



Financial Services Policy Committee



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**Federal Reserve Banks Announce New Gateway
Operator For FedACH InternationalSM Canada Service**

Minneapolis, Minn., March 15, 2006—Starting on March 20, Scotiabank, one of North America's premier financial institutions, will begin to serve as the receiving gateway operator for cross-border ACH items into Canada through the Federal Reserve. The transition will also introduce more competitive pricing in the Canada Service foreign exchange rate.

The FedACH InternationalSM Canada Service will continue to allow U.S. financial institutions to originate both credit and debit items into the Canadian payment system. In Canada, the cross-border items can be processed in U.S. or Canadian dollars. There will be no change to the existing \$0.039 cross-border surcharge to U.S. financial institutions for originating payments that has been in effect since 2001.

Additional features of the FedACH International Canada Service include:

- Straight Through Processing of ACH items to Canada using NACHA Cross-border and Canadian Payment Association Rules
- Funds delivery to Canadian receiving financial institutions on the same day as U.S. settlement for Canadian dollar items
- Funds delivery for U.S. dollar items to the Canadian receiving financial institution on the same day or the day after U.S. settlement, depending on the time the items are delivered to FedACH

“This now makes the Canada Service more attractive for both consumer and corporate uses and opens up new possibilities for implementing additional enhancements. We are very excited about this new partnership,” said Larry Schulz, vice president in the Federal Reserve Banks’ Retail Payments Office.

“This significant opportunity with the Federal Reserve enables us to provide greater access into Canada and allows us to leverage our broad international presence and NAFTA services,” said Bob Grant, Senior Vice-President, Electronic Products & Payments, Global Transaction Banking.

About FedACH International

The FedACH InternationalSM Canada Service was first launched in 1999 as a pilot and moved into full production in 2001. The Canada Service allows U.S. originators to send credit and debit payments to any bank account in Canada. Payments can be received in Canadian or U.S. dollars. Daily exchange rates used in the service can be found at:

<http://minneapolisfed.org/fedachfx/index.cfm>.

About Scotiabank

Scotiabank is one of North America's premier financial institutions and Canada's most international bank. With more than 50,000 employees, Scotiabank Group and its affiliates serve about 10 million customers in some 50 countries around the world. Scotiabank offers a diverse range of products and services including personal, commercial, corporate and investment banking. For more information please visit www.scotiabank.com.

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