



**NATIONAL TREASURY  
REPUBLIC OF SOUTH AFRICA**

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**ALL ACCOUNTING OFFICERS AND CHIEF FINANCIAL OFFICERS**

**OFFICE OF THE ACCOUNTANT GENERAL PRACTICE NOTE 1 OF 2002:**

**ITEM LIMITS ON PAYMENTS**

As part of an ongoing campaign to reduce departments' risk and exposure to fraud, the banks and The Payments Association of SA (PASA) have set limits for various types of negotiable instruments, credit payments through electronic funds transfers and debit orders. Herewith the new limits which are effective from 14 January 2002:

- a cheque may not be issued for R5 million or more;
- credit payments through EFT may not exceed R5 million; and
- a debit order may not be issued for more than R500 000-00.

As an interim measure the financial systems will automatically generate letters for payments of R5 million or more. These letters must be signed by the authorized signatories of the department. All National departments to present the signed letter to the South African Reserve Bank for payment and Provinces must present their letters for payments to their respective banks. These payments will then be processed electronically in real time through the South African Multiple Option Settlement (SAMOS) System.

BAS is currently investigating the possibility of separating EFT payments exceeding R5 million from the normal run and electronically transfer such payments to the respective banks. You will be informed of the outcome of the investigation in due course.

Regards

I A MAMOOJEE  
ACCOUNTANT-GENERAL

Date: 14 January 2002