



KENYA BANKERS ASSOCIATION

"Committed to building a strong and respected Banking Industry through dynamic leadership"

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NEW CLEARING CYCLE FOR BANKS

The Kenya Bankers Association has finalised implementation of a key milestone in the Cheque Truncation System, shortening the cheque clearing cycle by one day.

Effective 16th January 2012, all Clearing House member banks have been implementing the new cheque clearing cycle, making it possible for customers to access their funds earlier.

The new clearing cycle, (known as T+2 in banking terms) means that the paying bank has two (2) days to determine the fate of a cheque presented for payment at the Automated Clearing House. Previously the old clearing cycle gave the paying bank three (3) days to determine the fate of a cheque.

EXAMPLE :

Monday	Day 0 - Collecting bank receives cheque(s) from Customers
Tuesday	Day 1 - Date of exchange at Automated Clearing House
Wednesday	Day 2 - Latest day of return/advise unpaid.
Thursday	Day 3 - Customer Gets Value

This new cycle affects all the Kenyan Shilling cheques drawn on banks in Kenya and exchanged at the Automated Clearing House.

**HABIL OLAKA
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