

**Interac Corp.
Pre-Budget Submission to the
Minister of Finance
February 2022**



RECOMMENDATIONS

1. Enhance payments to and from government through digital, real-time payment and disbursement options used by businesses and citizens.
2. Launch Ontario's Digital ID program in 2022 and continue to consult on and encourage its adoption, allowing individuals a convenient and safe option to assert their identity and authenticate themselves both online and in-person.
3. Encourage a return to transit through an enhanced ridership experience by accelerating adoption of contactless debit for transit open payments.

The Honourable Peter Bethlenfalvy
Ontario Minister of Finance
c/o Budget Secretariat
via submissions@ontario.ca

The COVID-19 pandemic has accelerated trends toward digitization in the wake of broad public health measures, continued business disruptions and extended work from home. Staying at home and online has meant Ontarians have been incorporating or accelerating a shift to digital solutions – in payments, government services and business transactions.

The demand from consumers and businesses has increased expectations for faster, more convenient and secure digital services, something which we are happy to see the government has acknowledged and is working to address via digital government modernization programs across several ministries. In order to meet the evolving needs of Ontarians in this regard, Interac sees a significant opportunity for the government to accelerate these plans and bring forward new solutions for the benefit of residents and businesses in the province.

Payment Modernization for Business, Citizens and Government

One of the ways in which the government can adapt to better serve the public is by increasing its usage and adoption of digital payment solutions. New payment capabilities offer the ability for people and businesses to conveniently pay and receive money from government, all while ensuring security and protection of personal information is upheld. *Interac* recently launched *Interac* e-Transfer for Business, an innovative solution that builds on the widespread adoption of the *Interac* e-Transfer service. *Interac* e-Transfer for Business can streamline paper-based accounting processes to maximize working capital and reduce operational inefficiencies. Key features include the ability to send funds instantly with real-time confirmation, higher transaction limits and account numbers that can be used to route payments.

Ontario's recent experience with processing government-to-citizen and government-to-business payments through its pandemic support programs likely highlighted the challenges in traditional systems. Adoption of newer digital services provide Ontarians with a convenient and simple means of receiving funds while streamlining the distribution process.

Interac e-Transfer Bulk processing services offer a secure way to make thousands of payments to individuals or businesses through a single file upload, without the need for the recipient's banking information. Governments can use this service to distribute things like emergency aid relief quickly and securely to those who need funds fast, as well as to request and collect payments from residents. We were pleased to see the

government incorporate this service in its distribution of funds through both the *Support for Learners* and *Support for Families* programs, and would encourage further exploration of programs where similar disbursements make sense.

Enhancing payments through adopting new digital services already in use by the private sector will help the government meet growing citizen-consumer expectations and address pain points in current processes.

Digital ID

Interac supports Ontario's development of a digital ID program and encourages its imminent launch in 2022 to allow individuals a safe, convenient option to assert and authenticate their identity, both online and in-person.

Digital IDs offer the promise of giving individuals more privacy and control over how their information is used and shared, while at the same time reducing threats linked with physical ID documents such as theft, counterfeiting, and most recently, hygiene concerns.

At Interac, we believe digital identity can serve as a bedrock for an inclusive digital economy. Having recently completed a strategic transaction to acquire SecureKey's digital ID services for Canada, and following our acquisition of 2Keys in 2019, Interac is working directly with governments and private sector organizations to help make secure digital ID a reality across Canada. In doing so, we are aiming to leverage our deep experience with governance structures based on running a national payment network, as well as our trusted brand with Canadians.

For digital identity to fully provide its benefit to society, it needs to be underpinned by foundational government credentials such as birth certificates, citizenship documents and driver's licences. These government-issued documents sit at the centre of the identity ecosystem and are the means by which we obtain other trusted identities such as banking cards and employment credentials.

Interac encourages the Ontario Government to move forward with implementation of their digital ID program, and continue to consult on and expand the credentials included to enable widespread adoption.

Expansion of Contactless Debit for Transit Open Payments

Despite significantly reduced ridership due to ongoing pandemic restrictions, transit services across the province remain vital to our communities. As we look ahead to the future, ensuring efficient and equitable access to transit will continue to be important.

The use of contactless debit for transit open payments provides a low-barrier, equitable, and convenient payment option for everyone with a debit card (approx. 97% of Canadian adults¹). It provides transit riders convenient access without needing to purchase separate tickets or passes, or having to pre-load a dedicated fare card. For pre-pandemic transit riders able to work from home or drive to work, an enhanced customer experience through transit open payments may also encourage a speedier return to transit.

Recently Toronto's UP Express, the rail link that connects Union Station with Pearson International Airport, expanded contactless payment options with the implementation of Interac Debit for customers. We would like to see continued momentum for future integration on further transit systems across the province.

Interac encourages the Ontario Government to accelerate support to transit authorities to enable the use of contactless debit for open payments on transit systems to lower barriers, add convenience, and encourage a return to transit through enhanced customer experience.

ABOUT INTERAC

Interac Corp. empowers Canadians to transact digitally with confidence by providing payment and value exchange services. Through our world-class privacy, fraud mitigation, governance and digital identity and authentication expertise, we help keep Canadian customers safe and secure when transacting. With nearly 300 financial institutions connected to our network, Canadians choose Interac products an average of 18 million times each day to pay and exchange money.

We are a Canadian company that prides itself on being one of Canada's leading and most trusted financial brands. Our continued growth is evidenced by a workforce that increased by 35 per cent in 2020 to fill new technology and business mandates.

Interac champions workplace culture, community investment, and excellent corporate citizenship based on the principles of responsibility, diversity and inclusion. Over the past two years, we have made significant progress in creating meaningful and action-oriented change through our diversity, equity and inclusion efforts. This work was recently reinforced through a certification by Diversio – a people intelligence agency that measures, tracks and works with organizations to improve their inclusion efforts – as a Canadian organization that is prioritizing D&I to create a more equitable workplace for all employees.

¹ <https://www.newswire.ca/news-releases/pandemic-sparks-evolutionary-year-for-payment-landscape-reveals-new-payments-canada-s-report-872179982.html>