



BANK OF PAPUA NEW GUINEA

PRESS RELEASE

This release follows on from the first official announcement dated 3 April 2023.

REMINDER FROM BPNG: THE USE OF PRIVATE SECTOR CHEQUES TO END ON 31 DECEMBER 2023

From close of business on 31 December 2023 private sector cheques will not be accepted for payment by commercial banks and financial institutions in PNG. Any private sector cheques presented after 31 December 2023 will not be honoured.

Unused cheque books should not be used after 31 December 2023. Individuals, businesses, companies and institutions who have cheque books should contact their banking organisation well before that date to arrange other payment methods.

The commercial banks and financial institutions will provide guidance and support for their customers to ensure their smooth transition to convenient and easy-to-use alternatives, such as mobile banking, internet banking and digital wallets.

Cheques have been used in PNG for many years to make payments. However, using cheques has proven to be time-consuming, prone to errors and vulnerable to fraud. Many countries around the world have already phased out cheques, recognising the limitations and risks associated with this outdated payment method.

Discontinuing private sector cheques is part of the Bank of Papua New Guinea's (BPNG's) program to streamline PNG's payment system, reduce costs, enhance security, and align the nation's banking practices with global best practice. The decision was made in consultation with the commercial banks and other financial institutions.

BPNG and commercial banks have confirmed that the discontinuing of private sector cheques does not breach any laws or regulations, or infringe upon the rights of individuals or businesses.

The Government is gradually shifting towards electronic payments, but the use of government cheques will not be affected by this decision. This means, government cheques will still be received by individuals, institutions or companies for the payments of services rendered after 31st December 2023, which will be honoured and payment processed by the banks.

The changing financial services landscape in PNG is a clear indication that the payment system needs to be in step with the evolving needs of individual customers as well as businesses. By embracing modern payment technologies PNG can expand financial inclusion, stimulate economic growth and foster a more robust and resilient financial system.

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Acting Governor