



Press Release

The Central Bank and Stakeholders Reassess Priorities Regarding Cheque Usage

After extensive stakeholder consultation, the Central Bank of The Bahamas has agreed with commercial banks and other stakeholders on a reassessment of priorities regarding use of cheques in The Bahamas, while accelerating modernisation of the digital payments infrastructure.

In February 2023, the Central Bank formed a Steering Committee¹ to oversee strategic efforts around the future of cheque usage in The Bahamas. The Committee's mandate includes determination of the appropriate policy for use of cheques in The Bahamas and the development of strategies to efficiently achieve the policy determined, including an effective public education campaign. This work is advancing steadily, focusing on initiatives to improve the ease of banking and extend the reach of digital payments alternatives. It is also addressing the format of deeper engagement with the business community around the cost-benefit analysis of domestic payment instruments, while adequately capturing and responding to concerns related to payments.

Based on wide stakeholder feedback obtained by the Steering Committee, consensus has emerged to adjust the medium-term strategic mandate for use of cheques. Specifically, the timeline to effect the policy for use of cheques will be deferred from the original target date of December 2024. A reassessment of progress in the payments system and the policy for use of cheques will be made in 2026. In the interim, milestones are being identified to strengthen universal access to enhanced efficiency in payments across all deposit taking institutions and payment services providers, including use of the SandDollar.

The initiative to modernise payments systems remains focused on outcomes that improve financial inclusion, and provide all users with safe, secure and legitimate access to the digital alternatives. In addition to improving the infrastructure for, and access to, digital payments, the Central Bank will continue to work alongside the Steering Committee to formulate and execute a targeted public education and awareness campaign. The Central Bank will also consider amendments to its regulations to increase transparency and facilitate greater enforcement of consumer protection standards in services related to issuance and processing of cheques.

3 October 2023 ■

¹ The Steering Committee is Co-Chaired by the Governor of the Central Bank and the Chairperson of the Clearing Banks Association (CBA). Membership includes the Ministry of Finance, members of the CBA, the Bahamas Cooperative Union League (the apex body for Credit Unions), the Bahamas Insurance Association, and the Bahamas Chamber of Commerce and Employers Confederation. The Business Matters working Group, established under the Steering Committee also has external representation from the Bahamas Real Estate Association, the Bahamas Institute of Chartered Accountants, Civil Society Bahamas, Bahamas Bar Association and representation from the Office of the Financial Services Ombudsman.