

PHILIPPINE CLEARING HOUSE CORPORATION

Manila, Philippines

CHOM No. 15-460.A

02 September 2015

T O : All Clearing Banks/Institutions

R E : CHOM NO. 15-460 ON NON-ACCEPTANCE OF CHECK WITH ERASURE, ALTERATION AND/OR DEFICIENCY

For clarification, we amend CHOM No. 15-460, as follows:

- a) **add** the phrase: **"regardless of any signature or initials that appear to indicate authorization of the alteration or erasure"** to Item 1.a; and
- b) **replace** "the Issuer of the PDC" in the first line of Item 2.b. with "the Issuer of a **stamped PDC**" and **delete** "received prior to effective date" from the third line of said Item.

Thus, CHOM No. 15-460, as amended, shall now read as follows:

CHOM NO. 15-460

Pursuant to the clamor and requests of member banks and as endorsed by the Technical Working Committee of PCHC (composed of representatives from the different banking associations, namely: the BAP, CTB, RBAP, and COCI), we issue the following guidelines:

1. Effective **January 4, 2016**, any check that:
 - a. shows or indicates on its face any erasure or alteration of the –
 - 1) date;
 - 2) name of the payee (whether indicated as "Cash" or "Bearer" or "Holder" or a specific name or any other word or phrase of identification;
 - 3) amount in figures;
 - 4) amount in words;
 - 5) signature/s of the Drawer/s or the Drawer's signatory/ies;
 - 6) account name;
 - 7) account number;
 - 8) check number; or
 - 9) MICR characters

regardless of any signature or initials that appear to indicate authorization of the alteration or erasure

OR

- b. does not indicate the –
 - 1) date;
 - 2) payee;

- 3) amount payable in figures;
- 4) amount payable in words - except for checks issued by banks (Manager's or Cashier's Checks, Demand Drafts) using a check writer; or
- 5) signature of the Drawer/s

shall no longer be eligible or acceptable for clearing, except Post-dated Checks (PDCs) bearing the Bank Stamp specified in item 2 below.

2. Post Dated Checks (PDCs)

- a. Warehoused checks (PDCs) received prior to January 4, 2016 (for future deposit to their clients' respective accounts) should be stamped –

Warehoused Check – Name of Bank

at the '*Reserved for Other Details*' found at the back of the checks.

- b. In the event the Issuer of **a stamped** PDC complains about any visible alteration of the check that is unauthorized, the Presenting Bank of the PDC shall be immediately held accountable for the damage caused by the unauthorized alteration in accordance with the procedures to be issued by the PCHC.
 - c. Effective January 4, 2016, Clearing Participants shall no longer accept PDCs with alterations, or erasures, or deficiencies, as specified in item 1 above.
3. It is understood that any alteration or erasure on a check which is not visible does not excuse the Presenting Bank from liability for loss or damage attributable to the alteration.
 4. The foregoing shall form part of the Clearing House Rules and Regulations. Any violation shall be subject to penalties to be specified in another Circular.
 5. For your guidance/compliance.


EMMANUEL E. BARCENA
President & CEO