BANK OF CANADA
BANQUE DU CANADA

APRIL 1ST, , 2025

Currency….
It's in your community

2025 Annual BIA Conference

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TRANSNATIONAL SERIOUS AND ORGANIZED CRIME ROYAL CANADIAN MOUNTED POLICE

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CURRENCY
BANK OF CANADA

The Bank's role

- To promote the economic and financial welfare of Canada
- Core areas of responsibility:
  - Monetary policy
  - Financial system
  - Currency
  - Funds management
  - Retail payments supervision
- Crown corporation

Outline

- Role of the Bank of Canada and our responsibility for currency
- Payment trends
  - Cash demand
  - Methods-of-Payment Survey (consumers)
  - Merchant Acceptance Survey
  - Counterfeiting Trends
  - Currency

Our responsibility for currency

- The Bank is the only lawful issuer of bank notes in Canada
- Canadians use bank notes with **confidence**
- Notes are readily accepted and secure against counterfeiting

The Royal Canadian Mint produces and issues Canada's coins

A Brief History of Money

1934: Bank of Canada Act


1935: The First Series


1935: Commemorative Note – Silver Jubilee King George V


1937: The Bilingual Series


1954: Canadian Landscape Series


1967: Commemorative Note – Canada's Centennial


1969–79: Scenes of Canada Series


1986: Birds of Canada Series



2001–06: Canadian Journey Series


2011–13: Frontiers Series


2015: Commemorative Note – QEII longest reign


2017: Commemorative Note – Canada's 150th


2018: Vertical $10 Note

1930 | 1940 | 1950 | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 | 2020

*Removal of legal tender status

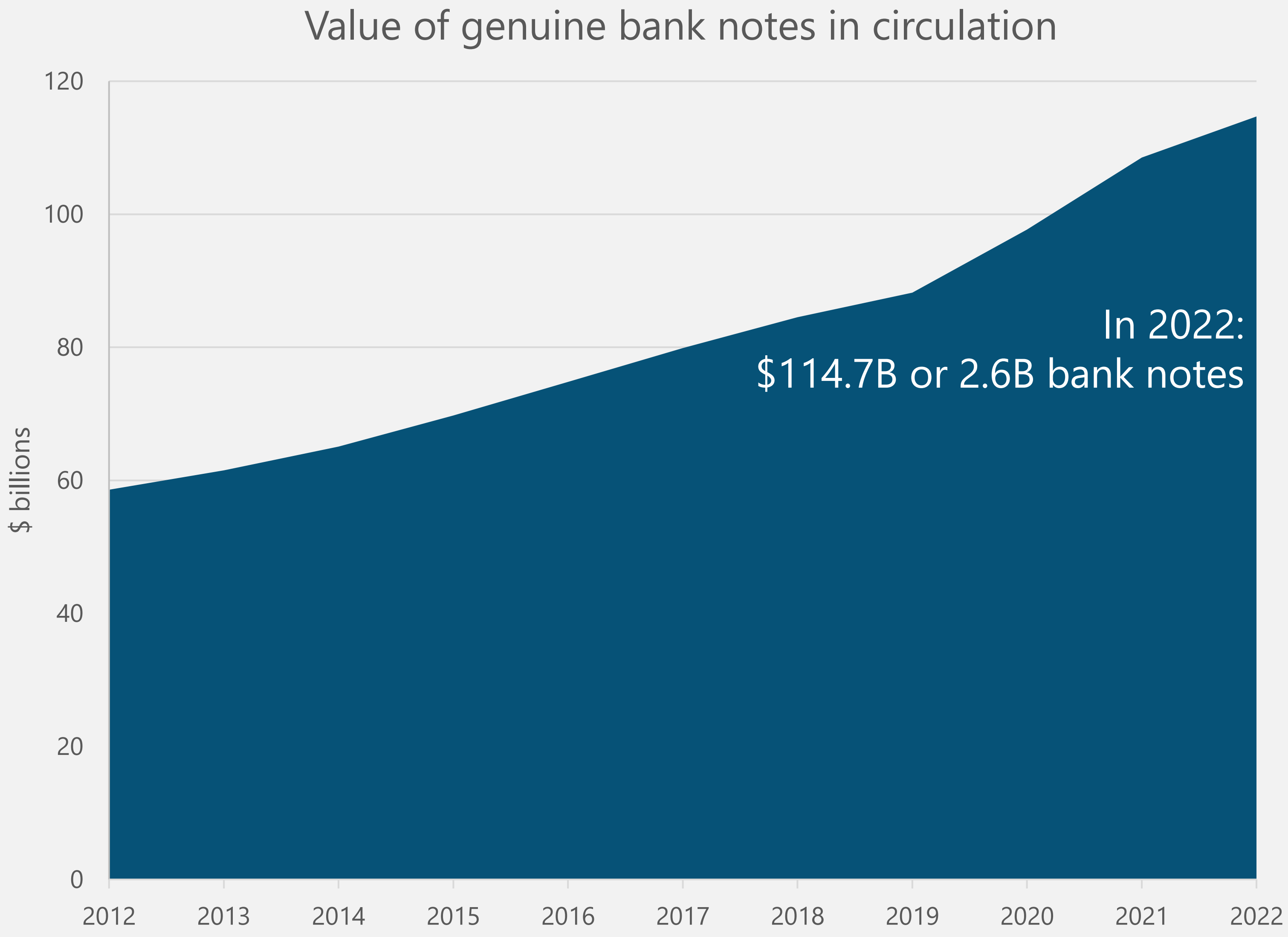
$1 | $2 | $25 | $500 | $1,000

* Changes to the *Currency Act* were approved in July 2018 providing a mechanism to remove legal tender status from bank notes.

Legal Tender

- As of January 1, 2021, the $1, $2, $25, $500 and $1,000 bills are no longer legal tender.
- This helps ensure that Canadians have access to the most current notes with the latest security features.

Cash demand: stable & rising



Update on Canadian Currency

New note issuance strategy

Update on Canadian Currency

- Designing a new, secure and meaningful $20 for Canadians
- Portrait of the reigning monarch will continue to feature on Canada's $20 bank note
- Apart from the portrait of King Charles III on the front, the note will be polymer, predominantly green, and vertical.
- The back of the note will feature a re-designed image of the Canadian National Vimy Memorial.
- Issued in early 2027.
- Opportune time to redesign the current $20 note to include new and enhanced security feature

Update on Canadian Currency

Department of Finance Canada Ministère des Finances Canada

Putting Terry Fox on the $5 Bill

Terry Fox is a Canadian hero. He campaigned to raise awareness and funding for cancer research by running his Marathon of Hope, a cross-Canada 42-km daily run, on his prosthetic leg. By February 1981, the Marathon of Hope had raised $24.7 million or $1 for every Canadian. His run was interrupted just past the half-way point when the cancer reached his lungs,and ultimately took his life. Through his efforts, the 22-year-old showed Canadians the difference that an ordinary person could make through sheer willpower and determination.

Today, Terry Fox Runs are held every year, across the country, and around the world to raise money for cancer research. To inspire more Canadian to give $5 to the cause that Terry Fox championed:

$5

The 2024 Fall Economic Statement announces that Terry Fox will appear on the next $5 bank note. Sir Wilfrid Laurier will move from the $5 bank note to appear on the next version of the $50 note.

Consumer and merchant surveys

- Their payment choices are a two-way street. **We study both sides.**

- We regularly survey Canadian **consumers** and small and medium-sized **merchants** to gain insights into how and why cash is used.
  - We do this by assessing awareness, attitudes, and behaviours with respect to bank notes.
- Survey results allow us to monitor progress, identify potential issues or opportunities, and adapt our programs, tools, and services as needed.

Methods-of-Payment Survey

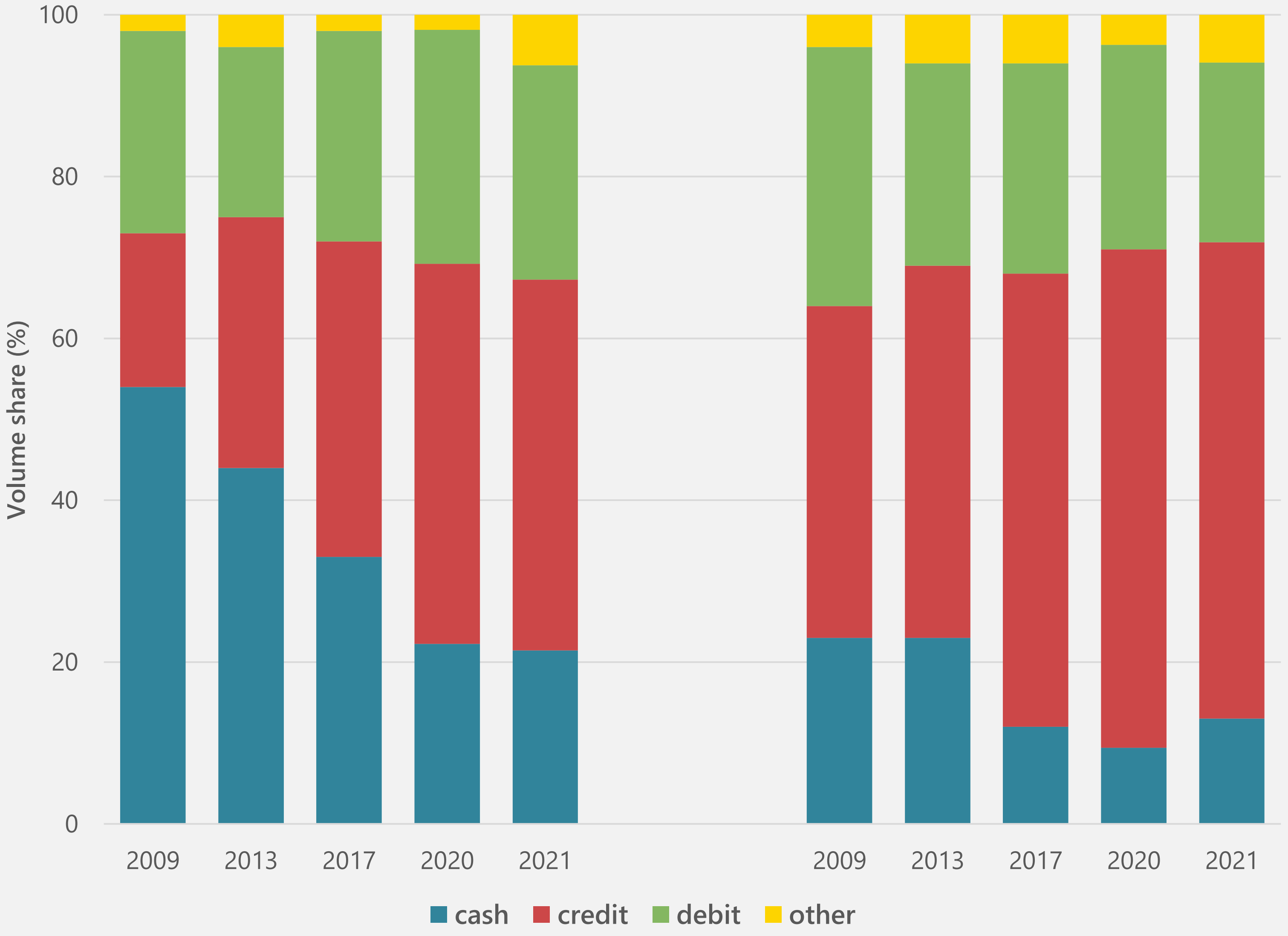
- The consumer perspective

- Survey data collected: November 2021
  - Results published: December 2022

How do Canadians pay?

- **Cash is still used on a regular basis.**
- Canadians use:
  - cash less often – volume share fell to 22%, a decline of 11% from 2017
  - Credit and debit cards more often
  - Mobile payment options more often

- **Note:** Point-of-sale volume (left) and value (right) payment shares as measured by three-day payment diary (2009, 2013, 2017 and 2021) and Cash Alternative Survey diary (2020).



Cash use in 2021

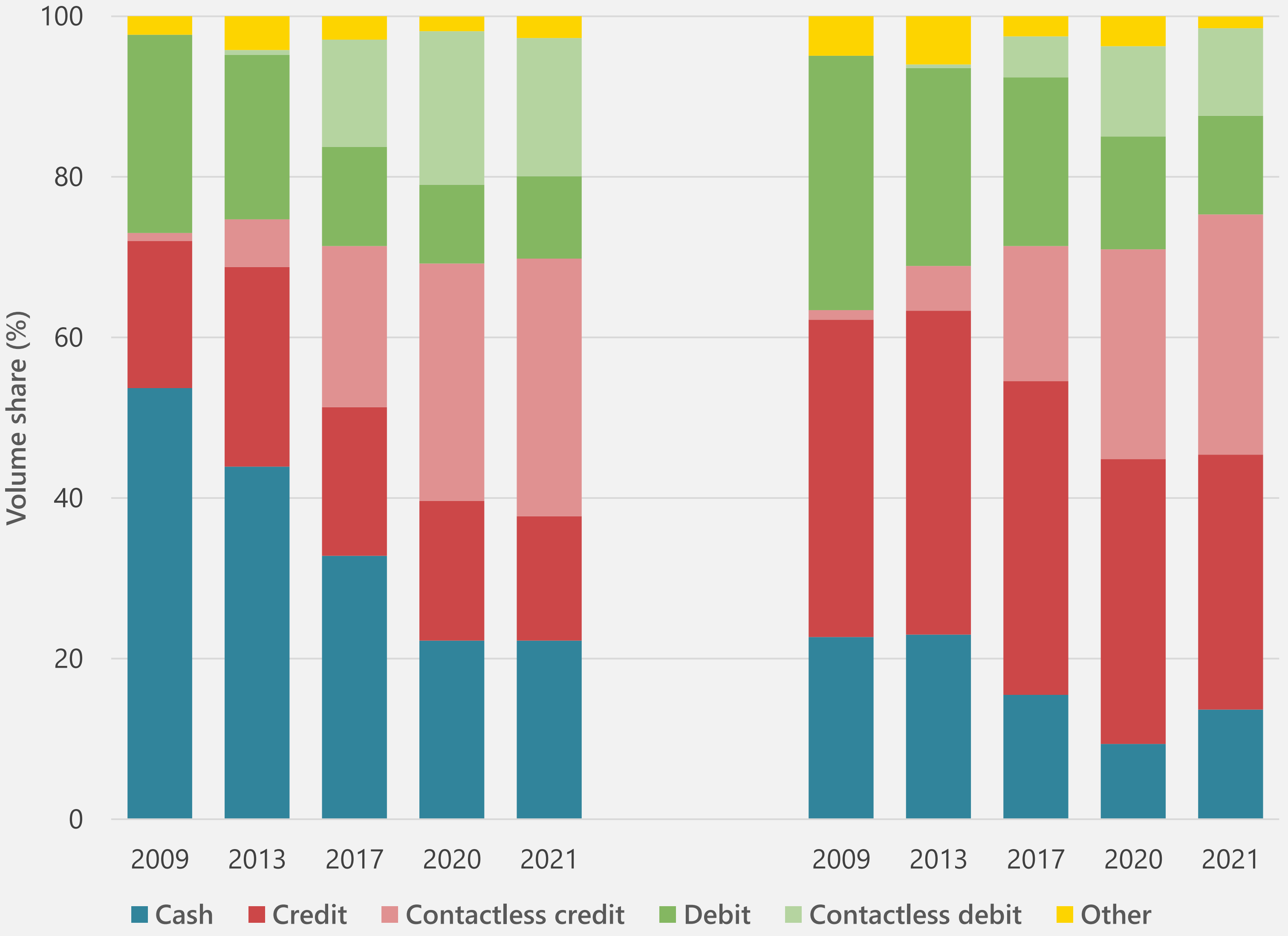
The who, where and when:

- higher among those aged 55 or older; lower income/education/financial literacy
- high (~30%): restaurants, professional and personal services, travel/parking
- Low (8%): gas, personal attire, health care

Use of contactless payments increased

- 66% of debit card and 82% of credit card payments made in-person used the tap-and-go feature.

Note: Point-of-sale volume (left) and value (right) payment shares as measured by three-day payment diary (2009, 2013, 2017 and 2021) and Cash Alternative Survey diary (2020).



Merchant Acceptance Survey

- Survey data collected in two batches: autumn 2021 and spring 2022
- Results published: January 2023

Small and medium-sized businesses (SMBs)

- Small business: fewer than five employees
- Medium-sized business: fewer than 50 employees

Cash acceptance remains high and stable (97%)

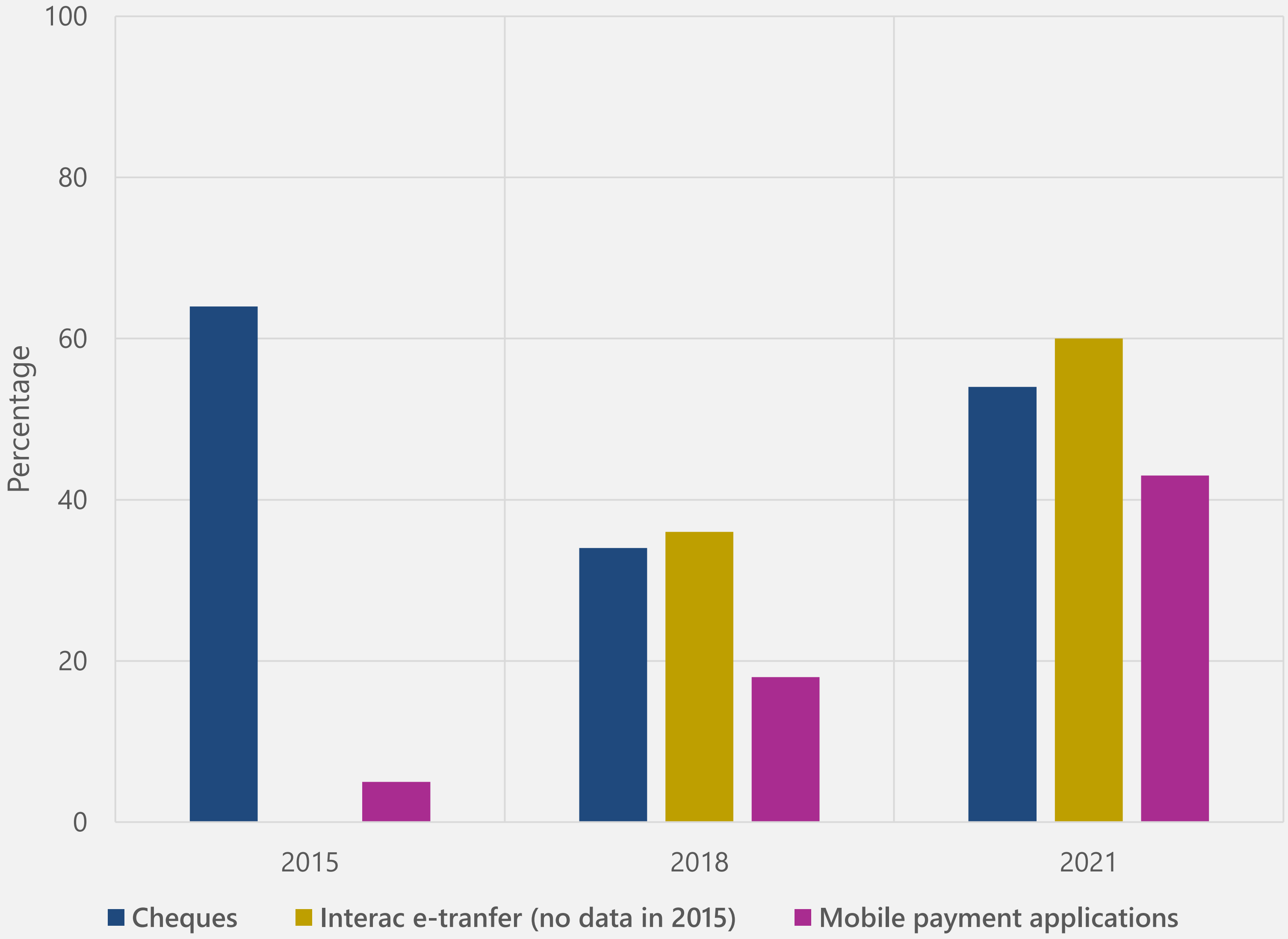
- There are fewer cash-only merchants.
- More merchants accept cash, debit and credit cards.

Method of Payment	2015	2018	2021
Cash accepted	94	96	**97**
Cash only	24	23	8
Cash, debit and credit accepted	62	61	87
Number of merchants in sample	826	542	488

Source: Table reports share of businesses accepting cash, only cash, and all three payment methods.

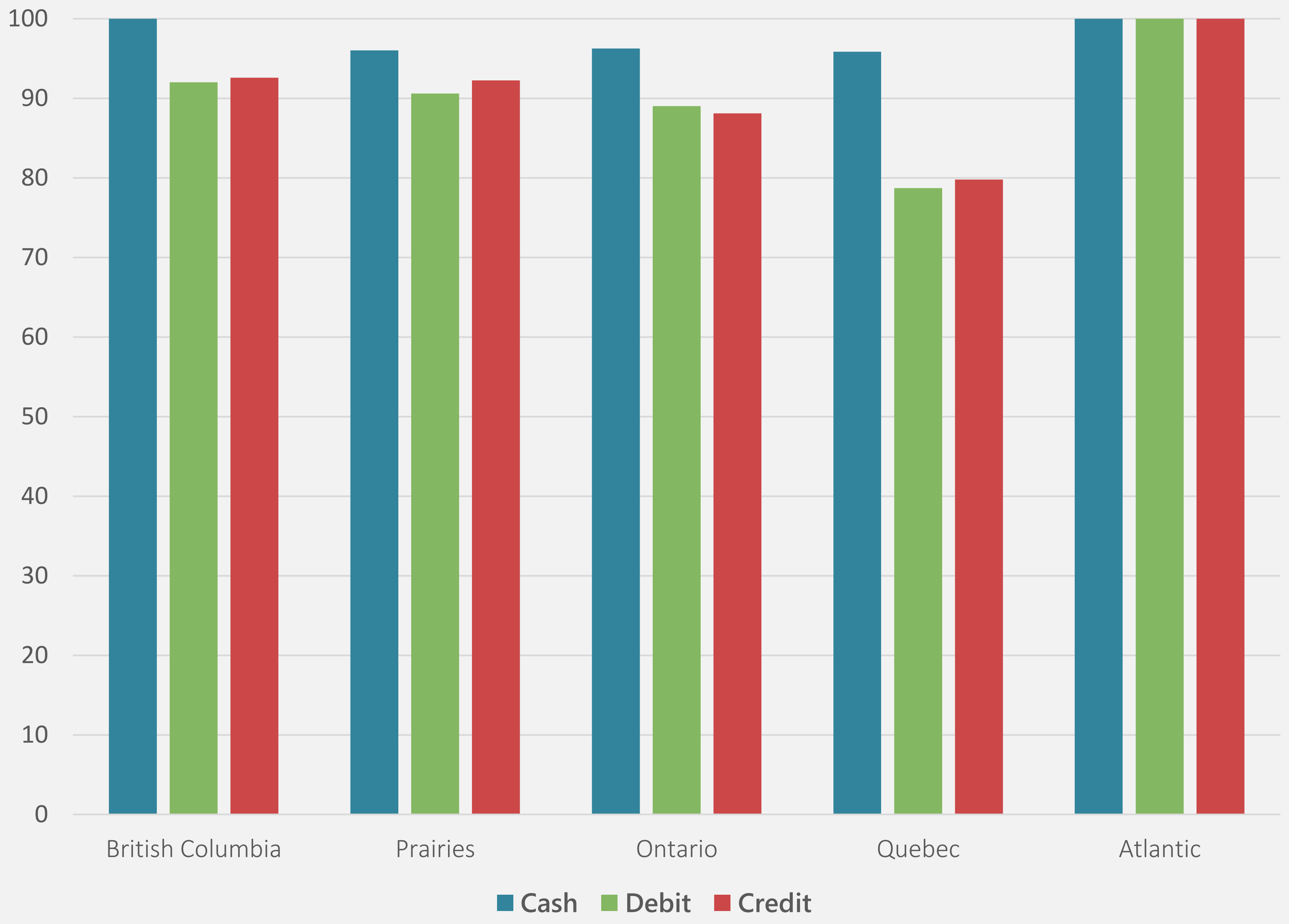
Acceptance of e-transfer and mobile payments increasing

- 60% of brick and mortar SMBs accept e-transfers, up from 36% in 2018.
- By industry:
  - Other services: 65%
  - Retail: 63%
  - Food industry: 45%



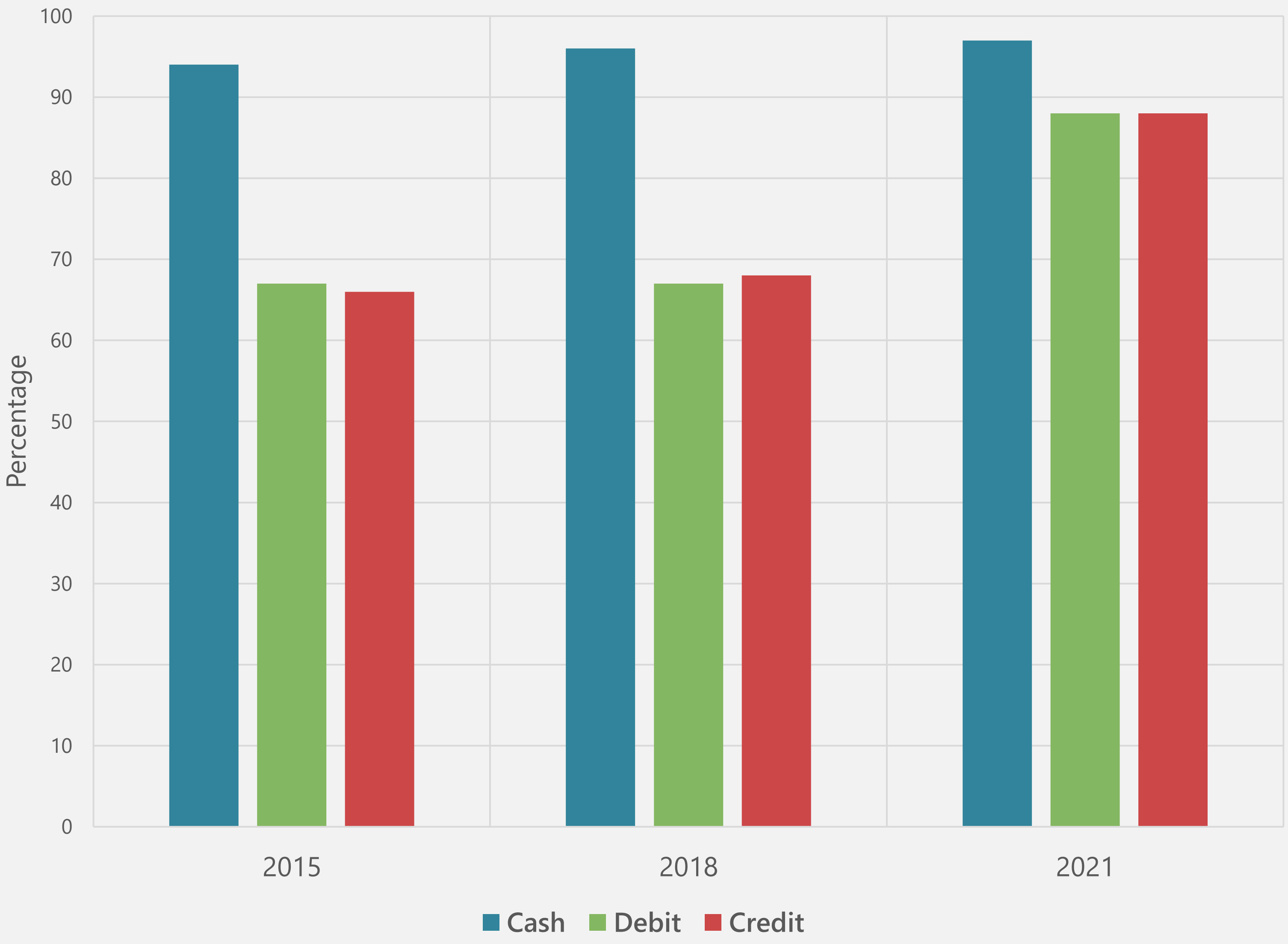
Acceptance varies across regions

- Percentage of merchants who accept cash, debit and credit cards in their physical stores.



Debit and credit card acceptance has increased

- 88% of merchants accept debit cards, up from 67% in 2018, and 88% accept credit cards, up from 68%.
- **Share of merchants accepting all three payment methods has increased to 84%, up from 61% in 2018.**



Key takeaways

- Cash demand has been stable and rising, even pre-pandemic.
- With the pandemic we've seen a sharp rise in cash demand.
- Among consumers:
  - Cash is still used for over 20% of in-person purchases, but has declined over the long term
  - Use of contactless payments has increased
- Among small and medium-sized merchants:
  - Cash acceptance remains high and stable
  - Debit and credit card acceptance has increased
  - E-transfer and mobile payment acceptance has increased
- Both consumers and merchants see a future with cash.

Survey results available online

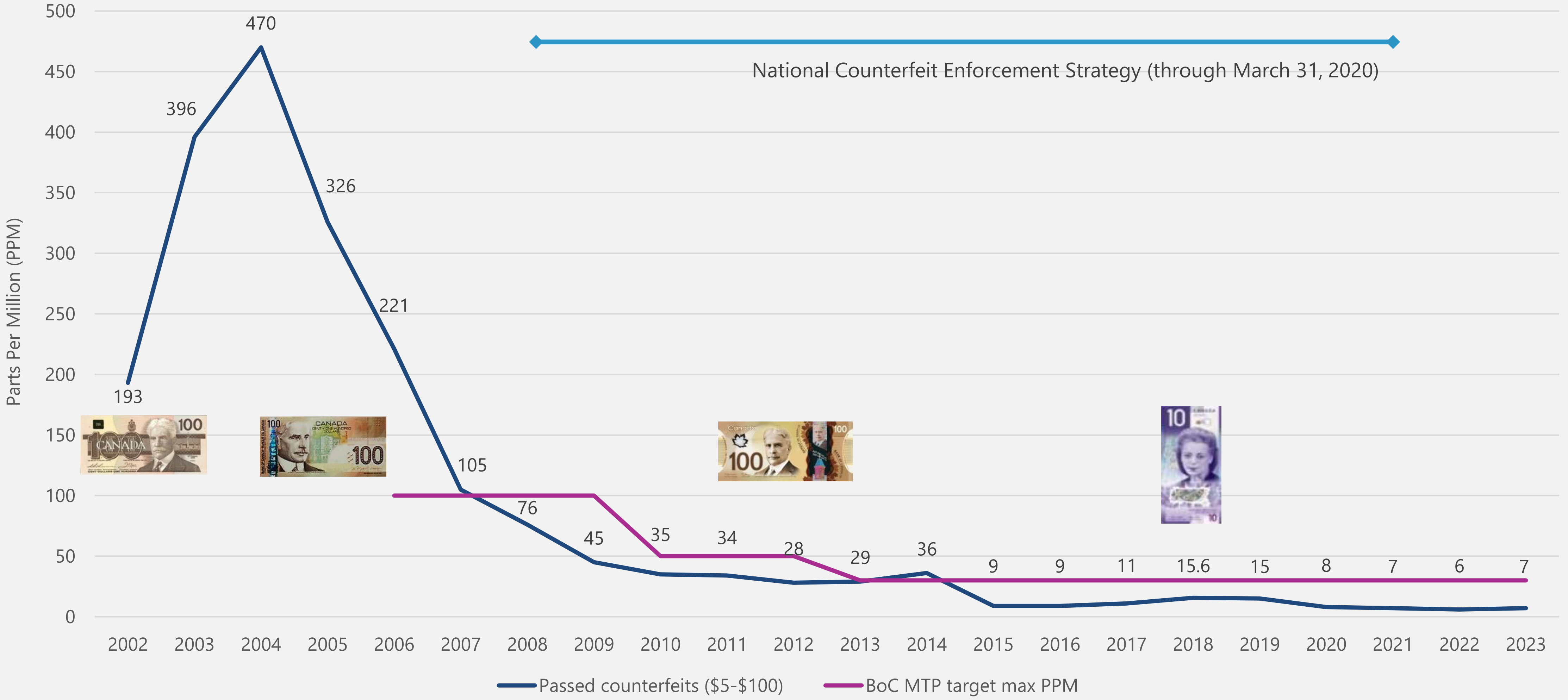
[Methods-of-Payment Survey](#)

[Merchant Acceptance Survey](#)

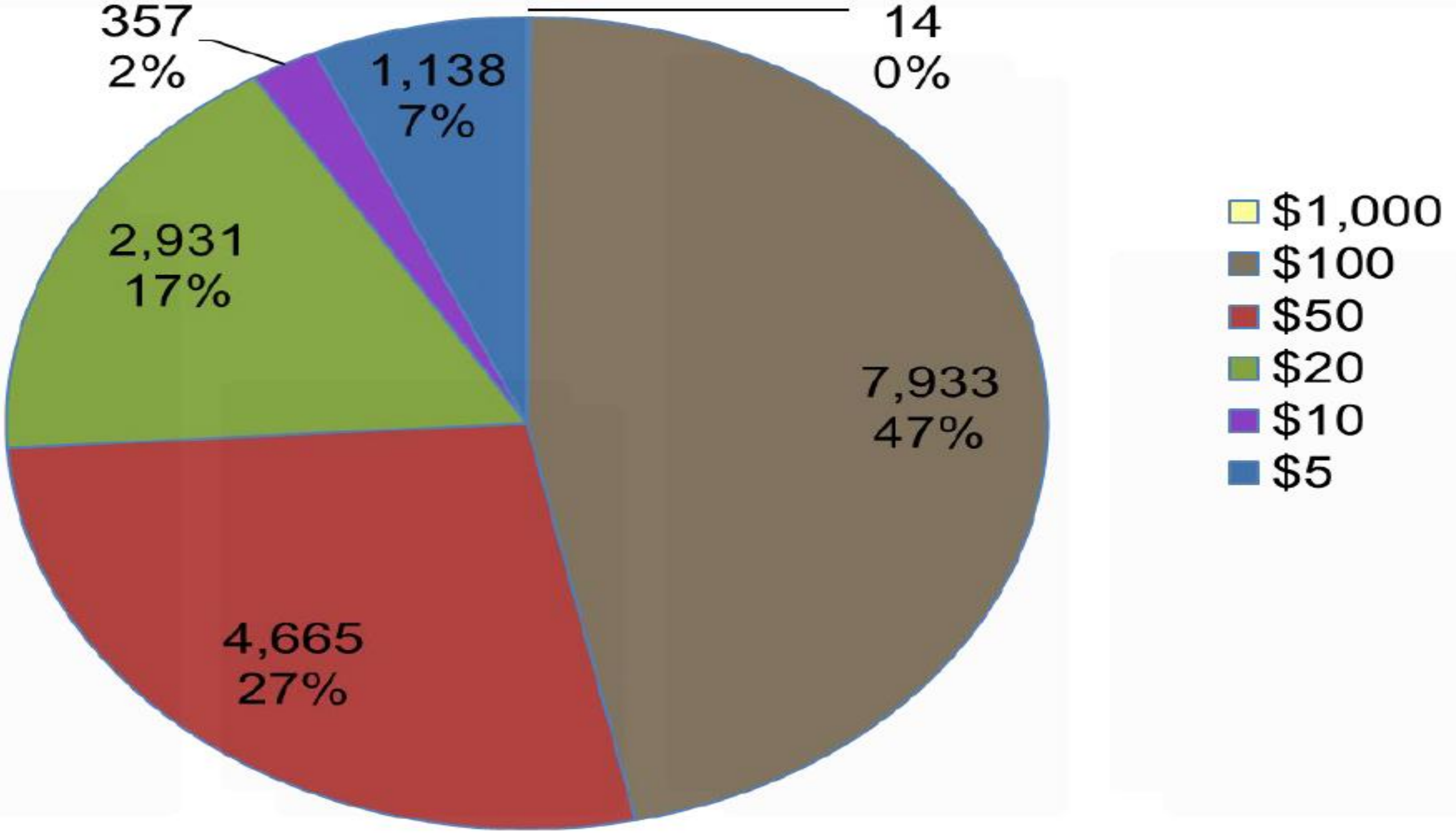
Counterfeiting Trends

Counterfeit Canadian Bank Notes Detected

per million genuine notes in circulation



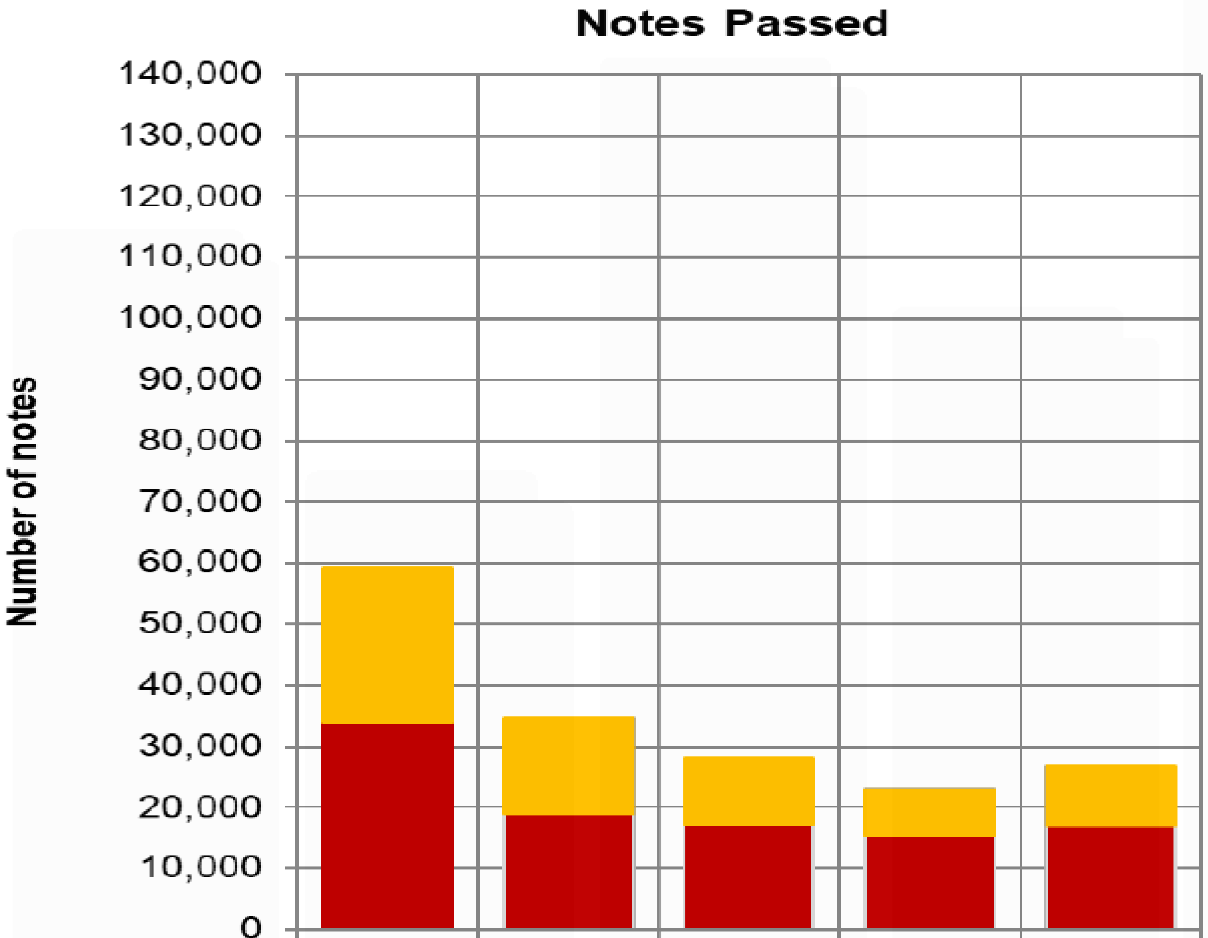
VOLUME OF COUNTERFEIT CANADIAN BANK NOTES PASSED BY DENOMINATION - 2023



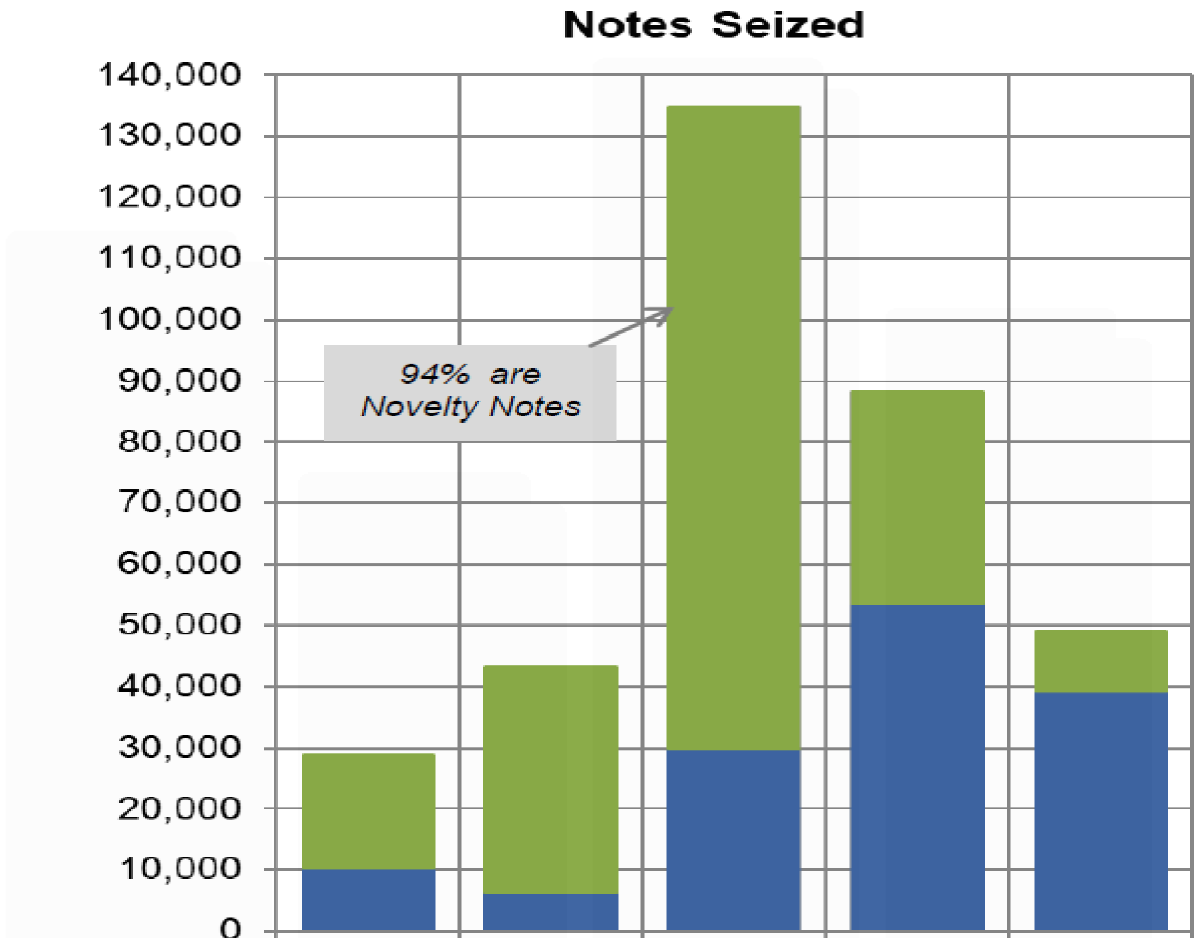
**Number of counterfeits detected in circulation, excluding $1, $2, and $500 notes*

Prepared by the National Anti-Counterfeiting Bureau
Subject to review 2024/04/16

VOLUME OF COUNTERFEIT CANADIAN AND US BANK NOTES PASSED AND SEIZED FROM 2019-2023



	2019	2020	2021	2022	2023
USD Passed	25,330	15,670	10,875	7,535	9,720
CAD Passed	33,732	18,965	17,228	15,332	17,043



	2019	2020	2021	2022	2023
USD Seized	18,511	36,756	104,836	34,771	9,819
CAD Seized	10,198	6,355	29,918	53,630	39,244

**Passed note – a counterfeit note detected in circulation*

**Seized note – a counterfeit note seized before circulation*

Prepared by the National Anti-Counterfeiting Bureau

Subject to review 2024/04/16

Current Trends in Counterfeiting

- Novelty notes
- Altered notes
- Altered novelty notes
- Prop notes

Bank note security features

Current polymer notes • Past paper notes

When checking polymer bank notes, remember this:

Feel • Look • Flip

Vertical $10 note

Issued November 2018

Feel: smooth texture

Each note is a **single piece of polymer** with transparent areas.

Feel: raised ink

the word “CANADA”

the portrait

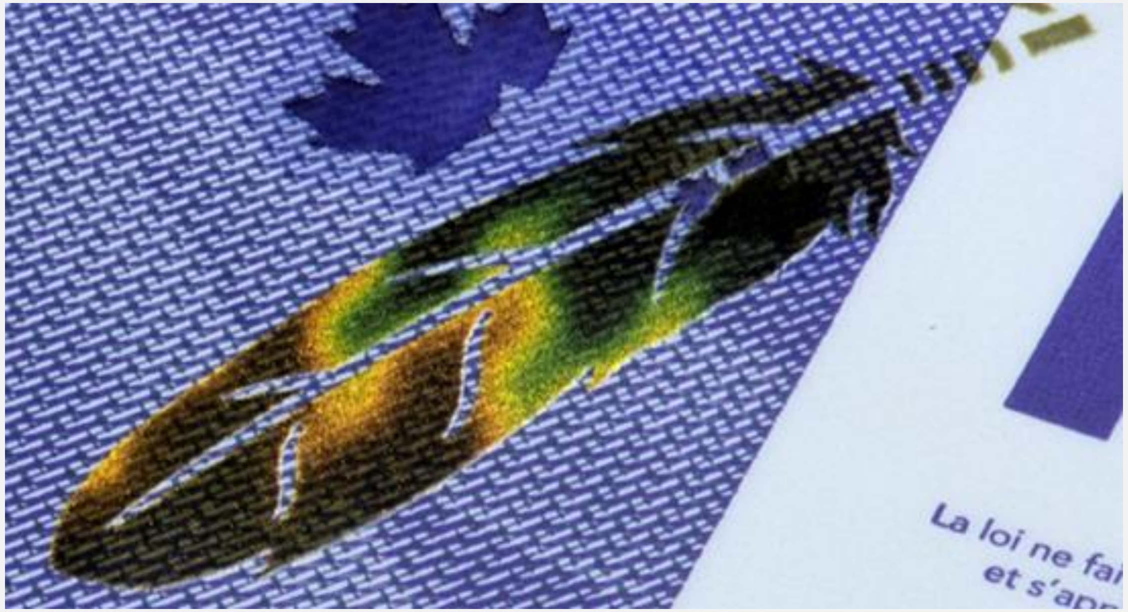
the large number at the bottom

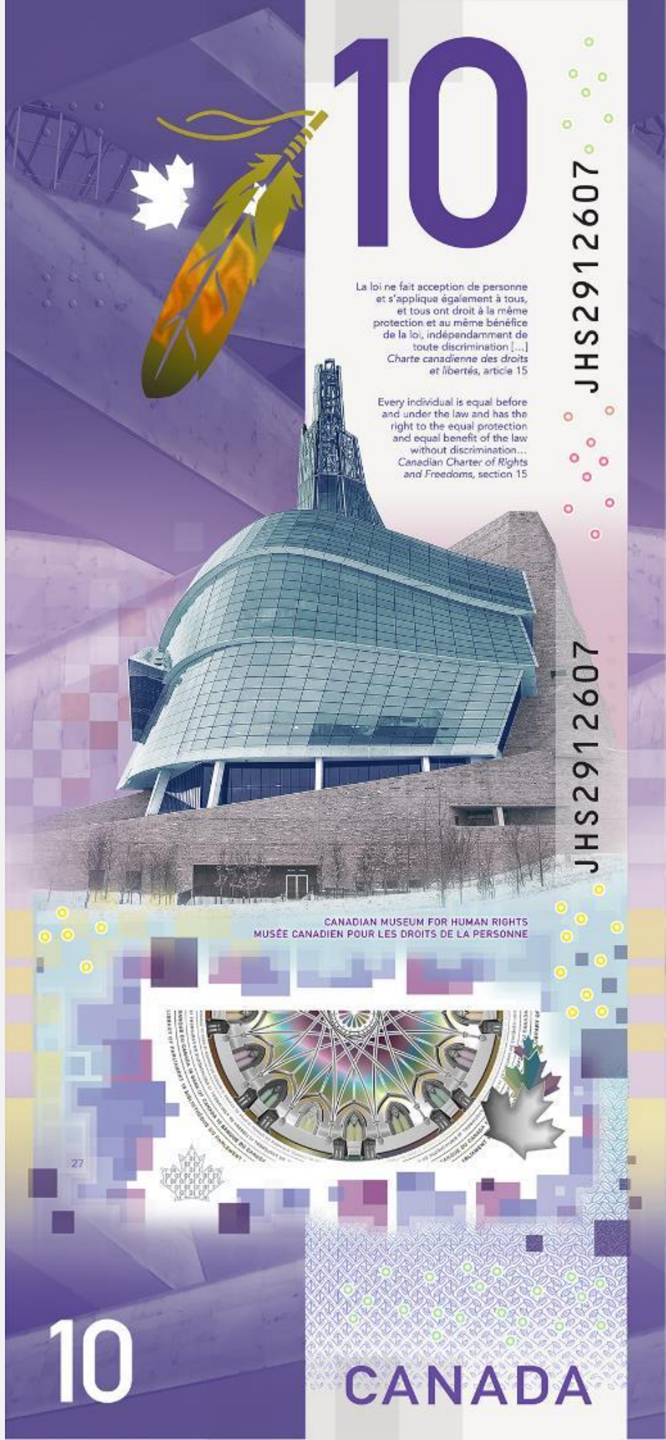
Look: large window contains detailed metallic elements

Sharp colour changes appear when you tilt the note.

Look: colour-shifting eagle feather

- a pattern in the feather **moves up and down**
- the colour shifts from **gold to green**





Look: maple leaves above the portrait

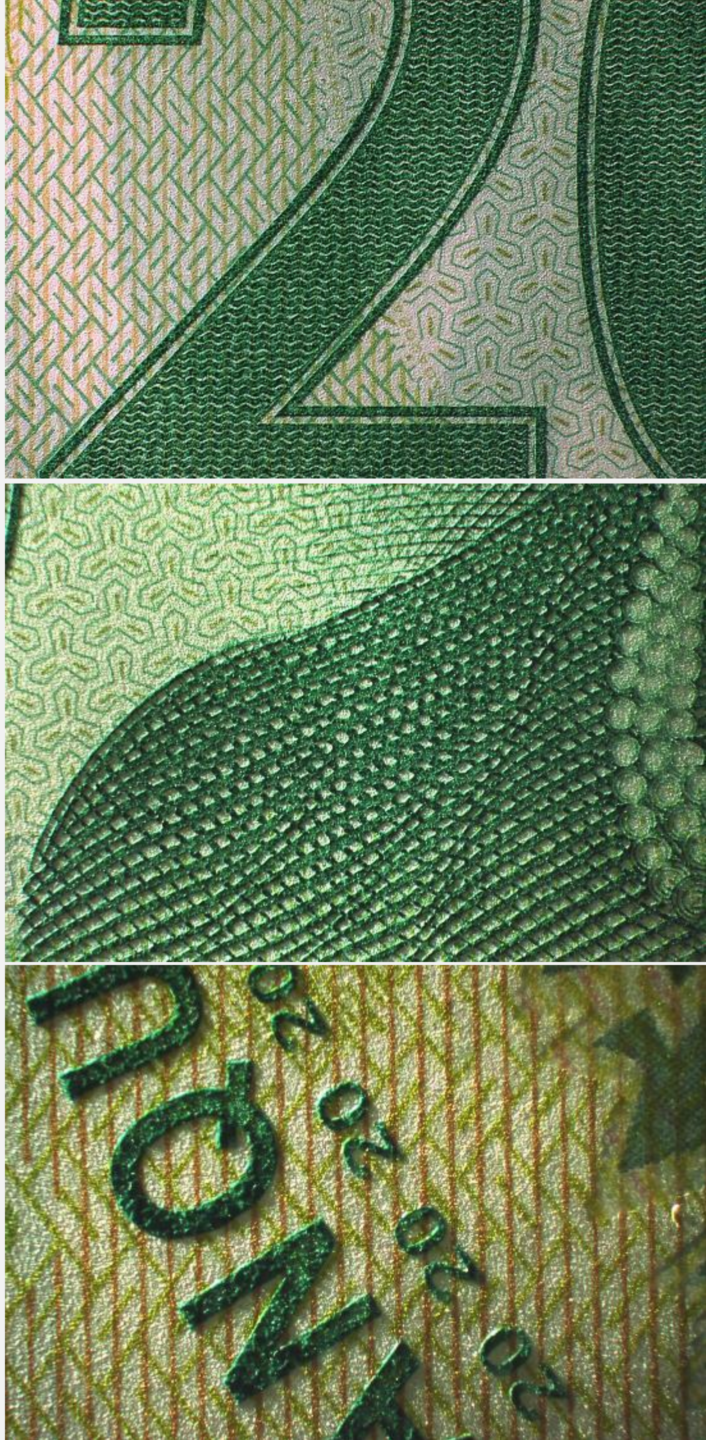
- The **colour-shifting** eagle feather (on the back) can be seen through the smallest leaf.
- The largest leaf is a clear window.

Frontiers series

Issued 2011 to 2013

Feel: raised ink

- the large number
- the shoulders of the large portrait
- the words “Banque du Canada” and “Bank of Canada”



Look: large window with detailed metallic images

Metallic portrait:

- It **always matches** the large portrait.
- Tilt the note an see subtle colour changes.

Metallic building:

- Tilt the note and see sharp colour changes.

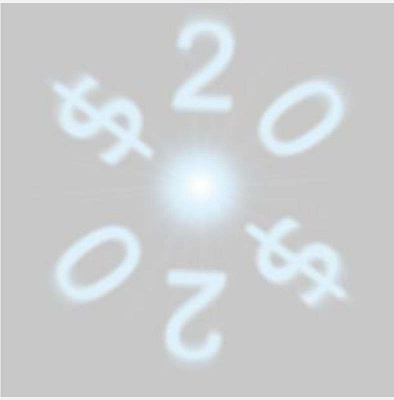
Flip

Metallic images and small numbers in the large window are repeated in the **same colours and detail** on the other side.

Look: frosted maple leaf window

Look at the transparent outline

Hidden numbers

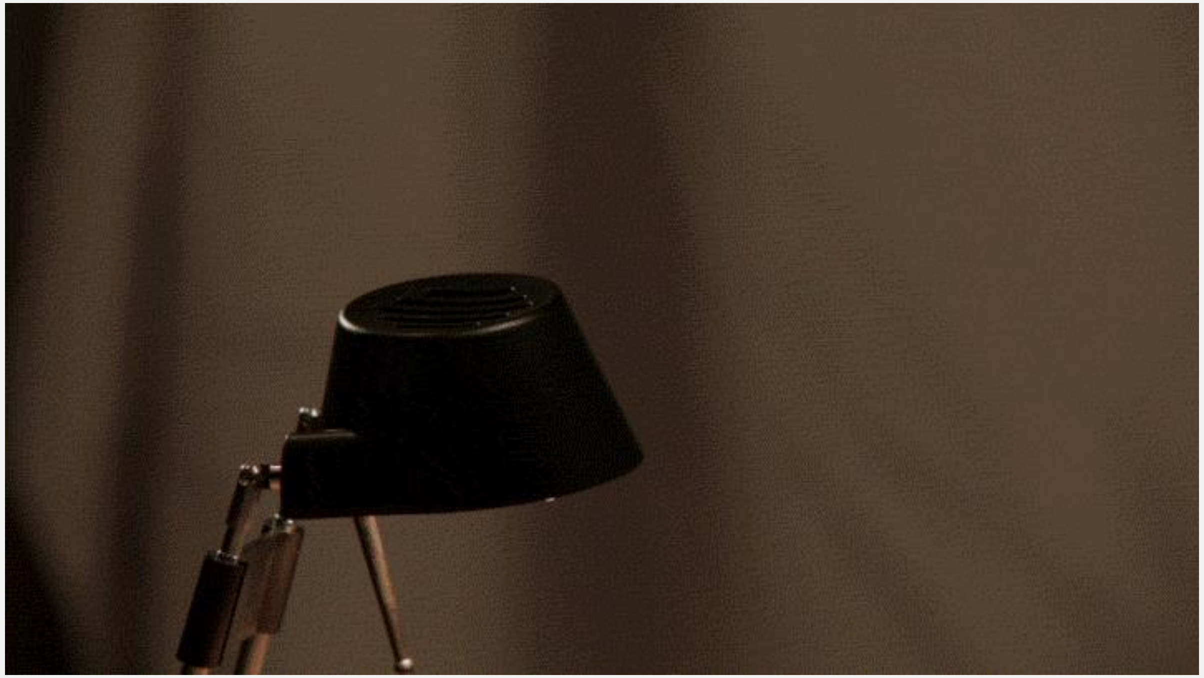


Step 1: use a small light and hold it at arm's length

Step 2: bring the front of the note right up to your eye, almost touching your nose

Step 3: look at the light through the frosted maple leaf window

Step 4: see a circle of numbers matching the note's value



U.S. Federal Reserve notes

U.S. Federal Reserve notes – 2004 style

The 2004 style notes incorporated background colours and large borderless portraits.

Security features at a glance

3D security ribbon

Portrait watermark

Bell in the inkwell

Colour-shifting 100

Security thread

Raised ink

Portrait watermark

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