



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

**TO ALL: ACCOUNTING OFFICERS OF DEPARTMENTS
HEAD OFFICIALS OF PROVINCIAL TREASURIES**

NATIONAL TREASURY INSTRUCTION 01 OF 2014/2015

PROHIBITION OF PAYMENTS VIA THE INTERNET

1. PURPOSE

- 1.1. The purpose of this *Treasury Instruction* is to prohibit payments via the internet due to the risks associated with such transactions.

2. BACKGROUND

- 2.1 In terms of Treasury Regulation 15.12.6, all cashed warrant vouchers of national departments that have not been captured on their respective financial systems will be returned as unpaid.
- 2.2 Considering that Treasury Regulation 15.12.6 is only applicable to national departments, it was considered prudent to require similar for provincial departments.

3. EFFECTING OF PAYMENTS

- 3.1. Before effecting any payment (including cheques, electronic transfers and credit transfers), the accounting officer must ensure that the payment is captured and authorised in the financial system of the department.
- 3.2. The South African Reserve Bank and the commercial banks will be advised not to grant departments direct internet access to capture payments, except for payments released from the Corporation of Public Deposits to the Province's Provincial Revenue Fund in terms of section 22 of the Public Finance Management Act (PFMA), 1999, (Act No. 1 of 1999).
- 3.3. Payments that were captured in the financial system of the respective departments can, if the facility is available, be extracted from the financial system and submitted electronically to the respective bank and authorized for release by the respective treasury.
- 3.4. Should a department need to effect an urgent payment, an additional cashbook can be arranged through the National Treasury's Chief Directorate: Financial Systems. These payments must be captured as a "credit transfer" type. Under no circumstances may the direct internet payment facility be used for this type of transaction.

Prohibition of payments via the internet

- 3.5. All banks have been instructed to only process payments that have been generated by the financial systems of departments.
- 3.6. Treasury Regulation 15.12.3 requires that all payments in excess of R 2000 be effected electronically unless otherwise approved by the relevant treasury. Cheques issued without the relevant treasuries approval shall be returned as unpaid by the banks.

4. APPLICABILITY

- 4.1. This *Treasury Instruction* is applicable to all departments.

5. EFFECTIVE DATE

- 5.1. This *Treasury Instruction* takes effect from 1 July 2014.

6. DISSEMINATION OF INFORMATION CONTAINED IN THIS TREASURY INSTRUCTION

- 6.1. Head Officials of provincial treasuries are requested to bring the contents of this *Treasury Instruction* to the attention of all accounting officers of provincial departments in their respective provinces.

7. NOTIFICATION OF THE AUDITOR-GENERAL

- 7.1. The Auditor-General will be notified of the contents of this *Treasury Instruction*.

8. AUTHORITY FOR THIS INSTRUCTION

- 8.1. This *Treasury Instruction* is issued in terms of sections 76(4)(b) of the PFMA.

9. CONTACT INFORMATION

Enquiries related to this *Treasury Instruction* may be directed to:

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ACCOUNTANT-GENERAL

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