

# CENTRAL BANK OF THE GAMBIA



## PRESS RELEASE

JULY 5, 2012

### CESSATION OF MANUAL CLEARING HOUSE AND OF NON-MICR CHEQUES

#### DIRECTIVE Ref: CBG/GOV - 01/2012

In 2010, the Central Bank of The Gambia (CBG) embarked on the modernization of the Country's payments, clearing and settlement system infrastructure. This initiative provides an efficient payment system which reduces the time taken to clear inter-bank transactions and eliminates or significantly minimizes settlement risk associated with payments in the banking system. One of the systems, the Automated Cheque Processing and Automated Clearing House (ACP/ACH), was successfully launched on December 5, 2011 and effectively replaces the Manual Clearing House operated by Central Bank of The Gambia for domestic inter-bank clearing. In compliance with international best practice and to allow reasonable time for participating banks to adjust to the requirements of the harmonized Cheque Standards and the electronic clearing system, the Central Bank of The Gambia continued to operate the Manual Clearing House for nearly eight months.

1. The Central Bank of The Gambia wishes to inform the general public that following the successful launch of the three payment systems, namely the ACP/ACH, Real-Time Gross Settlement System (RTGS) and the imminent launching of the Security Settlement System (SSS), the Central Bank Manual Clearing House will cease to operate with effective from **August 1, 2012**.
2. The ACP/ACH only processes Magnetic Ink Character Recognition (**MICR**) coded cheques for clearing electronically. The system is available on every banking business day between the hours of **8.00 AM to 1.30 PM**. This means that all cheques that are printed without the MICR codeline will not be cleared as the Banjul Manual Clearing House will cease to operate. The automated electronic payment and clearing system (ACP/ACH) for cheques and direct credit remittances creates an efficient payment and clearing system for fund transfer.

3. All the banks licensed by the Central Bank of The Gambia are mandatory participants of the systems and are Members of the Clearing House. The banks were directed to issue MICR-compliant cheques to their customers prior to the launch of the systems in December 2011.
4. The general public is being informed that cheques bearing values above the **D100,000.00** (One Hundred Thousand Dalasi) maximum threshold for the ACP/ACH cannot be presented for inter-bank clearing through the Automated Clearing House irrespective of whether or not such cheques are MICR compliant. This requirement has no effect on cheques presented over the counter by the drawee at the drawer bank for cash payment.
5. Payments with values exceeding D100,000.00 should be made through the Real-Time Gross Settlement System which is accessible by every participant bank. To facilitate the execution of payment instructions of such large-value transactions, banks will require the account number (**BBAN**) details which are part of the MICR code and is made up of the **B**ank code, the **B**ranch code, the **A**ccount **N**umber and the Account Cheque Digit, among other details. Businesses and individuals are advised to contact their bankers for details of their BBAN.
6. The banks, including CBG, are required to process cheques deposited/lodged or payment instructions for remittances received the same business day as long as the transaction occurred within the operation hours of the ACP/ACH and RTGS systems. The primary objective of the systems is to achieve same day settlement of value.

The public may obtain further information at the address below during official working hours:

The Director of Banking  
Central Bank of The Gambia  
1-2 Ecowas Avenue  
Banjul, The Gambia  
Tel (220) 4229023

We thank you for your cooperation in our bid to improve efficiency of the National Payment System.