

A VIRTUAL GPS FOR LENDING
How Fintech is helping Canadians find the loans they need. **p02**

MOVING FINTECH FORWARD
How data automation is propelling Canadian small business onwards and upwards. **p03**

BUILDING TRUST IN MOBILE BANKING
How identify verification technologies are helping challenger banks compete. **p05**

Future of Fintech

THE MONEYSHOW
TORONTO

**THE ULTIMATE
EVENT FOR
CANADIAN INVESTORS**

SEPTEMBER 20-21, 2019

METRO TORONTO
CONVENTION CENTRE

Understanding
Blockchain
Opportunities
with Don Tapscott

on p05.

Paypal Canada Reduces High Shipping Cost Burden with Deep Discounts

For Brenda Watts, a rural PEI woodworker, e-commerce has been a gateway to a global market. But with a global market comes high shipping prices.

"I sell a niche product that's a bit on the higher end, so it's important to have access to a global market with many buyers," says Watts, the owner of Cattails Woodworking, said. "I don't think I'd be successful without exporting, but yet, it's hard to be competitive when shipping costs are so high."

Her shipping problems came to a head when postal workers took job action back in 2018. She knew she had to find other shipping options to keep her business afloat during her busiest season.

In the meantime, PayPal Canada was exploring ways to make shipping easier and more affordable for their small business customers.

The company wanted a solution because surveys have found high shipping costs are:

- The number one reason business owners hesitate to exportⁱ
- The number one reason customers abandon online shopping cartsⁱⁱ
- The number one reason customers give negative recommendationsⁱⁱⁱ

To find a solution, PayPal partnered with netParcel, a Toronto tech company that provides discounted shipping rates.

As a result, PayPal Canada customers are seeing discounts of up to 75 percent^{iv} on their shipping costs, whether they are sending parcels across the country, to the U.S. — which is Canada's number one trading partner — or to other markets around the world.

Watts says in the last three weeks alone she's saved \$600 on shipping, and her busy season hasn't even started yet. "I expect to triple those savings by late February 2020," she says.

Watts' most popular product is an acorn box. With tracking, it would cost \$21 to ship to California and \$20 to ship to New York. With PayPal, it's costing her \$14 to ship to the west coast and about \$10 to New York.

Best of all? One-day delivery^v is an affordable option for her customers.

"Many of my parcels are gifts and lots of folks leave it to the last minute. I will get requests to rush or send express which costs so much more in shipping it's unreasonable," says Watts.

"Some people add the shipping cost to the product price so that it doesn't deter buyers, but it has to be accounted for one way or another," she continues. "Now, I can lower my shipping costs on my website. It ups my competitiveness and encourages people to shop. It also allows me the option to occasionally offer free shipping on a certain dollar amount to the U.S. which I could never justify before."

Watts knew eight years ago that offering shipping to her customers would change her business. Now, she sees how PayPal can help change her bottom line and help secure her future.

PayPal's shipping solution is now available to all Canadians at paypal.ca/shipping.

SPONSORED BY



Brenda Watts, a woodworker in rural PEI, says she expects to save about \$1,800 a month with PayPal Canada's new shipping solution.

ⁱPayPal survey of small and medium businesses, 2018

ⁱⁱInsights West; Ayima, Statista 2019

ⁱⁱⁱUPS; comScore Statista, 2018

^{iv}Of a 2018 sample of 392,735 shipments made either within Canada or from Canada to any other country, a total of 82,272 shipments would have realized freight savings of 75% by shipping with netParcel, as compared to the lowest posted carrier retail rate then available. These rates do not include non-freight surcharges.

^vParcels will be delivered the next business day

Stay in Touch



facebook.com/MediaplanetStories



[@MediaplanetCA](https://twitter.com/MediaplanetCA)



[@MediaplanetCA](https://www.instagram.com/MediaplanetCA)



pinterest.com/MediaplanetCA



Please recycle after reading

Industry Developer: **Daniel Singh** Publisher: **Matthew Altman** Business Developer: **Jesse Adamson** Country Manager: **Jacob Weingarten** Content Strategy Manager: **Margot Thomas** Production Manager: **Calli Eliopoulos** Lead Designer: **Yeganeh Ghasemi** Web Editor: **Kaleigh McLelland** All images are from Getty Images unless otherwise accredited. Send all inquiries to ca.editorial@mediaplanet.com. This section was created by Mediaplanet and did not involve Toronto Star or its Editorial Departments.

eqbank.ca

Make a little cha-ching,
before you pay off the thing

Earn 2.30% interest* on every dollar in your
EQ Bank Savings Plus Account

EQ Bank
Money Well Banked.™



It's Dangerous to Go Alone:

A Virtual GPS to the World of Fintech Lending



Vlad Sherbatov
President & Co-Founder,
Smarter Loans



Rafael Rositsan
CEO & Co-Founder,
Smarter Loans

On the face of it, the explosion of fintech-based lenders onto the marketplace is an obvious boon to Canadian businesses and individuals. But more options mean harder decisions. Decision paralysis is real, and Canadians have been in urgent need of a roadmap to help them navigate this changing landscape and find the loans best suited to their unique needs.

It was this need that prompted Vlad Sherbatov and Rafael Rositsan to create Smarter Loans, a centralized digital platform that allows Canadians to easily find, compare, and apply for loans online. “The process of finding, applying, and getting a loan has changed dramatically in the past few years,” says Sherbatov. “With Smarter Loans consolidating all of the top financial companies and their products in a single place, Canadians can now easily discover the top loan providers, browse all their options, and apply online with confidence. The process has become faster, more convenient, and safer for individuals and businesses seeking financing for practically any purpose.”

Knowledge breeds confidence

Digital financing options have been growing continuously, but adoption among Canadian consumers has not kept pace. With the benefits of speed, convenience, and choice, it's clear that the missing piece of the equation was guidance. It's that guidance that Smarter Loans provides.

“For personal loans, people can discover a lender at Smarter Loans, apply online in minutes, and potentially get money in their bank account the same day,” says Rositsan. “On the business side, the funding can happen in just a few days. The accessibility, ease of approval and common loan amounts in the range of \$50,000 make alternative business loans perfect for small businesses.”

As with any good map, this one also provides the opportunity to take the roads less travelled, which can often lead to the most rewarding opportunities. Canadians are savvy shoppers, and we love to do our research and make well-informed decisions at any fork in the road. “Smarter Loans users regularly discover companies and products that they've never heard of before,”

says Sherbatov. “People typically research three to five different loan providers before making up their mind and proceeding to an application. They take their time comparing products and reading company reviews to help with their decision.”

Smarter borrowing for a stronger Canada

The truth is, metaphors aside, loans are essential to Canada's small business economy and equally essential to the economic health and financial security of Canadian individuals. Making borrowing decisions easier for Canadians is a net good that it can be hard to overstate the value of. “People use Smarter Loans to get all kinds of loans,” says Rositsan. “Sometimes, it's to take care of an unexpected emergency expense, and sometimes it is to make the biggest financial purchase of their life,

by getting a mortgage for a home. We are proud that Canadians are seeing Smarter Loans as their trusted go-to resource for loans and financing, to help with these important financial decisions.”

We rely so heavily today on online maps and GPS to navigate the physical world around us. And that physical landscape is not changing nearly as quickly as the digital landscape of loans and financing. It would be foolhardy to step into that wilderness without a GPS programmed for the task.

D.F. McCourt

SPONSORED BY

smarter.loans

Online Lenders Like Lendified Are Disrupting The World Of Small Business Financing



Kevin Clark
Chair, Canadian Lenders Association
& President, Lendified

Small business owners are often unable to get quick and efficient access to funding from traditional banks. Luckily, online, data-driven lenders like Lendified can help.

Small business owners have more choices than ever before when it comes to acquiring the capital they need to grow their business, thanks to the development of online solutions. Small business loans in Canada used to be the domain of traditional lenders, like the Big Five banks, but data-driven machines have changed the way credit is distributed.

Three tips for choosing the right financing for your business

Kevin Clark, Chair of the Canadian Lenders Association and President of Lendified — a leading online small business financing company — says there are three crucial things to keep in mind when choosing between lenders.

First, assess the purpose of the capital you're trying to borrow. How much money do you really need, and how quickly do you need it?

Second, before settling on a lender, make sure to understand the cost of the capital. Dealing with a lender who is transparent about rates and fees is essential.

Third, aim to match your liabilities to your assets. Longer-dated assets should incur longer-dated liabilities. If you want to buy a piece of equipment that will last five years, the loan should last about that long. For shorter-term assets, like advertising or buying inventory, a short-term loan from an online lender may be your best option.

How Lendified helps small businesses grow

Lendified leverages data-driven technology to speed-up the loan process, giving small business owners quick, efficient access to capital. The online application is simple and streamlined — using machine learning, the company is able to extract a large amount of information with a relatively small number of data points.

With Lendified, a small business owner can get pre-approved for a loan within seconds and receive a final offer within about 40 minutes, compared to the weeks or months it would take with a traditional lender.

“Lendified aims to be the next best thing to a traditional bank,” says Clark. To this end, Lendified emphasizes a completely transparent approach to fees, a convenient biweekly repayment structure, and more competitive rates than many other online lenders.

Liza Agrba

To learn more about how Lendified can help your business grow, visit their website and get a free quote for up to \$150,000 in minutes at www.lendified.com.

SPONSORED BY

Lendified

Small Businesses Who Invoice Solve Cash Flow Problems with FundThrough



Steven Uster
Co-Founder & CEO,
FundThrough

Having money tied up in accounts receivable can put the brakes on your small business. Invoice factoring can help small business owners get around slow-paying customers.

Angie Hayden, CEO at Woodland Enterprises, had a cash flow timing issue. Her pipeline utility business often relied on subcontractors, and Hayden prioritized paying them on time — even if it meant doing so before customers paid their invoices. As a result, a significant amount of capital was tied up in the company's accounts receivable — a common problem for small businesses.

Wishing to avoid the strict requirements and lengthy process associated with getting a bank loan, Hayden opted to go with “invoice factoring,” a process in which a business sells its accounts receivable to a third party at a discount. She chose FundThrough, a technology-enabled invoice funding platform that offers small business owners immediate advances for their unpaid invoices.

With FundThrough, Hayden quickly solved her cash flow problem with minimal hassle. “Getting funded for the holidays was a huge relief, and all in all it was a 100 percent satisfactory experience,” she says. Payment wait time was reduced by an average of 86 days, giving Woodland Enterprises the working capital it needed to take on larger contracts with confidence.

Cutting-edge technology and a client-focused team are key to FundThrough's exceptional client outcomes

Steven Uster, co-founder and CEO of FundThrough, says that the key to FundThrough's success is a combination of data-driven technology and a diverse, client-focused team — many of whom are entrepreneurs themselves.

“You can get unlimited access to capital simply by doing what you do best, which is selling,” says Uster. “Every time you sell, you issue an invoice and generate an accounts receivable, which you can then fund so you can grow your business. All you're doing is accelerating the time it takes for you to get paid by your customer.”

Quick and straightforward onboarding thanks to a tech-enabled platform

Part of what separates FundThrough from the competition is the agility of its platform. “We use technology to expedite the onboarding process, so our platform requires less upfront work and due diligence for the business owner, relative to our competition,” says Rebecca Weizenecker, Director of Sales & Client Success. In other words, the experience couldn't be more distinct from the arduous process of getting a bank loan.

FundThrough customers can choose exactly which invoices to fund, and when they want to fund them — all with no obligation and no annual fee. This uniquely flexible model puts business owners in complete control over when they get paid.

Liza Agrba

SPONSORED BY

FundThrough

Are Canada's Small Businesses Ready to Make the Leap to Fintech Solutions?

Fintech can be transformative for a small business but there are important points to consider. Dan Kelly, President and CEO of the Canadian Federation of Independent Business (CFIB), shares his thoughts on how entrepreneurs can ensure these technologies work best for their enterprises.



Dan Kelly
President, Chief Executive Officer & Chair of the Board of Governors, Canadian Federation of Independent Business

Mediaplanet What are some challenges for small businesses adopting fintech?

DK The biggest obstacle for small firms in adopting new approaches is affordability. They have already been hit hard by high credit card processing fees on top of confusing statements and hidden charges. Many of the new online lenders may speed up decisions, but charge usurious rates. Small to medium enterprises (SME) want to have secure options that they can trust, but they don't want to lose their shirts. If the cost of adoption is too high compared to using banks or accepting cheques, cash, and debit, they will be hesitant to make that investment.

MP What are the advantages of adopting fintech for small businesses?

DK Small businesses need to be nimble. They often don't have HR, payroll, or accounts payable departments — and all those roles may fall on the shoulders of the owner. Fintech solutions have the potential to make that easier for them by automating processes and digitizing their

record-keeping. Online lenders may be able to make quicker decisions using a more varied range of data points on the business. Consumers are also demanding more choices in payment platforms, whether it's online or at the cash register, but these platforms need to be designed with the realities and needs of small business owners in mind.

MP What are your recommendations for the fintech industry if it wants to appeal to small businesses?

DK My advice to the fintech industry is to build trust and to listen carefully to the needs and concerns of small businesses. Unfortunately, while there are some cool new fintechs out there, many are building on the same expensive payments and banking infrastructure as everyone else. We need some breakthrough technologies that allow new approaches to compete head-on with what we already have. With the advances of ISO 20022, I'm hoping we will see some new, low-cost B2B invoicing and payment options just as we did decades ago with Interac in the B2C space.

MP How can the government help bridge the gap between fintech players and small businesses?

DK Government has an important role to play in ensuring that new approaches are secure and that there is a level playing field between incumbents like the banks and new, emerging fintech players. We also want to ensure banks and others don't withdraw important and trusted lower-cost options like cheques until the market has equally strong new tools for SMEs to use. Finally, the government can also help create a fair and transparent dispute resolution process to ensure the integrity of the system.

SUPPORTED BY



Canadians Reap the Benefits of Technology Innovations that Prepaid is Powering



Jennifer Tramontana
Executive Director,
Canadian Prepaid
Providers Organization (CPPO)

Consumers, businesses, and the government have contributed to the rapid growth of prepaid solutions. These sectors have discovered the convenience and security of loading money onto physical or digital cards to buy goods, pay employees, extend incentives or rebates, or transfer funds for social assistance, tax refunds, and emergency disaster relief.

In 2018, \$4.3 billion were loaded onto open-loop prepaid products in Canada alone — up 17.1 percent between 2016 and 2018.¹ This growth indicates that prepaid solutions will continue to play a valuable role in Canada's financial ecosystems, offering Canadians innovative, technology-driven products and services.

The evolution of financial services

Jennifer Tramontana, Executive Director of the Canadian Prepaid Providers Organization (CPPO), cites two major reasons why the industry is flourishing — innovation and markets. "Prepaid is very well suited to be a platform for innovation in financial services," she explains. "Its modular and light infrastructure provides Canadian fintechs and challenger banks with a foundation that allows for creative and nimble products, swapping in and out capabilities where needed, and driving innovation."

Prepaid offers significant advantages over cheques for cashless transfers. According to Deloitte, the average cost of a cheque issued in Canada is \$15. An electronic payment is less than a dollar, yet Canadian businesses and government agencies send more than 550 million cheques annually, primarily due to the need for administrative processes and a clear audit trail, costing the economy \$5.8 billion.²

Prepaid platforms spark innovation

Tramontana also notes prepaid products are "a very useful tool for financial inclusion". Though over 90 percent of eligible Canadians have a bank account, many have low engagement with the financial services offered by traditional banks. They are limited in their ability to manage cash flow, save money, and access credit through traditional financial institutions due to economic, technological, and geographic barriers.

"Underserved Canadians can pay between \$900 to \$1200 a year for services like cheque cashing, NSF fees, and other premiums," she says. "They can have a much better experience with prepaid products. Deloitte estimates that the same consumer would pay about \$60 a year to transact through a prepaid product."

What has become clear is that prepaid solutions have an important role to play in the Canadian fintech space. It's a platform that has the ability to be nimble and responsive to the needs of its users while partnering with financial institutions to ensure regulatory compliance.

Michele Sponagle

SPONSORED BY



Propelling Fintech Forward With UX and Data Automation



David Souaid
Chief Revenue Officer,
OnDeck

In today's digital economy, data automation and streamlined user experience (UX) are allowing small businesses to scale and thrive as they never have before.

Traditionally, Canada has lagged behind other international players in fintech adoption. Efforts in the Canadian market by fintech companies like online small business lender OnDeck, however, are rapidly bringing Canadian businesses back into the race. "As Canada accelerates the adoption of fintech, the gap is closing very quickly," says David Souaid, OnDeck Chief Revenue Officer. "When you look at hubs like Toronto and Montreal where AI innovation is happening, we are starting to take the lead in some areas."

Fintech done right: simple, seamless, speedy, and human

For small business owners who are often burning the candle at both ends, fintech can help alleviate pain points in financial experiences such as long lead times, lengthy application processes, and limited in-branch hours to facilitate access to working capital. That's why companies like OnDeck are leveraging UX and automation to make timely financing easier and more seamless than ever before. "In the OnDeck world you can go online, fill out a few pages of an application form, and typically receive a decision within minutes," says Souaid. "Total time to funding can be as little as 24 hours. Juxtapose that with the traditional lending process that's in branch, where you need to provide all sorts of documents, and often wait weeks for a decision. We're bridging that gap in the online space to automate the system — access to data and technology enables us to do this so you can focus on what matters, your business."

But online does not mean impersonal. "We ensure that each customer, especially more intricate files with unique nuances, are handled with a human touch," says Souaid. "The automation is purely the driver to simplify this process."

When small business succeeds, so does Canada

With 98 percent of Canadian companies being small businesses, and with those businesses employing nearly 70 percent of the private workforce, anything that's good for small business is good for Canada's economy as a whole. "Small business is the driver of our economy and fintech is helping facilitate its growth," says Souaid. "Fintech drives the development of new and innovative products in the marketplace. It drives jobs and creates new and improved customer experiences that can make the lives of Canadians better."

Canada's economic growth depends on our small businesses having the tools they need to grow and compete, both internationally and at home. Today, fintech resources, like data automation, represent a huge part of that toolbox. It's companies like OnDeck that are making sure Canadian businesses have access to the working capital they need to flourish and support our economy.

D.F. McCourt

SPONSORED BY



¹Mercator Advisory Group. (2019). The Canadian Open-Loop Prepaid Market: 2018. Retrieved from mercatoradvisorygroup.com/Reports/The-Canadian-Open-Loop-Prepaid-Market-2018/

²Deloitte. (2019). Prepaid market research.

Innovation: Leveraging the Ecosystem



Sue Britton
Chief Executive Officer,
FinTech Growth
Syndicate

In just a few short years, fintech has become a large and successful new market category in technology and financial services in Canada creating tens of thousands of jobs and attracting the attention of global markets for our talent and technology.

Despite the success in the growth of new entrants and increasing adoption of their products by consumers and businesses, incumbents are still preoccupied with maintaining margins and prioritizing slow legacy technology modernization projects, over partnering with smaller new companies, becoming more agile and lowering costs, or creating new business models. For the most part, your bank has not changed what it does for you today, other than to provide a more enhanced “digital experience.”

No one would argue that we need stable, low-risk and secure financial services institutions in Canada, it is a key driver of our economic well-being as a country. But “if we do what we have always done, we will get what we always got” and the other undisputed fact is that the technology that created our secure systems a decade or two ago, cannot keep financial institutions relevant today. We need business model innovation. Executives in incumbent organizations need to look at their industry through another lens and reinvent how they make money. The new fintech market is an indicator for business model changes, lower fees, more value for consumers, and less friction. The fintech ecosystem represents what is possible. It provides a realistic

view on how technology is constantly adapting to the needs of the consumer, as new products and fintechs are launched. As tech giants such as Facebook, Apple, and Amazon launch fintech products in Canada and leverage their own large customer base for faster adoption, the need for true innovation through strategic partnering within the fintech space becomes a necessity. Amazon’s new credit card launched recently in Canada, for instance, introduces massive competition for incumbents.

Do incumbent financial institutions still have the benefit of a large customer base to fend off competition? How fast will competition arrive and change the landscape in Canada? The answer is not clear, but for sure, innovation needs to move faster.

At FinTech Growth Syndicate (FGS), our passion is to help innovators succeed. One way that can happen faster is through partnerships within the ecosystem. Over 1,200 start-ups and scale-ups in Canada are catalysts for growth, and knowing and working with them is key to fueling the innovation process. These companies provide a map of what customers and businesses need and are solutions to the problems they have. As an incumbent, we believe that you can’t have innovation without research. Research is table stakes for transformation teams, or as we like to call them, “transformationists,” and by bringing the ecosystem and innovators together, stakeholders become not only collaborators, but enablers in the ecosystem.

When we started FGS, our first blog was about 3 people who walk into a bar; an investor, a banker and a fintech



start-up founder. The investor says to the bartender, “I’ll have what they are having,” and the banker says, “I’ll have what they are having” — you get the picture. Today we would have the investor, the banker, the fintech founder, the tech giant, the challenger bank, and possibly a stranger whom we don’t yet know — maybe the Telco? Stay tuned.

Sue Britton

SUPPORTED BY



Financial Services and Financial Innovation Need to Be Inclusive

The Digital Finance Institute (DFI) — a Canadian think tank for financial technology, artificial intelligence, and blockchain — was set up nearly six years ago to address gaps in the financial industry. Two of its key pillars of focus are financial inclusion and women in finance and technology.

“Many Canadians lack access to financial services, so we wanted to raise awareness of this problem and try to find solutions, as well as encourage more women to get involved in financial innovation,” says Ellis Odyne, Executive Director and Chief AI Officer of DFI.

Improving access to financial services

Indigenous communities, refugees, the elderly, and Canadians living under the poverty line are the most excluded groups in Canada’s financial system. The Digital Finance Institute’s research shows that some “Indigenous people don’t have adequate government-issued photo ID so they’re unable to open a bank account in cities. Some refugees have had to flee their homes without their ID and are denied access to the financial system because they can’t prove their identity” says Odyne. “It’s a problem we care deeply about because inclusion of banking services is a right. You can’t live without a bank account when

most of our essential services are online and require bank accounts.”

With more bank branches closing as Canadians turn to smartphone banking, the elderly population who don’t have or use the technology is being left out, especially if they don’t live near a bank or ATM and lack access to transportation. Canada has one of the fastest aging populations and one of the most expensive internet services in the world, which impacts inclusion. Canadians living under the poverty line who can’t afford monthly banking or internet fees, might see expensive payday loans as their only accessible option.

Though technology and innovation were intended to help Canadians, “we’re seeing the same financial inclusion problem,” says Odyne. “A lot of the innovation focus of our fintech companies has been on finding new solutions to getting banking done easier and faster, with less focus on innovating for good and helping people who need assistance.”

To help address this issue, the Institute has partnered with Mastercard and the Mastercard Foundation to sponsor a session devoted entirely to addressing critical issues of financial inclusion at Canada’s National FinTech Conference in Toronto this August, with speakers coming from United Nations and the World Bank.

Encouraging women in fintech innovation ecosystem

In line with its inclusion mandate, the Institute is encouraging more women to enter the fintech innovation ecosystem. “We’re an Institute founded by women and we see first-hand that women have a minimal footprint within the fintech industry, so we work to highlight the issues of women who work in technology, finance or AI,” says Odyne.

A key challenge is that many women-run fintech organizations don’t get the funding they need to get off the ground. “Without that funding, they can’t succeed and get to the next level,” says Odyne. On the positive side, more women are co-founding fintech companies and becoming a significant part of the conversation on changing how financial services are run. “I think that’s a great step in the right direction,” says Odyne.

To showcase the contributions women are making in the fintech field, the Institute recently created a list of the Top 50 women in fintech in Canada based on what makes these women or their roles innovative and how they are giving back to their communities. “The Institute published the first white paper on women in fintech five years ago and was a global

trailblazer in starting the conversation about inclusion of women in fintech right here in Toronto,” says Odyne. “We are proud of our leadership role, and we are continuing our tradition with a FemTech Leader Award presented by Scotiabank at the institute’s FinTech & AI Awards gala event this year in Toronto.”

With future banks being technology based, having more women involved in fintech innovation will be critical to addressing some of the major financial issues within the sector. “It’s important to make sure that banking is inclusive — is made for everyone, especially as artificial intelligence becomes a greater part of banking. That’s when inclusion will be critical” says Odyne.

Anne Papmehl

Canadians can do their part by supporting inclusion in financial services and financial innovation. To learn more, please visit digitalfinanceinstitute.org.

SUPPORTED BY



Ellis Odyne
Executive Director & Chief
AI Officer,
The Digital Finance
Institute

Understanding Blockchain Opportunities with Don Tapscott



Don Tapscott
Co-author, *Blockchain Revolution*, and
Co-Founder & Executive Chairman,
Blockchain Research Institute



Tapscott delivering the opening remarks at the 2019 Nordic Business Forum in Helsinki

Don Tapscott is a Canadian business executive, author, consultant, and speaker, who specializes in business strategy, organizational transformation and the role of technology in business and society. He is the CEO of the Tapscott Group and the co-founder and Executive Chairman of the Blockchain Research Institute.

Mediaplanet What has been the most exciting recent development in blockchain?

DT In the past year we have seen more widespread enterprise adoption of blockchain than ever before. Many of the enterprise innovations have focused on financial services and supply chain management, where they're helping to build a frictionless global market. However, I think the innovations in privacy and identity management have been especially notable. This is the second era of the internet, and it's going to fundamentally change the way we conduct ourselves online.

MP What opportunities does blockchain open in the finance sector?

DT Blockchain serves as a native medium for value, allowing us to build trust and transact digitally without the need for large intermediaries. That has a particularly notable impact on things like payments and remittances, for example, but it's also turning venture capital upside down through an innovation called "initial coin

offerings." Projects can now raise capital while bypassing a lot of the traditional intermediaries, which has enormous implications for banking.

MP How will blockchain technologies promote innovation in areas like financial technologies?

DT Blockchain provides a foundational layer for other forms of technology. For instance, if you're going to incorporate AI into finance, you will want a secure platform with which that AI might make transactions or share data. Blockchain provides that platform.

MP What are the key challenges associated with integrating blockchain into an organization?

DT At the Blockchain Research Institute a lot of our research focuses on the implementation hurdles that companies face. Often, embracing blockchain requires reimagining the way your company adds value, and how a peer-to-peer value exchange might impact that. The technology is also immature, although there is significant progress weekly.

MP How can firms effectively navigate these challenges?

DT It starts at the leadership level, by identifying the specific opportunities for blockchain to improve your business. Collaboration across companies and industries is absolutely crucial. Many of the companies we work with

are having constant conversation with their competitors, in the interest of establishing the standards necessary for mass adoption of the technology. Which is why FedEx, UPS, and DHL are coordinating their blockchain efforts.

MP What impact will blockchain have on data privacy?

DT All the data you create in your everyday life constitutes what you might call a "digital identity." Right now, that data — and the money that can be made off of it — is expropriated by a few large companies. Using blockchain, we can build a "self-sovereign identity," where the data you create is collected and secured in a sort of "digital black box," owned by you. That means the individual controls, benefits from, and even profits from, their own digital footprint.

MP How do you see blockchain shaping the Canadian economy in the years to come?

DT Canada is already emerging as a global leader in blockchain, not least because of our strong financial system and thriving tech sector. But there are impediments. Regulators and governments are slow to understand and could do better to encourage the evolution of this technology. Government leaders seem more focused on AI, which is a mistake. Rather, view AI and blockchain as a couple.



Mobile Banking Is All About Trust. Here's the Technology Making That Trust Possible.

The world of banking is becoming more digital and more global every day. Canadians no longer want to walk into a physical bank to transact business, and they expect their finances to easily cross international borders with them.

The shift to digital-only and mobile-first banking on a global scale raises one fundamental question: without face-to-face interaction, how can banks and financial service providers be sure their customers are who they say they are?

Trulioo, founded in Vancouver in 2011, has made it their mission to provide a solution to this critical question. By providing secure access to hundreds of reliable and trusted data sources, they have created a global digital ID network for identity verification and authentication services in over 100 countries. Today, Trulioo can instantly verify the identities of over five billion people and 250 million companies around the world through a single API.

"We think of ourselves as a catalyst for fintech," says Trulioo General Manager Zac Cohen. "The most common use cases are know your customer (KYC) and anti-money laundering, with Customer Due Diligence (CDD) wrapped into that as well. Another use case of growing importance is trust, safety, and fraud prevention."

Removing friction from banking, without sacrificing security

It is technology like Trulioo's that is allowing digital "challenger banks" to compete with the traditional banking behemoths, while also meeting all of the essential regulatory requirements.

"Having instant digital access to reliable high-quality data through a single platform is critical to creating a robust online environment for both challenger banks and traditional banks," says Cohen. "Challenger banks are starting from scratch, which can in fact be an advantage. From the very beginning, they can build in the new mobile-first technologies that traditional banks have struggled to integrate into their established systems."

For Vancouver-based financial service provider Koho, secure KYC and CDD is essential for onboarding customers and providing a seamless mobile-first experience. With Trulioo's technology, Koho is now able to take processes that would previously have taken hours or days, and complete them in seconds.

"People want an easy way to access financial services that would traditionally have involved face-to-face meetings and tons of paperwork," says Cohen. "If we can book flights, shop, and hail a ride from wherever we are because of something as powerful as a cell phone in our pocket — why not banking?"

Expanding horizons: banking access is a social issue

Alberta-based challenger bank ATB-Brightside is leveraging this technology to go global and reach customers that have traditionally been underbanked or unbanked, such as new immigrants. This is more than just an untapped market — it's an issue of social equality.

"Individuals who are unbanked or underbanked don't have the level of access to the digital economy or to financial services that most of us take for granted," says Cohen. "Tools that can provide that access to those individuals can act as a great equalizer. Being able to verify your identity digitally is the pillar that allows that gap of financial inclusion to be bridged."

As Canada's demographics shift with growing immigration and large new cohorts of young people entering the workforce, banks that are going to be successful tomorrow cannot afford to ignore what is happening today. That means making banking accessible to those with less robust paper trails, and making banking convenient for those who prefer to use their phone as a portal for everything.

"We have to consider what Canada looks like today," says Cohen. "We have so many millennials and we have so many new-to-country residents. We need to include them and make it easy for them to access financial services. If a financial institution is making things just as easy for those populations as for everyone else, they are going to win in the market."

D.F. McCourt

“It is technology like Trulioo's that is allowing digital "challenger banks" to compete with the traditional banking behemoths, while also meeting all of the essential regulatory requirements.”

”

SPONSORED BY

Trulioo

Securing Transactions Bitt by Bit

Bitt is a financial technology company that utilizes blockchain and distributed ledger technology to facilitate secure peer-to-peer transactions with seamless mobile money across a suite of Bitt's Software and Mobile Applications.

Mediaplanet *Why is the Regulatory Sandbox Framework so important?*

Bitt The sandbox allows cutting edge companies like Bitt to deploy innovative products and services in circumstances where they benefit from, and are guided by, a close relationship with regulators, who monitor them in order to better understand their operations and the nature of their offerings. In our case, it has allowed the Central Bank of Barbados and the Financial Services Commission, in particular, to familiarize themselves with how the mMoney Wallet and mMoney Merchant applications work and perform in the market in order to determine if and how these products or services should be regulated. In fact, because regulation often lags behind innovation, the sandbox creates an enabling environment for the regulators to develop well-informed, right-sized regulation, as necessary, that facilitates innovation without introducing unacceptable risk.

MP *How has DLT changed the game for Central Banks?*

Bitt Distributed Ledger Technology (DLT) is a rapidly developing technology that powers trusted distributed databases, applicable to solve problems in various scenarios by eliminating the need of an intermediary third party. Private and public institutions around the world acknowledge its potential and consider it a revolutionary technology. A report by the World Economic Forum suggest that more than 40 central banks worldwide are experimenting with Distributed Ledger Technology. Some key use cases including Wholesale and Retail Central Bank Digital Currency, Interbank securities settlement, digital know your customer and anti-money-laundering processes, as well as trade finance and cross-border payments. Distributed Ledger Technology creates a shared view of a large variety of information fed and replicated across institutions creating highly efficient and, in some cases, lower cost mechanisms for sharing information and transacting privately and more securely. Distributed Ledger Technology is changing the game for central banks by modernizing governance structures and operational frameworks. This technology can guarantee authenticity of information and the reliability of systemically important financial systems, while facilitating innovation with new financial services providers towards greater financial access and ease of doing business.

SPONSORED BY



Modernizing Payments Creates Opportunities

The future of payments is data: Payments Canada's Modernization initiative includes integrating the new ISO 20022 messaging standard into Canada's payment infrastructure upgrade. This creates cost savings and innovation opportunities for businesses and benefits to consumers.



Justin Ferrabee
Chief Operating Officer,
Payments Canada

ISO 20022 is a global messaging standard for payments that lets larger amounts of data to be transmitted in a payment.

"With the current electronic payment system, payments and information get separated at issuance and travel different paths and then get reconciled at the other end," says Justin Ferrabee, Chief Operating Officer at Payments Canada, an organization that is responsible for Canada's payment clearing and settlement infrastructure, processes, and rules essential to payment exchange.

Payments Canada is currently integrating ISO 20022 into Canada's digital payment infrastructure upgrade, which will allow payments and payment information to travel together seamlessly — resulting in data-rich payments and automatic, straight-through payments processing and reconciliation.

Benefits to business, consumers and others

Data-rich payments will ensure better interoperability between and among payment systems both domestically and internationally. It will also result in cost savings and enhanced opportunities for Canadian businesses, and potentially more payment options for consumers.

For businesses, data-rich payments mean an end to costly and time-consuming manual back office payment reconciliation. "Canadian businesses currently spend \$3 to \$6.5 billion on payments processes each year," says Ferrabee. "Automated straight-through processing that ISO

20022 allows will mean significant savings for business." Businesses will also be able to use payment data to create new, competitive products and services. "Using ISO 20022 will be going to create opportunity beyond what any of us can conceive right now," says Ferrabee.

For Canadian consumers, data-rich payments will provide them with more information about their financial transactions, more options in terms of payments products, and faster access to services. Bank customers, for example, will no longer have to struggle to recall details of a recent purchase, as the electronic bank statement will display detailed transaction information. For getting credit or a loan, a simple scan of a customer's spending data could suffice to determine credit risk, eliminating the need to obtain a credit score.

The standard offers future potential for such things as programmable smart money. This has broad implications, ranging from enabling people living paycheque to paycheque to better manage their expenses, to how frequently people get paid. "A recent survey of ours showed that about one third of millennials would like to get paid daily to reflect their lifestyle and spending habits — because the world is moving faster and they're in the gig economy. They see no reason to have to operate around constraints of being paid monthly or bi-weekly anymore," says Ferrabee.

Changing the role of payments in commerce

Ultimately, ISO 20022 and the new era of data-rich payments completely change the role of payments in commerce.

Key to unlocking the potential of this standard is wide market adoption. To take full advantage of the innovation opportunities and competitive advantage that that ISO 20022 presents, Canadian businesses and consumers are encouraged to learn more about the standard by visiting modernization.payments.ca.

Anne Papmehl

SUPPORTED BY



Canadians Seeing Wealth of Benefits with Online Banking Innovations

Banking has undergone a major transformation as Canadians seek online providers to invest and manage their money. You no longer have to wait in line to make RRSP contributions, open an account, or get expert advice.

Being able to do banking and make investments on your terms is a key benefit of digital banking. As an added plus, the lack of expensive brick-and-mortar branches means savings can be passed along to clients. More than 2.3 million Canadians have looked to Tangerine Bank, the leading digital bank in Canada, and entrusted it with nearly \$42 billion of their money. Its popularity can be chalked up to its ability to offer something unique — a simple and convenient banking experience. That includes a wealth of possibilities including savings accounts, investment funds, mortgages, lines of credit, and a money-back credit card.

Innovations in online banking

"We believe that Canadians deserve more from their everyday banking experience and more money in their pockets," says Tim Morris, Vice President of Investments at Tangerine. "Whether they're saving, spending, borrowing, or investing, we have the everyday banking products Canadians need to keep more of their money working harder for them."

Taking the digital route is ideal for day-to-day banking needs as well as for long-term investments. Tangerine's digital platform and indexing strategy have enabled it to provide high-performing and low-cost solutions to help clients meet their needs in the future, whether it's sending a child to college, taking a dream trip, or buying a first home. That means easy access to a diverse portfolio that reflects an individual's risk tolerance and investment objectives.

"Our focus is on value for your money,"

Morris explains. "Our investors have chosen this over the higher fees that actively managed mutual funds typically charge." Saving on fees makes a significant impact on long-term investments. For example, \$50,000 invested over a period of 20 years at a seven percent gross annual return with applied fees of 1.07 percent will be worth \$28,743 more than a fund with traditional investment fees of 2.09 percent.

An easier way to set financial goals

Your investment portfolio can begin with just a small amount — there's no minimum. The crucial step is to just get started. For example, if you invest only \$10 a week at age 18, you'll have \$100,000 by age 65, assuming a five percent rate of return. By waiting until age 35, that amount drops to \$35,000. Moreover, if you need \$750,000 to retire comfortably and start at age 35, you'll need to save almost three times more than if you had started at 18 years of age.

"This underscores the importance of identifying financial goals early so you know what you need to do and what kind of plan you need," says Morris. Tangerine's Goals feature is designed to help Canadians do just that. Whether it is a vacation, or a plan to grow money for retirement, clients

can set up their goals from our website or mobile app, and the feature will help them reach it. Alternatively, customers can phone the contact centre to speak to registered, licensed investment advisors. They may also set up recurring pre-authorized investment contributions through the Recipes feature, where you can round up everyday purchases and invest the difference.

Get started by opening a Tangerine account, which can be done online from a computer or mobile phone in less than 10 minutes. It's that simple to access full-service digital banking.

Michele Sponagle

Visit tangerine.ca to find out more.

SPONSORED BY



Visit tangerine.ca to find out more.

Why Retail Investors Should Get Excited About the Fintech Revolution

The rapid adoption of new technologies is disrupting the financial services industry. From peer-to-peer lending and robo-advisors to bitcoin and crowdfunding, financial technology or “fintech” is smashing old business models on its way to crowning new rulers in the world of money.

Innovative technologies developed by the start-up ecosystem has allowed an extensive expansion for online investment platforms, automated investment tools, robo-advisors, and various wealth management solutions. These advancements in technology are not only favoring consumers by giving them more power and increasing transparency of services, but are also connecting financial services to consumers previously excluded.

RBC is helping to provide financial service access to individuals when it comes to investing through RBC InvestEase. RBC InvestEase is a robo-advisor that helps individuals invest in minutes. By matching clients with an investment portfolio recommendation, RBC InvestEase can then build portfolios and continuously monitor them for individual investors. The robo-advisor takes the stress out of investing by creating an automated solution that provides insight and advice at any moment in time.

Horizons ETFs AI Fund is also changing the game with how they are using financial technology. The ETF uses artificial intelligence in order to have computers make investment decisions quickly and within certain parameters. By incorporating artificial intelligence, Horizons ETF's decision-making process is speeding up to hyper fast speeds with the computer's ability to analyze data and patterns that would have taken individual portfolio managers significantly longer.

Fintech is changing the way that the financial services sector can connect to consumers. Check out more about fintech and what companies like RBC and Horizons ETF have to offer on September 20-21, 2019, at The MoneyShow Toronto. As Canada's premier conference for individual investors and active traders, free attendance at The MoneyShow provides access to over 50 keynote addresses, presentations, and panel discussions from top-tier portfolio managers, economists, educators, financial columnists, and some of the best minds in the financial world.

MoneyShow

SUPPORTED BY



The Innovation Gap: Where Are the Women?



Kristy Duncan
Founder & CEO, Women in Payments

Diversity and Inclusion (D&I) is now widely accepted as a key driver for business. Why then does it seem so hard for companies to get women into leadership roles?

Research clearly shows inclusive cultures are more likely to be innovative. Intentionally fostering D&I makes companies more likely to increase market share and ROI. Now more than ever, organizations need and search out diverse talent.

As founder and CEO of the largest global network of women working in the payments industry, I am often asked, “How can we get more women in leadership at our organization?” In response, I often quip, “It's simple: hire more women.”

But the truth is, it's not that simple. That is why, at Women in Payments, we are doing everything we can to foster and encourage that talent with our Global Mentorship program and networking events in Asia, Canada, U.S., U.K., and Australia. Women in Payments provides a tangible platform for women from around the world to connect with and be inspired by each other. We champion women leaders, innovators, rising stars, and entrepreneurs with our awards programs and Unicorn Challenge.

Mentorship is a critical factor in developing the next generation of leading talent. Women in Payments is dedicated to growing its Global Mentorship initiative which has welcomed approximately 200 participants to date.

Mentors enjoy the sense of paying it forward. By acting as a role model and providing guidance on relevant career issues, mentors can learn about challenges faced by mentees, and adjust their corporate culture, and possibly their own leadership style, to be more relevant and welcoming to the next generation of talent.

This is how real change is made

We're striving towards gender parity at senior levels in the payment industry because ultimately, we want women to have equal opportunities in this exciting field. But that's only part of it. Three quarters of consumer payments are made by women.

We need more women to help provide a female perspective in developing technology products for use by

both men and women. Canada has a great opportunity to show leadership by giving women more opportunities in the payments sector.

It has also been shown that organizations with more women in leadership roles enjoy higher employee engagement at all levels. This translates directly to the bottom line, with higher employee retention, and lower hiring costs.

But don't just take it from me. This senior manager at Interac illustrates exactly what we do at Women in Payments — and why we do it.

“Winning the Women in Payments Rising Star award has reinforced my belief that focus, passion, drive, and determination will take you places, but that it is never an individual journey. To realize that there are women in this world that are constantly helping others succeed is a testament to what women are capable of — leading with kindness, empathy, and courage. We are taking the right steps to encourage the next generation, and that makes me truly happy. I will pay it forward,” says Mamata Krishnamurthy, Senior Manager of Digital Payments at Interac Corp.

Women in Payments provides a platform to give women the opportunity to build their industry profile. Through leadership roles on advisory boards and award committees, as well as speaking opportunities, we are helping to spotlight women for opportunities in the global financial services and fintech fields.

Kristy Duncan

WOMEN IN PAYMENTS CANADIAN SYMPOSIUM

Network

Network with like-minded women in payments, enjoy inspiring keynotes, stimulating panel discussions, and breakout sessions lead by Canadian and global thought leaders.

September 18, 2019

We showcase leading talent at our awards dinner reception.

Gain Skills

Gain the skills and insights you need to take your career further, faster.

September 19, 2019

Come hear from the industry's top women leaders at the Women in Payments Canadian Symposium at historic Arcadian Court in Toronto.

Don't miss this unparalleled networking opportunity. Sign up today at canada.womeninpayments.org.

Cash Is Still King. And the ATM is Where it Holds Court

For decades, eager prophets have been predicting an imminently cashless society. And yet, ATMs are as ubiquitous as ever. And, when properly managed, they are more relevant than ever before.

Despite the proliferation of e-commerce, digital payment platforms, and digital investment portfolios, cash remains the fundamental glue that holds a diverse financial ecosystem together. “What we hear time and time again is that cash has intrinsic values that other payment forms don't offer,” says Brad Nolan, Executive Vice President of Allpoint Solutions at Cardtronics, the world's largest ATM operator. “It's easy, it's convenient, it's accepted everywhere, and it's secure. You can't hack cash, at least not yet.”

It's hard to buy a beer with your Uber balance

There's a reason a fat stack of bills remains the most iconic symbol of wealth. It represents infinitely flexible buying power. So, the question is not why we still need cash in a digital economy. The question is, how can the digital economy integrate with a world where cash is king? “There is room for a variety of payment mechanisms in the ecosystem and they can all complement one another,” says Nolan. “One of the newer challenges we're working on at Cardtronics is making it easier and faster for consumers to add and remove cash from their various digital wallets through a set of mobile APIs that will allow fintech providers to directly interact with our ATMs.”

The goal is to turn the ATM into a universal gateway that connects the physical world of cash with an ever-expanding array of digital fintech offerings. “There's a huge opportunity and potential in bridging the physical-digital divide,” says Steve

Nogalo, Executive Vice President of North America Financial Institutions at Cardtronics. “And that's exactly what we're doing with these APIs that unlock new transaction types and allow people to interact with ATMs via their mobile phone. It's all about making it easy and convenient to do as many things as possible at a single point of contact.”

Transforming the ATM network

There are a lot of big ideas and possibilities wrapped up in this. Some, like the ability to choose the denominations of bills you receive, you may have already seen in action at one of Cardtronics' 225,000 ATMs. Others may be invisible to the average consumer, but can be a huge boon to retail partners, like cash recycling technology that lets retailers use customer-facing ATMs to not only drive foot traffic but also buy and sell their own cash drawers at the beginning and end of day.

Underlying all of this is a common thread of connectivity. It's about connecting one digital product to another and connecting the entire system together with a platform and network that meets today's needs. Needs that are very different from those envisioned when the first ATM networks were rolled out more than half a century ago.

Perhaps most importantly of all, it's about connecting consumers, financial institutions, and retailers together in partnership, something that Cardtronics does better than anyone else in the field. “Building partnerships with and between financial institutions and retailers to deliver high quality ATM services is really core to what we do,” says Nogalo.

D.F. McCourt



Brad Nolan
Executive Vice President of Allpoint Solutions, Cardtronics



Steve Nogalo
Executive Vice President of North America Financial Institutions, Cardtronics

ATM Managed Services

Your Locations. Our Expertise.

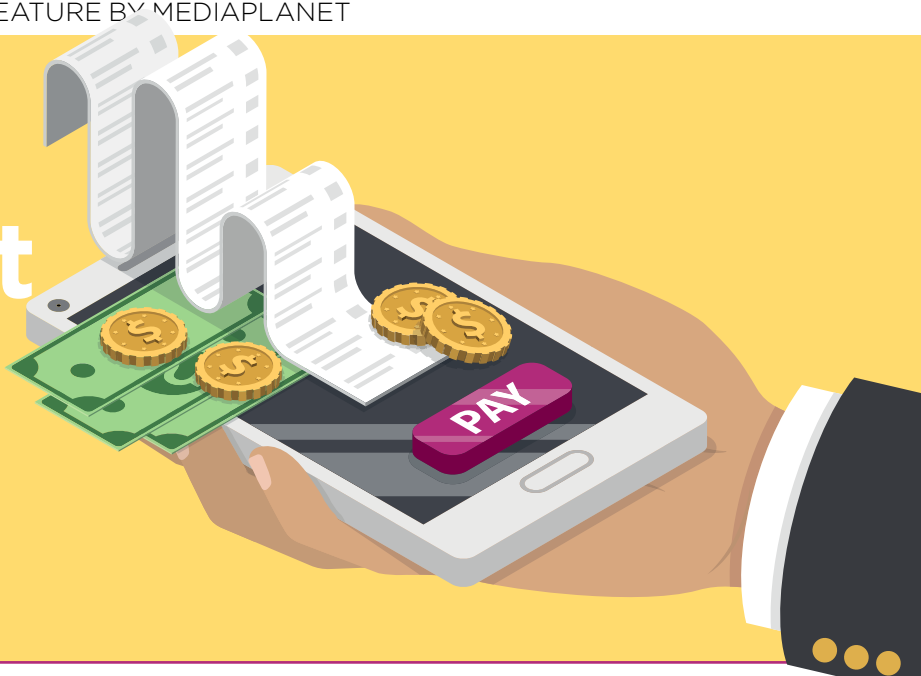
On-premise to off-premise, cash dispenser to full-function machine, complete turnkey outsourcing to a-la-carte services, Cardtronics satisfies your ATM needs with our ATM Managed Services solution.



cardtronics.ca/manage | 866.877.8384 | solutions@cardtronics.ca



Cheque Your Savings Find an Account That Does Both



Mahima Poddar

Senior Vice President, Digital Banking and Strategy, Equitable Bank

Consider a savings account that functions like a chequing account. It lets you pay bills and transfer money instantly with no transaction or account fees — and earn 2.30 percent interest.* The EQ Bank Savings Plus Account does exactly that.

EQ Bank is a subsidiary of Equitable Bank, a wholly Canadian-owned Schedule 1 bank with approximately \$31 billion of assets under management, over 830 staff, and a member of CDIC. EQ Bank, its digital bank, combines the security, stability, and reliability of a traditional bank with the speed, convenience, and agility of online banking. “We’re seeking to deliver a unique value proposition to customers that hasn’t existed before,” says Mahima Poddar, Senior Vice President, Digital Banking and Strategy at Equitable Bank. “Because we are a digital bank and 100 percent branchless, we operate at a lower cost position than traditional banks and can translate the cost savings into better value for customers,” says Poddar.

EQ Bank Savings Plus Account is distinctly different

“We’ve created a product that allows customers to transact from a savings account that pays an attractive everyday interest rate. For at least the last year, that interest rate has been 2.30 percent” says Poddar. In addition to making unlimited

Benefits to customers

A key benefit to customers with the EQ Bank Savings Plus Account is the ability to earn interest while their money is in a resting position — like during the gap period between getting paid and paying monthly expenses like rent, mortgage, and utility bills. “With a traditional

That helps Canadians manage their money more prudently. “Making small financial decisions like this can improve your financial position in the long term because you’re saving on all of these fees and the compound interest of 2.30 percent in a risk-free investment really adds up over time,” says Poddar.

Unlike many digital banks, EQ Bank does not offer temporary promotional rates on its Savings Plus account. “Offering an everyday rate of 2.30 percent on every dollar to each customer takes away the worry about wondering whether they should be shifting money from one account to another when the promo expires, which we don’t feel is a very good customer experience,” says Poddar.

Finally, the EQ Bank Savings Plus Account is built on a platform that’s designed for simplicity, ease of use and for people on the move 24/7. “Customers can manage their money from wherever they happen to be — on the go or at home — via their mobile app or desktop,” says Poddar.

Anne Papmehl

Canadians looking for a personal banking solution that makes a difference might want to consider a different way to bank by opening an EQ Bank Savings Plus Account — available only through EQ Bank. Open an account today within minutes at eqbank.ca.

“

With a traditional chequing account, you are not earning anything on your balance or float, plus you’re often paying monthly fees to keep the account active.

”

free bill payments and e-transfers to any other Canadian bank, customers can make mobile cheque deposits and — as of recently — buy GICs at very attractive rates directly from their Savings Plus account. “It’s a really simple way to let customers take advantage of GICs without having to call a branch, talk to an advisor, or worry about the commission that the sales agent may be earning on the GIC purchase,” says Poddar.

chequing account, the money would not earn anything on your float, plus you’re often paying minimum fees to keep the account active,” says Poddar.

Considering the average Canadian holds anywhere between five and ten thousand dollars in their chequing account to manage their bills, 20 or 30 days of interest can add up. “And even if the money is only sitting in the account for three days, customers still earn interest because EQ Bank calculates interest daily,” says Poddar.

*Interest is calculated daily on the total closing balance and paid monthly. Rates are per annum and subject to change without notice.

Soon it’ll pay your electricity bill Right now it’s giving your savings a jolt

Earn 2.30% interest* on every dollar in your
EQ Bank Savings Plus Account

2.30% everyday interest*

Unlimited transactions

No fees

EQ Bank
Money Well Banked.®

eqbank.ca