

US and Canadian Return Reason Codes

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This document was created to provide US Banks with an understanding of the differences in Return Reason Codes they will encounter when presenting deposited Canadian Cheques in an electronic manner (X9.100-187) to a Canadian Bank. Additionally, an explanation of the occurrences when a deposited return item may be "re-exchanged" (different than represented) is included.

The sources used to create this document are:

1. ANSI X9.100-187 (2008) - US Standard for Electronic Exchange of Check Images
2. Payments Canada Standard 015 (June 2016) - Canadian Companion Document to X9.100-187 (2008) for Electronic Exchange of Canadian Cheque Images
https://www.payments.ca/sites/default/files/standard_015.updated.pdf
3. Payments Canada Rule A4 - Returned and Redirected Items (April 2017)
<https://www.payments.ca/sites/default/files/a4eng.pdf>
4. Payments Canada Rule A10 - Image Rule (April 2017)
https://www.payments.ca/sites/default/files/a10eng_0.pdf

The "**Code Match**" list is a "side-by-side" list of the Return Codes used by the US and Canada with their brief description. The YELLOW highlight identifies the codes that have a different meaning in the respective countries.

The "**Reason Match**" list aligns the Return Reasons used by the US and Canada that are the same but have different codes. The list also shows the Return Reasons of the respective countries that do not have a match with the other country. The Canadian portion of the list also includes the Time Limit for Return for those that can be returned later than "next business day". It also identifies how the Return can be handled when the forward presentment was electronic (X9).

The "**Re-Exchange Matrix**" list identifies the return reasons that are eligible to be presented as a new item and the possible manner to accomplish same.

Disclaimer: This information is provided to assist financial institutions in understanding the return reasons, timeframes and re-presentment of Canadian return items. The information is not intended as legal or compliance advice or recommendations to any person or company. Financial institutions, wishing to participate in the image exchange of Canadian items, should consult, their legal counsel regarding legal and operational requirements applicable to the exchange of Canadian items. In the event of a conflict between this document and information obtained from the Payments Canada (formerly Canadian Payments Association), the Payments Canada rules will govern. The views expressed in this document are not indorsed by, and do not necessarily reflect the views of, the sponsors of the Check Image Collaborative website or its working groups.

Image Cash Letter Return Reason Codes

United States		Canadian	
NSF - Not Sufficient Funds	'A'	A	Insufficient Funds
UCF - Uncollected Funds Hold	'B'	B	Payment Stopped
Stop Payment	'C'	C	Post Dated
Closed Account	'D'	D	Stale Dated
UTLA - Unable to Locate Account	'E'	E	Counterfeit Item
Frozen/Blocked Account—Account has Restrictions placed on it by either customer or bank	'F'	F	Material Alteration
Stale Dated	'G'	G	Forged/Unauthorized Signature
Post Dated	'H'	H	Forged Endorsement
Endorsement Missing	'I'	I	Intended Payee Not Paid
Endorsement Irregular	'J'	J	Account Closed
Signature(s) Missing	'K'	K	Not Eligible for Clearing
Signature(s) Irregular, Suspected Forgery	'L'	L	Drawer Deceased
Non-Cash Item (Non Negotiable)	'M'	M	Wrong Amount/Wrong Currency
Altered/Fictitious Item/Suspected Counterfeit/Counterfeit	'N'	N	Duplicate Payment
Unable to Process (e.g. Unable to process physical item/Mutilated such that critical payment information is missing). This code shall not be used for unusable images or system problems (see Administrative code 'U')	'O'	O	Words and Figure Differ
Item Exceeds Stated Max Value	'P'	P	Cannot Trace
Not Authorized (Includes Drafts)—Unauthorized item such as a draft	'Q'	Q	Funds Frozen/Not Cleared
Branch/Account Sold (Wrong Bank)—Divested Account, Not Our Item	'R'	R	Non-conforming Signature
Refer to Maker	'S'	S	Account Transferred to You
Item cannot be re-presented (Exceeds number of allowable times the item can be presented)	'T'	T	No Chequing Privilege
Unusable Image (Image could not be used for required business purpose, e.g. gross image defects, illegible, etc.)	'U'	U	Refer to Maker (could include Domicile Error)
Reserved for Future Use by X9	'V'	V	Not for Us (could include Domicile Error)
Cannot Determine Amount—Amount cannot be verified	'W'	W	Lost or Stolen Prior to Issue
Refer to Image—Return Reason information is contained within the image of the item.	'X'	X	Wrong Interest Calculation
Duplicate Presentment (Supporting documentation shall be readily available)	'Y'	Y	Refused by Payor/Payee
Forgery—An affidavit shall be available upon request	'Z'	Z	Missing Image/Image Not Usable
Reserved for Future Use by X9	'0'	0	MICR Mismatch
Reserved for Future Use by X9	'1'	1	ICP Item Unable to Process
Reserved for Future Use by X9	'2'	2	Unauthorized PAD
Warranty Breach (Includes Rule 8 & 9 claims)	'3'	3	Reserved for future use
RCC Warranty Breach (Rule 8)	'4'	4	Reserved for future use
Forged and Counterfeit Warranty Breach (Rule 9)	'5'	5	Reserved for future use
Retired/Ineligible Routing Number	'6'	6	Reserved for future use
Reserved for Future Use by X9	'7'	7	Reserved for future use
Reserved for Future Use by X9	'8'	8	Reserved for future use
Reserved for Future Use by X9	'9'	9	Reserved for future use

Image Cash Letter Return Reason Codes

United States		Canadian			Presented Electronically				
Description	Code	Code	Description	Definition ⁶	Time Limit for Return ¹	Return as Image Printout or CRD in RICE ²	Return as RRD ³	Return as ICP File ⁴	Re-Exchanged Items ⁵
NSF - Not Sufficient Funds	'A'	A	Insufficient Funds				Y	Y	
Stop Payment	'C'	B	Payment Stopped				Y	Y	
Post Dated	'H'	C	Post Dated		up to and including the due date	Y	Y	Y	
Stale Dated	'G'	D	Stale Dated				Y	Y	
Closed Account	'D'	J	Account Closed				Y	Y	
Altered/Fictitious Item/Suspected Counterfeit/Counterfeit	'N'	E	Counterfeit Item	means a paper Item that appears to be original or genuine, but has been fraudulently made and, for the purposes of this Rule, shall be considered an Item with a Forged or Unauthorized Signature;			Y	Y	
Refer to Maker	'S'	U	Refer to Maker (could include Domicile Error)				Y	Y	
Not Authorized (Includes Drafts)–Unauthorized item such as a draft	'Q'	K	Not Eligible for Clearing - Telecheque		90 calendar days	Y	Y	Y	
		K	Not Eligible for Clearing - Other				Y	Y	
Duplicate Presentment (Supporting documentation shall be readily available)	'Y'	N	Duplicate Payment	means an authorized Item that has been paid more than once. This may occur in situations where both an original and either an Image, Image Printout or a photocopy have been paid; an original item has been paid more than once; or where either an Image, Image Printout or a photocopy has been paid more than once.	90 calendar days	Y	Y	Y	
Signature(s) Irregular, Suspected Forgery	'L'	G	Forged/Unauthorized Signature	means (i) a signature on the face of an Item that is not the signature of the person (the drawer) that it purports to be, or (ii) a signature that is written on or applied to an Item without the drawer's authority			Y	Y	
Unable to Process (e.g. Unable to process physical item/Mutilated such that critical payment information is missing). This code shall not be used for unusable images or system problems (see Administrative code 'U')	'O'	1	ICP Item Unable to Process				Y	Y	
Unusable Image (Image could not be used for required business purpose, e.g. gross image defects, illegible, etc.) ¹	'U'	Z	Missing Image/Image Not Usable	means an occurrence of all or part of the Image (front portion, back portion or both) on a Clearing Replacement Document or as presented electronically, being missing or where the Image is not Usable in accordance with Rule A10.	90 calendar days	Y	Y	Y	Y
Signature(s) Missing	'K'	R	Non-conforming Signature (Maker)				Y	Y	
Branch/Account Sold (Wrong Bank)–Divested Account, Not Our Item	'R'	V	Not for Us (could include Domicile Error)				Y	Y	
UTLA - Unable to Locate Account	'E'	P	Cannot Trace				Y	Y	
Frozen/Blocked Account–Account has Restrictions placed on it by either customer or bank	'F'	Q	Funds Frozen/Not Cleared				Y	Y	
Refer to Image–Return Reason information is contained within the image of the item.	'X'	Y	Refused by Payor/Payee				Y	Y	

Image Cash Letter Return Reason Codes

United States		Canadian			Time Limit for Return ¹	Presented Electronically			
Description	Code	Code	Description	Definition ⁶		Return as Image Printout or CRD in RICE ²	Return as RRD ³	Return as ICP File ⁴	Re-Exchanged Items ⁵
BELOW ARE NOT MATCHED									
		F	Material Alteration	means an unauthorized change to one or more of the completed details of an originally authorized Item, and includes those material alterations identified in the Bills of Exchange Act, which are alterations: (i) to the date, (ii) to the sum payable, (iii) of the time of payment, (iv) of the place of payment, or (v) of the addition of a place of payment without the acceptor's assent where a bill has been accepted generally, as well as any alteration of the Drawee or of the Payee name.	90 calendar days	Y	Y	Y	
		H	Forged Endorsement (Payee)	means an Endorsement in the name of the payee that is not made by that person or by someone authorized to sign on that person's behalf, but does not include an Endorsement in the name of a payee when the payee name on the face of the Item has been altered without authorization;	6 years See Sec 7 (c) of Rule A4 for exception	Y	Y	Y	
		I	Intended Payee Not Paid	means that the named and Intended Payee(s) of a Payment Item did not receive the funds, but does not include Items where the Payee name on the face of the Item has been altered without authorization	6 years See Sec 7 (c) of Rule A4 for exception	Y see Sec 36 Rule A10	Y	Y	
		L	Drawer Deceased				Y	Y	
		M	Wrong Amount Wrong Currency		90 calendar days	Y see Sec 39 Rule A10	N	Y	Y
		O	Words and Figure Differ				Y	Y	
		S	Account Transferred to You				Y	Y	
		T	No Chequing Privilege				Y	Y	
		W	Lost or Stolen Prior to Issue				Y	Y	
		X	Wrong Interest Calculation				Y	Y	
		0	MICR Mismatch	means either an occurrence of the MICR encoding (excluding amount and CRD Identifier Code) contained on a Clearing Replacement Document not matching the MICR encoding represented in the Image on the Clearing Replacement Document, or an occurrence of the information included an ICP File not matching the MICR encoding represented on the associated Image of the payment Item.	90 calendar days	Y	Y	Y	
		2	Unauthorized PAD				Y	Y	

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UCF - Uncollected Funds Hold	'B'								
Endorsement Missing	'I'								
Endorsement Irregular	'J'								
Non-Cash Item (Non Negotiable)	'M'								
Item Exceeds Stated Max Value	'P'								
Item cannot be re-presented (Exceeds number of allowable times the item can be presented)	'T'								
Reserved for Future Use by X9	'V'								
Cannot Determine Amount—Amount cannot be verified	'W'								
Forgery—An affidavit shall be available upon request	'Z'								
Warranty Breach (Includes Rule 8 & 9 claims)	'3'								
RCC Warranty Breach (Rule 8)	'4'								
Forged and Counterfeit Warranty Breach (Rule 9)	'5'								
Retired/Ineligible Routing Number	'6'								
Reserved for Future Use by X9	'0'								
Reserved for Future Use by X9	'1'								
Reserved for Future Use by X9	'2'								
		3	Reserved for future use						
		4	Reserved for future use						
		5	Reserved for future use						
		6	Reserved for future use						
Reserved for Future Use by X9	'7'	7	Reserved for future use						
Reserved for Future Use by X9	'8'	8	Reserved for future use						
Reserved for Future Use by X9	'9'	9	Reserved for future use						
¹ When not specified, deadline is no later than the Business Day following receipt by the first organization unit of Drawee that is able to make or act upon a decision to dishonour the item (Section 5 and 6 of Rule A4)									
² See Sections 34 through 40 of Rule A10 for related info.									
³ See Sections 41 through 44 of Rule A10 for related info.									
⁴ See Sections 45 through 52 of Rule A10 for related info.									
⁵ See Section 8 of Rule A4 for related info.									
⁶ Always Reference the Definitions Section of Rule A4 for most current definition.									
NOTE: An item for any return reason can be returned as CRD in RICE.									

How to "Re-Exchange" When:					
BOFD Receives	What does Depositing Customer Receive	Item Cleared in Wrong Currency	Item Incorrectly Amount Encoded	Image Missing or Not Usable	US Correspondent Bank specifically instructs the Depository Bank to send the Electronic Image to the Receiving Bank
Cheque Image	1. Deposited Return Item Notice with image of return imprinted in the notice. 2. Deposited Item Return Notice with a separate printout of front and rear of the return cheque with message - "Cannot be Represented"	Retrieve original image and include in X9 file of the correct currency and present as a first time presentment.	Retrieve original image and include in X9 file with the correct amount and present as a first time presentment.	1. Determine if a useable image can be obtained from the original image and resent as a first time presentment. 2. If original cheque is available, rescan for usable image and sent as a first time presentment.	Retrieve original image and include in X9 file with the correct currency and present as a first time presentment.
RRD	Original or copy of RRD stamped "Do Not Redeposit"	Retrieve original image and include in X9 file of the correct currency and present as a first time presentment.	Retrieve original image and include in X9 file with the correct amount and present as a first time presentment.	1. Determine if a useable image can be obtained from the original image and resent as a first time presentment. 2. If original cheque is available, rescan for usable image and sent as a first time presentment.	Retrieve original image and include in X9 file with the correct currency and present as a first time presentment.
Image Printout in RICE	Original or copy of Image Printout in RICE stamped "Do Not Redeposit"	Retrieve original image and include in X9 file of the correct currency and present as a first time presentment.	Retrieve original image and include in X9 file with the correct amount and present as a first time presentment.	1. Determine if a useable image can be obtained from the original image and resent as a first time presentment. 2. If original cheque is available, rescan for usable image and sent as a first time presentment.	Retrieve original image and include in X9 file with the correct currency and present as a first time presentment.
CRD in RICE	Original or copy of CRD in RICE stamped "Do Not Redeposit"	Retrieve original image and include in X9 file of the correct currency and present as a first time presentment.	Retrieve original image and include in X9 file with the correct amount and present as a first time presentment.	1. Determine if a useable image can be obtained from the original image and resent as a first time presentment. 2. If original cheque is available, rescan for usable image and sent as a first time presentment.	Retrieve original image and include in X9 file with the correct currency and present as a first time presentment.