

WHY?

The CPA, Canadian Payments Association, has introduced new cheque specifications to all Canadian Financial Institutions to prepare for the introduction of *Cheque Imaging* technology to the Canadian cheque clearing system.

Cheque Imaging is a process that allows banks to convert cheques to high-resolution digital images of the front and back of the cheque. The images will carry the same legal status as the original cancelled cheque. Cancelled cheques will no longer be returned to the issuer. It is anticipated that an "image statement" on which copies of the cheques will be returned to the customer as well as on-line access to images of the original cheques.

Printers will be required to ensure their customers' cheques pass the new standards for Cheque Imaging technology.

We are providing this notice now so that your customers have the necessary time to convert their cheques to the new standards which become effective December 31, 2006.

WHEN?

The CPA has set a date of December 31, 2006 for all cheques in circulation to meet these new standards.

If your customer orders cheques that will last past December 31, 2006, they should be made aware of the new standards.

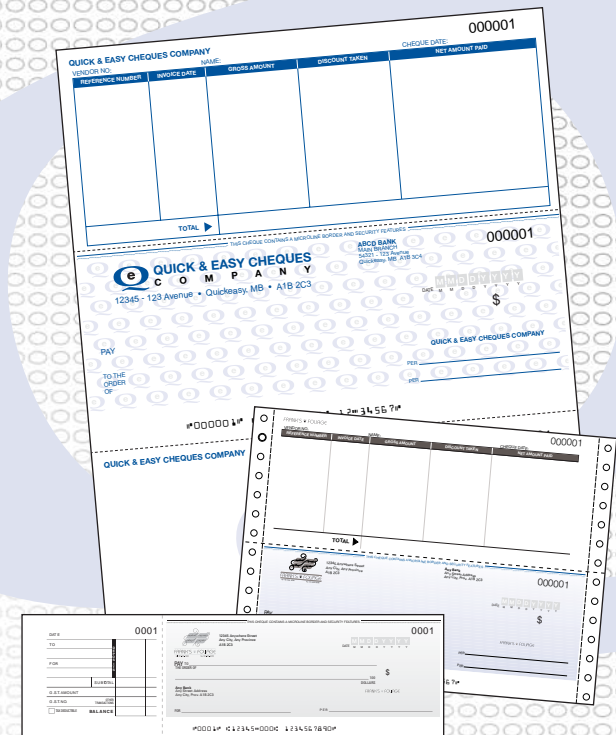
Some changes will be driven by the Software companies as they will have to change their software print positions to comply with the new regulations.

Customers who do not update or make the required change MAY face having their cheques rejected by the banks.

We are prepared to work with you and your customers to implement these new standards on new and repeat orders.

NEW CPA * Cheque Specifications

...and how they AFFECT YOU!



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*Canadian Payments Association
www.cdnpay.ca

WHO?

- ... Every Personal Cheque
- ... Every Business Cheque
- ... Every Computer Generated Cheque
- ... Every Person
- ... Every Business

In short, ANYONE who uses cheques to pay any bill.

Most of the changes required will be software generated. We as printers have no control over where information prints off a computer. Customers will HAVE to upgrade their software to meet the new standards.

Printers WILL have to educate their customers as to what the new regulations are. Customers will rely on YOU to tell them that changes are required.

WHAT?

- ① NO printing allowed in 5/8 MICR band (not even a pantograph!)
- ② Adoption of numeric date field
- ③ Mandatory MICR Consecutive numbering
- ④ Standardized positions for key fields on the cheque, including the date field and the amount in figures
- ⑤ Printer must ensure that the image can in fact be captured by the banks' equipment. Complex or colourful backgrounds may interfere with image quality.
- ⑥ Standardized print on the back of ALL cheques

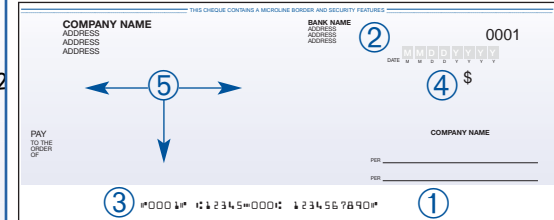
Elements that will hinder capture of information...such as reverse print, italics, slanted fonts and a bottom border printed below the MICR line, will not be allowed.

Security features...such as VOID pantographs, must NOT interfere with scanning.

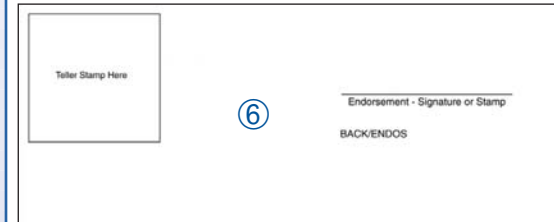
WHERE?

The CPA has announced the following specifications for Canadian cheques:

Cheque Front



Cheque Back



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