

CANADIAN PAYMENTS ASSOCIATION
ASSOCIATION CANADIENNE DES PAIEMENTS

RULE B5
INTERMEMBER CHEQUE EXCHANGES

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Rule B5 – Intermember Cheque Exchanges

Implemented

February 1983

Amendments Pre-November 2003

September 1985, March 23, 1995, December 7, 1988, March 4, 1999, October 7, 1999, February 3, 2000, and November 29, 2001.

Amendments Post-November 2003

1. Amendments to reflect consistency with the new CPA Payment Items and ACSS By-law, approved by the Board November 27, 2003, effective January 27, 2004.
2. Amendment to Appendix II to replace reference to “Credit Union Central of Canada” with “Central 1 Credit Union”, approved by the Board May 26, 2011, effective July 6, 2011.
3. Amendments to Appendix II to replace references to “La caisse Centrale Desjardins du Québec” and/or “La Fédération des caisses Desjardins du Québec” with “Fédération des caisses Desjardins du Québec”. Revisions made under the authority of the CPA President, effective January 1, 2017.

Rule B5 – Intermember Cheque Exchanges

Introduction

1. This Rule outlines procedures for the establishment of Centralized or Round Robin Cheque Exchanges by Regional Clearing Associations.

Scope

2. The procedures outlined in this Rule shall be applicable to the Exchange of paper Items.

Method of Exchange

3. Each RCA shall determine whether its Items shall be exchanged by means of the round Robin or Centralized Cheque Exchange.

Procedures

4. The procedures for the selected method of Exchange shall be documented and each participating Direct Clearer shall retain a copy. Each Participating Direct Clearer shall be named in the RCA Exchange procedures.

Bag or Pouch Identification

5. Each bag or pouch shall be clearly identified in the manner specified by the RCA.

Hours of Exchange and Grace Period

6. (a) The pick-up and delivery times for the Round Robin and Centralized Cheque Exchanges shall be established by the RCA and adhered to by participating Direct Clearers. An example of a Round Robin Cheque Exchange timetable, illustrating three evening exchanges, is attached as Appendix I.
(b) A period of grace, not to exceed 15 minutes from the scheduled exchange time, shall be established by the local RCA.

Round Robin Cheque Exchange Procedures and Final Exchange

7. (a) Each Direct Clearer participating in a Round Robin Cheque Exchange shall specify in detail, in the RCA procedures, their address, including the door of entry, elevators, floor numbers and any other information relevant as to where Items are to be picked-up or delivered.
(b) Except in those cases where participating Direct Clearers unanimously agree to the use of only one driver by the courier companies during Round Robin Cheque Exchanges, two drivers shall be used by the courier companies to ensure adequate security of Items Exchanged.
(c) The courier shall be instructed not to remain longer than the established grace period from the scheduled pick-up time at any Direct Clearer.
(d) Where a participating Direct Clearer is later than the established grace period for the final evening Exchange, it shall be required to:
 - (i) obtain each other Participant's consent that it will accept these late items;

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- (ii) make alternative arrangements for the delivery of the Items; and
- (iii) deliver the Items separately to each other participating Direct Clearer in order to complete the Exchange.

Centralized Cheque Exchange Procedures and Final Exchange

- 8.
- (a) The location of the Centralized Cheque Exchange shall be on the premises of the Host Direct Clearer.
 - (b) The Host Direct Clearer's address, door of entry location, elevators, floor numbers and any other information relevant as to where Items are to be Exchanged shall be specified, in detail, in the RCA procedures.
 - (c) An alternate Exchange location may be selected, for contingency purposes, but shall not be used without the permission of the Chairperson, or designated alternate, of the Regional Clearing Association.
 - (d) The Host Direct Clearer shall provide such guard service as is necessary to cover the Centralized Cheque Exchange from the time the bags or pouches are unloaded until the bags or pouches are locked into the receiving vehicle.
 - (e) Each participating Direct Clearer shall ensure that its representative(s) and courier driver(s) are provided with identity cards showing their photograph, signature and employer's name. They shall be registered with the Host Direct Clearer.
 - (f) The duly authorized representative of the Host Direct Clearer shall:
 - (i) close off each scheduled Exchange after the established grace period has elapsed; and
 - (ii) keep a record of all late arrivals at each Exchange. These late arrival records shall be reviewed at regular RCA meetings.
 - (g) Any participating Direct Clearer that is later than the established grace period shall hold its work in abeyance until the next scheduled exchange unless it is the final exchange.
 - (h) Where a participating Direct Clearer is later than the established grace period for the Final Exchange, it shall be required to:
 - (i) accept the Items that the other Direct Clearers were prepared to deliver to it;
 - (ii) obtain each other Participating Direct Clearer's consent to accept the Items; and
 - (iii) deliver these Items separately to each other Participating Direct Clearer in order to complete the delivery of Items and to pick up its own work.

Release and Indemnity

- 9.
- (a) The Host Direct Clearer shall not be held liable for any loss or damages caused to the property of a participating Direct Clearer or for personal injury caused to any agent, employee or representative of a participating Direct Clearer on the premises of the Host Direct Clearer in the course of, or directly related to the Centralized Cheque Exchange.

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- (b) Each participating Direct Clearer shall indemnify and save the Host Direct Clearer harmless, from and against all liability, claims, demands, actions and other proceedings for, or in respect of any such loss, damage or injury caused in the course of, or directly related to the Centralized Cheque Exchange.
- (c) This section shall not apply if the loss or damage to property or personal injury is caused by the willful misconduct of the Host Direct Clearer, its agents, employees or representatives.

Participation – Centralized Cheque Exchange

- 10. (a) Subject to the exception outlined in subsection (b), each participating Direct Clearer in a Centralized Cheque exchange shall participate in all Exchanges. If at any time a participating Direct Clearer has no work to deliver, it should have empty bags or pouches to Exchange with the other participating Direct Clearers in areas where colour coded bags or pouches are in use.
- (b) Where it is known that Direct Clearers with lower volumes will consistently not have Items to deliver for certain delivery times, the RCA shall specify the times that such Direct Clearers are to be present, one of which will be the Final Exchange.

Delivery Control Forms

- 11. Each Direct Clearer participating in a Centralized Cheque Exchange shall prepare a Delivery Control Form for each delivery (refer to Appendix II for a pro forma Delivery Control Form). On this form, provision shall be made to include the date, time, name of the receiving Direct Clearer and the number of bags or pouches. Additional information for local purposes may be added as long as it does not obscure the required basic information.

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#1 Exchange

2030 h Bank of Montreal
2040 h Royal Bank of Canada
2045 h Canadian Imperial Bank of Commerce
2050 h Toronto Dominion Bank
2105 h Bank of Nova Scotia
2115 h Bank of Montreal
2120 h Royal Bank of Canada
2125 h Canadian Imperial Bank of Commerce
2130 h Toronto Dominion Bank

#2 Exchange

2230 h Bank of Nova Scotia
2240 h Bank of Montreal
2245 h Royal Bank of Canada
2250 h Canadian Imperial Bank of Commerce
2255 h Toronto Dominion Bank
2300 h Canadian Imperial Bank of Commerce
2305 h Royal Bank of Canada
2320 h Bank of Montreal
2330 h Bank of Nova Scotia

#3 Exchange

2330 h Bank of Nova Scotia
2340 h Bank of Montreal
2345 h Royal Bank of Canada
2350 h Canadian Imperial Bank of Commerce
2355 h Toronto Dominion Bank
0005 h Royal Bank of Canada
0010 h Canadian Imperial Bank of Commerce
0020 h Bank of Montreal
0030 h Bank of Nova Scotia

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**Pro Forma Delivery Control Form
Fiche de Contrôle des livraisons**

ORIGINATING DIRECT CLEARER
ADHÉRENT D'ORIGINE

DATE

Check (X) the appropriate delivery box / Cochez (X) la case appropriée de la livraison

Canada U.S. TAPES/RUBANS BONDS/COUPONS
COUPONS/OBLIGATIONS

DIRECT CLEARER ADHÉRENT		# OF BAGS/TAPES # DE SACS/RUBANS		FILE NUMBER NUMÉRO DU FICHER	SIGNATURE (RECEIVING DIRECT CLEARER) (ADHÉRENT RÉCEPTEUR)
		SENT ENVOI	REC'D REÇU	ORIGINATING D'ORIGINE	
Bank of Montreal Banque de Montréal	001				
Bank of Nova Scotia Banque de Nouvelle-Écosse	002				
Royal Bank of Canada Banque Royale du Canada	003				
Toronto-Dominion Bank Banque Toronto-Dominion	004				
National Bank of Canada Banque Nationale du Canada	006				
Canadian Imperial Bank of Commerce Banque Canadienne Impériale de Commerce	010				
HSBC Bank Canada Banque HSBC Canada	016				
Laurentian Bank of Canada Banque Laurentienne du Canada	039				
Bank of Canada (PWGSC) Banque du Canada (TPSGC)	177				
Alberta Treasury Branches	219				
Fédération des caisses Desjardins du Québec	815				
Central 1 Credit Union	869				