



Date: 18 November 2020

MEDIA STATEMENT

Cheques will no longer be used in the national payment system

The South African Reserve Bank (SARB), Financial Sector Conduct Authority (FSCA), Payments Association of South Africa (PASA) and the Banking Association South Africa (BASA) are jointly communicating to the public that the issuing and the acceptance/collection of cheques will cease, effective from 31 December 2020, as per the notice available at [http://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem\(NPS\)/Legal/Pages/Information%20papers.aspx](http://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem(NPS)/Legal/Pages/Information%20papers.aspx)

This decision was taken due to the numerous challenges associated with the usage of cheques. These challenges include:

- a lengthy processing period
- fraud perpetrated through the issuing of cheques
- cheques as an expensive payment instrument
- the restricted acceptance of cheques
- declining usage
- limited education and protection for the consumer
- ageing interbank cheque processing infrastructure
- impact of the coronavirus pandemic (COVID-19) outbreak

Details are outlined in the consultation paper titled 'The phasing out of cheques in the national payment system', issued on 2 October 2020. The consultation paper is available at [http://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem\(NPS\)/Legal/Pages/Documents-for-Comment.aspx](http://www.resbank.co.za/RegulationAndSupervision/NationalPaymentSystem(NPS)/Legal/Pages/Documents-for-Comment.aspx)

In this regard, South African banks will not accept any cheques for deposit or encashment after 31 December 2020.

Banks are expected to extensively communicate with their clients leading up to and beyond the discontinuation of cheques. Furthermore, to educate their clients on alternative electronic payment methods that may be used.

Affected stakeholders are therefore requested not to write/draw or accept cheques after 31 December 2020. They are encouraged to approach their banks to be offered alternative electronic payment methods or to direct any queries they may have related to the process of termination of the usage of cheques.

Issued by:

South African Reserve Bank, Financial Sector Conduct Authority, Payments Association of South Africa and the Banking Association South Africa