PAYMENTS CANADA

INTRODUCTION

CPA RULES MANUAL

2026 CANADIAN PAYMENTS ASSOCIATION

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Payments Canada is the operating brand name of the Canadian Payments Association (CPA). For legal purposes we continue to use "Canadian Payments Association" (or the Association) in these rules and in information related to rules, by-laws, and standards.

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IMPLEMENTED

February 1983

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. Amendments to the definition of "Extraneous Item" and "Item Trace Number", approved by the Board May 27, 2004, effective September 20, 2004.
3. Addition of the definition "On-line Network Connector", approved by the Board December 1, 2004, effective February 3, 2005.
4. Addition of the definition of "Representative" and amendment of the definition of "Settlement Account", approved by the Board February 23, 2006, effective April 24, 2006.
5. Amendment to the definition of "Bank Draft"; and addition of the definitions "Gift Certificate" and "Store Coupon", approved by the Board October 11, 2007, effective December 10, 2007.
6. Amendments to accommodate the Data Transmission Network Migration project, approved by the Board June 12, 2008, effective August 18, 2008.
7. Amendments to the definition of "Institution Number", approved by the Board March 26, 2009, effective May 25, 2009.
8. Amendments to the definition of "Branch", "Branch Number", "Financial Institutions File (FIF)", and "Institution Number", approved by the Board October 15, 2009, effective December 14, 2009.
9. Amendment to replace references to "General Manager" with "President", consequential to amendments to the Canadian Payments Act (Bill C-37) that came into effect on March 1, 2010.
10. Amendment to the definition of "Item in Dispute" and addition of the definitions "Image" and "Image Printout", approved by the Board December 2, 2009, effective June 1, 2010.
11. Amendments to the definition of "Misdirected Item" and addition of definition for Misdirected Returned Item, approved by the Board March 25, 2010, effective May 25, 2010.
12. Addition of the definition "Item Dishonoured Stamp", approved by the Board March 25, 2010, effective June 1, 2010.
13. Amendment to the definition of "Image", "Item Dishonoured Stamp" and "Item in Dispute". Addition of the definition "Return Replacement Document". Approved by the Board December 2, 2010, effective June 1, 2011.

14. Addition of the definition "Clearing Replacement Document". Amendment to the definition of "Return Replacement Document". Approved by the Board March 29, 2012, effective October 1, 2012.
15. Amendments to add new definitions related to the electronic Exchange of Image Captured Payments, approved by the Board June 13, 2013, effective August 12, 2013.
16. Amendment to the definition of "Identification or Identifier". Approved by the Board October 3, 2013, effective December 2, 2013.
17. Amendments to implement the Board approved policy statement on the use of Inter-Member Debits. Approved by the Board October 3, 2013, effective January 2, 2014.
18. Amendments to definitions to accommodate the Exchange of ISO 20022 messages in the AFT system, approved by the Board February 18, 2016, effective April 18, 2016.
19. Amendments to add new definition of "Settlement Intermediary" consequential to Rule D1, E1, E4, and L1 amendments. Approved by the Board September 23, 2016, effective October 24, 2016.
20. Amendments to replace operational committee names ('National Clearings Committee' to 'Senior Operational Committee') to reflect the restructuring of operational committees. Approved by the Board December 1, 2016, effective January 3, 2017.
21. Amendments to accommodate Phase 1 of the AFT Enhancements and clarify requirements are subject to applicable law; approved by the Board June 22, 2017, effective August 21, 2017.
22. Amendments to add new definition of "Delayed Authorization" consequential to Rule E5. Approved by the Board November 28, 2019, effective January 27, 2020.
23. Amendments to the definitions of Image Printout and Item Dishonored Stamp. Approved by the Board February 27, 2020, effective April 27, 2020.
24. Amendments to accommodate changes associated with the ACSS Refresh. Approved by the Board September 21, 2020, effective November 29, 2020.
25. Consequential amendments to reflect changes to Rules G2 and G3. Approved by the Board December 3, 2020, effective January 2, 2021.
26. Consequential amendments to add new definitions of "Lynx Payment Messages" and "LVTS Payment Messages", approved by the Board June 23, 2021, effective August 23, 2021.
27. Amendment to reflect new federal holiday, September 30. Approved by the Board on July 30, 2021, effective September 17, 2021.
28. Amendments to delete the definition of "Settlement Agent" and add new definitions of "ACSS Settlement Agent" and "USBE Settlement Agent", approved by the Board May 13, 2022, effective June 13, 2022.
29. Consequential amendments to accommodate the removal of LVTS, approved by the Board May 13, 2022, effective November 21, 2022.

30. Amendment to the definition of "Receiving Direct Participant" consequential to amendments reflected in Rule E3. Approved by the Board May 12, 2023, effective July 11, 2023.
31. Amendment to the definition of "Representative" consequential to amendments reflected in Rules E1, E4 and E5. Approved by the Board September 14, 2023, effective November 13, 2023.
32. Amendments resulting from ACSS/USBE Contingency Measures Review. Approved by the Board March 7, 2024, effective May 6, 2024.
33. Administrative amendments as a result of the ACSS clean-up exercise, approved by the Board December 11, 2025, effective February 9, 2026.
34. Consequential amendments to update definition of Member due to membership expansion. Approved by the Board May 28, 2026, effective July 27, 2026.
35. Consequential amendments to accommodate the removal of Appendix I and III from Rule D4. Approved by the Board September 24, 2026, effective October 26, 2026.

Introduction

1. The Canadian Payments Association ("the Association") was created by Parliament in 1980. The statutory objects of the Association 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 Settlements of payments; and facilitate the developments of new payment methods and technologies.

By-law and Rule making Authority

2. The *Canadian Payments Act* gives the Association Board of Directors ("the Board") the authority to make by-laws, and subject to those by-laws, "make such rules as it considers necessary for the attainment of its objects, including rules respecting Payment Items acceptable for Exchange, Clearing or Settlement; establishing standards and procedures in respect of the Exchange and Clearing of Payment Items; respecting Settlements and related matters; respecting the authenticity and integrity of Payment Items and messages; and respecting the identification and authentication of Members and other Persons."

Scope

3. The Rules in this Manual shall be read in conjunction with the *Canadian Payments Act* and *By-law No. 3 – Payment Items and ACSS*, and shall govern the Exchange of Payment Items for the purpose of Clearing and Settlement. Nothing in the rules will affect or be interpreted to affect the rights or liabilities of any party to any Payment Item, except as expressly provided in the Rules. All requirements are subject to applicable law.

Copyright

4. The rules are the property of the Association and are protected by copyright.

Access

5. The rules may be obtained in the manner described in the Procedure for Access to Canadian Payments Association Rules within the Introduction to the Rules. Copies of the *Canadian Payments Act* and by-laws may be obtained by contacting:

Canadian Payments Association
Tel: (613) 238-4173
Website: www.payments.ca

PROCEDURE FOR ACCESS TO CANADIAN PAYMENTS ASSOCIATION RULES

General Guidelines

1. All access to the Canadian Payments Association (the "Association") rules including access for Members, will be on the basis that:
    a) the rules are the property of, and are copyrighted by, the Association;
    b) the rules will be easily accessible to Members and the general public in both official languages on the Association's external website;
    c) access will be available without guaranty, warranty or representation as to the accuracy or completeness of a rule or portion thereof, unless certified by the Association in accordance with the certification procedure provided in section 2; and
    d) access will be available without guarantee, warranty or representation as to the relevance or suitability of a particular rule or portion thereof to a particular situation.

Certification of Rules and Rules Enquiries

2. For the purpose of litigation or otherwise, and upon written request, the Association will certify a particular rule as being complete and in force as of a particular date.
3. Enquiries with respect to rules access should be directed to:

Canadian Payments Association
Telephone: (613) 238-4173
Email: info@payments.ca

RULES AND RULES AMENDMENTS

Effective Date

1. Subject to the exercise of the rule disallowance powers of the Minister of Finance under Section 19.2 of the *Canadian Payments Act*, unless otherwise specified by the Board, any given rule or rule amendment will come into force 60 days following approval by the Board.

Grace Period

2. The introduction of new or amended rules that would have the effect of modifying, revising or clarifying the eligibility of Items currently being accepted for Exchange, for the purpose of Clearing and Settlement, are subject to a sunset clause requiring elimination of any resulting non-eligible Items within a period to be determined by the Board. If no specific time frame is identified by the Board, the period of grace shall be 1 year from the date of approval by the Board of the relevant rule or rule amendment.

   During the period of grace, no Member shall enter into any new arrangement, or expand any existing arrangement, that results in the Exchange of any Item that does not comply with the new or amended rule.

Reference Material

3. The President may update and otherwise amend tables and other reference material contained in the rules, and such amendments shall come into force as specified by the President.

Revisions and Correction of Errors

4. The President may alter the numbering, arrangement and format of any rule; may make such alterations in language and punctuation as are requisite to obtain a uniform mode of expression; and may make such amendments as are necessary to correct clerical, grammatical or typographical errors; and such amendments shall come into force as specified by the President.

Interpretation of Rules

5. The President may, at the request of a Member or on their own initiative, give interpretations concerning the meaning or applicability of rules.

   Such interpretations shall be recorded, tabled with the Senior Operational Committee (SOC) and the Board, and shall be authoritative unless and until altered by the President or by the Board.

Severability

6. Each rule is severable from the other rules. If any rule or any provision in a rule is found to be invalid or unenforceable, the validity or enforceability of the remaining rules or provisions shall not be affected, and the rules shall be deemed to be amended so as to eliminate the offending rule or provision and make the rules enforceable to the maximum extent possible.

RIGHTS AND OBLIGATIONS/EXCHANGE AND SETTLEMENT

Rights and Obligations – Members

1. The rights and duties of Members as contained in Section 29 of the *Canadian Payments Act* are that "Members may present Payment Items and shall accept and arrange for Settlement of Payment Items in accordance with the by-laws and rules."

Exchange, Clearing and Settlement

2. The Members' basic rights and obligations in the Exchange, Clearing and Settlement function are:

Presenting Member and Drawee Member

3. a) A presenting Member has the right:

   i. to present during business hours a Payment Item to another Member at the Branch on which it is drawn, and to receive value in the form of a Settlement Voucher which may be Exchanged at a Regional Exchange Point.

   ii. to present or cause its Clearing Agent to present Payment Items acceptable for Exchange drawn on any Branch of a Member, to that Member or its duly appointed Clearing Agent. Items presented by this means must accord with the established rules of the Association.

   iii. to receive value for the Items so presented either by credit to its Settlement account with its Clearing Agent or, by credit to its account with the Bank of Canada, where it maintains a Settlement Account with the Bank of Canada.

   b) A Drawee Member has the obligation:

   i. to accept from another Member during business hours a Payment Item presented at the Branch on which it is drawn and to give value in the form of a Settlement Voucher.

   ii. to accept, or appoint a Clearing Agent who will accept on its behalf, Payment Items acceptable for Exchange drawn on any of its Branches from another Member at any Regional Exchange Point. Items received by this means must accord with the established Rules of the Regional Clearing Association and the Association.

   iii. to give value for the Items so presented either by credit to the Settlement Account of the presenting Member with its Clearing Agent or by credit to the presenting Member's account with the Bank of Canada when the presenting Member maintains a Settlement Account with the Bank of Canada.

Automated Funds Transfer (AFT) and ISO AFT Debit and Credit Items

4. The rights and obligations of Members in the treatment of Debit and Credit Transactions contained in AFT and ISO AFT Files are somewhat different from this general procedure and are therefore described in more detail in the F Rules and Rule K8.

Electronic Data Interchange (EDI) Credit Items

5. The rights and obligations of Members in the treatment of EDI Payment Items are somewhat different from this general procedure and are therefore described in more detail in Rules E3 and K7.

Point-of-Service (POS) Payment Items

6. The rights and obligations of Members in the treatment of POS Payment Items, PIN-less POS Payment Items and Delayed Authorization POS Payment Items are somewhat different from this general procedure and are therefore described in more detail in Rules E1, E4 and E5, respectively.

Regional Exchange Points

7. The following locations are those recognized as Regional Exchange Points and at which for purposes of Exchange, Clearing and Settlement all Members must be represented either in their own right or by a Clearing Agent or other Representative.

Calgary	Toronto
Halifax	Vancouver
Montreal	Winnipeg

DEFINITIONS

Except as otherwise specified in a Rule, the following definitions apply to the Association Rules Manual:

ABA Routing Number

"ABA Routing Number" means the nine-digit numeric Identifier of a Financial Institution (FI) as assigned by the American Bankers Association or its agent.

Acceptance

"Acceptance" means the informed, voluntary agreement by the Payor to the obligation to make payment by means of an On-line Payment Item.

Acceptor

"Acceptor" means the owner or operator of a POS Device who accepts a Card and who, if it is not also an Acquirer, presents transaction data to an Acquirer, provides goods, services, cash, or other value to the Cardholder.

Acceptor - For the purpose of Rule E4

"Acceptor" means the owner or operator of the PIN-less POS Gateway who accepts the Payment Application and, if it is not also the Acquirer, presents transaction data to an Acquirer, and who provides goods or services to the Payor.

Acceptor - For the purpose of Rule E5

"Acceptor" means the owner or operator of the Delayed Authorization POS Gateway who accepts the Payment Application and, if is not also the Acquirer, presents transaction data to an Acquirer, and who provides goods or services to the Payor.

Account Agreement

"Account Agreement" (or "PIN Agreement" or "Card Agreement") means a written statement of terms and conditions relating to the use of the Card.

ACSS

"ACSS" means the Automated Clearing Settlement System.

ACSS Cycle

"ACSS Cycle" means the period beginning immediately after the Final Adjustment Time on a given Business Day and ending with the Final Adjustment Time on the next Business Day.

ACSS Cycle Date

"ACSS Cycle Date" means the Business Day on which any given ACSS Cycle begins.

ACSS Holiday

"ACSS Holiday" means every Saturday and Sunday and the following national holidays: New Year's Day, Good Friday, Victoria Day, Canada Day, Labour Day, National Day for Truth and Reconciliation, Thanksgiving Day, Remembrance Day, Christmas Day, and Boxing Day.

ACSS Settlement Agent

"ACSS Settlement Agent" means a Member that is a Lynx Participant, as defined in Lynx Rule 1, that sends and receives Lynx Payment Messages, to facilitate Settlement on behalf of a Direct Clearer.

ACSS/USBE Access Officer

"ACSS/USBE Access Officer" means the Direct Clearer representative authorized to provide ACSS/USBE Authorized Personnel information requests or changes to the Association and to request, receive and manage security tokens and password resets.

ACSS/USBE Application

"ACSS/USBE Application" means the software application through which ACSS/USBE Authorized Personnel login, access, and utilize all ACSS/USBE functions available to them from their Workstation.

ACSS/USBE Authorized Personnel

"ACSS/USBE Authorized Personnel" means the individuals who have been assigned a user type (i.e. National System Security Officer (NSSO), Regional System Security Officer (RSSO), Money Market User, or Direct Clearer User) and are authorized by the Direct Clearer to access the ACSS on its behalf.

Acquirer

"Acquirer" means a Person who captures transaction data from the Acceptor for transmittal to the Acquirer FI to reconcile payment instruction sent by the Cardholder's FI to the Acquirer FI.

Acquirer - For the purpose of Rule E2

"Acquirer" means a Person who captures transaction data from the Payee for transmittal to the Acquirer FI to reconcile the payment instruction sent by the Payor's FI to the Acquirer FI.

Acquirer - For the purpose of Rule E4

"Acquirer" means a Person who captures transaction data from the Acceptor for transmittal to the Acquirer FI to reconcile the payment instruction sent by the Payor's FI to the Acquirer FI.

Acquirer - For the purpose of Rule E5

"Acquirer" means a person who captures transaction data from the Acceptor for transmittal to the Acquirer FI to reconcile the payment instruction sent by the Payor's Fi to the Acquirer FI.

Acquirer FI

"Acquirer FI" means a Member that holds an Acquirer's account and receives the payment information from the Acquirer for the purpose of Exchanging, Clearing and Settling POS Payment Items on behalf of the Acquirer.

Acquirer FI - For the purpose of Rule E2

"Acquirer FI" means the Member that holds the Acquirer's account, receives the payment information from the Acquirer and the credit payment instruction from the Payor's FI, for the benefit of the Payee.

Acquirer FI - For the purpose of Rule E4

"Acquirer FI" means the Member that holds the Acquirer's account and receives the payment information from the Acquirer and the payment instruction from the Payor's FI, for the benefit of the Acceptor.

Acquirer FI - For the purpose of Rule E5

"Acquirer FI" means the Member that holds the Acquirer's account and receives the payment information from the Acquirer and the payment instruction from the Payor's FI, for the benefit of the Acceptor.

Act or CP Act

"Act" or "CP Act" means the *Canadian Payments Act*.

Adjustment

"Adjustment" means a credit or debit required to rectify or reconcile a clearing error. Examples of such errors include, but are not limited to, the receipt of Free Items, capture or balancing errors, or missing items.

AFT

"AFT" means Automated Funds Transfer by electronic media and in accordance with Standards 005 or the ISO AFT Usage Guidelines.

AFT Exchange Point

"AFT Exchange Point" means the electronic site from which a Direct Clearer delivers and receives AFT Files.

AFT File

"AFT File" means a file containing one or more AFT Transactions as outlined in Association standards.

AFT Initial File Edit

"AFT Initial File Edit" means the process of validating an Exchanged AFT File.

AFT Logical Record Type

"AFT Logical Record Type" means a logical record type as defined in Standard 005.

AFT System

"AFT (Automated Funds Transfer) System" means a system developed and maintained by Members to Exchange financial data on electronic media.

AFT Transaction

"AFT Transaction" means a Payment Item Exchanged on an AFT File as defined in Standard 005 or the ISO AFT Usage Guidelines.

Application Advice (824)

"Application Advice (824) means an EDI Transaction Set used by Direct and Indirect Participants to indicate the results of ASC X12 application editing of EDI Payment Items.

Approve, Approved, Approval

"Approve, Approved, Approval" means the affirmative response by a Payor FI that Authentication and Authorization has occurred and that the Payor FI agrees to honour the resulting POS Payment Item/On-line Payment Item.

Arbitration

"Arbitration" means the submission of a dispute concerning the Clearing and Settlement of a Payment Item by a Member to the Arbitration Board for fair and efficient resolution.

Arbitration Board

"Arbitration Board" means one or three knowledgeable persons chosen by the parties.

Archive

"Archive" means an authoritative (reference or prime) repository used to store and index Images and associated information for the purpose of preserving the long term integrity, confidentiality, and accessibility of such information.

Association

"Association" means the Canadian Payments Association.

Authentication

"Authentication" means a data security technique or process used to prevent unauthorized access to financial information. Authentication verifies the source, uniqueness, and integrity of a message.

Authentication - For the purpose of Rule E1

"Authentication" means the techniques, procedures and processes established by the Payor FI to verify the identity or the security attributes of a Cardholder (i.e. the use of a Personal Identifier).

Authentication - For the purpose of Rule E2

"Authentication" means the techniques, procedures and processes used by the Payor FI to verify the identity of the Payor or the security attributes of the Payor (e.g. Secret Code).

Authorization

"Authorization" means the consent or agreement, in accordance with applicable law, of a Payor whose identity has been verified by Commercially Reasonable Methods, and "Authorized" has a corresponding meaning.

Authorization - For the purposes of Rule E1

"Authorization", "Authorizes", "Authorized" means the on-line, Real-Time techniques, procedures and processes used by the Payor FI to verify the consent of a Cardholder to the POS Transaction.

Authorization - For the purpose of Rule E4

"Authorization", "Authorizes", "Authorized" means the on-line Real-Time techniques, procedures and processes used by the Payor FI to approve the PIN-less POS Transactions.

Authorization - For the purpose of Rule E5

"Authorization" or "Authorizes" means the on-line techniques, procedures and processes used by the Payor FI to approve the Delayed Authorization POS Transaction.

Authorization - For the purpose of Rule H3

"Authorization" means the explicit Written or Recorded consent of the Bill Payee for the purpose of debiting its account with the amount of a Bill Payment Error Correction Debit(s) and "Authorize" has a corresponding meaning.

Authorized Institution

"Authorized Institution" means a Member that has been authorized by prior agreement with the Bank of Canada or the Receiver General for Canada to obtain reimbursement for certain categories of Government Instruments from the Bank of Canada.

Batch Amount

"Batch Amount" means the total monetary amount, in Canadian funds, of all individual bill payments contained within an EDI Transaction Set within a given Transmission, or within a batch of paper-based Remittances.

Bank

"Bank" includes every Member and every Local Cooperative Credit Society, that is a member of a Central, that is a Member of the Association. [s. 164 – *Bills of Exchange Act*].

Bank Draft

"Bank Draft" means a Payment Item drawn by a Bank against its own account.

Bank Rate

"Bank Rate" means the minimum rate at which the Bank of Canada is prepared to make loans or advances, as published by it from time to time.

Bill of Exchange

"Bill of Exchange" means an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay, on demand or at a fixed or determinable future time, a sum certain in money to or to the order of a specified person or to bearer. [s. 16 – *Bills of Exchange Act*].

Bill Payee

"Bill Payee" means the entity that was credited with the original Electronic Bill Payment and whose account is to be or has been debited with the amount of a Bill Payment Error Correction Debit.

Bill Payee Authorization Indicator

"Bill Payee Authorization Indicator" means authorization reference information provided by the Bill Payee to the Bill Payor FI, which may be in the form of the name or ID number of the Bill Payee representative who is authorizing the Bill Payment Error Correction Debit, reference to the Standing Authorization, or the Bill Payee case number.

Bill Payee FI

"Bill Payee FI" means the Member that holds the account of a Bill Payee.

Bill Payment Error Correction Debit

"Bill Payment Error Correction Debit" means an authorized debit issued by a Member on behalf of a Bill Payor and drawn on an account of a Bill Payee held by a Member.

Bill Payment Remittance Processing

"Bill Payment Remittance Processing" is the service provided by Members pursuant to Rule H6, which facilitates a Corporate Creditor having its Remittances accepted for payment at Member Branches. Bill Payment Remittance Processing includes the Exchange and reconciliation of these Remittances, and the calculation of the resulting amounts owing between Members.

Bill Payor

"Bill Payor" means the Person who initiated the original Electronic Bill Payment and is seeking to correct a Bill Payment Error.

Bill Payor FI

"Bill Payor FI" means the Member that holds the account of a Bill Payor.

Bitonal

"Bitonal" means a view in two intensity values (black and white). A Bitonal Image will therefore represent a colour as either black or white.

Board

"Board" means the Board of Directors of the Association.

Branch

"Branch" includes any office, centre, or other organizational unit which functions on behalf of a Member or other institution listed in the "List of Institution Numbers and Clearing Arrangements" available on payments.ca.

Branch Number

"Branch Number" means a five-digit number (including leading zeros) designated by a Member, or other institution listed in the "List of Institution Numbers and Clearing Arrangements" available on payments.ca, to identify a Branch.

Bulk Exchange

"Bulk Exchange" means the delivery and receipt between Direct Clearers, at established Bulk Exchange Points, of Items acceptable for Bulk Exchange as set out in Rule K1.

Bulk Exchange Point

"Bulk Exchange Point" means a Regional Exchange Point at which all Direct Clearers have agreed to receive U.S. dollar paper Items; or the national electronic Bulk Exchange Point.

Bulk Settlement

"Bulk Settlement" means the electronic transfer of funds in U.S. dollars at New York, by each Direct Clearer, to each other Direct Clearer to whom Settlement for U.S. dollar Items are due, as set out in Rule K1.

Business

"Business" means any commercial entity including, but not limited to, any corporation, partnership, sole proprietorship, trust, franchise, association, government entity, venture or enterprise.

Business Day

"Business Day" means any day other than an ACSS Holiday.

Business PAD

"Business PAD" means a PAD drawn on the account of a Payor for the payment of goods or services related to a business or commercial activity of the Payor including, but not limited to, payments between franchisees and franchisers, distributors and suppliers, and dealers and manufacturers that has been identified as a Business PAD "transaction type".

By-law

"By-law" means a By-law of the Association.

Capturing Member

"Capturing Member" means a Member, or its Clearing Agent on behalf of that Member, that creates or purports to create an Image in accordance with Rule A10.

Card

"Card" means a card or any other form factor used by a Cardholder in conjunction with a Personal Identifier to initiate a POS Transaction, which contains or accesses machine-readable data that is used to identify the Cardholder, its Payor FI and its Card Issuer and to route the messages that constitute a POS Item. For clarity, a Card includes a Card used to access a Pre-Funded Debit Account.

Cardholder

"Cardholder" means the Person to whom a valid Card is issued and who initiates a POS Transaction.

Cardholder's Account

"Cardholder's Account" means an account, held by a Payor FI, where funds are standing at the disposal of the Cardholder. For clarity, Cardholder's Account includes a Pre-Funded Debit Account.

Card Issuer

"Card Issuer" means the Person who issues a Card to a Cardholder.

Carrier

"Carrier" includes a courier, an FI or its Representative.

Cash Management PAD

"Cash Management PAD" means a PAD drawn on the account of a Payor for the purpose of transferring, consolidating or repositioning funds between their account at one Member to their account at another Member, for the same business or closely-affiliated businesses (e.g. transfers between a parent company and its subsidiary).

CCIN Application

"CCIN Application" means a web-based user interface used by Members for the purpose of submitting CCIN applications on behalf of their Corporate Creditors, adding to or updating

CCIN information, as well as viewing and obtaining the CCIN output and other related information.

CCIN Truncated Remittance List

"CCIN Truncated Remittance List" means the list of CCINs and their associated Corporate Creditors, as defined in Rule H6, for which Members may create Truncated Remittances, and is maintained and distributed to Direct Clearers by the Association (refer to Rule H6 for update procedures).

Central Cooperative Credit Society or Central

"Central Cooperative Credit Society" or "Central" means a cooperative credit society incorporated by or under an Act of the legislature of a province, one of whose principal purposes is to provide liquidity support to local cooperative credit societies, and

a. whose membership consists wholly or primarily of Local Cooperative Credit Societies, or

b. whose directors are wholly or primarily Persons elected or appointed by Local Cooperative Credit Societies.

Centralized Cheque Exchange

"Centralized Cheque Exchange" means the meeting(s) attended by members of an RCA at a location of the Host Direct Clearer, for the purpose of Exchanging paper Payment Items.

Certified Item

"Certified Item" means an Item on the face of which the Drawee has written or stamped the words "accepted" or "certified" or any other word or words to that effect.

Cheque

"Cheque" is a bill of exchange drawn on a Bank, payable on demand. [s. 165 – *Bills of Exchange Act*]

Cheque Form Number (CFN)

"Cheque Form Number (CFN)" means the unique identifier for a paper RG Warrant assigned by the Receiver General for Canada.

Claim Draft or Reimbursement Draft

"Claim Draft" or "Reimbursement Draft" means a Payment Item payable through a Member where the drawer (including its agents) and the Drawee are one and the same.

Clearing

"Clearing" means the process of Exchange and reconciliation of Payment Items and the calculation of the net amounts due to or by Members prior to Settlement.

Clearing Agent

"Clearing Agent" means the Direct Clearer or Group Clearer that on behalf of an Indirect Clearer, Exchanges Payment Items and either effects Clearing and Settlement or makes entries into the ACSS.

Clearing Agent - For the purpose of Rule E4

"Clearing Agent" means a Direct Clearer that delivers and/or receives PIN-less POS Payment Items on behalf of an Indirect Clearer or another Direct Clearer.

Clearing Agent - For the purpose of Rule E5

"Clearing Agent" means a Direct Clearer that delivers and/or receives Delayed Authorization POS Payment Items on behalf of an Indirect Clearer or another Direct Clearer.

Clearing Balance

"Clearing Balance" means the total of the net amounts owing to or by a Member as a result of Clearing.

Clearing Log

"Clearing Log" or "Log" means a report recapping Payment Items Exchanged between Direct Clearers.

Clearing Replacement Document

"Clearing Replacement Document" or "CRD" means a printed form of an Image created by a Member that meets the specifications in Standard 014, and which may be used in place of an original paper Payment Item for presentment and return purposes in accordance with Rule A10.

Co-branding Relationship

"Co-branding Relationship" means an arrangement between a Member and a third party where the third party, in association with the Member, offers a Pre-Funded Debit Card product.

Collateral

"Bank Rate" means the minimum rate at which the Bank of Canada is prepared to make loans or advances, as published by it from time to time.

Collateral Pool Pledge

"Collateral Pool Pledge" means the amount of Collateral, as determined in accordance with Rule L3, that each Direct Clearer is required to pledge and maintain with to the Bank of Canada under subsection 34.1(2) of *By-law No.3 – Payment Items and ACSS* and allocate solely for the purpose of securing an advance from the Bank of Canada to enable Settlement under section 50 of that *By-law*.

Commercially Reasonable Methods

"Commercially Reasonable Methods" means procedures for verifying the Payor's identity (i.e. that the Payor is the person that they purport to be). These procedures must be reasonable and appropriate, having regard to the methods for verifying identity in general use for similar types of business and payment applications, and other commercial circumstances of the Payor and Payee at the time the method is used, including, but not limited to,

a. the nature of the particular business;

b. the amount of the particular transaction;

c. the Payee's volume of payments;

d. the sophistication of the parties;

e. the availability of alternatives offered to but rejected by either of the parties; the cost of alternative procedures; and

f. whether there is an existing business relationship between the parties.

Confirmation

"Confirmation" means the Written notice from the Payee to the Payor containing the details agreed to by the Payor in setting up a Payor's PAD Agreement with the Payee, which may be in the form of a Written copy of the Payor's PAD Agreement or a summary of the key terms of that agreement substantially in the form of Appendix IV, and is communicated in accordance with section 16 of Rule H1.

Connection Service Provider

"Connection Service Provider - POS or ("Connection Service Provider") means an entity that connects directly to an electronic POS network on behalf of another entity.

Connection Service Provider - On-line

"Connection Service Provider - On-line" means an entity that connects directly to an On-line Payment Service on behalf of another entity.

Connection Service Provider - PIN-less POS”

“Connection Service Provider - PIN-less POS” (or (Connection Service Provider”) means an entity that connects daily to a PIN-less POS Payments Service network on behalf of another entity.

Connection Service Provider - Delayed Authorization POS

“Connection Service Provider - Delayed Authorization POS (or “Connection Service Provider”) means an entity that connects directly to a Delayed Authentication POS Payments Service network on behalf of another entity.

Contested Delivery

“Contested Delivery” means a delivery for which the receiving Member challenges a clearing amount claimed by the delivering Member and for which an adjustment is sought prior to the initial closing time.

Contingency Situation

“Contingency Situation” means an interruption in service which:

a. affects the ability of any Direct Clearer at any Regional Exchange Point to meet the requirements related to the Exchange of Items and for which the Direct Clearer has back-up plans in place; and

b. precludes the affected Direct Clearer from delivering Items for more than one (1) ACSS Cycle.

Corporate Creditor (Payee)

"Corporate Creditor " or "Payee" means any business, association, government or other entity which issues Invoices to its customers, and has entered into a Corporate Creditor Agreement with a Payee's FI.

Corporate Creditor Defined Data

"Corporate Creditor Defined Data" means optional data belonging to the Corporate Creditor that is placed in the MICR line of a paper-based Remittance, or, in the EDI environment, within the remittance loop of an EDI Transaction Set.

Corporate Creditor Identification Number

"Corporate Creditor Identification Number" or "CCIN" means a nontransferable identification number, issued by the CPA Association to a Corporate Creditor, that uniquely identifies the Corporate Creditor for the purpose of Bill Payment Remittance Processing.

Counterfeit

"Counterfeit" means an RG Warrant that appears to be original or genuine, but has been fraudulently made or bears an Invalid Cheque Form Number.

Counterfeit Item

"Counterfeit Item" means a paper Item that appears to be original or genuine, but has been fraudulently made and, for the purposes of Rule A4, it must be considered an Item with a Forged or Unauthorized Signature.

CPA Services Network

"CPA Services Network" or "CSN" means the Association managed network that is used by CSN participants to transmit certain electronic Payment Items, and which may be used to transmit proprietary files on a bilateral basis, as agreed to by the parties and with the consent of the Association.

CRD or Image MICR Mismatch

"CRD or Image MICR Mismatch" means either an occurrence of the MICR Encoding (excluding amount and CRD identification code) contained on a CRD not matching the MICR Encoding represented in the Image on the CRD, or an occurrence of the information included in an ICP File not matching the MICR Encoding represented on the associated Image of the Payment Item.

Credit Transaction

"Credit Transaction" means a credit Payment Item Exchanged on an AFT File as defined in Standard 005.

Credit Item Identifier

"Credit Item Identifier" means the code appearing in the Transaction Code section of the MICR line which designates that the payment is a credit item rather than a debit Item. (This term applies only to the paper-based Remittance environment.)

Creditor

"Creditor" means a Payee of an ISO AFT Transaction.

CSB Interest Payments

"Canada Savings Bonds (CSB) Interest Payments" means payment of interest by the Receiver General for Canada to holders of fully registered Canada Savings Bonds.

Data Centre

"Data Centre" means the organizational unit designated by a Drawee to which its Items are directed at a Regional Exchange Point.

Data Element

"Data Element" means the smallest unit of information. It can represent a qualifier, a value, or text (such as a description). A data element has two primary attributes, length and type.

Data Encryption Algorithm (DEA)

"Data Encryption Algorithm (DEA)" means the cryptographic algorithm specified by ANSI X3.92-1981 (R1987), Data Encryption Algorithm. DEA is also referred to as DES (Data Encryption Standard) in the U.S.

Data Segment

"Data Segment" means an intermediate unit of information in a transaction set. A data segment consists of logically related data elements in a defined sequence. It consists of a predetermined Identifier that comprises the first characters of the data segment, one (1) or more Data Elements, each preceded by a Data Element separator, and a segment terminator.

Debit Transaction

"Debit Transaction" means a Pre-authorized Debit Payment Item within the meaning of Rule H1 or a Bill Payment Error Correction Debit within the meaning of Rule H3 Exchanged on an AFT File as defined in Standard 005.

Debtor

"Debtor" means a Payor of an ISO AFT Transaction.

Default

"Default" means a Default of a Direct Clearer within the meaning of paragraph 53(1)(a) or (b) of *By-law No.3 – Payment Items and ACSS*.

Default Contribution

"Default Contribution" means the amount payable by a surviving Direct Clearer pursuant to subsection 57(2) of *By-law No.3 – Payment Items and ACSS*, upon the Default of a Direct Clearer.

Decryption

"Decryption" means the process of transforming ciphertext into plaintext.

Delayed Authorization

"Delayed Authorization" means the Authorization of a Delayed Authorization POS Transaction following the provision of goods or services, as further described in Rule E5.

Delayed Authorization POS Gateway

"Delayed Authorization POS Gateway" means a Payment Item arising from a Delayed Authorization POS Transaction, consisting of a payment order by a Payor, Validation of the Payment Application and Authorization of the transaction by the Payor FI, which results in a debit to the Payor's Account.

Delayed Authorization Point-of-Service Payment Item

"Delayed Authorization Point-of-Service Payment Item" or "Delayed Authorization POS Payment Item" means a Payment Item arising from a Delayed Authorization POS Transaction consisting of a payment order by a Payor, Validation of the Payment Application and Authorization of the transaction by the Payor FI, which results in a debit to the Payor's Account, as further described in Rule E5.

Delayed Authorization POS Service

"Delayed Authorization POS Service" (or "Service") means the network that facilitates the Exchange of POS transactions, including Delayed Authorization POS Transactions.

Delayed Authorization POS Transaction

"Delayed Authorization POS Transaction" means an electronic payment transaction that uniquely identifies as a Delayed Authorization transaction type, initiated by a Payor using his or her Payment Application and which, if Authorized, gives rise to a Delayed Authorization POS Payment Item.

Delivering Direct Clearer - For the purpose of Rule E1

"Delivering Direct Clearer" means a Direct Clearer that delivers POS Payment Items to another Direct Clearer for the purpose of Clearing and Settlement.

Delivering Direct Clearer - For the purpose of Rule E2

"Delivering Direct Clearer" means a Direct Clearer that delivers On-line Payment Items for another Direct Clearer for the purpose of Clearing and Settlement.

Delivering Direct Clearer - For the purpose of Rule E4

"Delivering Direct Clearer" means a Direct Clearer that delivers PIN-less POS Payment Items to another Direct Clearer for the purpose of Clearing and Settlement.

Delivering Direct Clearer - For the purpose of Rule E5

"Delivering Direct Clearer" means a Direct Clearer that delivers Delayed Authorization POS Payment Items to another Direct Clearer for the purpose of Clearing and Settlement.

Deposit Advice Information

"Deposit Advice Information" means the information that is required in the Deposit Advice RC79 Form referenced in Rule G4.

Direct Clearer

"Direct Clearer" means a Member, other than the Bank of Canada that, on its own behalf, Exchanges Items and makes entries into the ACSS. Throughout the Association rules, references to Direct Clearer include Group Clearers and Clearing Agents unless the rule or context otherwise requires.

Direct Participant

"Direct Participant" means a Direct Clearer that participates in the Exchange of EDI Payment Items for the purpose of Clearing and Settlement, and has registered this participation with the Association in accordance with the Association rules.

Direct Payment Routing Number

"Direct Payment Routing Number" or "DPRN" is used to facilitate the routing of electronic payments to Branches of FIs. No DPRN may be encoded on Cheques or other paper Payment Items.

Dots Per Inch (DPI)

"Dots Per Inch (DPI)" means the unit of measure of spatial density of Image data.

Drawee

"Drawee" means the Member or other institution to which a debit Payment Item is addressed, and which is directed to pay the specified amount of money.

Due Date

"Due Date" means the date indicated by the Payment Originator of the Transaction on which AFT Transaction funds are to be credited to a Payee's account, in the case of a Credit Transaction, or debited from a Payor's account, in the case of a Debit Transaction. [Note:

"Due Date" is also referred to as "Date Funds To Be Available" for Logical Record Types "C", "E", and "I" in CPA Standard 005].

Duplicate Payment Item

"Duplicate Payment Item" means an authorized Item that has been presented, for the purpose of payment, more than once. This may occur in situations where both an original and either an Image, Image Printout, CRD or a photocopy have been presented; an original item has been presented more than once; or where either an Image, Image Printout, CRD or a photocopy has been presented more than once.

Duplicate RG Warrant

"Duplicate RG Warrant" means an authorized RG Warrant that has been sent to the Receiver General for Canada, for the purpose of redemption, more than once. This may occur in situations where both an original and either an Image, Image Printout, or CRD have been sent for redemption, an original RG Warrant has been sent more than once, or where an Image, Image Printout or CRD has been sent more than once.

EDI (Electronic Data Interchange)

"EDI (Electronic Data Interchange)" means the electronic exchange of data in a structured computer processable message format, using public standards.

EDI Payment Item

"EDI Payment Item" means the credit transfer of funds from one party to another made or being made through the electronic Exchange and processing of payment messages and related financial data in accordance with Rule E3 in order to effect a business payment (for the purpose of Rule E3, in Canadian dollars).

EDI Transaction Set

"EDI Transaction Set" means a collection of data composed of a specific group of data segments. Each transaction set consists of a transaction set header as the first data segment and contains at least one data segment before the transaction set trailer.

EDI Transmission

"EDI Transmission" means the electronic conveyance of a Functional Group of one or more EDI Transaction Sets.

Electronic Bill Payment

"Electronic Bill Payment" means an electronic credit transfer made for the payment of a bill in the form of an AFT Transaction or an EDI Payment Item.

Electronic Device

"Electronic Device" means any electronic mechanism used by a Payor to initiate an On-line Payment Transaction.

EMV Chip Specifications

"EMV Chip Specifications" means the internationally accepted series of procedures and specifications established to ensure interoperability and acceptance of chip-based payment applications on a worldwide basis (EMV" is a trademark owned by EMVCo LLC).

EMV Payment Tokenisation Specifications

"EMV Payment Tokenisation Specifications" means the internationally accepted series of procedures and specifications for token-based payment applications on a worldwide basis ("EMV" is a trademark owned by EMVCo LLC).

Encryption

"Encryption" means the process of transforming plaintext into ciphertext.

Endorsement

"Endorsement" means a signature made by a holder of an Item on the back of the Item when negotiating (transferring) it to another person. "Endorse" or "Endorsed" have corresponding meanings.

Error Correction Transaction

"Error Correction Transaction" means an AFT Transaction used to correct an error made by the Payment Originator or the Originating Direct Clearer.

[Note: This is equivalent to a Payment Reversal Transaction.]

Exchange

"Exchange" means the delivery and receipt of Payment Items. Exchanged and Exchanging have corresponding meanings.

Exchange Agent

"Exchange Agent" means a participating Direct Clearer which acts on behalf of a non-participating Direct Clearer, in the Exchange of that non-participating Direct Clearer's U.S. dollar Items.

Exchange Deadline

"Exchange Deadline" means the point in time at the end of an Exchange Period. For example, where the Exchange Period is between 09:30:01 hours ET and 16:30:00 hours ET, the Exchange Deadline is 16:30:00 hours ET.

Exchange Period

"Exchange Period" means a period of time defined in Rule F1 in which an AFT File may be Exchanged between an Originating and a Processing Direct Clearer.

Extended Remittance Information

"Extended Remittance Information" means any detail provided in an ISO AFT Debit Transaction or an ISO AFT Credit Transaction in the following elements (including their respective sub-elements) as defined in the ISO AFT Usage Guidelines:

a. Ultimate Debtor;

b. Ultimate Creditor;

c. Initiating Party;

d. Related Remittance Information; or

e. Structured Remittance Information.

Extraneous Item

"Extraneous Item" includes staples, paper clips, pin feed strips and any other object that is attached to an Item and should be removed prior to encoding.

Final Adjustment Time

"Final Adjustment Time" means the time prior to which the correction of errors affecting the calculation of the Clearing Balance of a Direct Clearer for the current ACSS Cycle must be made.

Final Exchange

"Final Exchange" means the last Exchange of Payment Items at each REP for the current ACSS Cycle.

Financial Institution

"Financial Institution" or "FI" means a Member.

Financial Institutions File (FIF)

"Financial Institutions File (FIF)" means an electronic directory of branches of deposit-taking institutions in Canada that is maintained by the Association based on Direct Clearer input. Includes information to facilitate the processing and Exchange of Payment Items between deposit-taking institutions in Canada.

FIF Update Report

"FIF Update Report" means a detailed report of changes in the current cycle of the FIF.

Forged Endorsement

"Forged Endorsement" means an Endorsement in the name of the Payee that is not made by that person or by someone authorized to sign on that person's behalf, but does not include an Endorsement in the name of a Payee when the Payee name on the face of the Item has been altered without authorization.

Forged Endorsement - For the purpose of the G Rules

"Forged Endorsement" means an Endorsement in the name of the Payee that is not made by that Person or by someone authorized to sign on that Person's behalf, but does not include an Endorsement in the name of a Payee when the Payee name on the face of the RG Warrant has been altered without authorization.

Forged or Unauthorized Signature

"Forged or Unauthorized Signature" means (i) a signature on the face of an Item that is not the signature of the Person (the drawer) that it purports to be, or (ii) a signature that is written on or applied to an Item without the drawer's authority.

Force Majeure Situation

"Force Majeure Situation" means any event beyond the control of a Financial Institution (FI) that could not be avoided by the exercise of such standard or care as is reasonable in the circumstances, including acts of God (earthquakes, natural floods, storms), fire, explosion, war, insurrection, riot, disaster, and civil disorder.

Free Item

"Free Item" means an Item that is received and not included in the accompanying Listing.

Functional Group

"Functional Group" means one or more similar EDI Transaction Sets Exchanged in a single Transmission, identified by a header and trailer.

Funds Transfer PAD

"Funds Transfer PAD" means, where the Payor and the Payee are the same individual, a PAD drawn on the account of a Payor for the purpose of transferring funds from their account at one Member to their account at another Member, including, but not limited to, registered savings plan, mutual funds, segregated funds, annuities, deposit accounts, cash accounts, and investment accounts.

Gift Certificate(s)

"Gift Certificate(s)" means a paper instrument of a stated cash value for use at a commercial establishment which, if in compliance with the requirements outlined in Rule H2, may be Exchanged as a Claim Draft or Reimbursement Draft.

Government Instruments Clearing Log

"Government Instruments Clearing Log" means a report recapping payment claims against the Bank of Canada for redemption of eligible Government Instruments.

Government of Canada Paper Instrument

"Government of Canada Paper Instrument" or "Government Instrument" includes Canada Savings Bonds and other Government of Canada bonds, Canada Savings Bond certificates, Treasury Bills, Government of Canada Bond coupons, and Receiver General Warrants.

Greyscale

"Greyscale" means a measure of the number of levels of light intensity captured from each pixel within an Image. The greater the number of grey levels captured and retained the more data that has to be stored and/or communicated.

Group

"Group" means a number of entities outlined in section 28 of *By-law No. 3 – Payment Items and ACSS*, that have appointed one of their entities as Group Clearer.

Group Clearer

"Group Clearer" means a Member that, on its own behalf or on behalf of the entities belonging to the Group in respect of which it is appointed, Exchanges Payment Items and either effects Clearing and Settlement or makes entries into the ACSS.

Host Direct Clearer

"Host Direct Clearer" means the Direct Clearer selected by the Regional Clearing Association whose premises are used for the Centralized Cheque Exchange.

ICP Exchange

"ICP Exchange (Image Captured Payment Exchange)" means the process by which eligible Items, including Returned Items, are Exchanged through the transmission and receipt of the electronic information representing an Item, as contained in an ICP File, where the corresponding Image for such information either accompanies the information within the ICP File or is otherwise made available to both the delivering and receiving parties.

ICP Item

"ICP Item" means an eligible Item Exchanged electronically in an ICP File.

ICP File

"ICP File" means an electronic file that is created in accordance with Rule A10 for the purpose of electronic Image Exchange between a delivering and receiving Direct Clearer or the Receiver General for Canada which contains electronic information representing eligible Items and which may include the corresponding Images.

IC Cut-off

"IC Cut-off" means, in relation to a Credit Transaction, the point in time 2 hours following the end of the Exchange Period in which the AFT File containing the transaction was Exchanged. For example, where the Exchange Period is between 09:30:01 hours ET and 16:30:00 hours ET, the IC Cut-off is 18:30:00 hours ET.

Identification or Identifier

"Identification or Identifier" means a stamp, trace number, Transit Number or other Identification affixed to the back of an Item or transmitted with an Item by a Member that is involved in the Exchange of that Item.

Identification Modification Advice (IMA)

"Identification Modification Advice (IMA)" means a non-financial transaction created by a Participating Member to allow the Originating Participating Member to inform a Payment Originator of a change to the payment routing information, including the Account Number.

[Note this is equivalent to a Notice of Change (NOC).]

Image

"Image" means a digital representation of the front and back of a Payment Item.

Image Missing or Not Usable

"Image Missing or Not Usable" means an occurrence of all or part of the Image (front portion, back portion or both) on an Image Printout, CRD or as presented electronically, being missing or where the Image is Not Usable in accordance with Rule A10.

Image Printout

"Image Printout" means any paper output of an Image, created by a Member, that does not meet the Association's standards and specifications for a Qualified Item.

IMA Message

"IMA Message" means a message containing one or more IMAs as outlined in the ISO AFT Usage Guidelines.

Indirect Clearer

"Indirect Clearer" means a Member on behalf of which a Clearing Agent Exchanges Payment Items and either effects Clearing and Settlement or makes entries into the ACSS.

Indirect Participant

"Indirect Participant" means a Direct Clearer or Indirect Clearer that has elected to participate in the Exchange of EDI Payment Items through its Representative or Clearing Agent respectively, and who has registered this participation with the Association in accordance with Rule E3, section 4.

Institution Number

"Institution Number" means a three-digit number, allocated by the Association, which may be utilized on paper and electronic Payment Items to identify a Member or other institution listed in the "List of Institution Numbers and Clearing Arrangements" available on payments.ca.

Note: Institution Number is also referred to as FIN.

Instructed Agent

"Instructed Agent" means the Participating Member that is instructed by the previous Member to carry out the payment instruction.

Instructing Agent

"Instructing Agent" means the Participating Member instructing the next Member to carry out the payment instruction.

Intended Payee(s) Not Paid

"Intended Payee(s) Not Paid" means that the named and Intended Payee(s) of a Payment Item did not receive the funds, but does not include Items where the Payee name on the face of the Item has been altered without authorization.

Inter-Member Debit

"Inter-Member Debit" means an Item created by a Member and addressed to another Member with its expressed or implied consent for the purpose of receiving a payment from it. Note: For greater certainty, Inter-Member Debits are intended for Members to discharge certain payment obligations solely between one another and are not intended to initiate debits directly against a customer account.

Invalid Cheque Form Number

"Invalid Cheque Form Number" or "Invalid CFN" means that the Receiver General for Canada did not issue a paper RG Warrant with this CFN.

Invoice

"Invoice" means a paper-based document issued by a Corporate Creditor to its customer as a request for payment. An Invoice generally consists of a Remittance and a Receipt.

ISO AFT Credit Transaction

"ISO AFT Credit Transaction" means a credit Payment Item Exchanged in an AFT File as defined in the ISO AFT Usage Guidelines.

ISO AFT Debit Transaction

"ISO AFT Debit Transaction" means a Pre-authorized Debit Payment Item within the meaning of Rule H1 Exchanged in an AFT File as defined in the ISO AFT Usage Guidelines.

ISO AFT File

"ISO AFT File" means an AFT File containing one (1) or more ISO AFT Transactions.

ISO AFT Message Types

"ISO AFT Message Types" means the structure of an ISO AFT File created in accordance with the ISO AFT Usage Guidelines.

ISO AFT Transaction

"ISO AFT Transaction" means an AFT Transaction as defined in the ISO AFT Usage Guidelines.

Item Dishonoured Stamp

"Item Dishonoured Stamp" means a stamp reading "Item Dishonoured" that is applied on a Payment Item, an Image Printout or a CRD for the purpose of return.

Item in Dispute

"Item in Dispute" means a Returned Item that a Negotiating Institution believes was not returned in accordance with the Rules or, in the case of a Returned Item in the form of an Image Printout or a Return Replacement Document, is Not Usable pursuant to Rule A10.

Item Trace Number

"Item Trace Number" means the number used to uniquely identify an individual electronic Item or transaction to facilitate end-to-end tracing.

Legible

"Legible" means able to be read or deciphered by a human viewer.

Listing

"Listing" means a print-out of information produced to identify individual Items as contained in a bundle.

Local Cooperative Credit Society or Local

"Local Cooperative Credit Society" or "Local" means a cooperative credit society incorporated by or under an Act of the legislature of a province.

a. whose members consist substantially of individuals, and

b. whose principal purpose is to receive deposits from, and make loans to, its members.

Log

"Log" see Clearing Log.

Lynx Payment Message

"Lynx Payment Message" means a Payment Message, as defined in Lynx Rule 1.

Machine Adding Out

"Machine Adding Out" means the Listing total does not reflect the true value of the listed Items.

Material Alteration

"Material Alteration" means an unauthorized change to one (1) or more of the completed details of an originally authorized Item, and includes those material alterations identified in the *Bills of Exchange Act*, which are alterations:

a. to the date;

b. to the sum payable;

c. of the time of payment;

d. of the place of payment; or

e. of the addition of a place of payment without the acceptor's assent where a bill has been accepted generally,

as well as any alteration of the Drawee or of the Payee name.

Material Alteration - For the purpose of the G Rules

"Material Alteration" means an unauthorized change to one or more of the completed details of an originally authorized RG Warrant, and includes those material alterations which are alterations to the date, the sum payable, or the Payee name.

Matured Instruments or Instruments

"Matured Instruments" or "Instruments" means Canadian dollar bonds, debentures and coupons, including eurobonds and coupons issued in Canadian dollars and are payable in Canada, which have reached the date where they become due and payable.

Member

"Member" means any of those Persons who are Members of the Association pursuant to section 4 of the *Canadian Payments Act*. Throughout the Rules, unless the Rule or the context otherwise requires, references to Member include a Local that is not a Member and belongs to a Central or a cooperative credit association, that is a Member of the Association.

Member Payee

"Member Payee" means a Member who is also a Payee.

Message Authentication Code (MAC)

"Message Authentication Code (MAC)" means a cryptographically computed value that is the result of passing data through the authentication algorithm using a specific key. The message authentication code can be used as a hash total or control total when data must be protected from alteration.

MICR

"MICR" (magnetic ink character recognition) means the machine recognition of characters printed with ink containing particles of a magnetic material. [Refer to Standard 006]

MICR Encoding

"MICR Encoding' means the application of magnetic ink characters to a paper Payment Item. "MICR Encode" or "MICR Encoded" have corresponding meanings.

Misdirected Item

"Misdirected Item" means an Item that is delivered to a Member that is not the Drawee.

Misdirected Returned Item

"Misdirected Returned Item" means a dishonoured Item that is not routed in accordance with section 11 of Rule A4.

Money Order

"Money Order" means a Payment Item issued by a Member and drawn on itself for the purpose of ordering a payment to be made to a Payee.

Multilateral Net Debit Position or MNDP

"Multilateral Net Debit Position" or "MNDP" means the Clearing Balance of a Direct Clearer or Indirect Clearer that is in a net owing position, as that Clearing Balance is established by the ACSS in the case of a Direct Clearer or by an Indirect Clearer's Clearing Agent.

National Courier Service Arrangement

"National Courier Service Arrangement" means an agreement between two (2) or more Members and a designated Carrier(s) for the shipment of non-negotiable Items from a Member's designated location(s) to designated location(s) in another city or province.

National Electronic Settlement Region (NESR)

"National Electronic Settlement Region (NESR)" means a designated region for the Clearing of electronic Items.

National Failure of the ACSS

A "National Failure" is deemed to be in effect when the ACSS web application is inoperative or the complete communications link affecting all ACSS regions has failed.

National Failure of the USBE

A "National Failure" of the USBE is deemed to be in effect when the USBE web application is inoperative or the complete communications link affecting all USBE regions has failed.

Negotiated Institution - for the purpose of Rule H5

"Negotiated Institution" means the FI Institution of encashment or deposit.

Negotiating Institution

"Negotiating Institution" means the Member that, on behalf of its customer, presents an Item for payment to the Drawee.

Non-customer

"Non-customer" means an individual who does not have an account with any Branch of the encashing FI or does not hold a credit card issued by it.

Notice of Change (NOC)

"Notice of Change – NOC" means a non-financial transaction created by a Processing Direct Clearer which allows the Originating Direct Clearer to inform Payment Originators of changes to payment routing information.

[Note: This is equivalent to an Identification Modification Advice (IMA) message.]

NOC File

"NOC File" means a file containing one (1) or more NOCs as outlined in Standard 005.

NOC Originating Direct Clearer

"NOC Originating Direct Clearer" means the issuer of an NOC.

NOC Processing Direct Clearer

"NOC Processing Direct Clearer" means the recipient of an NOC.

Official Contact

"Official Contact" means the person designated by a Member to be its representative for the purpose of receiving notice pursuant to Rule L1.

One-Time

"One-Time" means occurring once, on a set date.

On-line Network Connector

"On-line Network Connector" means an entity that connects directly to an on-line payment service.

On-line Payment Item

"On-line Payment Item" means a Payment Item arising from an On-line Payment Transaction consisting of a payment order initiated by a Payor and subsequent Authentication, Authorization and Approval by the Payor's FI, utilizing on-line Real-Time interactive messages, which result in a debit or credit to the Payor's Account.

On-line Payment Service

"On-line Payment Service" means the network that facilitates On-line Payment Transactions.

On-line Payment Transaction

"On-line Payment Transaction" means an electronic payment transaction, initiated over an Open Communication Network by a Payor using an Electronic Device and his/her Secret Code, which, if Approved, gives rise to an On-line Payment Item.

Open Communication Network

"Open Communication Network" means a communication infrastructure, technology and system that permit the processing and transmission of electronic messages or data in a manner that can be accessed and used by a Person.

Optical Character Recognition (OCR) Encoding

"Optical Character Recognition (OCR) Encoding" means the application of OCR characters to a paper-based Remittance in accordance with Part II of Rule H6.

Originator

"Originator" means the initiator of an EDI Payment Item. (Note: The Originator may be the Payor, a service provider acting on behalf of the Payor, or an FI.

Originating Direct Clearer

"Originating Direct Clearer" means the Direct Clearer that delivers AFT Files to another Direct Clearer.

Originating Direct Clearer- For the purpose of Rule H5

"Originating Direct Clearer" means the direct participant in the bond and coupon Exchange which introduces Instruments to the Exchange.

Originating Direct Participant

"Originating Direct Participant" means a Direct Participant that initiates an EDI Payment Item on behalf of an Originator or as Clearing Agent or Representative for the Payor's FI.

Originating Participating Member

"Originating Participating Member" means a Participating Member that originates an ISO AFT File or receives an ISO AFT File from a Payment Originator.

Originator

"Originator" means the initiator of an EDI Payment Item.

Outsort

"Outsort" means a segregation of Items and a listing with totals destined to an FI.

Participating Member

"Participating Member" means any Member that registers to participate in the Exchange of ISO AFT Transactions.

Payee

"Payee" means the Person to whom funds are to be paid.

Payee - For the purpose of Rule E2

"Payee" means the Person or entity who is offering goods and services through an URL, who has pre-registered with an On-line Payment Service and to whom the funds arising from an On-line Payment Item are to be paid.

Payee - For the purpose of Rule H1

"Payee" means a person whose account at a Member is to be, or has been, credited with the amount of a PAD.

Payee's FI

"Payee's FI" means the FI that holds the account of the Payee.

Payee's FI - For the purpose of Rule E3

"Payee's FI" means the Direct or Indirect Participant which holds the Receiver's account to be credited with the EDI Payment Items.

Payee's FI - For the purpose of Rule H6

"Payee's FI", or "Corporate FI", means the FI designated by the Corporate Creditor in a Corporate Creditor Agreement to provide Bill Payment Remittance Processing services for it. (Note: Within the EDI environment, where the Payee's FI is a Direct Clearer, it would be the Receiving Direct Participant.)

Payee Letter of Undertaking

"Payee Letter of Undertaking" means in the case of a Business PAD, Cash Management PAD or Personal PAD, a Written agreement between a Payee and its Sponsoring Member which outlines the Payee's responsibilities and agreement to comply with Rule H1 and contains the mandatory information set out at Appendix I.

Paying Agent

"Paying Agent" means the FI at which the Instrument is payable.

Payment Application

"Payment Application" means software issued by the Payor's FI that resides on a device and facilitates the identification of the Payor's Account, the Payor FI and is used to originate the messages that constitute a PIN-less POS Payment Item. For clarity, a message includes a payment token where the transaction involves the services of a TSP.

Payment Application - For the purpose of Rule E5

"Payment Application" means software issued by the Payor's FI that resides on a device and facilitates the identification of the Payor's Account, the Payor FI and is used to originate the messages that constitute a Delayed Authorization POS Payment Item. For greater clarity, a message includes a payment token where the transaction involves the services of a TSP.

Payment Date

"Payment Date" means:

a. the day on which the Payor makes a bill payment at a Payor's FI; or,

b. where extended hours or ABM processing is involved, the Business Day following the day on which the Payor makes a bill payment at a Payor's FI, provided the Payor is given notice of this additional day by its FI.

Payment Item

"Payment Item" or "Item" means a Bill of Exchange drawn on a Member and includes any other type of Item acceptable for Exchange, as outlined in Rule A1.

Payment Trace Number

"Payment Trace Number" means a number which uniquely identifies each EDI Payment Item from the Payor's FI through to the Payee's FI.

Payment Order/Remittance Advice (820)

"Payment Order/Remittance Advice (820)" means an EDI Transaction Set sent by an Originating Direct or Indirect Participant to a Receiving Direct or Indirect Participant to direct that a payment be made to a Receiver.

Payment Originator

"Payment Originator" means a business, association, government or other entity which, upon authorization from its Payee or Payor, initiates an AFT Transaction.

Payment Reversal Transaction

"Payment Reversal Transaction" means an AFT Transaction used to correct an error made by the Payment Originator or the Originating Direct Clearer as defined in the ISO AFT Usage Guidelines.

[Note: This is the Standard 005 equivalent to an Error Correction Transaction.]

Payment Trace Number

"Payment Trace Number" means a number which uniquely identifies each EDI Payment Item from the Payor's FI through to the Payee's FI.

Payments Contact

"Payments Contact" means the designated individual or department at a Direct Clearer responsible for effecting USBE Settlements in accordance with Rule K1.

Payor

"Payor" means the Person or other entity whose account is to be debited on the basis of a Payment Item.

Payor - For the purposes of Rule E2

"Payor" means a Person who Authorizes the Payor FI to issue an On-line Payment Item and whose account is to be, or has been, debited with the amount of the On-line Payment Item.

Payor - For the purpose of Rule E4

"Payor" means an end-user customer who Authorizes the Payor FI to issue a PIN-less POS Payment Item and whose account, or account to which he or she has access, is to be, or has been, debited with the amount of the PIN-less POS Payment Item.

Payor - For the purpose of Rule E5

"Payor" means an end-user customer who Authorizes the Payor FI to issue a Delayed Authorization POS Payment Item and whose account, or account to which he or she has access, is to be, or has been, debited with the amount of the Delayed Authorization POS.

Payor - For the purpose of Rule H1

"Payor" means a person whose account at a Member is to be, or has been, debited with the PAD amount.

Payor - For the purpose of Rule H6

"Payor" means a customer of a Corporate Creditor, or someone acting on their behalf, that makes a bill payment at a Payor's FI.

Payor's Account

"Payor's Account" means an account, held by the Payor FI, to which the Payor has access by means of using a Payment Application.

Payor's Account - For the purpose of Rule E2

"Payor's Account" means an account, held by the Payor FI, where funds are standing at the disposal of the Payor.

Payor Identified Number

"Payor Identifier Number" means a number that the Corporate Creditor assigns to the account of the customer. This number may be selected as the Corporate Creditor Defined Data.

Payor's FI

"Payor's FI" means the FI which holds the account of the Payor.

Payor's FI - For the purpose of Rule E2

"Payor's FI" means the Member that holds the Payor's Account, controls issuance and verification of the Secret Code which is used to access that Payor's Account, and receives and responds to requests for Authentication, Authorization, and Approval.

Payor's FI For the purpose of Rule E3

"Payor's FI" means the Direct or Indirect Participant which holds the Originator's account from which the EDI Payment Item is drawn.

Payor FI - For the purpose of Rule E1

"Payor FI" means a Member that holds a Cardholder's Account, controls establishment and verification of the Personal Identifier which is used in conjunction with a Card to access that Cardholder's Account, and receives and responds to requests for Authorization.

Payor FI - For the purpose of Rule E4

"Payor FI" means the Member that holds the account to which the Payor has access (the Payor's Account), controls the issuance of the Payment Application that is used to access that account, and Authorizes the individual PIN-less POS Payment Item.

Payor FI - For the purpose of Rule E5

"Payor FI" means the Member that holds the account to which the Payor has access (the Payor's Account), controls the issuance of the Payment Application that is used to access that account, and Authorizes the individual POS Payment Item.

Payor FI - For the purpose of Rule H6

"Payor's FI" means any FI that has agreed, pursuant to Rule H6, to collect and Exchange the Remittances of a Corporate Creditor. (Note: Within the EDI environment, where the Payor's FI is a Direct Clearer, it would be the Originating Direct Participant.)

Payor's PAD Agreement

"Payor's PAD Agreement" means a continuing but revocable Written or otherwise Recorded authority that has been signed or otherwise Authorized containing the mandatory provisions set out in Appendix II, given by a Payor to a Payee that provides an Authorization for the Payee to issue PADs against the Payor's account at its Processing Member.

Personal PAD

"Personal PAD" means a PAD drawn on the account of a Payor for payments such as, but not limited to, charitable donations, non-Member investment contributions, mortgage installments, utility bills, insurance premiums, membership fees, property taxes, credit card billings, lines of credit, loans and payment for other consumer goods or services but not a Business PAD, a Cash Management PAD or a Funds Transfer PAD.

Personal Identifier

"Personal Identifier" means a signature equivalent which is used as a representative of a Cardholder with the intent of identifying that Cardholder and signifying that Cardholder's consent to each instruction initiated through a POS Device (examples of a Personal Identifier may include personal identification numbers (PINS) and biometric identifiers.

Persons

"Person" means a natural person or a corporation, trade, association, government entity, business or other legal entity.

Physically Secure Device

"Physically Secure Device" means a device designed to preclude successful penetration to reveal all or part of any cryptographic keys resident within it.

PIN

"PIN" means personal identification number.

PIN-less POS Agreement

"PIN-less POS Agreement" means a written statement of terms and conditions relating to the use of a PIN-less POS Debit Payment Application.

PIN-less POS Gateway

"PIN-less POS Gateway" means a Payment Application-activated user interface (e.g. contactless-enabled payment terminal, merchant application, or merchant website payment form) used by a Payor to initiate a PIN-less POS Transaction.

PIN-less POS Payment Item

"PIN-less POS Payment Item" means a Payment Item arising from a PIN-less POS Transaction, consisting of a payment order by a Payor, Validation of the Payment Application and Authorization of the transaction by the Payor FI, which results in a debit to the Payor's Account.

PIN-less POS Service

"PIN-less POS Service" or "Service" means the network that facilitates PIN-less POS Transactions.

PIN-less POS Transaction

"PIN-less POS Transaction" means an electronic payment transaction, initiated by a Payor using his or her Payment Application, and which, if completed, gives rise to a PIN-less POS Payment Items.

Point-of-Entry Office

"Point-of-Entry Office" means a Branch, Data Centre, international centre or division of a Direct Clearer which receives Cheques on deposit in U.S. or Canadian funds from foreign correspondents.

Point of Origin

"Point of Origin" means the AFT Exchange Point as designated by the Originating Direct Clearer.

POS Agreement

"POS Agreement" means a written statement of terms and conditions relating to the use of a Delayed Authorization POS Payment Application.

Point of Service Device

"Point of Service Device" means a Card-activated device used by a Cardholder to initiate a POS Transaction.

Point-of-Service Identifier

"Point-of-Service Identifier" means the first four (4) characters in a four (4) to six (6) character alphanumeric code which is issued by an electronic POS network or a network service provider to identify a Point-of-Service Network Connector.

Point-of-Service Network Connector

"Point-of-Service Network Connector" means an entity that connects directly to an electronic point-of-service network.

POS Payment Item

"Point-of-Service Payment Item" means a Payment Item arising from a Point-of-Service Transaction, consisting of a payment order by a Cardholder and subsequent Approval/Authorization by its Payor FI utilizing on-line real-time interactive messages, which result in a debit or a credit to the Cardholder's Account.

POS Payment Service

"POS Payment Service" or "Service" means the network that facilitates POS Transactions.

POS Transaction

"POS Transaction" means an electronic payment transaction, initiated by a Cardholder using a Card and related Personal Identifier, which, if completed, gives rise to a POS Payment Item.

Postal Money Order

"Postal Money Order" means a Payment Item issued by and drawn on Canada Post Corporation for the purpose of ordering a payment to be made to a Payee.

Pre-Authorized Debit – PAD

"Pre-Authorized Debit – PAD" means a pre-authorized debit Payment Item issued by a Payee or Member Payee that is drawn on an account of a Payor held by a processing Member.

Pre-funded Debit Account

"Pre-funded Debit Account" means a consolidated account held by a Member in the name of a corporate entity or government body, to which a Cardholder has access to a specified amount by means of a Card.

Pre-notification

"Pre-notification" means the required Written notice by the Payee or Member Payee to the Payor of the amount or change in amount, or change in date(s) to a PAD, prior to the date of the actual PAD, in accordance with sections 17 - 19 of Rule H1.

President

"President" means the President, CEO and General Manager of the Association.

Problem Occurrence Reporting

"Problem Occurrence Reporting" or "POR" means an industry format for notification of problems relating to interpretations of the Association Rules Manual and any associated Standards.

Processing Direct Clearer

"Processing Direct Clearer" means the Direct Clearer that receives AFT Transactions from an Originating Direct Clearer.

Processing Member

"Processing Member" means a Member that holds the account of a Payor.

Purge and Purging

"Purge" and "Purging" means the process of deleting AFT Transactions, and EDI Payment Items that have been Exchanged with a Defaulting Direct Clearer for Clearing and Settlement subsequent to the ACSS Cycle for which Default has occurred and are residing in or destined for Members' warehouses.

Pursuant to Stamp

"Pursuant to Stamp" means a stamp applied on a Payment Item reading "Pursuant to the Clearing Rules, this Item may not be cleared again unless certified".

Qualified Item

"Qualified Item" means an Item which meets Association standards and specifications and is MICR Encoded at least as to Transit Number and amount.

Qualified Item - For the purpose of Rule K1

"Qualified Item" means a U.S. Dollar Item which conforms with Standard 006 and is MICR Encoded at least as to Transit Number and amount.

Real-Time

"Real-Time" means, in the context of Authentication, Authorization and Approval of a POS Transaction, the immediate communication of such requests.

Real-Time - For the purpose of Rule E2

"Real-Time" means, in the context of Authorization and Approval of an On-line Payment Transaction, immediate communication of requests for Authorization and Approval via on-line means.

Receiver

"Receiver" means the beneficiary (Payee) of an EDI Payment Item.

Receiving Direct Clearer

"Receiving Direct Clearer" means the direct participant in the bond and coupon Exchange which receives Instruments for which it or one of its client FI is Paying Agent.

Receiving Direct Clearer - For the purpose of Rule E1

"Receiving Direct Clearer" means a Direct Clearer that receives POS Payment Items from another Direct Clearer for the purposes of Clearing and Settlement.

Receiving Direct Clearer - For the purpose of Rule E2

"Receiving Direct Clearer" means a Direct Clearer that receives On-line Payment Items from another Direct Clearer for Settlement.

Receiving Direct Clearer - For the purpose of Rule E4

"Receiving Direct Clearer means a Direct Clearer that receives PIN-less POS Payment Items from another Direct Clearer for Settlement.

Receiving Direct Clearer - For the purpose of Rule E5

"Receiving Direct Clearer" means a Direct Clearer that receives Delayed Authorization POS Payment Items from another Direct Clearer for Settlement.

Receiving Direct Participant

"Receiving Direct Participant" means a Direct Participant, as defined in Rule E3, that receives and processes an EDI Payment Item on behalf of a Receiver or as Clearing Agent or Representative for the Payee's FI.

Receiver General Warrant

"Receiver General Warrant" or "RG Warrant" means an authorization for the payment of money drawn on or by the Government of Canada and payable by the Government of Canada.

Receipt

"Receipt" means the portion of an Invoice that, if presented, is date-stamped by the Payor's FI at the time of payment, and that may be retained by the Payor as proof of payment.

Receiver

"Receiver" means the beneficiary (Payee) of an EDI Payment Item.

Recorded

"Recorded" means any form of representation of information or of concepts in any medium that is accessible so that it may be used for subsequent reference and can be read or otherwise perceived by a Person.

Redirected Item

"Redirected Item" means an Item that is re-routed for the reason that an account has been transferred to another Branch within the same F.

Reimbursement Claim

"Reimbursement Claim" means either (i) a duly completed and signed Written statement of a Payor in the form set out in Appendix III or (ii) a Written or otherwise Recorded communication from a Payor to its Processing Member by way of the Internet, e-mail, telephone or other electronic means that has been authenticated pursuant to the Processing Member's customary security measures relating to such means.

Remittance

"Remittance" means the portion of an Invoice that conforms to Part II of Rule H6, or the electronic data, that is submitted to the Payor's FI by the Payor along with payment, and which itself becomes a credit item representing value when subsequently Exchanged by the Payor's FI.

Remittance Amount

"Remittance Amount" means the monetary amount, in Canadian dollars, submitted by the Payor in payment of an Invoice.

Regional Clearing Association

"Regional Clearing Association" or "RCA" means, with respect to a Regional Settlement Point, the association of Members established pursuant to Rule B4.

Regional Participants

"Regional Participants" means a Processing Direct Clearer and an Originating Direct Clearer which are not represented at the same AFT Exchange Point.

Regional Exchange Point

"Regional Exchange Point" means each location in Canada designated for the Exchange of Payment Items among Direct Clearers and the Bank of Canada, and includes the NESR.

Regional or Civic Holiday

"Regional or Civic Holiday" means, a holiday so designated by a province, city, town, municipality or other organized district within Canada.

Regional Settlement Point

"Regional Settlement Point" means each location in Canada designated by the Board for the establishment of an RCA.

Reimbursement Draft or Claim Draft

"Reimbursement Draft" or "Claim Draft" means a Payment Item payable through a Member where the drawer (including its agents) and the Drawee are one and the same.

Rejected ISO AFT Transaction

"Rejected ISO AFT Transaction" means an ISO AFT Transaction which has not passed the Transaction Edit by the Processing Direct Clearer, and is delivered back to the Originating Direct Clearer in an AFT File as defined in the ISO AFT Usage Guidelines.

Rejected Transaction

"Rejected Transaction" means an AFT Transaction which has not passed the Transaction Edit by the Processing Direct Clearer, and is delivered back to the Originating Direct Clearer in an AFT File.

Remittance

"Remittance" means the portion of an Invoice that conforms to Part II of Rule H6, or the electronic data, that is submitted to the Payor's FI by the Payor along with payment, and which itself becomes a credit Item representing value when subsequently Exchanged by the Payor's FI.

Remittance Beneficiary

"Remittance Beneficiary" means the Debtor or Creditor to whom the Payment Originator is providing Remittance Information.

Remittance Information

"Remittance Information" means all detail provided within the Extended Remittance Information and the Unstructured Remittance Information elements in an ISO AFT Debit Transaction or an ISO AFT Credit Transaction.

Report

"Report" means a written document prepared by the Arbitration Board setting out the Arbitration decision in full detail and the reasons therefore.

Representative

"Representative" means a Direct Clearer that Exchanges Items on behalf of another Direct Clearer at any one of the various Regional Exchange Points and, in accordance with Rules E1, E4, and E5, may also facilitate Settlement.

Return Reason Code

"Return Reason Code" means a three (3) digit code, as assigned by the Association and defined in Standard 007, which is used by the Processing Direct Clearer or Indirect Clearer to identify the reason for the return of the payment to the Payee/Payor.

Return Replacement Document

"Return Replacement Document" or "RRD" means a printed form of an Image created by a Member that meets the specifications in Standard 013, and which may be used for the purpose of return in accordance with Rule A10.

Return Replacement Document - For the purpose of Rule G3

"Return Replacement Document" or "RRD" means a printed form of an Image created by a Member that meets the specifications in Standard 013 and which may be used for the purpose of return in accordance with Rule G3.

Returned Item

"Returned Item" means a Payment Item received by the Drawee and subsequently returned in accordance with the Rules.

Returned Item Carrier Envelope

"Returned Item Carrier Envelope" means a translucent window envelope in which a Returned Item is enclosed for Exchange.

Returned ISO AFT Transaction

"Returned ISO AFT Transaction" means an ISO AFT Transaction which is unpostable, dishonoured or refused by the Payor or Payee at the Branch of account and is delivered back to the Participating Member that initiated the original AFT Transaction in an AFT File as defined in the ISO AFT Usage Guidelines.

Returned Transaction

"Returned Transaction" means an AFT Transaction which is unpostable, dishonoured, or refused by the Payor/Payee at the Branch of account and is delivered back to the Originating Direct Clearer in an AFT File.

Round Robin Cheque Exchange

"Round Robin Cheque Exchange" means a service contracted by the members of the RCA whereby a courier picks up and delivers paper Payment Items at each member's location.

Secret Code

"Secret Code" (e.g. used id and password) means a method used by the Payors FI to uniquely identify the Payor and signify the Payor's consent to each On-line Payment Transaction.

Serviceability Code

"Serviceability Code" means a code representing the number of Business Days required to credit a Payee's account with an AFT Credit Transaction on the date those funds are to be made available.

Set Interval

"Set Interval" means occurring at a specified, set, or predictable periods or times or upon the occurrence of such criteria and/or events as may be set out in a Payor's PAD Agreement.

Settlement

"Settlement" means the payment of the Clearing Balance. "Settle" and "Settled" have corresponding meanings.

Settlement Account

"Settlement Account" means the account which is established and maintained by each Direct Clearer, at the Bank of Canada, or by each Indirect Clearer, with its Clearing Agent(s), for the purpose of Settlement.

Settlement Intermediary

"Settlement Intermediary" means a Direct Clearer that facilitates Settlement between a Delivering and Receiving Direct Clearer.

Settlement Voucher

"Settlement Voucher" means a Payment Item issued by and drawn on a Member for the purpose of transferring funds to another Member.

Single Factor Technique

"Single Factor Technique" means, in the context of Authentication, verification of the identity of the Payor or the security attributes of a Payor (e.g. Secret Code) by using something the Payor knows (e.g. password).

Sponsoring Institution

"Sponsoring Institution" means a Member that holds the account of the Payee to be credited with a PAD.

Sponsoring Member

"Sponsoring Member" means a Member that holds the account of the Payee to be credited with a PAD.

Sporadic

"Sporadic" means occurring occasionally, irregularly, intermittently, infrequently, periodically, and not at Set Intervals or One-Time.

Stale-Dated

"Stale-Dated" means an Item dated more than six (6) months prior to presentment for payment.

Standing Authorization

"Standing Authorization" means a continuing but revocable Written or Recorded authority, which has been signed or otherwise Authorized by a Bill Payee and a Bill Payee FI, that provides an Authorization for the Bill Payee FI to debit the account of the Bill Payee upon receipt of a Bill Payment Error Correction Debit.

Store Coupon(s)

"Store Coupon(s)" means a paper instrument used to obtain a discount on merchandise or services which, if in compliance with the requirements outlined in Rule H2, may be Exchanged as a Claim Draft or Reimbursement Draft.

Submission for Arbitration

"Submission for Arbitration" means the document submitted by a Member involved in a dispute to the President which includes the following information:

a. the names of the parties involved;

b. a statement of the issue in dispute;

c. a statement of the facts surrounding the dispute;

d. any documentary evidence supporting the claim;

e. the relief sought; and

f. any other information or arguments which may be considered relevant.

Summary of Data Delivered Report

"Summary of Data Delivered Report" means a report of the total number and dollar amount of the AFT Transactions contained on an AFT File.

Summary of ISO AFT Data Delivered

"Summary of ISO AFT Data Delivered" means a summary substantially in the form of Appendix V, listing the total number and dollar amount of the AFT Transactions contained in an ISO AFT File.

Telecheque

"Telecheque" means a paper debit resembling a Cheque that is not created or signed by the Payor, but is drawn by a third party on behalf of the Payor, purportedly with the Payor's authorization given over the telephone or by other remote means, and proof of such authorization does not reside with the Drawee.

Third Party Return Transaction

"Third Party Return Transaction" means an AFT Transaction returned to a Branch of a Member other than the Originating Direct Clearer.

Token Service Provider

"Token Service Provider" or "TSP" means an entity that, on behalf of a Payor FI, securely generates, manages, issues, or provisions payment tokens to the Payor FI or the Payor FI's Cardholder/Payor.

Trace Request

"Trace Request" means a request by the Originating Direct Clearer for the trace of an AFT Transaction which has been delivered to a Processing Direct Clearer.

Transaction Code

"Transaction Code" means a three (3) digit code, as assigned by the CPA and defined in Standard 007, which is used by the Payment Originator to identify the type of payment, and by the Processing Direct Clearer or Indirect Clearer to further identify the payment to the Payee/Payor.

Transaction Edit

"Transaction Edit" means the process of validating individual AFT Transactions contained on an Exchanged AFT File in accordance with Standard 005, the ISO AFT Usage Guidelines, and the Financial Institution File (FIF).

Transaction Set Control Number

"Transaction Set Control Number" means a number which uniquely identifies each transaction set.

Transit Number

"Transit Number" means a three-digit Identification Number together with a five-digit Branch Number assigned by that institution.

Transmission

"Transmission" means the electronic conveyance of a Functional Group of one or more individual bill payment transactions.

Traveller's Cheque

"Traveller's Cheque" means a Payment Item issued in fixed denomination and incomplete form by a Member, or other institution as recorded in the "List of Institution Numbers and Clearing Arrangements" available on payments.ca, to a purchaser for value, which when completed and properly countersigned by the purchaser, constitutes a claim upon the issuer for face value.

Truncated Remittance

"Truncated Remittance" means a printed form of an Image of a paper-based Remittance associated with a CCIN included on the CCIN Truncated Remittance List that meets the specifications outlined in Rule A10 which may be used in place of an original paper-based Remittance for the purpose of presentment in accordance with Rule H6.

Two Factor Technique

"Two Factor Technique" means in the context of Authentication, the verification of the identity of a Cardholder by the employment of two distinct Identification components consisting of: (i) something the Cardholder has (e.g. the Cardholder's Card); and (ii) a Personal Identifier.

Unqualified Item

"Unqualified Item" means an Item which does not meet the Association's standards and specifications for a Qualified Item.

Unstructured Remittance Information

"Unstructured Remittance Information" means the information contained within the Unstructured Remittance Element as described in the ISO AFT Usage Guidelines.

Universal Resource Locator (URL)

"Universal Resource Locator (URL)" means a unique address for an object on the internet, containing a "protocol" (e.g. http, https, ftp, ldap, mailto, etc.) and an address that identifies the location of something (e.g. a domain and path to a file such as "xyz.com/index.htm", an email address, a telephone number, etc.). A domain name (e.g. "example.com") by itself is not a URL.

Usable

"Usable" means clearly represented, Legible or Viewable, as applicable. A Usable Image is a digital representation of the front and back of a Payment Item where any field or portion that would be required to be present and Legible on the original Payment Item (e.g. MICR line) is present and Legible in the Image, and any field or portion that would be required to be present and Viewable on the original Payment Item (e.g. signature) is present and Viewable in the Image.

USBE

"USBE" means United States Bulk Exchange.

USBE Settlement Agent

"USBE Settlement Agent" means a participating Direct Clearer that is responsible for providing Settlement for a non-participating Direct Clearer's U.S. Dollar Items.

U.S. Dollar Item

"U.S. Dollar Item" means an Item payable on demand in U.S. dollars drawn on a Member or on a U.S. office of a Member.

Validation

"Validation" means the techniques, procedures and processes used by the Service to provide the integrity of the Payment Application.

Value Date

"Value Date" means the date indicated by the Originator when the funds are to be credited to the Payee's account.

Value Date - For the purpose of Rule E3

"Value Date" means the date indicated by the Originator when the funds are to be credited to the Receiver's account.

Viewable

"Viewable" means able to be seen without obstruction.

Warehoused AFT Transactions

"Warehoused AFT Transactions" means those AFT Transactions held by a Direct Clearer for future processing.

Workstation

"Workstation" means a computing device that meets the minimum requirements set out in the ACSS/USBE Service Level Description and is used by an ACSS/USBE user to access the ACSS/USBE web application over the CSN. The Workstation provides the facility for queries, commands and responses for ACSS/USBE.

Writing

"Writing or "in writing" means any mode of representing or reproducing words in visible form, and includes an electronic document, provided the document is under the control of the intended recipient, the information contained in the electronic document is substantially in the same form as a paper copy, and the information contained in the document is accessible if requested.

Written

"Written" means any form of representing or reproducing words in visible form, and includes an electronic document, provided the electronic document is under the control of the intended recipient, the information contained in the electronic document is substantially in the same form as a paper copy, and the information contained in the document is accessible if requested.