



Bank of Zambia

OFFICE OF THE DEPUTY GOVERNOR - OPERATIONS

BOZ/EXEC/DG/psd/bp

December 19, 2024

PSB Circular No. : 08/2024

To : All Heads of Commercial Bank and Financial Institution  
Chief Executive Officer – Zambia Electronic Clearing House Limited

**PHASING OUT OF CHEQUES AS A PAYMENT INSTRUMENT IN ZAMBIA**

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Pursuant to Section 43 of the National Payment Systems Act of 2007, and in line with the National Payment Systems Vision and Strategy 2023 – 2027, whose goal is *'To transform the national payment system to support the development of a 24/7 digital economy through interoperability, innovation, adoption of international standards and seamless processing of payments'*, the Bank of Zambia hereby advises that cheques will no longer be accepted as a payment instrument in Zambia from June 24, 2026. This follows countrywide stakeholder consultations conducted between July and November 2024, in collaboration with the Public Private Dialogue Forum and the Zambia Information and Communications Technology Authority. Stakeholders consulted included the Government, corporates, Small and Medium Scale Enterprises, financial institutions and members of the public. This decision has been informed by the following factors:

1. **Sustained decline in usage:** The value of cheque transactions has declined by 80% in the last 10 years.
2. **Emergence of electronic payment methods:** Advancement in financial technology has seen the emergence of electronic methods of payments that are more efficient and instant.
3. **Insecurity:** Compared with electronic payment methods, cheques are much more prone to frauds associated with forgery, alterations, theft of cheque books and unauthorised use.
4. **Dishonoured cheques:** The number of unpaid cheques due to insufficient funds on the account holder and invalid signatures among other things, has remained high, leading to reduced confidence in payment systems.
5. **Climate change:** Electronic transfers are environment friendly in comparison to cheques, which require the usage of paper.

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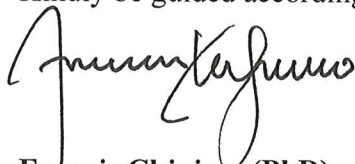
6. **Resource optimization:** The high costs related to cheque book production, processing infrastructure (i.e. system upgrades, hardware maintenance, software license fees e.t.c.) and other operating costs is no longer justifiable given the continuous reduction in the usage of cheques.

This measure will be implemented in a gradual manner. You are, therefore, advised to take note, and strictly adhere to the following timelines:

Date	Milestone
By Friday, December 20, 2024	Circular on roadmap for phasing out of cheques issued to commercial banks and other financial institutions.
By Friday, December 27, 2024	Public notice on phasing out of cheques issued.
Friday, February 28, 2025	Last day for customers to request for cheque books from commercial banks.
Monday, March 31, 2025	Last day for issuance of cheque books by commercial banks.
Wednesday, June 24, 2026	Last day for customers to deposit cheques at any commercial bank.
Friday, June 26, 2026	Last day for interbank clearing of cheques.

In this regard, you are hereby required to advise your customers on the timelines for phasing out cheques and encourage them to make use of the more efficient electronic/digital payment platforms.

Kindly be guided accordingly.



**Francis Chipimo (PhD)**  
**DEPUTY GOVERNOR**

cc Governor  
General Counsel and Bank Secretary  
Director – Payment Systems  
Director – Banking and Currency  
Director – Prudential Supervision  
Director – Financial Conduct Supervision