

# Payments and Cash Management Solutions for Canada



<b>Population:</b>	31 million
<b>Currency:</b>	Canadian dollar (CAD)
<b>Capital:</b>	Ottawa
<b>Business Centres:</b>	Calgary, Montreal, Toronto and Vancouver
<b>Language:</b>	English and French
<b>Time Zone:</b>	GMT – 4/9 hours depending on time zone
<b>Central Bank:</b>	The Bank of Canada

## Presence

Headquartered in Vancouver, HSBC Bank Canada was incorporated in 1981 as a charter bank under the Bank Act of Canada. Today, HSBC Bank Canada is the largest foreign-owned bank in Canada, with a nationwide network of over 160 offices across Canada. A full spectrum of retail, commercial and large corporate banking services are provided throughout the country.

## Clearing Mechanisms

Clearing system	Comments
<b>Automated Clearing Settlement System (ACSS) Check Clearing Mechanism</b>	Cheques are still widely used and sophisticated cheque handling and informational systems are in use. Cheques are exchanged between the members of the Canadian Payments Association (CPA) clearing system on a daily basis and depositors generally receive same day value with the drawer being debited on the exchange date. The Canadian Automated Clearing and Settlement system (ACSS) is operated by the CPA and is comprised of numerous direct participants of which HSBC is a member.
<b>LVTS Large Value Transfer System</b>	HSBC Bank Canada offers wire payments in most currencies to beneficiaries around the world. For Canadian dollar and US dollar payments, same day settlement is available. LVTS is the domestic version of a RTGS payments system and is used for payments in Canadian dollars.
<b>EFT – Electronic Funds Transfer</b>	Canadian equivalent to the low value, high volume, ACH clearing system. EFT supports both direct deposits and pre-authorized payments and is widely used for both. HSBC Bank Canada has EFT client software with easy to use templates which also supports an import function. EFT software is separate from Hexagon software.

## Account Services

Account Type	Local Current	Local Savings	Foreign Current	Foreign Savings
Resident	Yes	Yes	Yes	Yes
Non-resident	Yes	Yes	Yes	Yes
Credit Interest	Yes	Yes	Yes	Yes

## Cash Management Products and Services at a Glance

Investment Products	Transaction Management		Liquidity Management
	Payments	Collections	
<ul style="list-style-type: none"> <li>• LCY / FCY current accounts</li> <li>• LCY / FCY savings</li> <li>• LCY / FCY time deposits</li> <li>• Treasury Bills</li> </ul>	<ul style="list-style-type: none"> <li>• Electronic payments (high / low value bulk)</li> <li>• Cheque Book facility</li> <li>• Demand drafts</li> <li>• Corporate Cards</li> </ul>	<ul style="list-style-type: none"> <li>• Cheque collection</li> <li>• Wholesale lockbox</li> <li>• EDI Receivable service</li> <li>• Direct Debit</li> </ul>	<ul style="list-style-type: none"> <li>• Overdraft facilities</li> <li>• Single currency pooling</li> <li>• Sweeping / Cash Concentration</li> <li>• Hexagon electronic banking</li> </ul>

## Legal and Regulatory Considerations

Residents are subject to Canadian taxes on worldwide income, whereas non-residents are generally subject to Canadian tax on income derived in Canada. Withholding tax on non-resident interest earned is generally applied. However, Canada has bilateral tax treaties with approximately 65 countries which reduces the required withholding tax to between 10% and 25 %.

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