

VoPay

REAL-TIME PAYMENTS

— GUIDE 2023 —

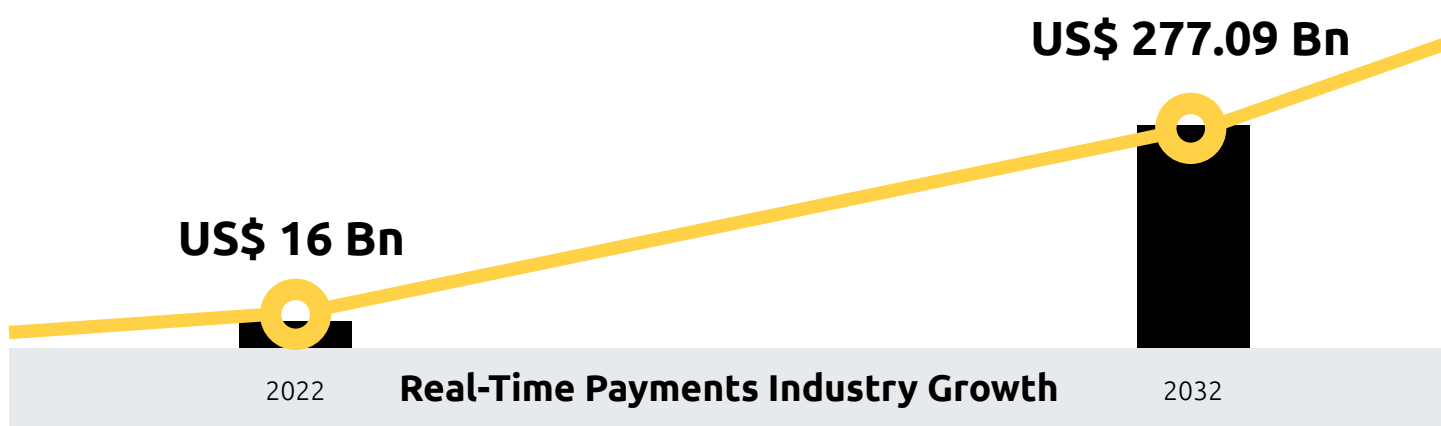


A New Way Of Processing Payments, Revolutionizing The Way We Do Business.

Real-time payments have become the answer as more companies look to optimize efficiencies and scale up in today's market. Instant payment solutions have reshaped the payment landscape, becoming a critical component in adding to a company's bottom line. The time to gain insight and learn more about this topic is now.

Our real-time payment guide is a must-read for Canadian business owners looking to learn more about real-time payment technology. We first start by explaining what they are and why so many businesses are adopting them. We then examine the global adoption rate and conclude with how to get started with real-time payments in Canada.

Getting paid faster. Who doesn't want that? In today's business environment, gaining access to funds as soon as possible is vital. Rapid payments, real-time payments and faster payment processing have made their foray into North America just in the nick of time. With a more competitive financial landscape, businesses from every industry are jumping on board.



Source: GlobeNewswire

What Are Real-Time Payments?

Real-time payments (RTP) is an always available payment system that delivers funds in a matter of seconds. No matter the time of day, or day of the week, send a payment one minute, and settlement happens instantly. This new way of faster payment processing is revamping the way we do business.

"Increasingly, we live in a world where whoever funds faster wins." Hamed Arbabi, VoPay CEO.

Real-time payments run on a network of real-time rails ([RTR](#)). In Canada, Interac and Payments Canada are working hard to deliver the Canadian real-time payment rails for late 2022 or early 2023.

At the same time, [real-time rails](#) are taking hold around the globe with operators such as The Clearing House (TCH) in the U.S. running the RTP® network, NPP in Australia, NCPI in India running NPI, and FPS in the U.K. And while the who and the what it is called might vary, one thing is for sure, things are speeding up in the real-time rail world.

How RTPs Are Disrupting B2B Payments

Imagine a small merchant needing a \$10,000 loan to fix a leaky roof. Looking for the quickest and easiest approval process and loan disbursement, they may look to a company like [FlexiLoans](#). The merchant goes online, fills out the application, gets approved, and the fund disbursement process begins.



With real-time payment integration, that client could access those funds in less than an hour. And that changes everything. This type of immediacy delivers a massive break for enterprises in need of emergency funds.

While each of the five categories has its own recognized activity and propensity for disruption, it is B2B that stands to hold the most impact to date. What is seen and experienced in B2C heavily influences the B2B payment space. Just like no one will mail a check to Netflix to watch an on-demand movie, businesses are no longer willing to wait days for their payments to process.

5 Categories of Real-Time Payments

Business-to-Business (B2B)

- Supplier Payments
- Loans

Business-to-Customer (B2C)

- Payroll Disbursements
- Gig Economy Compensation
- Insurance Payouts

Customer-to-Business (C2B)

- Utility Payments
- Pay at POS

Domestic Peer-to-Peer (P2P)

- Repayment to friends and family

Cross Border Peer-to-Peer (P2P)

- Remittance to family and friends

Companies are under pressure to streamline processes, deliver operational efficiencies, and cut costs. All the while providing exceptional customer service. And that is where RTPs come into play.

“We have seen a rapid increase in the number of new originators sending thousands of dollars in B2B payments.” Steve Ledford, *The Clearing House (US)*

Real-Time Payments Deliver Real-Time Savings

It is not just about fast fund disbursement. RTPs are revolutionizing the accounts receivable and account payable practices from top to bottom. A Citizens Financial Group nationwide survey found nine out of ten businesses zeroing in on RTPs to seize momentum in various areas, including cash flow management and payment data.

Did you know that 66.4 % of businesses still work off “rainbow-coloured” spreadsheets to manage payment reconciliation?

52% expect an improvement in cash flow management

46% believe it will help them conduct general accounts payable activities, including payroll


42% say it will facilitate payments requiring immediate receipt


40% feel it will dramatically improve collection activity and posting to clients’ accounts.


RTPs are addressing some of the biggest business pain points. Real-time payments solve the challenges surrounding the companies’ AR unknowns. Forget how long a cheque is stuck in the mail; there is no need to worry about when a payment will arrive or when a payment will be processed.

J.P. Morgan outlined the following commonplace scenarios, requiring phone calls, emails, follow-ups, research and delays.

The Limited Scope Of Payment Efficiency

 **Scenario 1:** Your company receives a partial payment or insufficient detail to reconcile a payment

 **Scenario 2:** You are low on inventory, and you pay a supplier right away to release goods. Did your vendor receive the funds?

 **Scenario 3:** A customer anxiously awaits an insurance claim payment following a catastrophe, and calls the adjustor impatiently. The adjustor doesn't know what happened to the check so voids and reissues it.

Access Real-Time Transaction Data

Talk about more bang for your buck; real-time payments outperform every other payment method regarding transaction data and messaging capabilities. A significant amount of information can be attached to every transaction, including remittance data.

Real-time payment solutions put an end to:

- **Strict one-way movement from payer to the payee** - Businesses can push and pull funds instantly
- **The dark abyss of the payment unknowns** - Has the payment been processed? Have funds been received? Strategic decision-making is almost impossible with a lack of transaction visibility.
- **Cash flow challenges** - Whether a business is paying out or getting paid, real-time payments provide a deeper clarity on where a business stands in real-time.

With precise transaction data available, an abundance of insights can be garnered to:

- Enhance business performance
- Improve operational efficiencies
- Monitor fraud
- Manage and limit risk exposure

Putting RTPs To Work In B2B Payments

The traditional process of sending and receiving payments in the B2B space is known to be costly, slow-moving, and unproductive, especially when it comes down to workforce hours. However, with end-to-end communication determining where a payment came from or where one is going becomes much easier and less time-consuming. Bilateral communication, including notifications of confirmations and settlements, takes a hefty load off the finance department. It is about quantifying the qualitative; by freeing up full-time employees from manual payment processing tasks, cost savings can be seen immediately from an operational efficiency standpoint.

Create an immediate 25%-50% cost savings by automating tasks at a fraction of the human equivalent.



Ping... Merchant XYZ has paid invoice #101 for \$1250, the transaction has been successful, and these funds are accessible in your account.

Transaction Details	
Transaction ID	136984
Transaction Status	Successful
Transaction Date	2022-02-14 02:30:11
Last Modified	2022-02-14 01:05:02
Type	Fund
Amount	\$1,250.00
Hold Amount	0.00
Currency	CAD

“By 2025, 30% to 50% of B2B payments will not only be done digitally, but they will also be done in real-time.” FIS Senior Vice President of Digital Payments, Ginny Chappell

Businesses today spend too much time, energy and dollars on reconciling payments. Process and reconcile payments fast with RTPs in place. Efficiency becomes the new normal as businesses request payments with a mere button press. Everything becomes more manageable in terms of reconciliation. With RTPs, there are no more cheques, no more paper invoices and no more wasted time trying to figure out where a payment originated.

Why Everyone Wins With Real-Time Payment Solutions

Imagine getting paid on time every time. This level of payment innovation benefits businesses, workers, and the entire Canadian economy.

Everyone wins with a real-time payment system, from financial institutions (FIs) and merchants to consumers and society as a whole. The benefits are many. Financial institutions and merchants gain a big boost with improved cash management and an increase in revenue, while consumers get secure, easy-to-use payment options.

Merchants - RTP offers greater transparency, improved payments reconciliation, reduced unauthorized payments, reduced reliance on cards, and overall customer satisfaction.

Payment Service Providers and Financial Institutions - RTP brings a competitive advantage to financial institutions (FIs) and payment service providers. They gain the upper hand by delivering more value to their customer base.

Consumers - Consumers want things simple and instant. Whether an instant book on Airbnb or on-demand Uber, RTP provides consumers with a simple and secure option to pay and get paid 24/7 365.

No one wants to wait for cash, cheque or be bothered with wire transfers; real-time payments are the way to go.



Consumers

- Zero Friction
- Fast Cash
- Less Risk



Corporates

- Efficient Billing
- Improved Liquidity
- Capital Optimization



Government

- Traceable Benefit Payments
- Increased Tax Revenue
- Global Standardization



The Economy

- Market Efficiency
- GDP Growth
- Increased Money Velocity

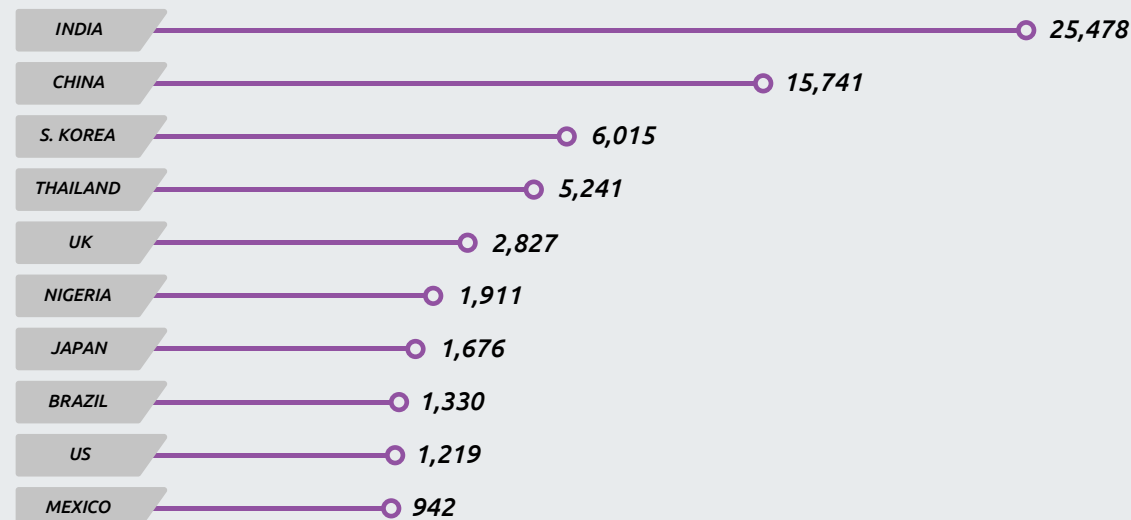
The Market: RTP Around The Globe

Real-time payments rode the coattails of contactless payment trends. The pandemic gave digital payments a massive boost, and there's no going back now. Projections say the overall market for real-time payments will reach a volume of close to **\$300 billion** by 2032.

The truth is big businesses are already all in. 86% of surveyed companies with annual revenues between \$500 million and \$1 billion are making or receiving real-time payments.

THE TOP 10 COUNTRIES WITH THE BIGGEST REAL-TIME PAYMENTS MARKET IN 2020

MILLIONS



Source: ACI Worldwide, "Prime Time For Real Time" in collaboration with GlobalData.

Around the globe, RTP's pick-up speed. In fact, more than **40 countries** operate with RTP solutions in place. And we can add six more countries that plan to launch before 2023.

RTPs in the U.S. are skyrocketing; the year-over-year growth sits at an impressive **69%**.

U.K. - A world-renowned act to follow. Since its launch in 2008, over **9 billion** payments have been sent across the U.K., amounting to a combined value of over **£6 trillion**.

India - A tough act to follow. Rates as top-notch. India's real-time payments platform (IMPS) was recognized as the world's best real-time payment system in 2019. The platform processes over 250m transactions amounting to **\$20 billion** monthly.

Singapore - Unstoppable and FAST (Fast and Secure Transactions). Launching in 2021, Singapore's immediate payments platform is processing almost 100,000 transactions, with a value of nearly **\$147 million** transferred daily.

Canada - Get ready. Canada's real-time rail is already here. While the complete launch is set for mid-2023, the country's RTR is currently in the pre-integration test phase. This means real-time payment options are already in use across Canada.

* The Canadian advantage - unlike other countries, Canadians gain the upper hand with **Interac e-Transfer** already in use. This payment solution used daily by millions of Canadians has an existing infrastructure in the payment ecosystem connecting nearly 300 financial institutions and over 95% of retail bank accounts.

VoPay: Delivering Real-Time Payments For Canadian Businesses

Integrate VoPay's Payment Solutions Today To:



Eliminate Accounting
Department Inefficiencies



Improve Cash Flow
Management



Gain Better
Financial Control



Add More Profit To
The Bottom Line



Enhance Payment
Visibility

The evolution of real-time capabilities worldwide signals this is no longer a nice-to-have; it has become a top priority.

VoPay's e-Transfer for Business – a simple, convenient, and secure way to send and receive near real-time payments at scale directly from one bank account to another. Keep it simple. Already well recognized in Canada, Interac e-transfers are a standard payment method for Canadians. Businesses can send unlimited transfers up to **\$25,000** per transaction using only an email address – **24/7/365**.

VoPay Instant – real-time access account to account payments using VoPay's EFT payment rails. Send funds instantly to any Canadian bank account. Fast, secure & Canadian.

Visa Direct - Visa Direct enables safe, convenient, real-time push payments to any Visa bank accounts across Canada. Transactions are processed in real-time. Funds are available immediately so businesses can access the funds when needed.

Save Time With Real-Time Payments Today

All of VoPay's solution services are through a simple API integration or VoPay's intuitive payment portal.