



What Is Positive Pay System (PPS)? RBI's Cheque Truncation Electronic System

Issuing high-value cheques just got a lot safer. Effective from January 1st 2021, the RBI has introduced an electronic authentication system called Positive Pay that will allow you share the cheque details with your bank before the bank processes it. This additional security layer is meant to address the rising instances of cheque fraud that have made headlines throughout the past year. As reported by the RBI, the total volume of fraud transactions in India was pegged at Rs. 64,681 crores between April and September 2020 with forged or counterfeit cheques accounting a significant share. So, as perpetrators' methods for counterfeiting cheques turn more sophisticated with each passing day, the launch of Positive Pay is definitely a shot in the arm for banks.

How does Positive Pay work?

According to the RBI, while most retail consumers prefer to use electronic alternatives such as NEFT and RTGS, cheques are still a popular option now. Before you issue a cheque, you need to share cheque details like name of the payee, issue date, and amount and send it to your bank via email. When the cheque is presented to the bank for payment via CTS Clearing, the bank will compare the instrument details received against the details you send. In case of any mismatch, the bank may review it for suitable action.

Key facts to know about The Meghalaya Co-operative Apex Bank Positive Pay

The Meghalaya Co-operative Apex Bank is fully aware of the risk posed by cheque fraud. Hence, we have put into place a robust process that is fully compliant with RBI guidelines. However, not all cheques will need to undergo verification via Positive Pay. We recommend this process for cheques with a value of Rs 50,000 and above.

Positive Pay For Cheque Truncation System

All You Need To Know

Positive Pay:

To provide customers safety in cheque payments and reduce instances of fraud occurring on account of tampering of cheque leaves, MCAB introduces a mechanism of Positive Pay for all cheques of value 50,000 and above. Through Positive Pay, cheques will be processed for payment by the drawee bank based on information passed on by its customer at the time of issuance of cheque.

You need to share the following details of the issued cheque at least 24 working hours before the cheque is presented in clearing.

When the payee submits the cheque for realisation via CTS clearing, details (beneficiary name, account no. /cheque no. and cheque amount) will be validated which have been provided to the Bank through Positive Pay.

Disclaimer:

MCAB will be providing services of Positive Pay as long as the said access is provided to the Bank by NPCI.

Customers need to ensure that the data submitted is accurate and void of any mistakes / errors since the bank will validate the cheque issuance basis the data submitted.

Positive Pay is an additional risk mitigation measure and is not a mandatory requirement for instrument processing.

Please note the following for Positive Pay System for CTS:

Step 1: Issuer of cheque (drawer) on writing the cheque, must submit the below specific details of the cheque:

- Cheque Number
- Cheque Date – (Cheque issue date)
- Account Number (Customer’s account number)
- MICR Code. **MICR** code is a code printed on Cheques using MICR (**Magnetic Ink Character Recognition technology**). This enables identification of the Cheques and which in turns means faster processing. An MICR code is a 9-digit code that uniquely identifies the bank and branch participating in an Electronic Clearing System (ECS). Example of the Bank’s MICR Code is “793618XXX”. The code can be found at the bottom of the Cheque.
- Cheque Amount – (The amount should not be comma separated)
- Beneficiary Name – (Beneficiary of the cheque issued by account holder)

Note: This service is applicable only for cheque received under CTS clearing of Rs. 50,000/- and above.

- Please ensure to provide payee (beneficiary) name details, in the exact same manner as it has been captured on cheque issued.
- No special characters will be allowed in the payee name other than a-z, A-Z,0-9,_(underscore), blank space,(apostrophe), comma, full stop.

Here's how you can submit your Positive Pay request via Bank's website-"www.megcab.com":

Step 1 - Login to www.megcab.com

Step 2 - Go to 'Positive Pay' in the Menu Bar

Step 3 - Positive Pay portal will open, here enter your Registered Mobile Number

Step 4 - Click on Submit. System will send OTP, enter OTP then submit again.

Step 5 - Click on 'New Cheque' for entering Cheque details

Step 6 - Enter Cheque Details as follows:

- a) Input Cheque Number (6 digits),
- b) Select the date of the instrument,

- c) Input Account Number,
- d) Input MICR Code.
- e) Input Transaction Code. This Transaction Code can be found at the bottom right part of the Cheque.
- f) Input Cheque Amount. Input the amount in Numeric only without any special characters such as comma or full-stop (minimum amount of Rs. 50,000/- and above)
- g) Input Payee (Beneficiary) Name: (max of 50 characters),
- h) Upload Front Cheque Image (Optional)
- i) Upload Back Cheque Image (Optional)

Do not make any changes to the physical Cheque after uploading is finished

Click on "Save" to submit.

Note: In case of any exceptions/error in data entry, the system will not allow the customer to submit the data.

Important instructions to be followed before submitting your Positive Pay request via MCAB Website www.megcab.com:

- Cheque Number should be of 6 digits only
- Cheque date format "8" digit = DDMMYYYY
- Amount should NOT be comma separated, only numeric values must be shared
- No other special characters will be allowed in the payee name other than a-z, A-Z, 0-9, _(underscore), blank space, '(apostrophe), comma, full stop
- Customers are advised to submit data only in English language
- Please ensure to provide payee (beneficiary) name details, in the exact same manner as it has been captured on Cheque issued.
- **Note:** This service is applicable only for Cheque received under CTS clearing of Rs. 50,000/- and above.

You need to share the above details of the issued Cheque at least 24 working hours before the Cheque is presented in clearing.

When the payee submits the Cheque for realisation via CTS clearing, details (account no. /Cheque no. and Cheque amount) will be validated which have been provided to the Bank through Positive Pay.

- **Disclaimer:**

MCAB will be providing services of Positive Pay as long as the said access is provided to the Bank by NPCI. Customers need to ensure that the data submitted is accurate and void of any mistakes / errors since the bank will validate the Cheque issuance basis the data submitted. Positive Pay is an additional risk mitigation measure and is not a mandatory requirement for instrument processing.

Stay Secure. Always.