



SECTION 205 – DEFECTS IN NON-MAGNETIC CLEARING RECEIVABLES

In cases that defects are discovered in the receivables or in the forms – as described below – the Clearing House members will act as follows:

a. The amount of the receivable is not identical to what appears in the summation

The recipient will return the receivable to the presenter, accompanied by a return form that specifies the reason for the return and the amount that appears within the summation of the presenter.

b. A missing receivable

1. The recipient will immediately notify the presenter of the problem either by telephone or fax.
2. The recipient will fill out a return form for the presenter specifying the amount of the missing receivable and will submit it to the presenter at the next returns session, together with the relevant summation printout.

c. A surplus receivable

The recipient will notify the presenter of this by phone and will coordinate the return of the receivable with him.

d. Correction of errors between the Clearing House members

A member of the Clearing House who in Session 1 reveals an error in one of the Clearing House forms submitted to him or that he submitted to another Clearing House member or to the Supervisor will immediately notify the Supervisor by telephone, in addition to notifying the relevant member of the Clearing House. In Session 3, the two sides in the matter will confirm that the error has been corrected using the appropriate Clearing House forms, which will be submitted to the Supervisor.

e. Errors in the presentation or return of a clearing receivable

1. A member who mistakenly receives a clearing receivable that is not intended for him will return it to the presenter at the next returns session. The responsibility for the consequences of the aforementioned error in presentation will be that of the presenter who made the error.
2. A member who receives a returned clearing receivable that was intended to be returned to a different bank (the presenter), will immediately, and no later than the next returns session, return it to the returning bank.

The presenter will not refuse to accept the receivable being returned due to the delay resulting from the aforementioned error in returning it unless the presenter explicitly notifies his customer that the receivable has been paid or in the case that he has paid the customer the amount of the receivable or a part thereof and would not have done so if the receivable had been returned on time.

Notwithstanding the aforementioned, the responsibility for the results of the return will be that of the returner who erred.