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Advisory

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Discontinuation of Cheques

The Legal Practice Council would like to inform all legal practitioners about the recent announcement by The South African Reserve Bank (SARB), Financial Sector Conduct Authority (FSCA), Payments Association of South Africa (PASA) and the Banking Association South Africa (BASA) that the issuing and the acceptance/collection of cheques will cease, effective from 31 December 2020

This follows similar communications from Nedbank, FNB and Absa. PASA says the usage of cheques has rapidly declined over the last decade, with very few consumers, public and business entities presently making use of this payment method. This payment method is also significantly less effective than any of the digital payment methods (including electronic and card payments) available today.

Legal Practitioners and firms are therefore informed that South African banks will not accept any cheques for deposit or encashment after 31 December 2020 and are encouraged to liaise with their banks regarding the impact of the discontinuation of cheques and to make alternative arrangements for payment prior to 31 December 2020..

Issued by the Legal Practice Council