



BANK OF GHANA

NOTICE TO BANKS, SPECIALISED DEPOSIT-TAKING INSTITUTIONS AND THE PUBLIC

NOTICE NO.BG/GOV/SEC/2021/03

SANCTIONS FOR THE ISSUANCE OF DUD CHEQUES

Banks, Specialised Deposit-Taking Institutions (SDIs) and the Public are reminded that under section 313(A) of the Criminal Offences Act, 1960 (Act 29) as amended, it is an offence punishable by a fine and/or imprisonment of up to five (5) years for any person to issue a dud cheque¹.

To further discourage the issuance of dud cheques, the Bank of Ghana (BoG) introduced additional measures through notice number BG/GOV/SEC/2005/5. In spite of the above, BoG has observed with grave concern, the high issuance of dud cheques by some customers of banks and SDIs. This development has consequential effects on the acceptance of cheques for transactions. To discourage this malpractice, and to sustain confidence in the payment system, BoG has revised the sanctioning regime in respect of issuance of dud cheques for strict compliance by banks and SDIs as follows:

Sanctions

1. A bank or SDI shall issue a **Warning Notification** to a customer who issues a dud cheque for the **first** time and report the offence to the credit reference bureaux. The bank shall place the customer under surveillance for a minimum period of three (3) years. The warning should be documented and may be in the form of a Short Message Service (SMS), an email or any other established means of communication between the bank or SDI and that customer. The notification shall also indicate further sanctions that will be applied in the event of subsequent breaches.
2. Where a customer issues a dud cheque for the **second** time within three (3) years of the first offence, the drawee bank or SDI concerned, in addition to the above sanctions under paragraph 1, shall report the conduct of the customer to the BoG and the customer's details and breach shall be recorded in a dud cheque register maintained at the BoG.
3. Where a customer issues a dud cheque on a **third** occasion within three (3) years of the first offence, the drawee bank or SDI concerned, in addition to the above sanctions under paragraph 1 and 2, shall again

¹ For the purposes of this notice, a dud cheque is a cheque drawn on a bank or SDI by a customer for which there are inadequate or insufficient funds in the account of the customer to pay the amount specified on the cheque within the normal course of banking business.



inform the BoG. The BoG shall ban such a customer from issuing cheques within the country for a minimum period of three (3) years. The BoG shall notify all banks and SDIs of the ban and publish a list of all third offenders in two daily newspapers of national circulation. The customer may, however, be permitted to receive cheques and funds into the affected account and perform other electronic transactions on the account. Additionally, BoG, shall ban such a customer from accessing **new** credit facilities from the banking system for a period of three (3) years.

4. Upon receipt of the notification of the ban by BoG, the drawee bank or SDI shall notify the customer within five (5) working days of the ban, recall all unused cheque books and shall not issue new cheque books to the affected customer until the sanctions are lifted. Where a customer fails to return the unused cheque books within a period of ten (10) days from the notification date, the customer shall be reported to the law enforcement agencies for further action.

General Requirements for Banks and SDIs

5. Banks and SDIs shall continue to submit data on issuers of dud cheques to the credit reference bureaux in accordance with Section 25 (c) of the Credit Reporting Act, 2007 (Act 726).
6. Banks and SDIs shall continue to submit returns on dud cheques to the BoG on "as and when" basis in the BoG prescribed format. Failure by a bank or SDI to submit returns shall attract sanctions in accordance with Section 93 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).
7. Banks and SDIs shall conspicuously display copies of this Notice: BG/GOV/SEC/2021/03 in all banking halls and on official websites.
8. A bank or SDI which fails to comply with these directives shall be sanctioned in accordance with section 92(8) of the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930).

This notice supersedes NOTICE NO. BG/GOV/SEC/2005/5 issued on 27th June, 2005 and takes immediate effect.

(SGD)
SANDRA THOMPSON (MS)
THE SECRETARY

11TH MARCH 2021



BANK OF GHANA

NOTICE TO BANKS, SPECIALISED DEPOSIT-TAKING INSTITUTIONS AND THE GENERAL PUBLIC

NOTICE NO. BG/GOV/SEC/2019/15

ENFORCEMENT OF THIRD PARTY IDENTIFICATION INVOLVING DEPOSITS AND WITHDRAWALS

Pursuant to section 23 of the Anti-Money Laundering Act, 2008 (Act 749) as amended the Bank of Ghana hereby issues this notice for the information of all Banks and Specialized Deposit-Taking Institutions and the General Public.

All Banks, Specialized Deposit-Taking Institutions and the General Public are to note the following:

1. In accordance with section 23(7) of the Anti-Money Laundering Act 2008, (Act 749) as amended, all Banks and Specialized Deposit-Taking Institutions shall require the full personal details of a person who makes a deposit into or withdrawal from an account on behalf of another person.
2. Pursuant to the above, all third parties making deposits into or withdrawals from an account other than their own, shall provide the following information:
 - a. Name and address of the third party;
 - b. A verifiable identification card and
 - c. A telephone number of the third party to the requisite bank or specialized deposit-Taking institution.

Banks, Specialized Deposit-Taking institutions and the general public are to take note and be guided accordingly.

(Sgd.)

**FRANCES VAN-HEIN SACKY (MRS.)
THE SECRETARY**

4TH SEPTEMBER, 2019