



2025 ANNUAL REPORT



TABLE OF CONTENTS

3 About this report	22 2025 in review	31 Summary of financial operations
4 Message from the Board Chair	22 Advancing the delivery of Canada's RTR	33 Independent auditor's report
6 Message from the President and CEO	23 Advancing the future of Canadian payments	35 Financial statements
8 Report from the Member Advisory Council Chair	24 Strengthening the payment ecosystem	
9 Report from the Stakeholder Advisory Council Chair	25 Our people	
10 Who we are	27 Sustainability: measuring progress	
12 Governance	28 Risk management: program and governance	
20 Our systems: safe, secure and reliable	30 2026–2030 Corporate plan	

ABOUT THIS REPORT

Welcome to Payments Canada's 2025 annual report, our public accountability publication that presents our financial and non-financial performance over the past year.

This report provides a view into who we are, how we work, our unique role in Canada's economy and reflects upon our strategy, culture and business over the past year.

Payments Canada is a public purpose organization that owns and operates Canada's payment clearing and settlement infrastructure, including associated systems, and creates the supporting by-laws, rules and standards

governing the use of this infrastructure. In fulfilling our mandate, Payments Canada has the public policy objective to promote the efficiency, safety and soundness of our clearing and settlement systems, while taking into account the interests of users.

We invite you to learn more about our organization and our successes and challenges in 2025. Explore payments.ca to understand our ongoing work,

and follow us on [LinkedIn](#), [X](#) and [Facebook](#). We also invite you to **subscribe** to our newsletters and event publications to keep up to date with Payments Canada throughout the year.



Land acknowledgement

Payments Canada wishes to acknowledge the Indigenous Peoples of all the lands that we are on today. We affirm our commitment and responsibility to improving relationships between nations, as well as our understanding of local Indigenous peoples, their cultures and the importance of the land and nature where we all reside.

Our Ottawa office is located on the traditional and unceded territory of the Anishinaabe Algonquin Nation. Our Toronto office is located on the traditional territory of the Mississaugas of the Credit First Nation, the Haudenosaunee and the Huron-Wendat. Ottawa and Toronto, among other cities from which we live and work, are home to many diverse First Nations, Métis and Inuit Peoples. We recognize and honour their historical presence on these lands.

MESSAGE FROM THE BOARD CHAIR

For the Board of Directors, 2025 has been defined by strategic clarity. It is the year where the long-term vision for Canada's payment modernization transitioned from conceptual design into a tangible, operational reality.

As I reflect on the progress made under President and CEO Susan Hawkins' leadership, it is clear that our focus on strengthening the governance and resilience of Canada's financial heart is delivering safe infrastructure that enables the innovation and competition Canadians deserve.

Five years of strategic stewardship

As I prepare to conclude my term as Board Chair in June 2026, I am struck by the scale of transformation we have navigated. Amidst a period of significant global volatility, the Board's primary mandate has been to ensure that Canada's payment infrastructure remains relevant, trusted and sovereign.

Over the last five years, our oversight has focused on building a foundation for the

next generation of Canadian commerce:

- **Global interoperability:** By overseeing the multi-year evolution of our high-value payment systems, we have ensured Canada speaks the global language of modern finance, securing our place on the world stage.
- **Legislative modernization:** We provided the governance leadership necessary to advocate for the *Canadian Payments Act* (CP Act) amendments, fundamentally shifting our mandate to foster a more inclusive and competitive economy.
- **Systemic resilience:** By establishing the board-level mandate to re-energize the Real-Time Rail (RTR) and overseeing critical updates to



Garry Foster
Chair of the Board of Directors

our by-laws and rules, we have lowered barriers to access, allowing greater innovation and competition while maturing the internal controls that safeguard our national interest.

- **Executive renewal:** We have intentionally expanded our leadership talent to ensure the organization possesses the specialized expertise required to navigate a digital-first financial ecosystem.

The progress on the RTR in 2025 is a powerful milestone, but its true value lies in the team Canada approach it represents. This philosophy has become our strategic north star to align the interests of our members, stakeholders, regulators and delivery partners toward a shared national goal. Additionally, as we integrate

a centralized fraud solution at launch, we are not just delivering a faster system; we are collectively upholding the highest standards of safety and soundness that underpin public trust.

In an era of geopolitical uncertainty, the stability of our payment infrastructure is a pillar of national security. I have full confidence that the incoming Board Chair and our directors will continue to prioritize our payment sovereignty, ensuring that Canada remains a leader in a resilient and productive global ecosystem. To ensure this momentum remains uninterrupted, the Board has prioritized a seamless governance transition. Our succession planning ensures that as leadership changes, our strategic vision remains steadfast.

Our success is a shared achievement. I want to express my gratitude to my fellow directors, including those concluding their terms and our 2025 incoming members, as well as to our advisory councils and regulators.

Finally, a thank you to the Payments Canada management team and employees; your discipline ensures that the heart of our financial system continues to beat with world-class precision.

It has been a privilege to serve as Chair during this defining era. Together, we have built a stronger future for payments that will benefit all Canadians for generations to come.



MESSAGE FROM THE PRESIDENT AND CEO

2025 has been a year of momentum and change. As Payments Canada navigates a rapidly evolving landscape, defined by accelerating digital commerce and a complex geopolitical environment, the importance of our work has never been clearer. Canada's economic competitiveness and payment sovereignty depend on our ability to keep pace with a fast-moving world, ensuring our payment systems remain the foundation for a safe, productive and prosperous nation.

Delivering results: The RTR and Lynx

This past year, we reached several critical milestones. We saw continued, collaborative progress on the RTR, including officially moving into the critical testing phase. This transition is a testament to the teams. Together, we are building a made in-Canada-for-Canada system that will clear and settle payments between financial institutions in real-time, 24/7/365 days a year.

We also celebrated the successful transition of **Lynx from MT to MX messaging standard** (ISO 20022), marking a significant leap forward for payment innovation across the country. This global financial messaging standard allows electronic payments to carry

significantly more information, which is crucial in reducing friction for business and for the future of payments.

Broadening the ecosystem

In April 2025, we saw the formal implementation of the federal government's amendments to the CP Act. This expansion of membership eligibility represents a significant ecosystem shift, broadening access to our national systems. By welcoming new members, we are building a more inclusive ecosystem that encourages regulated competition and innovation without compromising our commitment to safety.

A highlight of this collaborative spirit was the establishment of the Canadian Anti-Scam

Coalition (CASC), an official cross-sector initiative to dismantle scam networks at their point of origin, not just at the point of transaction. In an era of sophisticated threats, where scams start on our phones, emails and social media feeds, this coalition represents a collective defence, protecting Canadians and reinforcing trust in our national security. We are proud to be a contributing member, working alongside industry partners to share intelligence and create a safer digital economy for all.

Our commitment to ecosystem dialogue was once again on display at The 2025 SUMMIT, our most successful to date. The deep discussions reflected the evolving payment ecosystem, and we came away with a stronger focus on innovation

Susan E. Hawkins
President and CEO
Payments Canada



and collaboration to improve Canada's global competitiveness and economic prosperity.

Looking toward 2026

In 2026, our focus remains on execution excellence as we continue through the RTR testing phase and participant readiness. Following that, it's preparation for a global first: the launch of a real-time payment system that includes centralized fraud services from the start. The introduction of real-time payments is just one example of the groundwork for faster, more flexible and more responsive payment environments.

Payments Canada's foundation is built on an unwavering commitment to Canada's payment systems, operating at the highest standards of safety, security and resilience. Protecting the integrity of our financial ecosystem requires constant adaptation to changing marketing needs and global realities. Our refreshed corporate strategy will address this as we work to reinforce resilience and empower a broader ecosystem to drive national productivity.

Acknowledgments

I want to extend my deepest gratitude to our Board of Directors for their steady guidance. I would like to share a special word of thanks to Garry Foster, who will be stepping down as Chair in June 2026. Garry's leadership has been instrumental in guiding Payments Canada through challenges and transformation, and his legacy is woven into the progress we celebrate today.

Finally, my thanks go to the Payments Canada team, whose expertise and commitment are the backbone of this organization, and to the broader team Canada. Together, we will ensure trusted, world-class payments that enable prosperity, productivity and safety for Canada.



REPORT FROM THE MEMBER ADVISORY COUNCIL CHAIR



Dougal Middleton
Payments Canada Chairperson
Member Advisory Council
Payments Canada

The past year has been an important one for our membership, marked by a collective momentum as we navigated Payments Canada’s modernization journey.

Throughout 2025, the Member Advisory Council (MAC) appreciated the significant progress made and the power of our collective ability to resolve key issues expeditiously. This period has been defined by a strong working model involving collaboration between Payments Canada’s teams, councils and regulators to maintain momentum on critical programs.

A priority throughout 2025 was supporting and enabling a competitive payment ecosystem by expanding membership. In the months and years ahead, we look forward to welcoming new members and participants to Canada’s national payment infrastructure. We also welcome the evolution of MAC to reflect this changing membership base.

In a strong show of industry alignment, MAC, the Stakeholder Advisory Council (SAC) and Payments Canada collaborated on recommendations to modernize the legislative

framework ahead of the RTR launch. We are encouraged by the ongoing dialogue with federal partners to ensure the necessary regulatory foundations are in place to support a successful go-live. Furthermore, as we operationalize the *Retail Payment Activities Act* (RPAA), we remain focused on ensuring that financial institutions have a viable path to support the payment service provider (PSP) community.

The technical progress of the RTR serves as a testament to the collaborative efforts of the payment ecosystem. The membership congratulated Payments Canada on the successful transition to the testing phase following the technical build in Q3 2025. We also established a clear strategic direction for enhancing international cross-border capabilities, ensuring Canada’s payment systems continue to align with evolving global standards. While there is a

shared commitment to the endorsed deployment path, the membership remains focused on a controlled, risk-informed and adaptive rollout. This approach allows for the necessary flexibility to accommodate the varying delivery plans and operational readiness of the diverse member institutions.

Work on the future state of retail batch (FSRB) initiative continued across four distinct workstreams toward enhancing the Automated Clearing Settlement System (ACSS) and addressing complexities. Members are aligned on the importance of sequencing the activities related to this initiative in 2026 so that efforts can be focused on the successful implementation of the RTR.

Recognizing the importance of long-term sustainability, MAC is engaging with Payments Canada as it explores a renewed financial framework to support future innovation. While members understand the objective of ensuring stable and predictable funding, we emphasize the importance of continuing to bring the industry along through the decision-making process. This will help ensure we arrive at a model that works for the membership community while supporting Payments Canada’s vision to

enable prosperity, productivity and safety for Canada through trusted, world-class payments.

To that end, we continue to work closely with Payments Canada and other stakeholders to ensure members have adequate input and engagement on investment roadmaps, financial governance and prioritization activities.

MAC appreciates the opportunity to provide feedback on the corporate strategy refresh and looks forward to its continued development. MAC remains dedicated to collectively making strong progress against critical areas and the immediate RTR delivery path. The ongoing collaborative spirit demonstrated on several fronts continues to foster positive progress, strong debate and healthy discussions.

As we move forward, MAC remains dedicated to working with Payments Canada to navigate complexities and ensure we continue to operate with transparency and partnership. We look forward to supporting the prioritization of future roadmap investments in line with refined governance approaches, ensuring our collective efforts remain focused on a secure and innovative payment future for Canada.

REPORT FROM THE STAKEHOLDER ADVISORY COUNCIL CHAIR



Daniela Aubry

Payments Canada Chairperson
Stakeholder Advisory Council
Payments Canada

Over the past year, the Stakeholder Advisory Council (SAC) has appreciated the continued transparency on the progress of the RTR delivery.

We celebrated the milestone achievement of the completion of the technical build and the move to testing. Updates regarding the operational readiness and industry testing provided the clarity necessary for the ecosystem to prepare for the next phase of implementation.

While SAC recognized that the deferral of cross-border use cases to 2027 impacted some PSPs, we supported this strategic prioritization as a necessary step to maintain momentum on program delivery.

Throughout the year, SAC remained committed to the RTR Working Group, specifically contributing to the inclusion of centralized fraud services in the roadmap. This work was complemented by comprehensive discussions on the Fraud Framework. To ensure its frameworks remain

inclusive, we recommended that Payments Canada further refine parameters for industry input and continue engaging consumers and end users as key stakeholders. To support this, we will collaborate closely with Payments Canada to ensure a broad representation of consumer feedback is considered.

SAC maintained its support for broader access to Payments Canada's systems and celebrated the coming into force of the important changes to the *Canadian Payments Act*, viewing both as requirements for a diverse, innovative and competitive payment ecosystem. We welcomed the development of the *The Real-Time Rail Participation Guide for Payment Service Providers* as a vital tool for informing PSPs of participation requirements. SAC members actively amplified the reach of this resource, while

noting that it must be followed by an accessible onboarding program to ensure now-eligible PSPs have a transparent path to participate.

Finally, SAC valued the opportunity to engage in Payments Canada's strategy refresh through deep-dive sessions. This level of consultation and transparency is highly valued by SAC members.

Looking ahead, SAC remains dedicated to supporting the priority and momentum behind the delivery of the RTR. We look forward to continued progress in the coming year. SAC is made up of a diverse set of stakeholders who contributed significantly over the past year. I would like to take this opportunity to thank our members for their continued expertise, dedication and valuable contributions.

WHO WE ARE

Payments Canada is a public purpose organization that owns and operates Canada's payment clearing and settlement systems: Lynx, Canada's high-value payment system, the Retail batch payment system and the forthcoming RTR. Payments Canada is responsible for the infrastructure and the associated by-laws, rules and standards that support these systems.

Oversight

Payments Canada's high-value payment system, Lynx, is designated by the Bank of Canada as systemically important, while the ACSS is designated as a prominent payment system. The designations bring Payments Canada under the oversight of the Bank of Canada. The *Canadian Payments Act* outlines the oversight responsibilities of the Department of Finance. To learn more about the Bank's oversight of financial market infrastructures (FMIs), please read the Bank of Canada's **Oversight Activities for Financial Market Infrastructures** report.

Our mandate


Payments Canada's legislated mandate, as set out in the **Canadian Payments Act**, includes the following objects:

- Establish and operate national systems for the clearing and settlement of payments and other arrangements for the making or exchange of payments.
- Facilitate the interaction of its clearing and settlement systems and related arrangements with other systems or arrangements involved in the exchange, clearing or settlement of payments.

- Facilitate the development of new payment methods and technologies.

In fulfilling its mandate, Payments Canada is guided by the public policy objectives of promoting the efficiency, safety and soundness of its clearing and settlement systems and taking into account the interests of users.




You can learn more about our mandate by visiting payments.ca.

Purpose

We make payments easier, smarter and safer for all Canadians.

Vision

Enable prosperity, productivity and safety for Canada through trusted world-class payments.

Mission

We dedicate ourselves to the delivery, operations and governance of payment systems that are innovative, secure and globally connected.

Values

Inspire trust: We are driven by our public purpose mandate. We act together with integrity, are deliberate in our decisions and take accountability for our actions. We inspire trust by enabling members to transact payments safely and soundly for our stakeholders and all Canadians.

Build community: We believe our differences make us stronger. We cultivate a supportive and respectful environment that encourages open dialogue and diverse perspectives. We love what we do and find joy in working together.

Enable change: We are committed to innovation within the changing payment ecosystem. We learn with intention to generate new ideas and creative solutions. We enable change in our pursuit of excellence.

We work together with our **member financial institutions and stakeholders**, the Department of Finance, the Bank of Canada and international counterparts through formalized processes and regular and ad hoc interactions.



GOVERNANCE

Payments Canada Board of Directors

Governance plays a critical role at Payments Canada. Good governance ensures a level of oversight and risk mitigation that provides confidence to our members, stakeholders and Canadians. Payments Canada adheres to the Bank of Canada's Risk-Management Standards for Designated Systemically Important FMIs¹ and the Risk-Management Standards for Prominent Payment Systems, which include guidance on governance arrangements for an FMI. As part of this adherence, and in line with governance best practices, Payments Canada continuously reviews and enhances its governance procedures and policies.

Under the leadership of the Chair, Garry Foster, the 13-director board² is charged with directing and managing the affairs of the organization with a focus on strategic and policy matters. The board receives advice and counsel from Payments Canada's SAC and MAC.

In June 2025, the board recognized the contributions of, and said goodbye to, Anju Virmani (independent director) and Sean Goldrick (member director). We also welcomed two new directors, Mairead Lavery (independent director) and Blair Wiley (member director).

Board of Directors: Garry Foster (Chair), Kevan Cowan, Johanne Duhaime, Susan E. Hawkins (President and CEO), Saigin Govender, Jennifer Hawkins, Mairead Lavery, Matthew Parker-Jones, Rob Paterson, Fariba Rawhani, AnneMarie Ryan, John Sheridan (Deputy Chair), and Blair Wiley.



¹ The Bank of Canada adopted the Principles for Financial Market Infrastructures as its standards for systemically important FMIs.

² The nominating committee, which is charged with the responsibility of confirming the independence of the independent directors, has confirmed the independence of those directors.

Elected until annual meeting of members 2026

Garry Foster

Independent Director

Johanne Duhaime

Fédération des caisses Desjardins du Québec

Rob Paterson

CS Alterna Bank

John Sheridan

Independent Director

Elected until annual meeting of members 2027

Saigin Govender

Independent Director

Matthew Parker-Jones

Bank of Nova Scotia

Fariba Rawhani

Independent Director

AnneMarie Ryan

Independent Director

Elected until annual meeting of members 2028

Kevan Cowan

Independent Director

Jennifer Hawkins

Bank of Montreal

Mairead Lavery

Independent Director

Blair Wiley

Wealthsimple Investments Inc.

Board committees

The Board of Directors is charged to direct and manage the affairs of the organization with a focus on strategic and policy matters.

There are **four standing board committees** that assist the Board of Directors in fulfilling its responsibilities. These committees met their objectives as outlined in their terms of reference and 2025 annual work plans.



Audit and Finance Committee (AFC)



Governance and Nominating Committee (GNC)

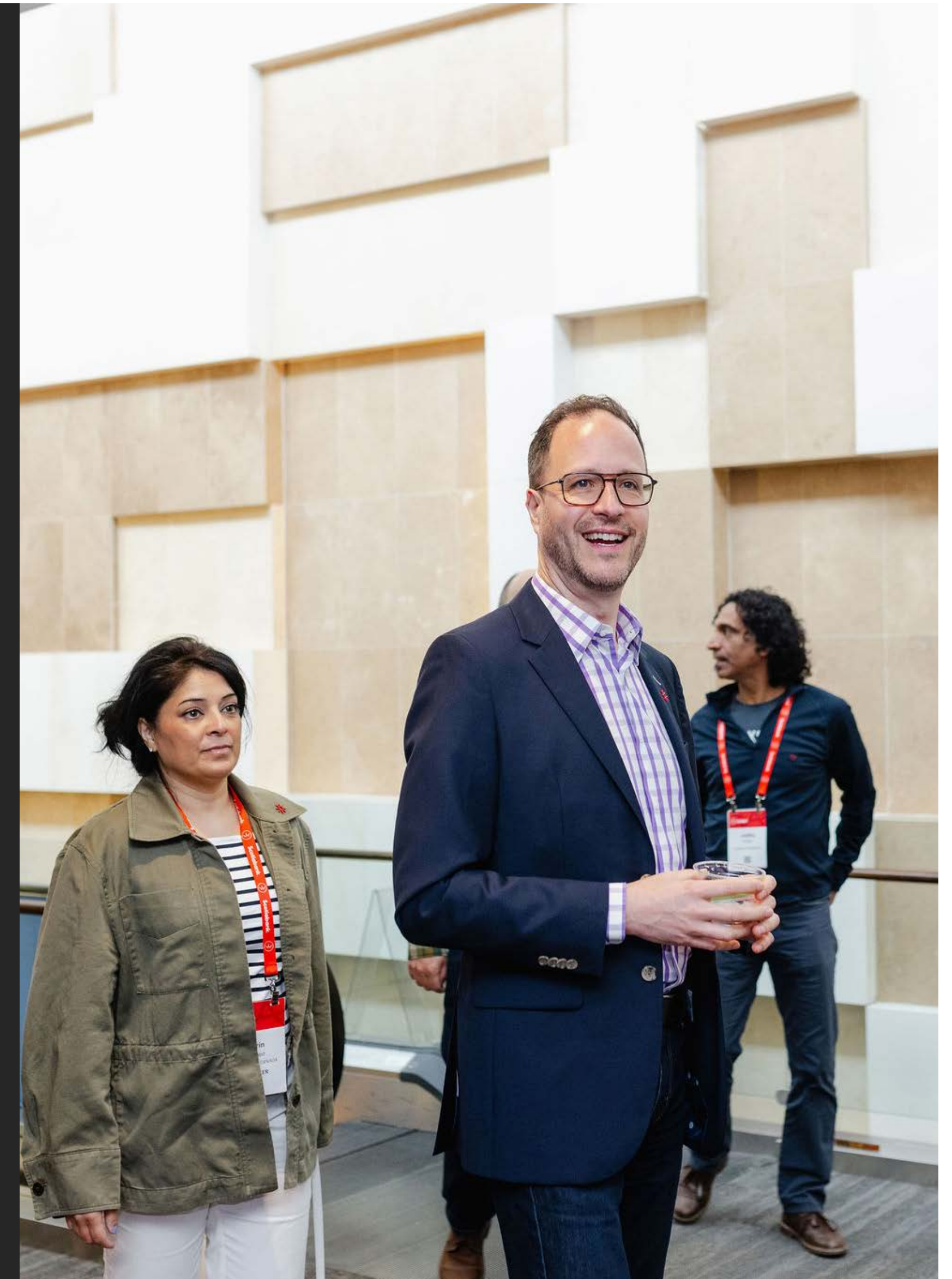


Human Resources and Compensation Committee (HRCC)



Risk Committee

The board has also established an ad hoc RTR Program Advisory Committee (RPAC) to provide advice and guidance on the RTR program.



January to June (up to and including the annual meeting of members) 2025

MEMBER	MEMBER SINCE	BOARD	AFC	GNC	HRCC	RISK COMMITTEE	RPAC
Number of meetings		2	2	2	2	2	2
Director attendance							
G. Foster (Chair)	June 2017	2	2	2	3	2	2
K. Cowan	June 2024	2	2	2	n/a	n/a	n/a
J. Duhaime	Sept. 2024	1	2	n/a	2	n/a	n/a
S. Goldrick	June 2022	2	2	n/a	n/a	2	n/a
S. Govender	June 2021	1	n/a	1	1	n/a	2
J. Hawkins	June 2022	2	n/a	2	n/a	n/a	n/a
S. Hawkins	Aug. 2024	2	n/a	n/a	n/a	n/a	n/a
M. Parker-Jones	June 2024	2	n/a	n/a	n/a	2	1
R. Paterson	June 2020	1	n/a	1	2	n/a	2
F. Rawhani	June 2021	2	2	n/a	3	n/a	2
AM. Ryan	June 2020	2	n/a	2	n/a	2	n/a
J. Sheridan	June 2020	2	2	n/a	3	2	n/a
A. Virmani	Oct. 2022	1	n/a	n/a	n/a	1	2

Note: since board committees meet at least one day before the board meetings, the attendance above is for board and board committee meetings up to, and including, the annual meeting in June.

June (after annual meeting of members) to December 2025

MEMBER	MEMBER SINCE	BOARD	AFC	GNC	HRCC	RISK COMMITTEE	RPAC
Number of meetings		3	2	3	3	2	1
Director attendance							
G. Foster (Chair)	June 2017	3	2	3	3	2	1
K. Cowan	June 2024	3	n/a	2	3	2	n/a
J. Duhaime	Sept. 2024	3	n/a	n/a	n/a	2	1
S. Govender	June 2021	3	2	n/a	3	n/a	n/a
J. Hawkins	June 2022	3	2	3	n/a	n/a	n/a
S. Hawkins	Aug. 2024	3	n/a	n/a	n/a	n/a	n/a
M. Lavery	June 2025	3	2	3	n/a	n/a	1
M. Parker-Jones	June 2024	3	n/a	n/a	n/a	2	0
R. Paterson	June 2020	3	1	3	3	n/a	n/a
F. Rawhani	June 2021	3	n/a	n/a	1*	1*	1
AM. Ryan	June 2021	3	n/a	3	n/a	2	n/a
J. Sheridan	June 2020	3	2	n/a	1*	1*	1
B. Wiley	June 2025	3	n/a	n/a	3	n/a	1

Note: since board committees meet at least one day before the board meetings, the attendance above is for board and board committee meetings after the annual meeting in June.

*Note: Fariba Rawhani replaced John Sheridan on HRCC, and John Sheridan replaced Fariba Rawhani on the Risk Committee. Both changes took effect following the September meetings.

Executive Leadership Team

Our **Executive Leadership Team** provides strategic direction, leadership and oversight to Payments Canada.



Susan E. Hawkins
President and Chief Executive Officer



Peter Dodic
Chief Risk Officer



Donna Kinoshita
Chief Payments Officer



Kristina Logue
Chief Financial Officer



Jude Pinto
Chief Delivery Officer



Derek Rego
Chief Information Officer



Shawn Van Raay
Chief Technology Operations Officer



Learn more about our executive team by visiting payments.ca.



Member Advisory Council

Our 20-person **Member Advisory Council (MAC)**, mandated in the *Canadian Payments Act*, is a consultative and engagement forum for our members, including those who are system participants. The Council reflects Payments Canada's diverse membership. MAC provides advice to the board of directors on clearing and settlement systems, the way these systems interact with other systems in the exchange, clearing or settlement of payments, and in the development of new payment technologies.

Appointed until June 2026

Bank of America

Leslie Konecny

Bank of Montreal

Rebecca Tascona

Canadian Imperial Bank
of Commerce

Michael Liberty

Central 1

Barclay Hancock

PNC Bank

Steve Faust

JPMC

Vacant

Appointed until June 2027

ATB Financial

Ryan Rabin

Bank of Canada

Ian Christensen

Equitable Bank

Janet Lin

ICICI Bank Canada

Rajesh Nimgire

La Fédération des caisses

Desjardins du Québec

Isabelle Dreyer

National Bank of Canada

Patrice Roy

Royal Bank of Canada

Gabriel Woo

Appointed until June 2028

The Bank of Nova Scotia

Dougal Middleton

Citibank

Mohneet Gujral

Shakepay

Eric Richmond

The Toronto-Dominion Bank

Christine Hunter

Wealthsimple Investments

Hanna Zaidi

Wells Fargo Bank

Rosalie Fink

2025 MAC meeting attendance

Council members are appointed through a process involving a nominating committee and are approved by the board. While named representatives are expected to attend all council meetings, if a named representative is unable to attend a meeting, alternates may be permitted on an exception basis, but for not more than one-third of council meetings.

MEMBER	MEETINGS ATTENDED BY MEMBER ORGANIZATION	NAMED REPRESENTATIVE	MEETINGS ATTENDED BY REPRESENTATIVE (OR DELEGATE)
ATB Financial	6/6	Ryan Rabin* Victoria Clark**	5/6 1/1
Bank of America	3/6	Leslie Konecny* Saveria Mallia**	2/6 1/1
Bank of Canada	6/6	Ian Christensen*	6/6
Bank of Montreal	6/6	Rebecca Tascona* Gayle Ramsay Chantal Hitchcock	1/2 4/6 1/1
Bank of Nova Scotia	6/6	Dougal Middleton*	6/6
Canadian Imperial Bank of Commerce	6/6	Michael Liberty*	6/6
Central 1	5/6	Barclay Hancock* Sue Whitney Scott Robertson	1/1 3/4 1/1
Citibank Canada	4/6	Mohneet Gujral*	4/6
La Fédération des caisses Desjardins du Québec	6/6	Isabelle Dreyer*	6/6
Equitable Bank***	5/6	Janet Lin* Kartik Kamat Rahim Daya	2/2 2/2 1/1
ICICI Bank Canada	5/6	Rajesh Nimgire*	5/6
JPMorgan Chase (no current MAC rep)	4/6	Clinton Whitworth Jude Leclerc Anthony Danda	2/2 1/1 1/1

MEMBER	MEETINGS ATTENDED BY MEMBER ORGANIZATION	NAMED REPRESENTATIVE	MEETINGS ATTENDED BY REPRESENTATIVE (OR DELEGATE)
Laurentian Bank of Canada****	3/3	Sabrina Scifo Modica	3/3
National Bank of Canada	6/6	Patrice Roy*	6/6
Peoples Trust Company	6/6	John Davis* Amer Sidhu	5/6 1/1
PNC Bank	5/6	Steve Faust*	5/6
Royal Bank of Canada	6/6	Gabriel Woo* Michelle Brick	4/6 2/2
Shakepay***	2/6	Eric Richmond*	2/6
The Bank of Nova Scotia	6/6	Dougal Middleton	6/6
The Toronto-Dominion Bank	5/6	Christine Hunter* Nicole Larade-Tung**	4/6 1/1
Wealthsimple Investments Inc.	6/6	Hanna Zaidi* Abdi Hersi	3/6 3/3
Wells Fargo Bank	6/6	Rosalie Fink* Sarah Gainey Paul Sebastian	3/6 2/6 1/6

* Indicates the member representative as of December 31, 2025 if multiple members represented the FI in 2025.

** Indicates alternate delegate at meeting.

*** Indicates the organization joined the council partway through 2025.

**** Indicates the organization is no longer on the council.

Stakeholder Advisory Council

The **Stakeholder Advisory Council (SAC)** provides advice to Payments Canada's Board of Directors on payment, clearing and settlement matters and any matters relating to the objects of Payments Canada. SAC members contribute input on proposed initiatives including by-laws, policy statements and rules that affect third parties. SAC also identifies issues that might concern payment system users and service providers and suggests how issues could be addressed.

Appointed until March 31, 2026

Global Payments
Katie Stone

Government of Alberta
Ryan McLeod

Microsoft
Kathleen Woodard

Nanopay
Zeldi Snyman

TELUS
Hasan Jafri

Temenos
Jordan Grant

Tim Hortons
Nicolas Dinh

Appointed until March 31, 2027

ADP Canada
Khadir Ahmed

PayPal Canada
Cassie Wong

Prosper Canada
Elizabeth Mulholland

Public Services and
Procurement Canada
Lucie Séguin

Worldpay Canada
Phil Hogg

Appointed until December 31, 2027

Canada Post
Anastasia Anastasakos

Appointed until March 31, 2028

Metrolinx
Daniela Aubry

Square
Liz Samson

Wise
Josh Rowat



2025 SAC meeting attendance

Council members are appointed through a process involving a nominating committee and approved by the board in consultation with the Minister of Finance. While named representatives are expected to attend all council meetings, if a named representative is unable to attend a meeting, alternates may be permitted on an exception basis but for not more than one-third of council meetings.

MEMBER	MEETINGS ATTENDED BY MEMBER ORGANIZATION	NAMED REPRESENTATIVE	MEETINGS ATTENDED BY INDIVIDUAL (OR DELEGATE)
ADP Canada	5/6	Khadir Ahmed	5/6
Amazon	3/6	Raveen Sangha	3/5
Canada Post	4/6	Anastasia Anastasakos	4/6
Consumers Council of Canada	6/6	Michael Jenkin* Don Mercer	1/1 5/5
Department of Finance	4/6	Nick Marion* Jan Wollenberg**	3/6 1/1
Dye & Durham***	3/6	Tracy Lagasse	3/5
Global Payments	5/6	Katie Stone*	5/6
Government of Alberta	6/6	Ryan McLeod*	6/6
Metrolinx	6/6	Daniela Aubry*	6/6
Microsoft	2/6	Kathleen Woodard*	2/6
Nanopay Corporation	4/6	Zeldi Snyman*	4/6
Payments Canada Board of Directors	6/6	AnneMarie Ryan	6/6
PayPal Canada	5/6	Cassie Wong* Kia Fung** Nicole Watts	2/5 1/1 2/2
Prosper Canada	6/6	Elizabeth Mulholland*	6/6
Public Services and Procurement Canada	6/6	Lucie Séguin Chris Fox	5/6 1/1
Square	5/6	Liz Samson*	5/6
TELUS Communications	6/6	Hasan Jafri*	6/6
Temenos	4/6	Jordan Grant*	4/6
Tim Hortons	5/6	Nicolas Dinh	5/6
Wise	5/6	Josh Rowat*	5/6
Worldpay Canada	6/6	Phil Hogg*	6/6

* Indicates the member representative as of December 31, 2025, if multiple members represented the organization in 2025.

** Indicates alternate delegate at meeting.

*** Indicates the organization joined the council partway through 2025.

OUR SYSTEMS: SAFE, SECURE AND RELIABLE

In 2025, Payments Canada's systems cleared and settled over \$103 trillion – more than \$411 billion every business day. Transactions that pass through our systems include debit card payments, pre-authorized debits, direct deposits, bill payments, wire payments and cheques initiated and received by Canadians and Canadian businesses.

Automated Clearing Settlement System

The **ACSS**, referred to as the retail batch payment system, is the system that clears the vast majority of Payments Canada's paper-based and electronic payment items.

ACSS 2025 statistics

Total volume:

10.6 billion items

Daily average volume:

42.3 million items

Total value:

\$10 trillion

Daily average value:

\$39.9 billion



To learn more about ACSS volumes and values, please visit the **Retail batch payment system section** on payments.ca.

Lynx, Canada's high-value payment system

Lynx is the electronic wire system that facilitates the irrevocable transfer of wire payments in Canadian dollars between Canadian financial institutions across the country.

Lynx 2025 statistics

Total volume:

**13.6
million
items**

Total value:

**\$93.3
trillion**

Daily average volume:

**54,229
items**

Daily average value:

**\$371.89
billion**



To learn more about Lynx volumes and values, please visit the [High-value payment system section](#) on [payments.ca](#)

Systems availability rate

ACSS availability rate:

100%

Lynx availability rate:

99.91%

CSN availability rate:

100%

2025 IN REVIEW



Advancing the delivery of Canada's RTR

Educating the ecosystem

Industry readiness for the launch of real-time payments was a key focus in 2025, and we provided new resources and comprehensive quarterly updates to the ecosystem as part of this work. For technical preparation, we released new ISO 20022 message specifications and launched our **RTR API sandbox**. The virtual testing environment of the API sandbox offers developers, vendors and RTR participants the tools and test data necessary to integrate with and visualize the capabilities of the RTR prior to launch. These new and enhanced resources were all easily accessible on [our website](#).

Preparing new members for participation

Thanks to changes to the CP Act, **Payments Canada membership eligibility was expanded**. More organizations, specifically PSPs (now subject to the Bank of Canada's supervision under the RPAA), credit union locals and designated clearing houses, can now become **members** and apply to participate on our systems. To support PSPs' evaluations, applications and preparations for participation on Canada's forthcoming RTR payment system, we released the **RTR Participation Guide for**

PSPs. The guide outlines the process for applying to become a Payments Canada member and RTR participant. It outlines the technical, operational and business requirements to participate and helps them capitalize on the RTR's instant payment capabilities.

Comprehensive testing

The RTR program entered into a comprehensive testing phase this year, a critical step to ensure system reliability and resilience before launch. The testing phase will continue through 2026, with multiple test phases. This includes user acceptance testing for key user functionality, performance testing for volumes and resilience, security testing for safety and protection and operational readiness testing for business and technical operations.

Legal framework

We conducted a broad public engagement on the RTR legal framework from May 20 to July 2, 2025. This process was designed to meet **public consultation requirements** and maintain momentum on the by-law, ensuring meaningful participation in developing a robust framework for the RTR's safety, efficiency and resilience.

The engagement process used a public consultation paper and was supported by a series of four public webinars that were streamed live and also made available on demand in both official languages. These educational sessions covered critical topics: **an introduction to Payments Canada and the RTR, access and participation, recourse and compliance, and fraud management**. This inclusive approach reflected a commitment to industry collaboration, ensuring the final legal framework is effective and aligned with the evolving payment ecosystem.

Centralized fraud services

Payment fraud is a global challenge with constantly evolving tactics from bad actors, and the Canadian market is no exception. A standout feature of the RTR is its emphasis on fraud mitigation. When it launches, our made-in-Canada approach will see this country's RTR as among the first to include centralized fraud services from day one.

Advancing the future of Canadian payments

Transitioning to MX messaging

Canada's high-value payment system, Lynx, achieved a pivotal milestone by **fully transitioning to the ISO 20022 financial message standard** (MX messages). This accomplishment aligns with the global initiative to discontinue legacy MT payment messages, marking the end of coexistence of MT and MX messages. The update also introduced **a new hybrid postal code format**. This was a critical step in modernizing Canada's payment landscape that solidifies ISO 20022 as the message format for high-value payments, enabling data-rich payments to support smoother cross-border exchanges and increased automation.

Delivering key insights through our research

Our **comprehensive research** provides the ecosystem with informative and timely insights into payments in support of emerging trends and payment topics.

- **How Canadians pay:** Our Canadian Payment Methods and Trends (CPMT) report is a cornerstone of this research, and our **2025 edition** reinforced the idea that speed, convenience and choice are

paramount for Canadians when choosing how to pay. The report explained that debit and credit cards are the preferred payment methods, while noting the growth in contactless payments, especially mobile contactless payments.

- **Readiness for the RTR:** As Canadians' expectations shift to fast, simple transactions, our research found that nearly half are eager to embrace real-time payments, and more than one-third would likely switch from their current payment methods to real-time payments. Despite its long-term decline, cash is still frequently used by 48 per cent of Canadians, and 57 per cent have no desire to forgo it completely, as they consider it a fast and widely accepted payment option.
- **Fraud and payments:** Our market research was critical in identifying and understanding emerging trends and new developments in the payment ecosystem. Our research revealed that **13 per cent of Canadians experienced payment fraud** during a six-month period, and 60 per cent of them lost money as a result. Consequently, 53 per cent of Canadians say that their payment behaviours and preferences have been

impacted by their concerns about fraud. These concerns also extend to their **willingness to embrace evolving payment innovations**. Our research indicated that when it comes to using new payment technologies like GenAI, social commerce and passkeys, security concerns are a key deterrent.

Rules: driving change for the future of payments

The 2025 rule **updates for the ACSS** and Lynx emphasized global alignment, operational efficiency and modernization.

- Quarterly changes clarified cross-border arrangements, streamlined biennial attestation deadlines and introduced an annual attestation requirement for the Financial Institutional File (FIF).
- Updates **refined bill payment incident management**, improved transaction tracing and included administrative modernization.
- In November, **updates reflected the decommissioning of the Lynx MT format** in favour of adopting the ISO 20022 messaging standard for wire payments, ensuring consistency and greater global interoperability.





Strengthening the payment ecosystem

Advancing fraud awareness with the Canadian anti-scam coalition

A comprehensive, networked approach to fraud prevention is key to making payments safer for everyone in Canada. Payments Canada was proud to join more than 50 organizations to form the Canadian Anti-Scam Coalition (CASC), officially launched in September 2025. A unified cross-sector initiative, CASC partners come from the financial, telecom, digital platform, law enforcement and government sectors with the goal of protecting Canadians from the threat of financial scams through fraud education, mitigation and response mechanisms. As a member, Payments Canada shares expertise and contributes to joint initiatives, leveraging collective intelligence to better safeguard the Canadian financial system. Our participation reinforces our commitment to our public purpose and the safety, security and resilience of our critical national payment infrastructure.

Budget 2025: a mandate for modern payments

The Government of Canada's 2025 Budget: *Canada Strong* reflected the importance of **modern payments** in supporting the government objectives to drive competition, foster innovation and economic growth, and support monetary sovereignty. This includes support for the delivery of Canada's forthcoming RTR, which was recognized as "Canada's nation-building payment infrastructure." The budget also advanced consumer-driven banking, introduced a framework to regulate stablecoins, and included measures to enhance financial safety, transparency and choice for Canadians. Payments Canada stands ready to continue to support the Government of Canada in the development and implementation of these initiatives, enabling competition with safety and security as a top priority.



OUR PEOPLE

At Payments Canada, our workforce of more than 320 employees is the foundation of our public purpose mandate. We have a resilient team that is dedicated to delivering easier, smarter and safer payments for everyone in Canada. In 2025, our focus has been on aligning our culture so that we have the agility and accountability required to both lead and respond to the evolving payment landscape.



Executive leadership

To **support our future strategy and scale**, Shawn Van Raay took on the new role of Chief Technology Operations Officer, with a focus on system stability, security and operational excellence. We welcomed Derek Rego as the Chief Information Officer to lead technology strategy and development. Under Derek's leadership, Payments Canada will continue to build and integrate technology that supports national scale, resilience and global competitiveness.

Culture and values in action

In 2025, we advanced our commitment to a people-centric culture with the initiation of a comprehensive cultural assessment. This process allowed employees to voice their perspectives on their employee experience, with the goal of aligning our desired cultural state with workplace behaviours to strengthen our organizational health. Our culture's evolution is ongoing, with future planned activities to assess progress.

Our employees are guided by our three values: Inspire trust, build community and enable change. To celebrate our employees and recognize our commitment

to them, we launched our first annual employee awards in 2025, recognizing individuals who exemplify our values in their daily work. The awards acknowledge the meaningful contributions of our people in driving our purpose forward and celebrate how our employees work, lead and create impact together.

Listening and evolving

Our commitment to a people-centric culture is reflected in our employee engagement strategy, which puts employee feedback into positive action. A key element of this strategy is tracking and responding to results we see in our monthly survey. We have strong engagement scores, with notably high scores for inclusion and peer relationships. We attribute this, in part, to our commitment to employee well-being and to leadership that is encouraged to empower teams and streamline decision-making.

Inclusion and connection

Strong connections across the organization allow us to better innovate and execute on our vision. To further build these connections, we made changes to our hybrid workplace model in 2025, introducing team and flex

days to focus on purposeful and collaborative in-office work.

We celebrated the end of our first Diversity, Equity and Inclusion (DEI) Strategy and introduced our updated strategy that will guide this work to the end of 2027. The new strategy builds upon the foundational work and key learnings from the first one, signalling a continued commitment to embedding DEI principles across the organization and setting the path for the years ahead. Our primary areas of focus are governance and leadership, employee experience and community engagement.

The continued implementation of our 2023–2025 Accessibility Plan helped reduce barriers to accessibility. Achievements included renovating our Ottawa office to minimize physical barriers and establishing a partnership with Ready, Willing and Able to better support employees with disabilities.

SUSTAINABILITY: MEASURING PROGRESS

Payments Canada has a complementary approach to sustainability; we ensure our current operations meet our needs while securing a resilient foundation with stability and adaptability for generations to come. This approach is underpinned by transparent and sustainable practices that are an important component of our organizational culture.

In 2025, our sustainability strategy featured a dual approach: measuring our successes and initiating key efforts to continue to drive sustainable change. We successfully completed our third greenhouse gas (GHG) inventory, demonstrating continued low emissions. We also published our second annual Task Force on Climate-related Financial Disclosures report. This progress was supported by the more than 20 sustainability-related metrics we track and report on to enhance organizational sustainability.



RISK MANAGEMENT: PROGRAM AND GOVERNANCE

Risk management is at the core of our operations, guiding the achievement of our strategic objectives and legislative mandate. We ensure our systems are operating safely and securely for Canadians by maintaining a strong enterprise risk management program.

Payments Canada uses the three-lines model for risk management. We will take risks to achieve our legislative mandate and strategic objectives only if those risks:

- 1 Promote the good of the Canadian payment ecosystem overall, recognizing that members are significant in the ecosystem;**
- 2 Fit our strategy and can be understood and managed;**
- 3 Position Payments Canada and its systems to be among the most resilient globally within the financial industry.**

Regular internal and external environment scans are conducted to identify and manage top and emerging organizational risks. These risks, along with metrics to monitor whether we are operating within our risk appetite, are reported to both our Internal Risk Committee and the Board of Directors' Risk Committee. This provides a comprehensive and integrated view of organizational risks and how they align with our risk appetite.

Evolving the maturity of our risk management practices remains a top priority as we deliver modernized payment systems and as the broader payment ecosystem transforms.

2025 major enhancements

- 1** Strengthened the integrity of our risk profile by explicitly incorporating external risk drivers into our reporting, enabling more robust oversight of the shifting macroeconomic and regulatory landscape.
- 2** Drove proactive risk management for the Real-Time Rail through forward-looking risk analysis and collaboration with industry and strategic partners to identify and address potential risks throughout the project lifecycle.
- 3** Completed a risk assessment of the planned future state of the retail batch payment system to provide a rigorous look-ahead at the risk profile of our future operations, ensuring the enduring resilience of our national infrastructure.
- 4** Enabled the responsible implementation of a corporate generative AI solution through risk oversight, supporting training initiatives and the development of key risk indicators to monitor and mitigate emerging threats.
- 5** Completed an interactive Crisis Management Plan exercise with the crisis management team and emergency management team at the uOttawa-IBM Cyber Range facility.



2025 significant risks

Payments Canada proactively identifies and assesses the likelihood and impact of possible risks. After all mitigations were considered, the top residual risks in 2025 were as follows:

1. Challenges in achieving alignment among members, regulators and other stakeholders impacting Payments Canada's ability to deliver priority projects (e.g., the RTR, fraud services, FSRB)

Key mitigations: Establish governance structure and committees with diverse member, regulator and other stakeholder representation, communicate priority project decisions with industry, and assess/address critical topics to obtain alignment.

2. Application of funding model requiring further flexibility to support execution of our strategy while maintaining a globally competitive price

Key mitigations: Establish a capital investment reserve to support strategic capital investment.

3. Cyber incident(s) affecting payment and/or corporate systems

Key mitigations: Maintain and continually improve cyber protection, detection, governance, testing, response, recovery and resilience capabilities.

4. A major and prolonged payment system outage

Key mitigations: Implement an operational resiliency strategy and associated roadmap. Successful testing of business continuity exercises. Continuous improvements to the crisis management plan and successful execution of exercises to foster a more holistic understanding of crisis response.

5. Operational or project delivery vendor failures and performance issues

Key mitigations: Continue maturity of procurement and vendor management processes. Continue enhancements to increase transparency and oversight of critical vendors and reinforce governance and program management processes with existing and new vendor partnerships. The established Third-Party Risk Management program continues to support risk management activities throughout the vendor lifecycle.

6. Potential increase in residual financial risk as a result of Payments Canada's expanded roles and responsibilities

Key mitigations: Continue work with members to assess residual financial risk and associated mitigants. Data governance program maturity remains a key priority for Payments Canada.

7. Absence of defined and supported strategic product roadmaps.

Key mitigations: Develop product governance framework. Establish payment system operations roadmaps.

2026–2030 CORPORATE PLAN

Payments Canada supports the secure, efficient and reliable exchange of billions of dollars daily by operating critical payment infrastructure that is foundational to the running of the Canadian economy.

The 2026–2030 Corporate Plan outlines the organization’s five-year objectives and will be updated annually as required by the CP Act. The plan examines the ways in which our operating context is evolving and details the changing role Payments Canada will play in the Canadian economy to enable prosperity, productivity and safety for Canada. The plan also highlights the benefits that the forthcoming RTR system will deliver to the Canadian economy and how we will approach the lead-up to launching the system in 2026.

Strategic context

Payments Canada remains at the centre of a pivotal structural transformation in the global and domestic financial landscapes, driven by the shift

toward a 24/7 digital economy. Internationally, the mandatory adoption of data-rich ISO 20022 standards and the emergence of regulated digital assets are redefining economic competition and systemic resilience. Domestically, our strategic direction is directly aligned with the Government of Canada’s policy priorities — anchored by the Budget 2025 support — to foster a more affordable, competitive and inclusive marketplace. By delivering the RTR, expanding membership eligibility to regulated payment service providers and supporting the framework for consumer-driven banking, Payments Canada is ensuring that our national infrastructure serves as a secure, innovative and resilient engine for growth that keeps pace with our global counterparts.

Strategic pillars

As Payments Canada begins to play an increasingly important role in the Canadian economy, we have identified five key areas where we will focus our time and resources:

Operational excellence

To meet the challenge of delivering world-class, resilient payment solutions in a rapidly evolving technology environment, we will set clear goals for functionality, capability and efficiencies in an effort to achieve world-class operations that are competitive with other G7 nations.

Safety and soundness

To maintain public confidence in payments as our systems evolve, we will be prepared to handle a range of issues to ensure that the strength and security of our systems are maintained under circumstances ranging from cyber resiliency to national financial crime and scams.

Economic and social benefits

Canada’s changing payment ecosystem presents an opportunity to drive economic and social progress and solidify our economic foundation by enabling productivity gains and the transition away from expensive and time-consuming legacy payment methods.

Efficiency

As we evolve into a technology organization and position ourselves to take on new challenges, we will explore internal ways to become more effective at fulfilling our mission and external ways to become more efficient in our governance and decision making to allow us to deliver globally competitive infrastructure at a globally competitive price.

Access, advocacy and innovation

As a steward of the payment ecosystem and provider of specialized expertise to support government objectives, we will seek to facilitate the resolution of challenging payment issues, ensure fair and equal access to our payment systems and serve as a trusted voice in research into Canadian payment issues and trends in the global context.

SUMMARY OF FINANCIAL OPERATIONS

Summarized statement of operations

(in millions of Canadian dollars)

REVENUES	2025	2024	EXPENSES	2025	2024
Fees	131	125	Core operations	126	120
Other revenues	6	7	Projects	5	5
Total revenues	137	132	Modernization	19	11
			Total expenses	150	136
			Excess/(shortfall) of revenue over expenses before the undernoted	(13)	(4)
			Fair value adjustment on interest rate swaps	(2)	(5)
			Loss on write down of intangible asset	-	(34)
			Surplus/(Deficit)	(15)	(43)

As a cost-recovery organization, our member fee revenue remains closely aligned with our operating costs. In 2025, transaction fee revenue rose five per cent to \$131 million, driven by increases to transaction fees charged to participants and by volume growth on the ACSS. This increase was further supported by higher transaction values on Lynx, which partially offset a decline in Lynx transaction volumes.

Core operating expenses were above the prior year primarily due to incremental costs relating to enhancements to payment system support and resiliency for both the ACSS and Lynx and to growth in resources to support corporate strategic initiatives.

Project spending remained consistent with the prior year as we prioritized the future state of retail batch and the ACSS resiliency project.

Additionally, we invested in our corporate offices to support a growing workforce and a renewed commitment to in-office collaboration.

In 2025, the Modernization program remained focused on the delivery of the final pillar, namely, the RTR. Total RTR-related expenses were \$19 million, supported by \$142 million in capitalized expenditures recorded as intangible assets on the balance sheet.

While day-to-day operating costs for the current systems are primarily covered by the common service fee and system transaction fees, costs associated with the RTR program are funded through debt financing.

Selected items from the statement of financial position

(in millions of Canadian dollars)

SELECTED ITEMS	2025	2024
Cash and short-term investments	83	96
Accounts receivable	16	36
Interest rate swaps	2	4
Capital assets and intangible assets	431	285
Accounts payable and accrued liabilities	48	36
Demand and term loans	603	473

Payments Canada's statement of financial position continues to grow. Total assets increased by \$130 million, primarily as a result of the growth of intangible assets related to the development of the RTR. As planned, the Modernization program has put Payments Canada into a temporary net liability position that will diminish once modernized systems become operational and members are subsequently billed for their use.

Liabilities grew during the year, reflecting further draws on the demand loan facility to fund the development of the RTR. The outstanding debt at the end of 2025 relating to the Modernization program consists of a \$119 million term loan and a \$484 million outstanding balance on the revolving demand loan.





INDEPENDENT AUDITOR'S REPORT

To the Members of Payments Canada

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Payments Canada (the Company) as at December 31, 2025 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at December 31, 2025;
- the statement of operations for the year then ended;
- the statement of changes in net assets (liabilities) for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements section of our report*.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information obtained prior to the date of this auditor's report comprises the information, other than the financial statements and our auditor's report thereon, included in annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

**Chartered Professional Accountants,
Licensed Public Accountants**

Ottawa, Ontario
March 6, 2026

FINANCIAL STATEMENTS

For the year ended December 31, 2025

Statement of financial position

As at December 31, 2025 (in thousands of dollars)

ASSETS	2025 \$	2024 \$
Current assets		
Cash	28,234	44,139
Short term investments (note 4)	55,232	49,167
Accounts receivable	15,506	33,587
Interest rate swaps (note 8)	2,012	4,281
Prepaid expenses	22,832	8,722
	123,816	139,896
Capital assets (note 5)	21,289	1,978
Intangible assets (note 6)	409,602	282,758
	554,707	424,632
LIABILITIES AND NET ASSETS (LIABILITIES)	2025 \$	2024 \$
Current liabilities		
Accounts payable and accrued liabilities	48,344	36,171
Deferred revenue	2,183	1,374
Current portion of debt (note 8)	503,100	354,100
	553,627	391,645
Tenant inducement	2,128	138
Employee future benefits (note 7)	2,325	2,145
Long-term debt (note 8)	100,275	119,375
	658,355	513,303

NET ASSETS (LIABILITIES)	2025 \$	2024 \$
Unrestricted – Core	38,763	38,272
Unrestricted – Modernization	(190,272)	(170,972)
Internally restricted (note 9)	47,861	44,029
	(103,648)	(88,671)
	554,707	424,632

Commitments (note 10)

Approved by the Board of Directors

 Director  Director  Director

The accompanying notes are an integral part of these financial statements.

Statement of operations

For the year ended December 31, 2025 (in thousands of dollars)

	2025 \$	2024 \$
Revenues		
Fees	131,254	125,223
Conference	2,810	2,691
Other	3,397	4,327
	137,461	132,241
Expenses		
Modernization program	19,300	11,317
Salaries and benefits	56,532	53,820
Technology and telecommunications	35,700	34,036
Projects	4,762	4,540
General administration	6,495	6,070
Interest expense	3,609	3,860
Amortization of capital and intangible assets	16,230	16,466
Professional services	6,302	4,568
Bank of Canada Settlement Services Fee	1,300	1,300
Costs incurred for (recovered from) members	82	31
	150,312	136,008
Excess/(shortfall) of revenue over expenses before the undernoted	(12,851)	(3,767)
Fair value adjustment on interest rate swaps (note 8)	(2,269)	(4,740)
Write down of intangible asset (note 6)	-	(33,920)
Net revenues (expenses) for the year	(15,120)	(42,427)

The accompanying notes are an integral part of these financial statements.

Statement of changes in net assets (liabilities)

For the year ended December 31, 2025 (in thousands of dollars)

	BALANCE— BEGINNING OF PERIOD \$	NET REVENUE (EXPENSE) FOR THE PERIOD \$	EMPLOYEE FUTURE BENEFITS REIMBURSEMENTS \$	TRANSFERS \$	BALANCE— END OF PERIOD \$
Unrestricted					
Core operations	38,272	4,180	143	(3,832)	38,763
Modernization program	(170,972)	(19,300)	-	-	(190,272)
	(132,700)	(15,120)	143	(3,832)	(151,509)
Internally Restricted (note 9)					
Principles of financial market infrastructure	36,352	-	-	3,521	39,873
Stabilization	7,677	-	-	311	7,988
	44,029	-	-	3,832	47,861
	(88,671)	(15,120)	143	-	(103,648)

The accompanying notes are an integral part of these financial statements.

Statement of cash flows

For the year ended December 31, 2025 (in thousands of dollars)

CASH PROVIDED BY (USED IN)	2025 \$	2024 \$	CASH PROVIDED BY (USED IN)	2025 \$	2024 \$
Operating activities			Financing activities		
Net revenues (expenses) for the year	(15,120)	(42,427)	Repayment of term loans	(19,100)	(19,100)
Items not affecting cash			Advances of demand loan	149,000	121,000
Amortization of tenant inducement	1,990	(187)		129,900	101,900
Amortization of capital and intangible assets	16,230	16,466	Net change in cash for the year	(15,905)	42,546
Employee future benefits expense	366	346	Cash – Beginning of year	44,139	1,593
Cash paid for employee future benefits	(43)	(32)	Cash – End of year	28,234	44,139
Fair value change on interest rate swaps	2,269	4,740			
Write down of intangible asset	–	33,920			
Net change in non-cash working capital items					
Accounts receivable	18,081	(3,785)			
Prepaid expenses	(14,110)	(2,327)			
Accounts payable and accrued liabilities	12,173	14,107			
Deferred revenue	809	(198)			
	22,645	20,623			
Investing activities					
Purchases of short-term investments	(56,373)	(92,998)			
Proceeds on sale of short-term investments	50,308	91,308			
Purchases of capital assets	(20,540)	(629)			
Additions of intangible assets	(141,845)	(77,658)			
	(168,450)	(79,977)			

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

December 31, 2025 (in thousands of dollars)

1. General information

Canadian Payments Association, doing business as Payments Canada (“the Company”), was incorporated in 1980 by an Act of Parliament of Canada. The objectives of the Company are to:

- establish and operate national systems for the clearing and settlement of payments and other arrangements for the making or exchange of payments;
- facilitate the interaction of its clearing and settlement systems and related arrangements with other systems or arrangements involved in the exchange, clearing or settlement of payments; and
- facilitate the development of new payment methods and technologies.

The *Canadian Payments Act* (“the Act”) and *Finance By-Law* made under the Act provide the Company with the authority to require its members to pay dues and fees. The fees collected by members are used to recover the Company’s cost of operating Canada’s payment systems.

The Company is funding the Modernization program by way of bank financing and restricted Modernization reserves as opposed to annual dues and fees from members. As such, the Company distinguishes costs incurred to modernize Canada’s payment systems from its ongoing operating costs in the financial statements. The Modernization components of the financial statements include all costs borne by the Modernization program that have been financed by way of bank financing and restricted Modernization reserves. Following the completion of the Modernization program, the debt incurred to fund the program will be transferred to core operations and serviced by way of system transaction fees (also see note 3 “Liquidity risk”).

The Company has elected to operate as a non-profit organization, under paragraph 149(1)(l) of the *Income Tax Act* and, as such, is not subject to income taxes.

2. Summary of significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and at the date of the financial statements and the reported amount of revenue and expense during the year. Actual results could differ from these estimates.

Short term investments

Government of Canada treasury bills are initially measured at fair value. These financial assets are subsequently measured at amortized cost.

Capital and intangible assets

Capital and intangible assets comprise both tangible and intangible assets and are initially recorded at cost. Amortization is provided on the basis of their useful lives using the straight-line method over the following durations:

LEASEHOLD IMPROVEMENTS	OVER THE TERM OF THE LEASE
Office furniture	5 years
Payment and corporate systems	3 – 5 years
Payments system – ACSS	3 years
Payments system – Lynx	10 years

The remaining Modernization system under development, namely the Real-Time Rail (“RTR”), will not be amortized until substantially available for use.

Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset (or asset group) exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposal. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value. Impairments of long-lived assets are not reversed.

Tenant inducement

Tenant inducements are amortized on a straight-line basis over the terms of the leases and are included in general administration expenses in the statement of operations.

Employee future benefits

The Company provides a life and health insurance plan to its employees subsequent to their retirement.

The Company accrues its obligations and related costs for employee future benefits as the employees render the service necessary to earn retirement benefits. As these benefits are unfunded, the obligation is measured using an actuarial valuation prepared for accounting purposes, which incorporates management’s assumptions used for cost escalation, average ages of employees and other actuarial factors. The actuarial valuation is performed at least every three years. In the years between valuations, plan results are prepared based on extrapolations of the latest available actuarial valuation results.

The benefit plan expense for the year consists of the current service and interest costs. Remeasurements and other items are recognized directly in the statement of changes in net assets (liabilities).

Revenue recognition

Fees are recognized as revenue as transactions are processed.

Common service fees are recognized as revenue proportionately over the year to which they relate. Fees received in advance of the related fiscal year are recorded as deferred revenue.

Revenues from conferences are recognized in the year the conference takes place.

3. Financial risks

Measurement of financial instruments

The Company initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities at amortized cost, except for derivative financial instruments, which are measured at fair value. Changes in fair value are recognized in net revenues (expenses) for the year. Financial assets and liabilities measured at amortized cost include cash, short-term investments, accounts receivable, accounts payable and accrued liabilities, demand loans, and long-term debt.

Impairment

Financial assets are tested for impairment at the end of each reporting period when there are indications that the assets may be impaired. If the Company determines there has been a significant adverse change in the expected amount or timing of future cash flows, the carrying amount of the asset is reduced to the higher of the expected cash flows expected to be generated by holding the asset, discounted using a current market rate of interest, and the amount that could be realized by selling the asset at the balance sheet date.

Derivative financial instruments

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value at each statement of financial position date. Changes in fair value are recorded in net revenues (expenses) for the year. The Company enters into interest rate swaps to allow for more certainty on the floating component of the interest due on the term loan and a portion of its revolving demand loan. The Company has not adopted hedge accounting.

Credit risk

Credit risk represents the extent of credit related losses the Company may be subject to on amounts to be received from financial assets. The Company's exposure to credit risk is as indicated by the carrying values of its cash and accounts receivables.

Any cash held by the Company is on deposit with a Schedule 1 financial institution. Excess cash, as presented in short-term investments, is placed in treasury bills with Canadian financial institutions.

The Company's exposure to credit risk resulting from uncollectible accounts is influenced by the individual characteristics of its customers, many of which are banks and financial institutions. The Company invoices its customers on a regular basis and monitors overdue receivables. There is no concentration of credit risk arising from trade receivables from a single customer. In addition, customers that fail to maintain their account in good standing risk loss of access to the national clearing and settlement systems, and other services which would be detrimental to their business operations.

Market risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The Company is exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest instruments subject the enterprise to fair value risk, while floating rate instruments subject it to cash flow risk. As at December 31, 2025, the Company's exposure to interest rate risk is as follows:

- **Short-term investments:** the Company's holdings in treasury bills are exposed to interest rate risk. However, given the short-term duration of these instruments, and that interest proceeds from short-term investments remain their respective reserve funds, the Company does not consider the risk to be significant (note 4).

- **Revolving Demand loans:** The Company's demand loans are subject to variable interest rates (note 8), therefore, fluctuations in market rates could have an impact on the Company's interest rate expense. However, the Company has partially mitigated the interest rate risk on a portion of its revolving demand loan debt by entering into a swap arrangement to fix a portion of its floating interest rate exposure as described in note 8.

- **Long term debt:** The Company's revolving and term loans are subject to floating and fixed interest rates (note 8). However, the Company has partially mitigated the interest rate risk on the floating portion of its long-term debt by entering into swap arrangements to fix the interest rate over the duration of the term loan as further described in note 8.

Liquidity risk

Liquidity risk is the risk the Company may be unable to meet short-term, financial demands. This can arise when liquid assets are insufficient to meet the Company's current obligations. The Company is exposed to liquidity risk mainly with respect to its accounts payable and accrued liabilities, and its current and long-term debt.

The Company needs liquidity primarily for operating expenses, but also for the significant capital expenditures in relation to the ongoing RTR project which is the only remaining payment system under development that forms part of the Modernization program. The Company manages liquidity risk closely and only borrows from a syndicate of members, as there is a mutual interest for both the Company and the member banks in doing so. The current revolving demand loan (note 8) is expected to be renewed every three months until it is converted into a long-term debt instrument once the RTR project is complete, at which point transaction fees will be collected to repay the debt incurred to fund its implementation.

Management considers it probable that it will receive transaction fees from its members to repay all of its debt obligations due to the unique relationship and interdependencies it has with its members and its lenders, resulting from *The Canadian Payments Act* ("the Act") and *Finance By-Law*. For this reason, management believes there is no material uncertainty regarding the ability of the Company to continue as a going concern.

The Company has created and manages cash reserves to ensure stability in its member fees and allows it to have sufficient liquidity to meet its account payable and accrued liabilities. Demand loans are arranged with member banks to ensure capital investments are made to upgrade the clearing and settlement systems and support the sustainability of an efficient infrastructure for its members.

4. Short term investments

Government of Canada treasury bills bear interest at fixed rates ranging from 2.100% to 2.500% (2024 –2.749% to 3.750%), and mature in 2026 (2024 – in 2025).

5. Capital assets

	2025 \$		2024 \$	
	COST	ACCUMULATED AMORTIZATION	NET	NET
Leasehold improvements	8,795	3,021	5,774	471
Office furniture	210	12	198	1
Payment and corporate systems	23,942	8,625	15,317	1,506
	32,947	11,658	21,289	1,978

Cost and accumulated amortization amounted to \$27,423 and \$25,445, respectively as at December 31, 2024.

6. Intangible assets

	2025 \$		2024 \$	
	COST	ACCUMULATED AMORTIZATION	NET	NET
Payment system (Lynx and ACSS)	152,691	62,681	90,010	105,011
Modernization systems under development	319,592	–	319,592	177,747
	472,283	62,681	409,602	282,758

Cost and accumulated amortization amounted to \$330,438 and \$47,680, respectively as at December 31, 2024.

On March 25, 2024, the Company made the decision to replace the vendor engaged for the development and provision of clearing and settlement services for the RTR payment system, a component of the Company's Modernization program that is under development. Due to the utilization of new vendors to develop and provide these services for the Company, it was determined that portions of costs previously capitalized will no longer contribute to the new payment system under development and a loss of \$33,920 was recognized in the fiscal year ending December 31, 2024 which is made up of resource and vendor costs.

RTR program activities under the new implementation model resumed in April 2024, along with full capitalization of such activities in accordance with accounting principles.

7. Employee future benefits

The most recent valuation date was December 31, 2025. Extrapolations of the actuarial valuation indicated an actuarial loss of \$143 (2024 – \$39) and an accrued benefit liability of \$2,325 (2024 – \$2,145).

As the plan is unfunded, this amount is recorded as an employee future benefits liability in the statement of financial position.

Significant assumptions:

	2025 %	2024 %
Discount rate	5.20	4.80
Health care cost trend rates:		
Hospital, dental, other medical	4.00	4.00
Drugs, grading down to 4.00% per annum in 2040	5.70	5.82

8. Debt

	2025 \$	2024 \$
Revolving demand loan (a)(b)	484,000	335,000
Term loan (c)	119,375	138,475
	603,375	473,475
Less: Current portion debt	503,100	354,100
Long-term debt	110,275	119,375

(a) The Modernization program is being funded by a \$650,000 (2024 – \$650,000) revolving demand loan which is available by way of short-term CORRA loans. The CORRA loans mature on a 3-month basis, allowing the Company to renew and draw on the revolving demand loan to fund the Modernization Program. As at December 31, 2025, \$484,000 (2024 – \$335,000) was drawn down under this loan. The interest on the 3-month loan is based on the floating CORRA rate, maturing January 12, 2026 (2024 – January 13, 2025).

(b) On August 20, 2024, the Company entered into a forward starting interest rate swap to fix \$274,000 of the Modernization revolving demand loan. The swap's effective date was October 11, 2024 and matures on October 11, 2026. During the tenure of the swap arrangement, no principal payments will be made on the revolving demand loan, however interest payments will be settled quarterly. The Company continues to draw on the demand loan to fund the Modernization Program through go-live, thus leaving a portion of the revolving demand loan exposed to the floating CORRA rate.

The following table summarizes the swap arrangement relating to the revolving demand loan as at December 31, 2025.

NOTIONAL AMOUNT	INTEREST RATE	MATURITY	FAIR VALUE
\$274,000	3.27%	October 11, 2026	(\$2,611)

(c) In July 2021, the Company obtained a term loan repayable in quarterly payments of \$4,775 starting on June 30, 2022, and maturing in March 2032. Interest payments on the term loan, started in December 2021 at a floating rate of CDOR plus 0.60%. In June 2024, the CDOR loan was converted to a CORRA loan, with a fixed spread of 1.32138%, and maturing in March 2032.

In 2021, the Company entered into an interest rate swap to mitigate interest rate risk on the term loan. While the floating rate has been fixed for the duration of the ten year amortization period of the term loan, there remains repricing risk on the term loan with respect to the 1.32138% spread component of the interest rate, which will be subject to renegotiation following the expiry of the four year term in July 2028.

The following table summarizes the remaining commitment relating to the term loan, including the fixed interest rate resulting from the swap arrangement as at December 31, 2025.

NOTIONAL AMOUNT	INTEREST RATE	MATURITY	FAIR VALUE
\$119,375	1.75%	March 31, 2032	\$4,623

Fair value of the above derivative swap instruments have been determined using broker quotes from a derivatives dealer. The aggregate minimum amount of loan principal payments required in each of the next five years and thereafter is as follows:

	TERM LOAN \$	REVOLVING DEMAND LOAN \$	TOTAL \$
2026	19,100	484,000	503,100
2027	19,100	–	19,100
2028	19,100	–	19,100
2029	19,100	–	19,100
2030	19,100	–	19,100
Thereafter	23,875	–	23,875

9. Internally restricted reserves

The Company has established a reserve policy restricting a portion of the net assets. The level of the restricted balance is reviewed and adjusted annually by the Board of Directors.

Principles of financial market infrastructure

This reserve was established in order to meet the requirements of Principle 15 – General Business Risk requirements from The Bank of Canada’s risk-management standards for designated FMI. This reserve has been created to support the operation of the High Value Payments System as well as the Automated Clearing Settlement System in the event that they incur a general business loss.

Stabilization reserve

The purpose of this reserve is to mitigate against the volatility of transactions by creating a stable source of funds that can easily be drawn upon, in the event there is a decline in the transaction fees collected from members.

10. Commitments

The Company is committed to minimum payments under long-term agreements and operating leases for the rental of premises, infrastructure services and office equipment as follows:

	\$
Year ending December 31, 2026	44,035
2027	13,494
2028	13,585
2029	13,709
2030	10,632
Grand Total	95,455

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