



Davis Hyde Financial
123 Main Street
Your Town, Province A1B 2C3
Tel: (123) 456-7890

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DATE

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D	D	M	M	Y	Y	Y	Y

PAY to
the order of

\$

100 DOLLARS



THE BANK OF NOVA SCOTIA
www.scotiabank.com 1-800-4-SCOTIA
456 COMMUNITY SQUARE
YOUR TOWN, PROVINCE A5B 6C8

DAVIS HYDE FINANCIAL
We care about your business

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MAY 2007

The new standard in Canadian cheques

Image-Based Cheque Processing

The Canadian Payments Association (CPA) is leading the way in an industry-wide shift to image-based clearing, which offers faster, more efficient processing.

In preparation, changes have been made to the physical appearance of cheques in order to ensure all cheques in circulation by the target start date are fully imageable.

Scotiabank, along with other financial institutions, is providing a transition period until September 2, 2008 to process "old format" business cheques. To accommodate order cycles, we recommend that business cheque orders submitted meet the new specifications. This will also allow you to take advantage of image-based banking services that will be introduced over the remainder of this year and beyond.

See the back of this page for an overview of the key changes to cheque specifications. Visit www.cdnpay.ca for the complete specifications found in the Standard 006 document.

Compliant Cheques

If you ordered business cheques after April 2005 from Scotiabank or Davis + Henderson, our preferred cheque service provider, your cheques already meet the new standard. If you would like to order compliant cheques from Davis + Henderson, the contact number is 1-866-628-5878.

Cheque Stock Imageability Testing

If you prefer to print your own cheques or use your own cheque supplier, we recommend that you submit 10 samples of printed, but unpopulated, cheque stock to your Scotiabank branch for imageability testing to help ensure your cheques are compliant.

Resources

For any updates and revisions to the Standard 006 timelines and processes, please visit www.scotiabank.com/chequeimaging for more information.



The new standard for Canadian cheques

Key changes to the cheque specifications

1. The date field appears in one of three formats:

- YYYYMMDD (Bilingual date field indicators are accommodated for cheques using the international date format)
- MMDDYYYY
- DDMMYYYY

Date field indicators must be printed below the date field to indicate which format is being used.

2. The minimum length of cheques has been increased to 6.25", or 15.88 cm.
3. Positions for key fields on the cheque, such as the date field and amount field, have been standardized.
4. Security features must not interfere with key areas of interest such as the MICR line, payor signature, payee endorsement, payee line, date field and convenience amount prior to imaging or post imaging. In particular, a VOID pantograph must not be visible on images captured from original cheques.
5. A serial number in the MICR line is now mandatory and the 1.59cm (5/8") MICR encoding area is to be kept clear.

Business Cheque

The diagram shows a business cheque from Davis Hyde Financial. Callout 1 points to the date field (DDMMYY). Callout 2 points to the MICR line at the bottom. Callout 3 points to the amount field (\$100 DOLLARS). Callout 4 points to the payee line (THE BANK OF NOVA SCOTIA). Callout 5 points to the MICR line encoding area.

Personal Cheque

The diagram shows a personal cheque from Jacques Meilleur. Callout 1 points to the date field (AAMMJJ). Callout 2 points to the MICR line at the bottom. Callout 3 points to the amount field (\$100 DOLLARS). Callout 4 points to the payee line (VOTRE INSTITUTION FINANCIERE). Callout 5 points to the MICR line encoding area.

Additional important information

- Some complex or colourful backgrounds may interfere with image quality.
- Red ink including endorsement stamps and all gel pens may not be used. Blue or dark purple are recommended.
- Elements that may hinder the capture of images or data from the cheque are not allowed. For example, inverse printing, italics or slanted fonts, a bottom border printed below the MICR line, and black carbon on the reverse of cheques.
- There are new printing requirements on the back of the cheque to ensure that image captures can be verified.



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