



Strength at Work for You

June 21, 2013

Dear Valued Client,

As part of the ongoing reform of the National Payment System by Bank of Jamaica, effective July 1, 2013 there will be a further reduction in the Automated Clearing House (ACH) value threshold from \$3,000,000 to \$2,000,000.

As at July 1, 2013, all RBC cheques of value \$2,000,000 and over that are processed by another commercial bank will attract a fee of \$5,000 plus GCT.

Additionally, where the Bank is asked to issue Manager's cheques for value \$2,000,000 and over a fee of \$5,000 plus GCT will also apply. RBC encourages you our valued clients to utilize the JamClear RTGS system for these large value cheques at a significantly reduced cost of \$200 plus GCT.

To avoid incurring the penalty charge, large transactions may be initiated through our branches either in person or by faxed instructions. For faxed instructions, we will require a signed indemnity form prior to being able to accept instructions via this method.

Please note that the following banking information for your payee should be readily available:

- Payee's name and address
- Payee's account number
- Bank's name
- Bank's Branch and address

For further information or clarification, please contact our Telephone Service centre at 960-4RBC or visit any of our 13 branches island wide and speak with our Client Assistant Officers.

At RBC Royal Bank we remain committed to serving you our clients and have included overleaf, some Frequently Asked Questions (FAQ) for your information.

Sincerely,

Management
RBC Royal Bank Jamaica Limited

Frequently Asked Questions

What is JAMCLEAR Real Time Gross Settlement (RTGS)?

In April 2011, the Bank of Jamaica introduced the Jamaica Clearance and Settlement in Real Time System JamClear – RTGS to facilitate the processing of large value and time critical payments.

RTGS is a fast and secure payment method which allows the sender to transfer funds from their account at one bank to the account of an individual or company at another bank. The transfers are done electronically and the funds are available to the client for immediate use.

Why implement a threshold on Automated Clearing House (ACH)?

Automated Clearing House is the normal clearing method for cheques negotiated on behalf of other banks; however, while the items are cleared using Automated Clearing House they are settled using RTGS. This creates a delay between the clearing and the settlement of an item resulting in an unacceptable risk in the payment system and supports the rationale for holding funds on the client account to ensure that funds are available when items are settled. Because the larger the value of the item the greater the exposure in the Automated Clearing House, a threshold was implemented to reduce/eliminate this risk and RTGS used as the alternate method of processing large value items.

What are the benefits of RTGS?

1. RTGS is the fastest method in Jamaica to receive and send funds transfers, once initiated funds should arrive at the receiving bank within 2 hours.
2. Secure payments transferred in real time.
3. Cleared funds are used to send transfers so funds received are always available for immediate use.
4. The risk of cheque fraud and returned cheques are reduced.
5. Writing cheques will no longer be necessary.
6. Payments are final and irrevocable.
7. No limit on the dollar value of payments and transfers via RTGS.

What kind of payments can be made using RTGS?

1. Transferring payments to suppliers and business partners.
2. Paying statutory deductions for e.g. income tax etc.
3. Purchasing Real Estate and Motor Vehicles.
4. Transferring funds for deposits and investments.

How do I make a payment through RTGS?

To transfer or receive funds you will need the following:

1. Payee's name and address
2. Payee's account number
3. Bank's name and branch
4. Amount plus service charge of \$200.00 plus GCT (incoming transfers also attract a fee of \$200.00 plus GCT)

Payments can be made by visiting any RBC Royal Bank (Jamaica) branch location or by faxed instructions to your domicile branch with a signed indemnity form.

What is the cut off time for RTGS transfers?

Transfers done after 3:15pm will be processed the following day.