

The Association of Banks in Malaysia

Frequently Asked Questions – 50 sen Cheque Processing Fee

1. **When will the cheque processing fee be charged?**

It will be charged with effect from 2 January 2015.

2. **Who will have to bear the cheque processing fee?**

The fee is to be charged to the drawer or issuer of the cheque. Generally, the drawer/issuer's account will be debited.

3. **Do I need to add on the cheque processing fee to the amount intended to be written on the cheque to cover the said fee when issuing a cheque?**

No, the cheque processing fee will be deducted/debited directly from your account.

4. **At what point will the cheque processing fee be charged?**

The cheque processing fee will be charged when a cheque is received by the drawer/issuer's bank for processing. This would apply in the case of encashment of a cheque over the counter or when the cheque is deposited into an account.

5. **What other charges will there be besides the cheque processing fee?**

The 15 sen stamp duty which is currently payable for each cheque leaf will continue to be charged.

6. **If I apply for a banker's cheque (whether in local or foreign currency, depending on the bank concerned)/bank draft/foreign currency demand draft/cashier's order, do I have to pay the cheque processing fee?**

Yes you do. In the case of a banker's cheque (whether in local or foreign currency, depending on the bank concerned)/bank draft/foreign currency demand draft/cashier's order, that is to say a cheque issued by a bank, the applicant of the instrument will have to pay the cheque processing fee at the time of application. The cheque processing fee will be in addition to the stamp duty and commission collected by the bank.

7. **If a cheque is returned unpaid, will the cheque processing fee be refunded?**

No. Generally, if a cheque is returned unpaid, the cheque processing fee will not be refunded and will still be charged. However, in the event there is an omission or error made by the bank, the cheque processing fee will be refunded.

8. **Will the cheque processing fee be refunded to the drawer or issuer if the cheque is returned unpaid due to the omission or error made by the bank?**

Yes, under such circumstances, the cheque processing fee will be refunded to the drawer or issuer. This will usually be done by crediting the drawer/issuer's account.

9. **What happens when a post dated cheque is presented by the beneficiary before the date of the cheque?**

The drawer or issuer will still be charged the cheque processing fee.

10. **If the returned cheque is re-presented to the bank, will a cheque processing fee be imposed again?**

Yes, the drawer or issuer will be charged with the cheque processing fee again. The drawer or issuer will be charged each time the cheque is re-presented, if it happens more than once.

11. **When will the cheque processing fee be collected by the bank?**

Banks will have the discretion of determining when the cheque processing fee will be collected. It can be collected on a cheque by cheque basis or by batch, at the end of a banking day or monthly. Banks must give prior and reasonable notice of the timing of the collection to their customers.

You are advised to ensure that there are sufficient funds in your account to cover the cheque processing fee.

12. **What happens if I do not have sufficient funds in the account when the bank debits my account for the cheque processing fee?**

Each bank will have its own internal policies and procedures in handling the matter. You are advised to contact the bank quickly to see how best the matter can be resolved.

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