

FedGlobalSM ACH Payments Canada Service

CANADA Connection[★]

FedGlobal ACH Payments make it possible to provide you with a cost-effective, convenient and efficient method for sending payments to Canada. FedGlobal ACH Payments provide value-added services to your business and consumer accounts by accelerating the clearing time and reducing the costs associated with international payments.

FedGlobal ACH Payments

The Federal Reserve Banks offer a suite of FedGlobal ACH Payments as part of FedACH[®] Services and provide U.S. originating depository financial institutions (ODFIs) with the ability to send international payments via the same process used to send domestic transactions for nearly 40 years. FedGlobal ACH Payments provide direct and easy access to countries representing more than 50 percent of the global gross domestic product. In the future, the Federal Reserve Banks plan to expand service to other international endpoints and enhance product functionality.

FedGlobal ACH Payments Canada Service

Cross-border transactions are originated using the National Automated Clearing House Association (NACHA) formats and International ACH Transaction (IAT) standard entry class (SEC) codes CBR and PBR, and can be deposited in the same file with domestic payments. Cross-border items are contained in separate batches within the file. The FedGlobal ACH Payments Canada Service offers U.S. depository financial institutions the option of sending credits as well as debits to Canada. Settlement dates vary based on whether the item is payable in U.S. or Canadian dollars. Items are payable to the Canadian receiving depository financial institution (RDFI) either

on the U.S. settlement date or one business day after the U.S. settlement date, depending upon the type of transaction. (Refer to the FedGlobal ACH Payments Service Implementation Manual for details.)

U.S. depository financial institutions originate cross-border transactions via FedACH in U.S. dollars and may indicate the currency that will be applied to the transactions when they are received in Canada – either U.S. or Canadian dollars. Settlement to the ODFI is in U.S. dollars. For payments that are originated in U.S. dollars and paid in Canadian dollars (fixed to variable), a competitive foreign exchange rate will be applied. Details about the foreign exchange process and delivery times are included in the FedGlobal ACH Payments Service Implementation Manual, and daily and historical rate information can be found at FRBservices.org/app/fedachfx.

Pricing

For FedGlobal ACH Payments Canada Service items, the ODFI pays the full cost of the transaction, including origination, receipt and addenda fees, plus a cross-border surcharge. No fees are assessed to the receiver in Canada. A FedACH fee schedule, which includes the FedGlobal ACH Payments Canada Service, is available at FRBservices.org/FeeSchedules.

Participants

The Federal Reserve Bank of Minneapolis serves as the U.S. originating gateway operator on behalf of the Federal Reserve Banks. In this capacity, it consolidates all Canadian items received from domestic depositors each day. The Bank of Nova Scotia (Scotiabank*) serves as the receiving gateway operator and handles the currency exchange and format conversion for processing by the Canadian clearing system. The ACH deposit deadlines and accounting practices that apply to domestic transactions also apply to FedGlobal ACH Payments Canada Service transactions.

The Federal Reserve Banks' Operating Circular 4 governs clearing and settlement of ACH items by the Federal Reserve Banks and includes terms and conditions for FedGlobal ACH Payments. Operating Circular 4 can be found at FRBservices.org.

Key Features and Benefits

- A cost-effective alternative to other payment channels.
- Access to bank accounts in Canada.
- Ability to send debits and credits.
- Competitive foreign exchange rates.
- Delivery of payments in U.S. or Canadian dollars.
- Certainty of clearing and settlement times.
- No deductions from payment amount.

Easy Enrollment

To enroll, contact your District FedACH Sales Specialist or complete the enrollment form provided in the FedGlobal ACH Payments Service Implementation Manual.

The manual provides detailed information about the service, including how to arrange testing with the cross-border service.

The manual also includes:

- Highlights of rule differences between Canada and the United States, including proper authentication of debits.
- Canadian holiday calendar.
- Foreign exchange calculation/notification procedures.
- Description of forward and return processing flows.
- Template of formats.
- Exception handling procedures and support.
- Sample testing information.

Customer Service

The Federal Reserve Banks are committed to providing you with responsive and informed customer service. Our team of technical support experts is available to assist you in using all of our products and services. For setup information, please call FedACH Central Operations Support at (866) 234-5681.

The FedACH Advantage

The Federal Reserve Banks are the nation's largest ACH operator, bringing you nearly 40 years of experience and ACH expertise. The Federal Reserve Banks strive to provide reliable, high-quality and cost-effective ACH services to financial institutions across the country. Serving more than 21,000 ACH participants, our dependability and commitment to service enable you to provide high-quality ACH services to your customers.

Federal Reserve Financial Services

The Federal Reserve Banks offer a full range of financial services, including FedCash® Services, Check, FedACH, FedGlobal ACH Payments, FedImage® Services, FedForward®, FedReceipt®, FedReturn®, Fedwire® Funds Service, Fedwire Securities Service, National Settlement Service and Treasury Services. In addition, we offer services designed to support your financial services usage, including Account Management Information and Service Charge Information.

Where Can I Get More Information?

To learn more about FedGlobal ACH Payments, contact your FedACH Sales Specialist. For information on other Federal Reserve Bank products and services, contact your Account Executive or visit us at FRBservices.org.

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