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Re: New Canadian Cheque Requirements

Dear Valued Customer,

There are new cheque standards being implemented in Canada, so we would like to take this opportunity to inform you of the changes that will affect your business. By December 31, 2006, all financial institutions and Canadian Payment Association (CPA) members will cease returning your cashed cheques. Instead, you will either receive images of scanned cheques, or a readout of the pertinent information which will be automatically scanned from your cashed cheques. By this date all client cheques, both commercial and personal, must adhere to the new standards being implemented by the CPA. As Nova Scotia's leading cheque provider, DATAGRAPHIC can help you make the transition.

Why are new cheque standards being implemented?

Every day, millions of paper cheques are transported across Canada from one financial institution's cheque handling centre to another's. By December 31, 2006, financial institutions will instead create high-resolution digital copies of cheques that will be transmitted across highly secure digital networks, eliminating the need for the daily transportation of thousands of pounds of paper cheques.

How will these changes benefit your business?

These changes benefit your business by giving you quick and easy access to processed cheques through your financial institution's website, allowing you to quickly and easily reconcile your accounts. Key benefits include:

- No longer having to wait for bank statements to reconcile your accounts.
- Being instantly aware of any unpaid cheques, allowing you to take prompt action.
- Less physical space will be required to store original returned cheques. You can download the images to your computer and make digital backups.


How will these changes affect your cheque orders?

A number of changes and standards are being introduced to ensure the image-ability of commercial and personal cheques. These changes include:

- A mandatory serial number (e.g.: consecutive cheque numbering) in the MICR numbering line on all cheques. This field was traditionally optional.
- A mandatory date field with standardized design, dimensions and positioning. This field must be in the format of DDMMYYYY or MMDDYYYY, allowing for English or French language variations.
- A mandatory numeric amount box and worded amount line with standardized dimensions and positioning.
- Printing requirements on the backside of a cheque to ensure correct location of imaged objects.
- Minimum type sizes and legibility for each imaged element.
- Limitations on printing elements that may hinder image-ability, including security features and inks.
- Inverse printing, italics and slanted text are disallowed, as are pantographs/backgrounds/screens that will interfere with the scanned image. No borders or pantographs are allowed below the bottom 5/8" of the cheque. Carbon will no longer be allowed on the cheque backside.
- A requirement that all perforations are on the top and/or left of the cheque. Stubs will thus be required to be above the cheque, not below.

For more detailed information, please contact us, or visit the CPA website at www.cdnpay.ca.

Sample Business Cheque with Window Envelope Markers (NOT TO SCALE)

	COMPANY NAME 987 MAIN STREET TOWN, PROV A1B 2C3 PHONE (999) 987-6543 FAX (999) 987-3456	YOUR FINANCIAL INSTITUTION 123 FIRST STREET TOWN, PROV A1B 2C3	0001
			0 1 0 9 2 0 0 5 DATE D D M M Y Y Y Y
PAY TO THE ORDER OF	***EXACTLY ONE THOUSAND TWO HUNDRED & FORTY-EIGHT & 16 CENTS YOUR SUPPLY COMPANY 13 SOME STREET TOWN, PROV B2C 3D4		\$ \$\$\$1248.16
		PER _____ PER _____	COMPANY NAME
RED - Min 10 pnt font BLUE - Min 8 pnt font		⑈000⑈ ⑈0⑈ ⑈234⑈ ⑈567⑈ ⑈89⑈ ⑈08765⑈	COURTESY OF DATAGRAPHIC

Sample Cheque Back (NOT TO SCALE)

<p>TELLER STAMP HERE</p>	<p>Endorsement - Signature or Stamp</p>
<p>BACK/ENDOS</p>	
<p>COURTESY OF DATAGRAPHIC</p>	

For further information, please call us or visit our website at www.datagraphic.ca. If you're ready to update your business cheques to be CPA compliant now, please call us locally at [893-7756](tel:893-7756) or toll free at [1-877-323-3282](tel:1-877-323-3282).

Sincerely,



Glenn MacIntosh
President, DATAGRAPHIC