



PHILIPPINE CLEARING HOUSE CORPORATION

Memo Circular No. 3743

February 14, 2023

TO : All Clearing Banks/Institutions

RE : CLARIFICATION ON THE IMPLEMENTATION OF THE NEW CHECK DESIGN

1. This is to clarify that item 6 of CICS OM No. 23-040 dated January 25, 2023 which states that –

“This Operating Memo is effective immediately and supersedes CICS OM No. 21-036 issued April 16, 2021.”

refers only to the effectivity date of the New Check Design Standards and Specifications (“New Check Design”) specified in said CICS OM No. 21-036 which date was May 2, 2023. CICS OM No. 23-040 was **mainly intended to announce the deferment of the effectivity date of the implementation of the New Check Design to May 1, 2024.**

2. In any case to clear up this matter once and for all, we summarize below the clearing rules that shall henceforth be observed **while in transition** towards the implementation of the New Check Design, unless amending advisory/ies will be issued subsequently, to wit:

2.1. All “Old Format Checks” shall no longer be acceptable for clearing by May 1, 2024, **except:**

2.1.1. Post-Dated Checks (PDCs) accepted stamped ‘Warehoused’ by banks prior to May 1, 2024;

2.1.2. PDCs without ‘Warehoused’ stamp but bearing or printed with ‘Unique Identification Code’ (UIC) that indicates receipt by banks (for warehousing) prior to February 11, 2019 (date of issuance of CICS OM No. 19-030);

Note: Notwithstanding absence of the stamp, acceptance of such PDCs is allowed because stamping and recapturing of previously accepted PDCs may be tedious and prone to errors.

2.1.3. Manager’s Check/Cashier’s Check issued by the clearing banks bearing the ‘Waiver Statement’ and features required prior to the issuance of CICS OM No. 19-030; and

2.1.4. Checks dated April 30, 2024 or earlier and presented for deposit or encashment prior to the 180th day from date of issuance.

- 2.2. **Effective May 1, 2024**, an Old Format Check that does not fall within the exceptions mentioned above when presented for clearing, shall be returned by the Drawee Bank to the Presenting Bank using the reason: **Refer to Issuer: Old Format Check**. Such presentment shall be subject to penalty to the Presenting Bank of ₱1,000.00 per item/day or amount of item multiplied by IBCL rate of the day, whichever is higher, to be collected by the Drawee Bank from the Presenting Bank, via the usual Charge Slip on any date after its presentment.

Note: A new Operating Memo will be issued for this item 2.2.

- 2.3. For purposes of this Memo Circular, an **“Old Format Check”** is a check where –

- 2.3.1. the date of issuance;
- 2.3.2. the payee or name/s of payee/s;
- 2.3.3. the amount in words and in figures; and
- 2.3.4. the signature/s of the Issuer/s or signature/s of the Issuer’s signatory/ies;

are written on check paper that does not appear to be in accordance with the **new design and standards shown in the picture below**:

- 2.4. As indicated in the picture above, the New Check Design introduces the following changes:

- 2.4.1. Format of date of issuance is standardized: in numeric format, **MM-DD-YYYY** sequence
- 2.4.2. Date format guide is indicated below the date line
- 2.4.3. An individual white box is provided for each character of the date of issuance
- 2.4.4. Peso sign is moved out of the boxed space for the Amount in figures
- 2.4.5. Boxed white spaces are provided respectively for writing the date of issuance, amount in figures, and signature/s of the Issuer/s or signature/s of the signatory/ies of the Issuer.

Simply stated, under this Memo Circular, an **Old Format Check** is a Check that is written on check paper that **is without boxed spaces** for the issue date, amount in figures, and the signature/s of the Issuer/s.

- 2.5. The foregoing changes are intended to:
- 2.5.1. set a standard or uniform format for writing the date of issuance of checks in order to avoid misinterpretation of the date;
 - 2.5.2. enhance check processing capabilities by providing banks better optical character recognition features that are desirable for an automated check verification system.
- 2.6. The layout of these changes with precise dimension was incorporated in the Check Design Standards and Specifications (CDSS) Manual and was sent to all Liaison/Clearing Officers of Banks as early as February 11, 2019. The CDSS Manual has likewise been made available to all accredited security printers which by the third quarter of 2019, had started printing Checks with the new Check Design standards.
- 2.7. It is also our understanding at this point that clearing banks/participants have since late 2019 started to supply their respective customers new Checkbooks bearing the New Check Design and that by now, have massively replaced those Old Format Checks that are still in the customers' possession.
- 2.8. **Meanwhile that implementation of the New Check Design is not yet in effect** –
- 2.8.1. Regardless of whether the Check paper is in the Old Format or in the New Check Design, the date of issue of a Check presented for deposit should be written by the Issuers as follows:
 - 2.8.1.1. if date of issuance is in Numeric format, it shall be written in MM-DD-YYYY sequence.
 - 2.8.1.1.1. The issue date indicated in MM-DD-YYYY sequence is acceptable regardless of the type of partition used, i.e., slash (/), dash (-), asterisk (*), dot (.) or even without any partition at all since the standard interpretation is that the first two (2) numeric characters represent the month (i.e., the month order in the calendar where 01 means January, 02 means February, and so on with the rest of the months, with 12 referring to December), and the next two (2) numeric characters, the day, and the last four (4), the year.
 - 2.8.1.2. if date of issuance is in alphanumeric format, it may be written in any sequence, i.e., Month-Day-Year or Day-Month-Year or Year-Month-Day; however, alphanumeric Month-Day-Year is preferable for consistency with the MM-DD-YYYY sequence prescribed for date of issuance in numeric format.

- 2.8.2. **Notwithstanding** that prior to the implementation of the New Check Design or during the transition up to its effectivity on May 1, 2024 when both Old Format Checks or New Design Checks are acceptable for clearing, we expect Clearing banks/participants to **strongly encourage** their clients to now issue their Checks in the New Check Design.
- 2.9. For banks issuing Checks completed in computer printer for their customers, the attendant check printing applications should be revised so as to comply with the MM-DD-YYYY issue date format before the May 1, 2024 cutover date. The same should be advised to clients who have been permitted by the bank to use computer printer-completed Checks.
- 2.9.1. Computer printer-completed Checks on which the figures/numbers in the MM-DD-YYYY format of the date of issuance appear to be printed outside, above or below the appropriate individual boxes, shall continue to be acceptable UNLESS the numbers encroach other fields rendering the date unreadable in which case the checks shall not be acceptable for clearing ever.
- 2.10. Clearing banks/participants are highly enjoined to again remind their respective clients about the New Check Design standards and the purposes of the changes being implemented.
- 2.11. This Memo supersedes:

PCHC Issuance	Date of Issuance
1. CICS OM No. 19-030 – except in connection with items 2.1.2 and 2.1.3 above	February 11, 2019
2. CICS OM No. 19-031	May 29, 2019
3. CICS OM No. 21-036	April 16, 2021
4. Memo Circular No. 3735	December 27, 2022
5. Memo Circular No. 3738	January 17, 2023
6. CICS OM No. 23-040	January 25, 2023

3. We count on the full cooperation of all participating banks.


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