



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
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March 14, 2011

The Chairman and Managing Director / Chief Executive Officer
All Scheduled Commercial Banks including RRBs / UCBs /
State Co-operative Banks / District Central Co-operative Banks

Madam / Dear Sir,

Automation of non-MICR Clearing Houses – Implementation of a new Clearing Software – Express Cheque Clearing System

Reserve Bank of India (RBI) has been in the forefront of adopting technology for making the payment systems in the country efficient, modern and robust. Cheques continue to play a dominant role in our payment system landscape, more so in terms of volumes handled. Apart from the 66 MICR locations (handling around 85% of the total cheque volume and value) for mechanised processing and settlement of cheques, there are around 1,093 non-MICR centres as on date that use a software package for automating the clearing and settlement process. This Magnetic Media Based Clearing Software (MMBCS) has over the last two decades contributed towards automating the manually run Clearing Houses, providing back-up support to the MICR-CPCs, apart from handling the various changes recently brought about in the clearing process like payable-at-par cheques, Speed Clearing, full unwinding, etc. There was, however, a demand from banks for further refinements in terms of accepting multi-user inputs in a networked environment, core-banking integration and graphic interface compatibility.

2. State Bank of India (SBI), the bank managing most number of clearing locations, was advised to lead the initiative to develop a new automation package complete with all required and latest features. The package developed through M/s Image InfoSystems Pvt. Ltd. (vendor), tentatively styled 'Express Cheque Clearing System' (ECCS) is now ready for deployment. The technical and commercial aspects of ECCS have been vetted by a Committee comprising of senior executives from SBI, other Clearing House managing banks, National Payments Corporation of India (NPCI) and National Clearing Cell-Nariman Point, Mumbai and successfully tested during live processing at a few Clearing Houses as well. Considering the improvements that ECCS would offer, it has been decided to roll-out the software across all non-MICR clearing locations in the country.

3. Given the challenges associated with a national roll-out of ECCS across a number of primary clearing locations, back-up managing banks, member banks and branches, the following approach has been adopted –

a) National Payments Corporation of India (NPCI), as the umbrella organisation for retail payments in the country, to be vested with the responsibility for roll-out in all the clearing locations.

b) NPCI to be the single point of contact for banks and the vendor, as also for change control, future updates, support issues, reporting to RBI, etc.

- c) The ownership of the application to be jointly vested with NPCI and SBI who would also be the beneficiary under the escrow arrangement for software with the vendor. They would also enter into a tripartite agreement with the vendor to implement, monitor and evaluate the Service Legal Agreement (SLA) and support committed by the vendor.
- d) NPCI to co-ordinate with National Clearing Cells at Regional Offices of RBI (NCCs) for ensuring a smooth roll-out.
- e) SBI to ensure roll-out in all clearing locations managed by itself and its associate banks. NPCI and SBI to co-ordinate for smooth roll-out.
- f) The entire process of roll-out to be completed within a time-frame of six months from April 1, 2011 i.e., by September 30, 2011.
- g) The technical and commercial aspects of the software as approved by the Committee of bankers are enclosed. Requisite training will be imparted before roll-out.
- h) NPCI to share the roll-out plan (in consultation with the NCCs), as also the training schedule along with the hardware, software and other requirements, information about the SLA, support, escalation process, change request process, contact details, etc., with the Clearing Houses and member banks in advance.
- i) NCCs to also communicate to the Clearing Houses under their jurisdiction and ensure that the entire process is well co-ordinated and controlled. The Clearing Houses would in turn communicate the requirements to their member banks as well.
- j) Speed Clearing facility to be operationalised and enabled right from day one of implementation of the package.

4. Needless to add, the success and ease of roll-out pre-supposes a harmonious co-ordination amongst NPCI, NCCs, clearing locations and the member banks. We are sure you would extend complete support to this endeavour, including nominating a nodal officer, according requisite budget approvals, being in readiness with the required hardware and software, complying with the implementation schedule, nominating user staff for the training, providing IT resources to the team, etc.

5. Success of this major initiative will go a long way in modernising and refining the cheque clearing activities in the country apart from ensuring a smoother and inter-operable payment system. We shall be closely monitoring the project milestones and shall not hesitate to intervene at any stage to keep the implementation schedule on track.

6. Kindly acknowledge receipt and confirm that the needful will be in place.

Yours faithfully,

(G Padmanabhan)
Chief General Manager

Encl. : Technical and Commercial Aspects of ECCS

(A) Technical Aspects of Express Cheque Clearing System

Recommended Hardware

(i) At the Clearing House

Server – for Processing Upto 1,000 Instruments Per Day :

Processor	:	Intel Core 2 Duo Processor
Chipset	:	Intel G965 Express Chipset
RAM	:	1 GB DDR2 RAM (533MHz)
HDD	:	250GB SATA HDD x 2 Nos
Network	:	10/100/1000 Integrated NIC
Media	:	DVD RW Drive
Monitor	:	17" Flat Panel Monitor
Ports	:	USB 2.0 Ports – 2 Nos
Others	:	USB Keyboard & Mouse
OS	:	SuSE Enterprise Linux Server 10

Server – for Processing 1,000 to 5,000 Instruments Per Day :

Processor	:	Intel Core 2 Duo Processor x 2 Nos
Chipset	:	Intel G965 Express Chipset
RAM	:	2 GB DDR2 RAM (533MHz)
HDD	:	250GB SATA HDD x 2 Nos
Network	:	10/100/1000 Integrated NIC
Media	:	DVD RW Drive
Monitor	:	17" Flat Panel Monitor
Ports	:	USB 2.0 Ports – 2 Nos
Others	:	USB Keyboard & Mouse
OS	:	SuSE Enterprise Linux Server 10

Server – for Processing More than 5,000 Instruments Per Day :

Processor	:	Intel Xeon Dual / Quad Core 2.5 Ghz or higher
Chipset	:	Intel G965 Express Chipset
RAM	:	4 GB DDR2 RAM (533MHz)
HDD	:	500GB SATA HDD x 2 Nos
Network	:	10/100/1000 Integrated NIC
Media	:	DVD RW Drive
Monitor	:	17" Flat Panel Monitor
Ports	:	USB 2.0 Ports – 2 Nos
Others	:	USB Keyboard & Mouse
OS	:	SuSE Enterprise Linux Server 10

PCs :

Processor	:	Intel Pentium 4 Processor
Chipset	:	Intel Chipset
RAM	:	1 GB RAM

HDD : 80GB SATA HDD
Network : 10/100/1000 Integrated NIC
Media : DVD/ CD RW Combo Drive
Monitor : 15" Flat Panel Monitor
Ports : USB 2.0 Ports – 2 Nos
Others : USB Keyboard & Mouse
OS : Win XP Prof SP2 / SP3

Printer :

Laser Printer Duplex upto 30PPM
250 Sheet Input Tray
USB/ Ethernet TCP/IP & IEEE 1284 Ports
Duty Cycle - 10,000 pages per month

Network :

GigaBit Ethernet Network

OPTIONAL Connectivity (to be used only when online data transfer is to be used):

DSL / ISDN offering minimum 128 Kbps throughput for on-line media transfer from Clearing House to member banks.

(ii) At the Service branch of Member(s)

Consolidation PC Server :

Processor : Intel Pentium 4 Processor
Chipset : Intel Chipset
RAM : 1 GB RAM
HDD : 80GB SATA HDD
Network : 10/100/1000 Integrated NIC
Media : DVD/ CD RW Combo Drive
Monitor : 15" Flat Panel Monitor
Ports : USB 2.0 Ports – 2 Nos
Others : USB Keyboard & Mouse
OS : Win XP Prof SP2 / SP3

PCs :

Processor : Intel Pentium 4 Processor
Chipset : Intel Chipset
RAM : 512 MB RAM
HDD : 80GB SATA HDD
Network : 10/100/1000 Integrated NIC
Media : DVD/ CD RW Combo Drive
Monitor : 15" Flat Panel Monitor
Ports : USB 2.0 Ports – 2 Nos
Others : USB Keyboard & Mouse
OS : Win XP Prof SP2 / SP3

Printer :

Laser Printer upto 20PPM
250 Sheet Input Tray
USB/ Ethernet TCP/IP & IEEE 1284 Ports

Duty Cycle - 5,000 pages per month

OPTIONAL Connectivity (to be used only when online data transfer is to be used):

DSL / ISDN offering minimum 64 Kbps throughput for on-line media transfer from Clearing House to member banks.

At the branch of Member(s)

PCs :

Processor : Intel Pentium 4 Processor
Chipset : Intel Chipset
RAM : 1 GB RAM
HDD : 80GB SATA HDD
Network : 10/100/1000 Integrated NIC
Media : DVD/ CD RW Combo Drive
Monitor : 15" Flat Panel Monitor
Ports : USB 2.0 Ports – 2 Nos
Others : USB Keyboard & Mouse
OS : Win XP Prof SP2 / SP3

(B) Commercial Aspects of Express Cheque Clearing System

Sr.No.	Product/services	Unit Cost
1.	Customized application software (Unit License Cost)	
	i. Clearing House Module (per Clearing House)	3000.00
	ii. Bank / Branch Module (per branch)	1200.00
	iii. Service Branch Module (per branch)	1500.00
2.	Installation charges per unit	
	i. Clearing House Module (per Clearing House)	4000.00
	ii. Bank / Branch Module (per branch)	1200.00
	iii. Service Branch Module (per branch)	2500.00
3.	Training per Clearing House	5000.00
4.	AMC charges after warranty (for next three years)	8% per annum of license cost