these are different from the Voucher Type codes in appendix 2.

CODE	INTERPRETATION
	<i>Processing and Record Type Codes</i>
00	Transaction first Presented
01	Special Clearance Cheque being presented
02	Missing matched
03	Free matched
04	Missing unmatched
05	Free unmatched
06	Cheque Settlement Record - Automated Clearing
07	Electronic Funds Transfer - Debits Settlement Record
08	Electronic Funds Transfer - Credits Settlement Record
09	Cheques Settlement Record - Manual Clearing
10	Wrongly Delivered
11	Document Mutilated because of staples, pins, clips etc.
12	Mutilated Cheque
13	Mutilated Cheque requires bank's confirmation
14	Cheque previously advised as missing - returned Unpaid
15	Cheque previously advised as missing - found at Clearing service branch
16	Control Voucher Record
17	Cheque being re-presented
18	Header Record

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

CODE	INTERPRETATION
19	Trailer Record
20	Time Barred
21	Cheque Defaced
22	Unapplied and Unpaid Electronic Funds Transfer separator
23 - 29	<i>Reserved for future use</i>
	<i>Unpaid/Unapplied Codes</i>
30	Cheque Unpaid and retained because of suspected Criminal Activity
31	Date expired - Cheque stale
32	Post-dated
33	Date Irregular
34	Date Required
35 & 36	<i>Reserved for future use</i>
37	Payee Name Incomplete
38	Payee's name Irregular
39	<i>Reserved for future use</i>
40	Amount in Words and figures differ
41	Amount in words required
42	Amount in figures required
43	Amount in figures irregular (or incomplete)
44 - 46	<i>Reserved for future use</i>
47	Banks Crossing Stamp Required
48	Cheques crossed to two banks
49	Crossing Irregular
50	Endorsement requires bank's confirmation
51	Drawer's endorsement Required
52	Bank Endorsement Required
53	Drawers Signature Differs from Specimen held

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

CODE	INTERPRETATION
54	Drawer Signature Required
55	Not signed in accordance with mandate held
56	Endorsement Irregular
57	Alteration, requires drawers signature
58	Payee name required
59	Cheque Written In Pencil
60	Particulars of the cheque differ from the schedule
61	<i>Reserved for future use</i>
62	Effects not cleared
63	Insufficient funds - Refer to Drawer
64 - 68	<i>Reserved for future use</i>
69	Invalid Account Number
70	Title of account irregular
71	<i>Reserved for future use</i>
72	Account Transferred
73	Customer Deceased
74	Account Closed
75	Title of Account Required
76	<i>Reserved for future use</i>
77	Frozen Account
78	<i>Reserved for future use</i>
79	Payment stopped by the drawer
80	Payment Stopped - Confirmation Awaited
81	No mandate to accept EFT transaction
82	Unable to clear (only when bank is closed and/or locked out of the clearing order)
83 - 85	<i>Reserved for future use</i>
86	Mutilated Vouchers not in sort by hand

CODE	INTERPRETATION
87	Invalid account data in EFT
88	Reserved for future use
89	Invalid Account details in code-line or no code-line fine
90	Inter-bank Remittance Commission
91	Standard charge
92	Exception charge
93	Unpaid/Unapplied charge
94	Totals Error fine
95	Wrong Stamp fine
96	Oversize cheque not in Sort-by-Hand fine
97	Missing and Free fine
98	Amount Error Fine
99	Clearing house Fine

13. Appendix 4: Magnetic Ink Character Recognition (MICR) Document Standards

Cheque Dimensions:

Type of Cheque	Length	Width
Personal	6 ½ Inches (165 mm) - 7 inches (178 mm)	2 7/8 Inches (73 mm) - 3 inches (76 mm)
Corporate	8 Inches (203 mm)	4 Inches (101.6 mm)

Baseline Position of Restraint Area Items:

(As Measured from the Bottom Reference Edge for Personal Cheques)

Field	Personal Cheque	Corporate Cheque (Upper Limits)

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

Sorting Code	2 ⁵ / ₈ inches (67 mm)	3 inches (76 mm)
Transaction Code	2 ⁵ / ₈ inches (67 mm)	3 inches (76 mm)
Account Number	2 ³ / ₈ inches (60 mm)	2 ¾ inches (70 mm)
Serial Number	2 ³ / ₈ inches (60 mm)	2 ¾ inches (70 mm)
Date	2 ¹ / ₈ inches (54 mm)	2 ½ inches (63.5 mm)
Amount Box	1 ³ / ₈ inches (35 mm)	1 ¾ inches (44 mm)

Currency Symbol (Mandatory)

The Symbol of Uganda Currency, the Shilling, shall be UGX, which is identical to the one used in the International Standards Organisation (ISO).

It shall be positioned to the left of and outside the amount box and centred vertically. It shall be printed in black and shall conform to the OCR-B character style with a height of 4 mm.

Codeline Structure and Sequencing:

The sequencing of the codeline fields, starting from the right hand edge of the cheque/voucher, shall be:

Amount (including two decimal places)	12
Transaction Code	2
Account Number	10
Sort Code	6 (2-2-2)
Check Digit (Modulus 11)	2
Serial/ Reference/ Cheque Number	6

Properties of Cheque Paper

Item	Specification	Relevant Standard
Grammage	95.0 g/m² (+.5%)	BS 3432: 1980 (ISO 536)
Thickness	Minimum 105 Micrometers Maximum 130 Micrometers	BS 3983: 1989 (ISO 534)
Bendsten Roughness for both surfaces	150 ml/min	BS 4420: 1990

CLEARING HOUSE RULES AND PROCEDURES FOR AUTOMATED CLEARING

for both surfaces		(ISO 8791-2)
Stiffness	Machine Direction (MD) - Min 7.9 mN Cross Direction (CD) - Min 3.1 mN	BS 3748: 1992 (ISO 2493)
Porosity Permeance Bendsten)	(Air / Maximum 450 ml/min	BS 6538-2: 1992 (ISO 5636/3)