

Cheque Clearing Process

STATUTORY MANDATE & CORE PROTECTION RULE

All banks operating in Somaliland are required to standardize interbank cheque presentation and clearing procedures.

Understanding Cheque Clearing in Somaliland:

Cheque clearing is the process of moving funds from one account to another. To make this easier to understand, let's think about a regular banking transaction, such as depositing checks.

The Clearing Workflow:

The clearing process begins with the deposit of a cheque in a bank. The cheque (along with other cheques) is delivered to the bank/branch where it is drawn. The cheque is passed for payment if the funds are available and the banker is satisfied about the genuineness of the instrument.

A cheque must be properly signed, dated within the valid statutory timeframe, and drawn against sufficient cleared ledger balances.

Return Clearing & Realization of Funds: