



Cheques will likely be obsolete in Ghana in less than 5 years - VP Bawumia predicts

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GHANA: -

Ghanaian Vice President, Dr. Mahamudu Bawumia, has predicted that the rapid evolution of the Ghana's payments system in the context of the digitization agenda will soon render cheques obsolete in the payment for goods and services in the state.

VP Bawumia, stated this while speaking at the closing ceremony of the 2019 diaspora summit during the weekend.

He emphasized that with the introduction of mobile money interoperability, the use of cheques is in decline. Currently, mobile money payments account for 70% of payments and cheques are continuously losing ground to electronic payments.

The Vice President noted that the situation for cheques is only going to worsen with the imminent introduction of a Universal QR CODE for payments platform in Ghana which will result in instant payment and crediting of accounts, cheques will slowly become obsolete the nation as is the case in countries like Namibia.

According to report from 'Ghana presidency', the Universal QR CODE will mean that merchants in Ghana no longer need a Point of Sale device to receive payments. They will only need a mobile phone. Merchants as small as street

food vendors will be covered by the Universal QR CODE. Their bank or mobile money accounts will be instantly credited.

“If your account can instantly be credited why will you bother with Cheques?” the Vice President questioned.

Countries that have recently introduced the Universal QR CODE system include Singapore, India and China.

The launch of the Mobile Money Interoperability System through the Ghana Interbank Payment and Settlement Systems Limited (GHIPSS) by the Bank of Ghana on 10th May, 2018, was aimed at eliminating the complexities and inconveniences associated with transfers across the various mobile networks. This is making it possible for the accelerated growth in the cashless economy envisaged by the Akufo-Addo administration.

The average transaction per month with the introduction of mobile money interoperability for last year was pegged at about 280, 000 transactions, a difference of over 200%. Cross network mobile money transfers were done about 2.2 million times between May and December last year.

The Mobile Money Interoperability System is of immense importance to Ghanaians since it saves time and money spent on travelling to the agent for cashing-out. The recipient gets instant access to digital money.

It is safer as there is already a growing body of research that shows that when a society uses less cash, the rate of crime goes down and the sense of personal security, the presidency states.