



An Roinn Airgeadais
Department of Finance

F 45/3/89

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Circular 56/01

Remittance of Euro and Foreign Currency Cheques to the Exchequer

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1. I am directed by the Minister for Finance to refer to the procedures for the remittance of foreign currency receipts to the Exchequer and to outline certain transitional arrangements relating to the introduction of euro cash and revised procedures for the processing of foreign cheques.

Transitional arrangements linked to the euro changeover

2. From 1 January 2002, Irish pound and euro cash must be lodged separately using an Irish pound or euro lodgement form/Receivable Order (RO) respectively. This is in line with the practice operative since 1999 for non-cash lodgements. All Irish pound receipts (cash and cheques) should be lodged as quickly as possible before the end of the dual circulation period (9 February 2002). ***After this date, the Irish pound will no longer be legal tender and should not be accepted as payment.***
3. Please note that cheques denominated in Irish pounds and euro that have had their currency manually altered are regarded as defaced clearing items. Lodgements containing defaced items will be returned unprocessed by the Central Bank to the lodging Department. Accordingly, Departments/Offices should be vigilant not to accept such items and should not write the counter-value of such cheques on the face of the item.
4. **Euro denominated cheques drawn on banks outside the State are not negotiable in Ireland.** Where such cheques are received, Departments/Offices should process them as foreign cheques in accordance with the procedures described below.

Treatment of foreign cheques with effect from 7 January 2002

5. The revised arrangements detailed in the following paragraphs will apply to all foreign cheques i.e. ***cheques drawn in a foreign currency (other than certain sterling and US dollar cheques as explained in paragraph 8) and cheques in euro drawn on banks outside the State.***

6. With effect from 7 January 2002, the Central Bank will not accept foreign cheques with a value under €20 (or equivalent). This is because the collection charges and the administrative costs of collecting value for such cheques will generally exceed the value of the item.
7. Also with effect from 7 January 2002, the Central Bank will not give immediate value for foreign cheques or bear the collection charges involved. Under revised arrangements, foreign cheques over €20 in value should be lodged separately from other items with an individual Receivable Order/lodgement docket for each cheque. When the Bank receives the proceeds of these cheques from the foreign bank on which they are drawn, the lodging Department/Office will be advised by telephone of the amount received less any foreign bank charges and value will be credited to the appropriate account. Should foreign cheques be found in a lodgement, the lodging Department/Office will be informed that the amount will be reduced and will be requested to forward another RO/lodgement docket for the proceeds of the foreign cheque. In recurring cases, the complete lodgement will be returned unprocessed.
8. This procedure will **not** apply to sterling cheques drawn on a bank in the UK and to US dollar cheques drawn on a bank in the USA which are under the equivalent of €25,000 in value. Current arrangements will continue to apply in these cases i.e. they should be lodged separately using the exchange rate obtained from the Central Bank's Financial Markets Department.
9. In summary, lodgements should be presented to the Bank as follows:

<ul style="list-style-type: none"> ▪ Irish pound cash & cheques } ▪ Euro cash & cheques drawn on an Irish bank } ▪ Sterling cash and cheques drawn on a bank } <li style="padding-left: 20px;">in the UK } ▪ US dollar cash and cheques drawn on a bank } <li style="padding-left: 20px;">in the US } 	Accompanied by an RO/ lodgement docket and tot- slip in bundles of no more than 200 items
<ul style="list-style-type: none"> ▪ Other foreign cheques accompanied by an individual RO/lodgement docket for each item. 	
10. Departments/Offices are urged to consider more cost effective ways of accepting foreign currency payments than cheques e.g. bank drafts drawn on a bank in the State, electronic transfer, credit card.

Previous Circulars relating to foreign currency receipts.

11. The £20,000 limit referred to in Confidential Circular 1/90 should be amended to €25,000 with effect from 1 January 2002. This circular replaces Circular 26/95 in full.

International Bank Account Number (IBAN)

12. In an effort to reduce charges and the delay in processing cross-border payments by electronic transfer, the European Committee for Banking Standards has created an international bank account number which allows for the transformation of (non-harmonised) domestic account numbers into an international one. Departments

who make payments abroad should request an IBAN from the recipients of such payments. Departments who receive international payments should quote their IBAN on all invoices/documentation. Departments/Offices should contact the Bank in order to receive the IBAN for their accounts or to verify the IBAN supplied by foreign creditors.

Contacts

13. Any queries you may have in relation to the matters contained in this circular should be addressed to one of the following Central Bank staff:

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Brian Weekes	434 4614		

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Kevin Cardiff
Assistant Secretary

Confidential Circulars 2001

1/2001 – Multi Annual Budgetary Framework

2/2001 – Estimates of Expenditure 2002 and Forecasts 2003 – 2004

3/2001 – Payment of Expenses and other miscellaneous payments