



# 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 cheque<sup>1</sup>.

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 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.

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**

**11<sup>TH</sup> MARCH 2021**