

Payments

Canada



TCS readies Canadian financial institutions for real-time payments modernization

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Payments Canada provides Canada's national payments systems, including those for large-value payments and for day-to-day domestic commerce. In 2018, those systems cleared approximately \$53 trillion..

In 2015, Payments Canada commenced a strategic plan to develop a modern payments system, including:

- **Real-Time Rail**, a new real-time payments system for low-value payments that can be initiated with mobile numbers and email addresses, to serve as a platform for value-added service offerings. Expected go-live (with a new name) in 2020.
- **Lynx**, a new high-value payments system to provide real-time settlement finality. Expected go-live in 2021.
- **Settlement Optimization Engine**, a centralized retail batch system to replace existing applications for clearing of batch paper and electronic payments, with migration to ISO 20022, an additional exchange window, and faster funds availability. Enhancements are ongoing through 2021.

These elements of a modern payments system will simplify and enhance daily payment interactions for Canadians and help secure and strengthen Canada's competitive position as a global leader in financial services.

Canadian consumers have been quick to embrace new technology and digital payments. Cash use has decreasing by 20 percent since 2011, and the marketplace is eagerly awaiting the innovation enabled by real-time payments.

The modernization is already in progress, with each phase carefully designed through consultations with more than 100 organizations in the Canadian and global payments ecosystem.

TCS is actively engaged with Payments Canada by

contributing its experience in delivering modernized solutions in multiple markets for real-time gross settlement, real-time payments rails, and ISO 20022 implementations. Through consulting services, innovation support, and technology solutions, TCS is accelerating the modernization of Payments Canada.

#Invisible Payments

Based on our experience in multiple markets building real-time capabilities much like those being developed by Payments Canada, we anticipate that in the future, Canadian payments will become **#Invisible**:

- **omnipresent** throughout the digital economy;
- **secure and trustworthy** to a degree that alleviates concerns;
- **open** to innovation of all kinds; and
- **personalized and contextualized** using information pertinent to the individual.

#Invisible Payments represents a paradigm shift away from the legacy situation, in which payments are confined to specific use cases through insecure, one-size-fits-all instruments that cannot easily be modified.

At the 2019 Payments Canada Summit, R Vivekanand, Vice President and Co-Head, TCS Financial Solutions, spoke about how #Invisible Payments will drive social transformation and consumer empowerment; described TCS' role in two innovative payment initiatives, Vipps in Europe and Unified Payment Initiative in India; and outlined the opportunity for financial institutions to become disruptors in their own regions with #Invisible Payments experiences, the possibilities only limited by the imagination.

TCS Canada

In anticipation of these significant changes in the marketplace, financial institutions in Canada will need to develop an entirely new set of capabilities, for which TCS offers a complete set of solutions:

TCS BaNCS for Payments: is aligned to the Payments Canada roadmap and will help banking and financial institutions in Canada to accelerate the adoption of Payments Canada's modernization initiatives. TCS BaNCS for Payments is a proven solution for payments processing, operating in 25 markets across the globe and ready for either on-premise or cloud deployment.

With our localized solution for the Canadian market, TCS will help financial institutions to adopt real-time payments with ISO 20022 and to build overlay services that deliver differentiated customer experiences, while staying in compliance with Canadian banking and data privacy regulations.

TCS BaNCS Cloud delivers the full capabilities of TCS BaNCS, including the localized Canadian version of TCS BaNCS for Payments, as a comprehensive SaaS offering..

TCS Enterprise Cloud Platform is TCS' cloud hosting service for TCS BaNCS Cloud, which can also run on any major third-party cloud provider.

TCS BaNCS APIs enable banking and financial institutions to innovate with payments-related products and services. Using the microservices-ready, component-based design of TCS BaNCS, organizations can incorporate stand-alone functionality, such as Payments Limits, into their broader ecosystems.

Payments Solutions enable financial institutions to provide payments as a utility, convert messages to ISO 20022 formats, process payments, or layer services on top of payments, with solutions localized for the Canadian marketplace.

Innovation Hub and Garages: Canadian financial institutions can work with TCS payments experts on envisioning new services at our Payments Innovation Hub, and experiment with new technologies at our Garage for #Invisible Payments, both in Toronto.



With these market-tested offerings and with our ongoing relationships with major Canadian financial institutions, TCS has made a major commitment to the Canadian marketplace, with the hope that Canadian financial institutions and Canadian consumers will benefit from TCS' extensive experience in real-time payments around the world.

"We have extended our globally-proven TCS BaNCS for Payments solution to financial institutions in Canada, reinforcing the pivotal role we play in helping Canadian financial institutions to continue their ongoing transformation journey," commented R Vivekanand, Vice President and Co-Head, TCS Financial Solutions. "With our investment into powerful and flexible infrastructure built for the Canadian marketplace, and our market-leading adaptation of innovations such as ISO 20022 and SWIFT gpi, we have enabled our customers to grow and transform in alignment with the modernization of Payments Canada."

WATCH Vivek's presentation on YouTube: <http://bit.ly/vivek-paycan>
LISTEN to Vivek's presentation (and more!) on the TCS BaNCS Customer Newsletter Podcast <http://bit.ly/TCSBaNCS31>