

## EAST AFRICAN PAYMENT SYSTEMS DEFINITIONS THAT FALL OUT OF THE BIS DEFINITIONS

---

The following are the definitions adopted by East African Payment Systems harmonization Committee in March 2002.

- 1) **Appointed Member** means a member of an Electronic Clearing House (ECH) who has been appointed as an agent of a non-participating member to the ECH.
- 2) **Clearing Days** refers to the days during which the process of transmitting, reconciling and in some cases confirming payment order of security transfer instructions prior to settlement, possibly including netting of instructions and establishment of final position for settlement when it takes place. The clearing days are counted from the day of lodging the cheque at the bank which is referred as "T" and this is added to the number of days the cheque would be processed in the clearing house (i.e T + No. of days).
- 3) **Corrupt Data files** means an electronic file that contains data which is either wholly or partly unreadable, or incomplete or contains meaningless characters that cannot be interpreted by either the ECH or the ECH member banks' computer system thus rendering it un-processable by either the ECH or the ECH member banks' computer system.
- 4) **Discrepancy Files** means clearing file that contain details of missing and free items. These also include items whose amounts in the physical items do not correspond with the amount in equivalent item in the electronic record. Differences between Settlement File and the Electronic Journal File, Electronic Fund Transfer and Discrepancy File for one clearing session are also recorded in the discrepancy files.
- 5) **Drawee's Bank** means a bank or branch of the person to whom the cheque is drawn.
- 6) **Drawer's Bank** means, a bank or branch of the person who issues the cheque to pay the amount mentioned therein (also referred as the paying bank or branch).

- 7) **Electronic Clearing House** means a defined place where representatives of member banks meet at specific times, to exchange instruments, electronic information and calculate the net balances against each other.
- 8) **Electronic Journal File** means an electronic data file containing details of cheques exchanged or presented and re-presented by banks in the clearing house, at a clearing session.
- 9) **Electronic Fund Transfers File** means a clearing file that contains electronic direct debits and credits, fines commissions and charges exchanged by banks in the clearing house.
- 10) **Endorsement** means the printing or writing of information on the rear of the cheque or voucher for various reasons, by the holder or issuer of the cheque or voucher in the course of transferring or processing the cheque or voucher.
- 11) **High Value Items** means instruments that are equivalent to or above a defined amount.
- 12) **Member** means a licensed bank, which participates in a clearing House.
- 13) **Paying Bank** means a bank that has been ordered to effect a payment instruction.
- 14) **Settlement Files** means an electronic file that contains a summary of details for the Clearing House of the payment transferred to each of the other banks for a particular clearing session and currency.
- 15) **Settlement Certificates** means a certificate issued by the Clearing House to indicate the settlement position (balance) of each bank at a particular clearing session.
- 16) **Value date** means the date when the cheque proceeds are credited on the payee's account.