

# Issuing, acceptance, collection of cheques to cease from 31 December

Following a joint announcement by the SARB, FSCA, PASA and BASA, the issuing and acceptance or collection of cheques will cease from 31 December 2020. The use of cheques has been declining 30% annually and during Level 5 lockdown, volumes decreased by 80% as customers adapted to digital platforms. Overall, cheque payments in South Africa contribute less than 0.1% of the total ecosystem in South Africa.



The decision to discontinue cheques considered several factors. These 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, and ageing interbank cheque processing infrastructure.

Reflecting on the legacy of cheques ahead of the 31 December deadline, FNB chief executive Jacques Celliers says the end of cheques is a historic moment for South Africa. "Cheques have been one of the most treasured payment methods by some customers and symbolised a different era of innovation. As a result, their necessary discontinuation is a nostalgic moment for us and our customers, however, we believe the future of payments is even more exciting for all of us," he says.

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