

Al-Saudia Virtual Academy
Pakistan Online Tuition – Online Tutor Pakistan

Crossing of a cheque

Meaning:

Crossing of a cheque means to draw two parallel slanting lines at the top left corner of the cheque. It is done in order to bind the paying bank to pay money either to any bank or to a particular bank.

Objectives:

Following are the objectives of crossing of cheque.

If by fault, cheque is misplaced then it can't be encashed by any unauthorized person.

Crossed cheque ensures safety and security to the payee.

Crossed cheque cannot be manipulated by dishonest cashiers.

In case of encashment of crossed checks, the recipient can be easily traced.

TYPES OF CROSSING:

Following are different types of crossing:

General Crossing:

In general crossing two parallel transverse lines are drawn on cheque and:

The words “& Co.” Not negotiable “or any abbreviation can be written in between these lines.

& Company

Not Negotiable

AK & Company

Effects:

When check has been crossed generally as shown above, the drawee bank will make payment only to a banker.

Special Crossing

Meanings:

Under special crossing the name of a particular bank is mentioned on the cheque either with or without the words “Not Negotiable”.

Habib Bank Ltd.

United Bank Ltd.

United Bank Ltd

Frere Road Branch

Effect:

In case of special crossing the paying bank shall make payment only to the bank whose name is written on cheque.

