

The Real-Time Rail is coming to Canada.

How fast will your payments become?

When something happens **instantaneously**, it is said to happen in “**real-time**.” In the payments world, this means payment transactions are settled by financial institutions **as soon as they are processed**: the person or business on the receiving end gets their money **within seconds**.

Imagine your future with the Real-Time Rail



Government

There is an emergency in your province and the government organization you work for needs to distribute emergency funds. With real-time payments, money can be sent instantly and securely to a business or individual's account with important information, like what the payment is for, travelling alongside the payment.



Businesses

You are a business owner who has a number of workers who only work a few hours per shift. With real-time payments you can pay individuals for the time they've worked immediately after their shift.

You are a business owner or individual and you want to send an electronic request for a payment. With Request to Pay* your request will be received by the payor showing the requested amount, due date and potentially other payments instructions, simplifying your follow-up process.

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Does Canada already have real-time payments?

Not exactly. Canada currently has a near real-time money transfer service for individuals and small businesses, which is offered by most financial institutions in Canada.



Payments received within 30 minutes

24 / 7

Payments delivered and received 24 hours a day, seven days a week and year-round

What's Canada's **new** real-time payments system?

The Real-Time Rail (RTR), is Canada's new payments system expected to go-live in 2022. With the ability to reach more deposit accounts in Canada, this new system will support real-time payments/instant payments for all Canadians and act as a platform for innovation.



Payments sent and received instantly + securely



Account-to-account payments + data-rich payments with ISO 20022



Payments that are irrevocable, assuring they are final and can't be undone

24 / 7

Payments delivered and received 24 hours a day, seven days a week and year-round

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Individuals

It's the first of the month and your rent is due. With real-time payments, your landlord won't need to follow-up because he/she will receive your payment instantly. Further, you'll be able to better support your own budget balancing as will your landlord because the payment is final.

You are buying your first home and need to make a down payment. You'll need to visit your bank to get your bank draft and then deliver it to your lawyer's office to make the payment. With real-time payments, all this can be done on the go with a mobile device.

**Request to Pay is an example of a feature that will be built into the RTR. The feature is expected to go live after the RTR launch. It will be a key driver for innovation as it will introduce a new, flexible way to manage and settle bill payments between businesses and individuals.*



Innovation opportunities

Real-time payments ecosystem players, such as financial institutions and payment service providers, will be able to leverage the RTR to deliver faster, data-rich payments and new services to business and individuals.

These players will also be able to provide competitive services supported by the RTR; services that can improve the customer experience in a wide range of payment scenarios (including bill payments, social media payments, and QR-code payments). The full potential of these services is yet to be imagined.

Real-time payments are happening all over the world

The evolving global real-time payments landscape gives us a glimpse into the demand and opportunities that lie ahead, putting us in a unique position to learn from others and evolve our efforts to meet the needs of Canadians. For instance:

 Back in 2008, the U.K.'s Faster Payments system launched and today has seen over nine billion payments pass through. Thirty-five organizations are now participants and over 400 other financial institutions are able to offer the service, making Faster Payments available to more than 52 million account holders in the U.K.

 Jump ahead to 2017 and the U.S.'s Real-Time Payments (RTP) network launch from the Clearing House. In addition to reaching more than half of U.S. bank accounts, the RTP network has the technical capability to reach thousands more financial institutions.

 One year later, Australia's New Payments Platform (NPP), came to market. It has approximately 85 financial institutions connected to it, providing faster payment services to their combined customers. More than 66 million account holders can now make and receive payments via the NPP.

About Payments Canada

The Canadian economy depends on the exchange of billions of dollars each day. Payments Canada is responsible for the clearing and settlement infrastructure, processes and rules essential to those transactions.

Payments Canada is leading Canada's payments Modernization program, with an end vision for a fast, efficient, flexible and secure payments system that will promote innovation, provide more open access and strengthen Canada's competitive position.

Learn more: modernization.payments.ca

Questions? modernization@payments.ca



#ModernPayments