

STATE BANK OF PAKISTAN
Payment Systems Department

FREQUENTLY ASKED QUESTIONS (FAQs) ON
STANDARDIZATION OF CUSTOMER'S CHEQUE LAYOUT
(PSD Circular No.1 dated 31st January 2014)

Q 1	Is it permitted to print only the name of the bank without its logo?
Ans.	Yes, printing of bank's name without logo is permitted. Printing of logo is optional but printing of bank's name is mandatory. However, with regard to bank's logo or name as a standardized watermark, banks shall comply with instructions issued by Banking Conduct and Consumer Protection Department's (CPD in its erstwhile) vide their Circular No.1 dated 30 th January 2014.
Q 2	Is it permitted to print a logo that contains name of bank?
Ans.	Yes, printing of logo that contains name of bank is permitted.
Q 3	If a bank's name is already part of its logo, then is it mandatory to write again the name of the bank?
Ans.	There is no need to repeat the bank's name (full or abbreviation), if bank's Logo contains the name of bank.
Q 4	Which colour of ink should be used for writing a cheque?
Ans.	Black and Blue are the recommended ink colours to be used for writing cheques.
Q 5	Is it allowed to write the bank's name along with branch address and code in two lines?
Ans.	Yes, bank's name along with branch address and code can be mentioned within the two of prescribed space.
Q 6	Can the length of bank's name be smaller than 7 cm as prescribed in the guidelines?
Ans.	Yes, the length of bank's name can be smaller than 7 cm as prescribed in the guidelines. However, maximum length of bank's name should not exceed 8 cm.
Q 7	Are the banks allowed to accept the old / non-standardized cheques if presented for payment/collection?
Ans.	Yes, the banks may continue to accept the old / non-standardized cheques until further review and notification by SBP.
Q 8	Is it allowed to accept the cheques containing slashes, commas, dots and dashes in the date field?

Ans.	Yes, however, customers need to be educated to fill in the standardized cheques as prescribed in the Circular.
Q 9	Is it allowed to accept the cheques containing alphabetic characters, comma, decimal, slashes, special character etc. with “Amount in figures” field?
Ans.	Yes, however customer need to be educated to fill in the standardized cheques as prescribed in the Circular.
Q 10	Should the cheques containing conditional statement presented for payment/ collection be accepted by the banks?
Ans.	Cheques containing any type of conditional statement should not be accepted. However, Federal/Provincial Government cheques with instructions such as ‘ <i>Not payable after (date)</i> ’, or ‘ <i>Not payable through Cash</i> ’, ‘ <i>Debit-able to Controller of Military Pension Account</i> ’ etc. may be accepted.
Q 11	Are the customers of the banks allowed to apply scotch tape on the cheque instrument, in order to prevent any unauthorized alteration?
Ans.	No, the use of scotch tape is not allowed on the cheque and such instruments should be returned by the paying bank.
Q 12	In case of re-lodging the returned cheques in clearing/collection, is it allowed to affix stamp elsewhere on the rear side of a cheque instrument?
Ans.	Yes, in case of re-lodging the returned cheques, affixing stamp elsewhere on available space outside the prescribed box on the rear side of a cheque is allowed.
Q 13	Whether endorsement area on the rear side of a cheque is for banker’s endorsement or for the customer’s endorsement as well?
Ans.	Endorsement area is meant for both, banker’s and customer’s endorsement.
Q 14	Can ‘Special Crossing Stamp’ be affixed on upper left corner at front side of cheque?
Ans.	Yes, ‘Special Crossing Stamp’ can be affixed on upper left corner at front side of cheque.
Q 15	Can stamps for “Signature Verified”, “Same Day Clearing”/ “Intercity Clearing” etc be affixed on the front side of cheque?
Ans.	No, all the stamps except crossing stamp need to be affixed on the rear (back) side of cheque.
Q 16	Are the banks allowed to affix any necessary stamp, take computerized

	endorsement, put narration or write currency denomination etc. on the rear side of the cheque?
Ans.	Notwithstanding to any other laws / legal provisions as applicable in Pakistan, these stamps / endorsements / narrations should not affect or deface the other pertinent information of the rear (back) side of the cheque.
Q 17	Can the clearing stamp or system generated endorsement be larger than the specified box?
Ans.	No, the size of the teller stamp is set at a standard height of 22mm and length of 39mm.
Q 18	Are SBP instructions regarding stamping/crossing/endorsement etc issued for new standardized cheques applicable on the old / non-standardized cheques presented for payment/collection?
Ans.	Yes, the instructions are equally applicable to old / non-standardized cheques also.
Q 19	Is the cheque instrument acceptable in case of Foreign Currency cheque containing amount in words not ending with name of the currency, like “Five thousand only” instead of “Five thousand US Dollars only”.
Ans.	Yes, however customer need to be educated to write and fill in the cheque as prescribed in the Circular.
Q 20	Is decimal amount acceptable in case of foreign currency or local currency cheques?
Ans.	Yes, if required, the decimal amount in case of foreign or local currency is acceptable.
Q 21	What is the treatment of cheques presented in clearing with stamps affixed on the face of the cheque?
Ans.	Bank may accept such cheques. However, presenting bank will be held responsible for violating the rules and regulations of SBP and penal action may be initiated against presenting such cheques.
Q 22	Are banks allowed to print old account number in addition to the IBAN on the cheque instrument?
Ans.	No, only IBAN should be printed, however it is advised that the customer’s old account number may be underlined and below that an inscription ‘Account No.’ in small font size may be added for clarity to the customers.

Q 23	Since IBAN guidelines are not applicable on Micro Finance Banks (MFB), are they allowed to use only Account number instead of IBAN?
Ans.	Yes, either IBAN or the general account number can be used, by the Micro-Finance Banks.
Q 24	Can Magnetic Ink Character Recognition (MICR) Code line be printed in the middle of bottom side space designated for printing of MICR line instead of being left aligned?
Ans.	Please refer to circular No.1 of PSD dated 31 st January 2014, MICR line should be left aligned as part of standardization.
Q 25	Bank branches in far flung remote areas generally do not use MICR code line on cheque books. Can this practice be continued by such branches?
Ans.	No. All bank branches are required to comply with these standards regardless of their location.
Q 26	In case of any emergency, are the banks allowed to issue cheque books without Account holders name & MICR code line, in order to accommodate pensioners or for meeting any government emergency requirements?
Ans.	Yes, they are allowed to issue cheque books without account holders name & MICR code line, if bank is satisfied with the reasons of emergency mentioned by the customer. However, these cheques would not be used for clearing purposes.
Q 27	Are the specialized cheque books issued to corporate customers exempted from these guidelines?
Ans.	No. Cheque books issued to corporate customers are also required to comply with this circular.
Q 28	Are the banks allowed to use cheque number consisting of more than 8 digits?
Ans.	Yes, there is no restriction on number of digits for cheque number.
Q29	Are the banks allowed to mention Informational & Conditional statements like 'To be signed in the presence of bank officer', 'Photo Account' etc. on the face of cheque instrument in particular cases?
Ans.	Yes, the banks are allowed to mention Informational & Conditional statements like 'To be signed in the presence of bank officer', 'Photo Account' etc. on the face of cheque instrument, if cheques books are issued to special or illiterate persons only.
Q 30	Are the banks allowed to accept cheques written in Urdu or Regional language as

	per the current practice?
Ans.	Yes, banks are allowed to accept cheques written in Urdu language as per current practice. Further, if the bank staff is able to read and understand the regional language(s), then bank may also accept cheques written in Balochi / Sindhi / Pashto / Punjabi etc. Language.
Q 31	Is it allowed for a bank to print / write / stamp “Payees Account Only” on the cheque instrument in case of crossing?
Ans.	Yes, bank is allowed to print / write / stamp “Payees Account Only” on the cheque instrument in case of crossing.
Q 32	Are the banks permitted to add “Islamic Banking Logo” in cheque layout in addition to main logo of the bank so that the conventional and Islamic cheque book may be distinguished?
Ans.	Yes, SBP allows informational printing as long as it does not interfere with the prescribed areas of interest (AOI) including the MICR line.
Q 33	In case of a Joint account of customers, is it allowed to have signature of more than one person at the signature line area?
Ans.	Yes, more than one person can sign the cheque, in case of jointly operated accounts.
Q 34	Should banks create awareness amongst their clients regarding writing of cheques as per SBP’s guidelines on cheque standardisation?
Ans.	Yes, banks need to guide their account holders at the time of issuing them standardised cheque books and create awareness among their customers.
Q 35	What are the dimensions for the standardised teller stamp?
Ans.	Clarification: The standardized dimensions for teller stamp are height 22 mm and length 39 mm.
Q36	Can a bank affix Company Logo on cheque leaves (just before Account description area)?
Ans.	The banks may decide at their own subject to the condition that any printing shall not interfere with Areas of Interest.
Q37	Is it allowed for Corporate Customers to print Company Logo with Payor’s name/IBAN on a cheque instrument?
Ans.	Yes, Company’s logo can be printed with Payor’s name/IBAN without affecting any Areas of Interest.
Q38	Are more than one signature lines allowed on signature area?

Ans.	Two signatures may be accommodated on a single line in signature area. The line can also be broken into two with suitable subscript (such as: Authorized signature etc) to specify the area of signatures. However it shall not interfere with Areas of Interest.
Q39	Can a bank affix 'paid' stamp on the front side of cheque instrument?
Ans.	After Payment over the counter / settlement through clearing, the banks may affix 'Paid Stamp' as a cancellation mark on front side of a cheque subject to the condition that no Area of Interest is affected.
Q40	In addition to left side (as per SBP's guidelines for printing of account title), can banks arrange to print account title below the signature area?
Ans.	Yes, Account Title can be printed below the signature line. However, signature should be drawn above the line.
Q41	Is it allowed to mention word 'Manager' instead of signature at specified space for drawer signature in case of Corporate cheques?
Ans.	The banks may decide at their own to mention Manager or any other position title authorized to sign cheques on behalf of company in case of Corporate cheques. However, signature means place where drawer has to sign. Therefore, the drawer will sign the cheque.