

How payments modernization will benefit your business

There's a common theme in every payment transaction: paper.

Cheques are often favoured for business purchases for their rich remittance information, which means paper is everywhere – but the Canadian government wants to change that, and make the payments process much more efficient. Payments Canada is charting the course for a nationwide payments system overhaul that will make transactions more secure, effective and cost-efficient for all. This modernization will eliminate the current inefficient, expensive and opaque paper-based system. What does that mean for you? Your business may need new infrastructure to support the changes, but the benefits will be worth it.

Paper still rules the payment process

More than
71%
of small and medium enterprises and
57%
of corporates still use cheques to pay for business expenses¹

Issuing cheques in Canada is expensive

Average issue cost is

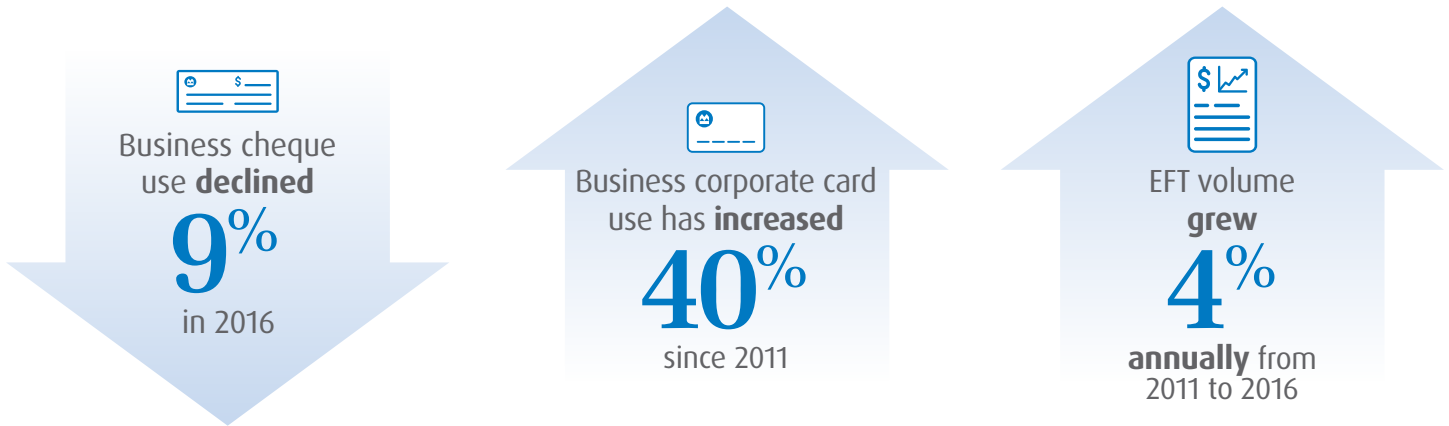
\$15
per transaction

\$1B

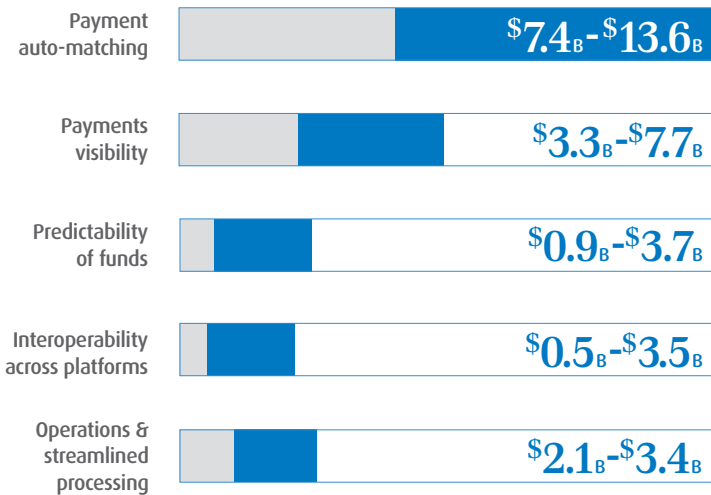
could be saved annually
by reducing cheque usage

The movement toward modernization

Customers are demanding greater payment speed and data richness



Process improvements through payments modernization could save businesses \$2.9B – \$6.5B annually



Strategic benefits of payments transformation include:

- Boosted bottom line
- Expedited fund availability
- Info-rich payment experience
- Lower operating costs and risk
- More time for innovation and competitive positioning
- Improved cross-border capabilities
- Simplified accounting processes
- Better adaptability to future technological innovations

We're at the beginning of the modernization journey. This will be an exciting process, which could bring great rewards and competitive advantages to Canadian businesses.



¹ Data pulled from 2018 Payments Canada and Ernst and Young LLP (EY Canada) study.
² Trade-marks of Bank of Montreal.