

"Articles" shall mean cheques, pay orders, managers' cheques and demand drafts complying with specifications and standards as laid down by LCPL, and drawn on banks in Sri Lanka and payable in Sri Lanka rupees and any other such instrument as the Central Bank of Sri Lanka (CBSL) may prescribe; and Image Return Documents or Cheque Return Notifications which are presented.

"Bank" shall mean a company or body corporate licensed under the Banking Act No. 30 of 1988 to carry on banking business in Sri Lanka; and the Central Bank of Sri Lanka in the capacity of a CITS participant.

"Business Day" shall mean a day on which banks are open for business in Sri Lanka.

"CITS" shall mean 'Cheque Imaging and Truncation System' which includes LCPL systems, processes and procedures for the electronic clearing and archiving of CITS items and non clearing items, if any.

"CITS Items" shall mean MICR code line, unique identification codes and other information and data derived from Articles, and electronic images of Articles all of which are captured and/or generated by CITS Participants and/or LankaClear Regional Service Centers on behalf of CITS Participants and shall comprise as appropriate Inward CITS Items, Outward CITS Items, Inward Return CITS Items and/or Outward Return CITS Items.

"CITS Clearing" shall mean the process of receiving, sorting and exchanging of CITS Image Items among CITS participants, balancing of the amounts expressed in articles thus exchanged and consequently deriving the net balances.

"CITS System" shall mean systems operated and maintained by LCPL for CITS including without any limitation, receiving, processing, clearing and archival of CITS Items, and receipt, and for access by CITS Participants through Regional Service Centres and/or through direct connectivity with CITS.

"CITS Participant" shall mean all Licensed Commercial Banks operating in Sri Lanka and authorized to participate in the CITS System by CBSL; and the Central Bank of Sri Lanka in the capacity of a participating bank in the CITS System.

"Cut-off Times" shall mean times specified with respect to action to be undertaken or effected in relation to CITS as may be notified by

CBSL to LCPL; and by LCPL to CITS participants from time to time.

“Image Return Document” or “Cheque Return Notification” shall mean the Image Return Document defined in the Section 34 (1) and (2) of the Part III of the Payment and Settlement Systems Act No. 28 of 2005.

“LCPL” shall mean LankaClear (Pvt) Ltd incorporated under Companies Act No. 17 of 1982 and its network of Regional Service Centres.

“Licensed Commercial Bank” shall mean a public company duly incorporated in Sri Lanka or abroad which has received a banking license from the Monetary Board of Central Bank of Sri Lanka with the approval of the Minister under Section 5 of Banking Act No. 30 of 1988.

“CBSL” shall mean the Central Bank of Sri Lanka as established under the Monetary Law Act (Chapter 422).

“Paying Bank” in respect of a CITS Item shall mean a CITS Participant on whom an Article is drawn.

“Presenting Bank” or “Collecting Bank” in respect of a CITS Item shall mean a CITS participant which presents or represents the Articles for clearing through the CITS System.

“Routing Policy” shall mean the notification by all CITS Participants as to which LCPL Regional Service Centre may wish to attach each of their branches for the purpose of submitting and receiving their Articles.

“SLBA” shall mean Sri Lanka Banks’ Association (Guarantee) Ltd.