

Banking & Finance

MAS to Eliminate Corporate Cheques by end-2025 and Banks to Charge for Singapore Dollar Cheques by 1 November 2023

On 28 July 2023, the Monetary Authority of Singapore ("**MAS**") announced that all corporate cheques will be eliminated by end-2025 while individuals will still be able to use cheques for a period after 2025. The banks will also commence charging for Singapore Dollar ("**SGD**")-denominated cheques by 1 November 2023 to recover the cheque processing costs. These new requirements follow MAS' public consultation, from 2 November 2022 to 13 December 2022, on the termination of the cheque truncation system ("**CTS**") and the elimination of corporate cheques by 2025. A summary of the public consultation is available in our [November 2022 issue of Newsbytes](#) (Page 7).

To transit cheque users to e-payment solutions, MAS is working closely with The Association of Banks in Singapore ("**ABS**"), the financial industry and government agencies on a series of initiatives and this includes a specific e-payment solution that can serve as an alternative for post-dated cheques. MAS has also published its response to the feedback received on the public consultation and will work with ABS on the key measures to facilitate the transition to zero corporate cheques by end-2025.

The key measures, among others, are set below:

- (a) ABS will work with the Domestic Systemically Important Banks ("**D-SIBs**") to build an electronic deferred payment ("**EDP**") solution to allow users to make a deferred payment or issue a cashiers' order, without the need for cheques. The EDP solution will leverage on existing payments solutions like PayNow and GIRO and be ready by 2025.
- (b) Banks will cease the issuance of new cheque books to all corporates in 2025, after the launch of the EDP solution.
- (c) The D-SIBs in Singapore will commence charges for SGD-denominated cheques issued by both corporates and individuals by 1 November 2023, while other banks will do so by 1 July 2024. The charges for SGD-denominated cheques deposited by corporates and individuals will be implemented in phases and will vary among banks.

MAS is further studying the use of cheques by individuals and will develop appropriate initiatives to encourage these users to switch from cheques to other payment methods. MAS will also conduct a second public consultation next year to set out the initiatives and timeline to eliminate individual cheques and terminate the CTS.

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Click on the following links for more information (available on the MAS website at www.mas.gov.sg):

- [MAS Media Release titled "MAS Announces end-2025 Timeline to Eliminate Corporate Cheques"](#)
- [Response to Feedback Received - Roadmap to Terminate the SGD Cheque Truncation System – Eliminating Corporate Cheques by 2025](#)

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