PAYMENTS CANADA

RULE A6

ITEMS IN DISPUTE

2024 CANADIAN PAYMENTS ASSOCIATION

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IMPLEMENTED

February 1984

AMENDMENTS PRE-NOVEMBER 2003

September 29, 1994, November 23, 1995, September 18, 1996, July 18, 1998, and May 21, 2001.

AMENDMENTS POST-NOVEMBER 2003

1. Amendments to reflect consistency with the new CPA Payment Items and ACSS By-law, approved by the Board November 27, 2003, effective January 27, 2004.
2. Section 2(b) approved by the Board December 1, 2004, effective February 3, 2005.
3. Amendment to Section 2(b) to include PIN-less POS Payment Items as an item that will not be governed by Rule A6. Approved by the Board March 26, 2009, effective May 25, 2009.
4. Amendment to Section 2(b) to include Delayed Authorization POS Payment Items as an item that will not be governed by Rule A6. Approved by the Board November 28, 2019, effective January 27, 2020.
5. Amendments to accommodate the ACSS clean-up exercise, approved by the Board September 26, 2024, effective November 25, 2024.

Introduction

1. This Rule outlines the procedures by which a Negotiating Institution may place an Item in Dispute, and the means by which the dispute can be resolved.

Scope

2. The procedure set out in this Rule:
    a. apply to each Member, and any other Drawee; and
    b. do not apply to shared electronic Point-of-Service Payment Items (Rule E1), On-line Payment Items (Rule E2), EDI Payment Items (Rule E3), PIN-less Point-of-Service Payment Items (Rule E4), Delayed Authorization Point-of-Service Payment Items (Rule E5), or electronic Remittances (Rule H6).

Notice

3. A Negotiating Institution that disputes a Returned Item must give notice in writing to the Drawee Branch within 60 calendar days following receipt of the Returned Item by the Branch that originally received the Item for encashment or deposit. The notice must state the reason for the dispute.

Item in Suspense

4. The Item in Dispute may not be cleared back to the Drawee Branch but must be held by the Negotiating Institution pending resolution of the dispute.

Acknowledgement

5. The Drawee Branch must acknowledge in writing the notice of dispute within 10 Business Days following its receipt.

Failure to Resolve

6. Where the dispute cannot be resolved at the Branch level it may be escalated to the appropriate authority within the Negotiating Institution.

Dispute Resolution Panel

7. Where the dispute cannot be resolved at the level referred to in section 6, it may be referred to a dispute resolution panel of representatives from Member institutions for a determination of whether the *Canadian Payments Act*, by-laws and rules have been correctly followed. The process outlined in Rule A9 applies as applicable and the parties will be bound by the decision of the dispute resolution panel. However, the parties will have recourse through Arbitration or the courts.

Arbitration

8. Where the foregoing procedures do not resolve the dispute, after 60 calendar days of the notice of dispute the parties may proceed to Arbitration pursuant to Rule A9.

Interest

9. A claim for loss of interest on float must be calculated pursuant to Rule J10, except that interest must be calculated from the date of the notice of dispute.