



**PAYMENTS  
CANADA**

# RULE C1

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## CROSS-BORDER ARRANGEMENTS

2023 CANADIAN PAYMENTS ASSOCIATION

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## IMPLEMENTED

November 14, 2022

## AMENDMENTS

1. Amendments to clarify notification of change requirements related to ACSS/USBE Authorized Personnel for Cross-Border Arrangements, as well as general security-related requirements. Approved by the Board May 12, 2023, effective July 11, 2023.

## GENERAL

### Scope

1. This Rule outlines the requirements that a Direct Clearer must fulfill in order to set up ACSS/USBE Authorized Personnel to access the ACSS/USBE Application in a country other than Canada, including access to the ACSS/USBE Application via remote access outside of Canada.

All provisions of Rule C1 are in effect as of November 14, 2022. Cross-border arrangements established and approved by the President prior to November 14, 2022 need not submit a new application, but will be subject to the attestation requirement.

### References

2. This Rule shall be read in conjunction with the following Rules, Standards and guidelines:
  - a. Introduction to the Rules Manual;
  - b. Rule B1;
  - c. Rule B9;
  - d. Rule D1;
  - e. Rule K1;
  - f. ACSS/USBE User Guide;
  - g. ACSS/USBE Service Level Description; and
  - h. CSN Service Level Description.

### Definitions

3. In this Rule,
  - a. “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;
  - b. “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;
  - c. “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;

- d. “Direct Clearer User” is a user type within the ACSS/USBE Application whom the Direct Clearer has authorized to access the ACSS/USBE Application on its behalf to make entries reflecting the exchange of payment items in various streams with every other Direct Clearer(see also Money Market User, National System Security Officer and Regional System Security Officer);
- e. “Money Market User” is a user type within the ACSS/USBE Application whom determines the current financial position of their institution with respect to the other Direct Clearers using reports from the ACSS/USBE application;
- f. “National System Security Officer (NSSO)” is a user type within the ACSS/USBE Application responsible for assigning privileges to Regional System Security Officer (RSSO) and Money Market Users within each Direct Clearer (see also Direct Clearer user, Money Market User and Regional System Security Officer (RSSO);
- g. “Regional System Security Officer (RSSO)” is a user type within the ACSS/USBE Application responsible for assigning privileges to Direct Clearer Users within each Direct Clearer (see also Direct Clearer User, Money Market User and National System Security Officer (NSSO).

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### Cross Border-arrangements

- 4. A Direct Clearer may apply to the Association to set up ACSS/USBE Authorized Personnel to access the ACSS/USBE Application in a country other than Canada by submitting a fully completed application (form to be provided by the Association), along with the following, for approval by the President:
  - a. The jurisdiction(s) where the Direct Clearer wishes to setup ACSS/USBE Authorized Personnel to access the ACSS/USBE Application including country, state and city;
  - b. A list of ACSS/USBE Authorized Personnel who plan to access the ACSS/USBE Application outside Canada, the roles and rights assigned to each ACSS/USBE Authorized Personnel and the jurisdiction from where they plan to access the ACSS/USBE Application;
  - c. A diagram/schematic setting out the location of each of the relevant components which will be used to access the ACSS/USBE Application outside of Canada.
  - d. Confirmation that the Direct Clearer has established a principal office within Canada and appointed a principal officer who is ordinarily resident in Canada, regardless of the location of any Workstations used to access the ACSS/USBE Application outside of Canada, including the civic address of the principal office and the name and title of the principal officer;
  - e. Confirmation that:

- i. The Direct Clearer is capable of complying with all the requirements contained in By-law No. 3 - Payment Items and ACSS, ACSS Rules, ACSS/USBE Service Level Description, and the CSN Service Level Description as applicable, from the jurisdiction in question;
  - ii. The laws of the jurisdiction where the Direct Clearer accesses the ACSS/USBE Application will not preclude the Direct Clearer from doing anything with the ACSS/USBE Application data that is reasonably expected to do in Canada;
  - iii. The nature of the information or data to be maintained outside Canada, and the actual maintenance of the information or data outside of Canada, will not have a significant negative impact on the Direct Clearer's business operations and services in Canada, including the confidentiality, availability and integrity of the operations and services. This includes consideration of the adequacy of the back-up facilities to handle operations without a major disruption to services; and
  - iv. The ACSS/USBE token(s) obtained from the Association can be exported to the jurisdiction in question. The Association will deliver any new ACSS/USBE token(s) to an ACSS/USBE Access Officer or National System Security Officer (NSSO) within Canada or the United States. It will be the Direct Clearer's responsibility to securely provide the security token(s) to their ACSS/USBE Authorized Personnel;
- f. Confirmation that the Direct Clearer's CSN connection points for the Workstations used to access the ACSS/USBE Application are located in either Canada or the United States, including civic address for each installation;
- g. Confirmation that the Association will have access to the Direct Clearer's operations on an ongoing basis for any system audit or operations review that the Association may reasonably request to carry out in connection with the ACSS and USBE;
- h. Evidence that it has obtained the approval of its appropriate internal authority or executive;
- i. Any documentation that is submitted by a Direct Clearer to the Association in relation to ACSS/USBE Application access must be signed by a "duly authorized officer" of the Direct Clearer, unless otherwise specified.

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### Additional Information

5. Where the President is not satisfied with the form or content of the application and any supporting documentation provided by the Direct Clearer, the President may request additional information or clarification.

### Non-approval

6. Where the President determines, at their discretion, that the criteria for approval of the application have not been sufficiently met, the President may refuse to approve the application.

### Reasons in Writing

7. Where the President decides not to approve an application, the President will communicate that decision in writing to the Direct Clearer including the reasons for non-approval of the application.

### Revocation

8. Where the President determines that the Direct Clearer has not fulfilled one or more of the obligations which were agreed to under the application for cross-border arrangements and the Direct Clearer no longer meets the requirements of this Rule, the President may, at their discretion, immediately revoke the approval of any cross-border arrangement.

### Appeal of Decision

9. Where the President decides not to approve an application or to revoke an approval, a Direct Clearer may appeal the decision to the Board.

### ACSS Authorized Personnel

10. ACSS/USBE Authorized Personnel with access to the ACSS/USBE Application in Canada may access the ACSS/USBE Application outside of Canada if the ACSS/USBE Authorized Personnel satisfies the requirements outlined in section 4. For greater certainty, the Direct Clearer is responsible for performing the necessary due diligence as it relates to the ACSS/USBE Authorized Personnel that have access to the system.

### Notification of Changes

11. A Direct Clearer that is granted access to the ACSS/USBE Application outside of Canada must give at least 30 days advance written notice to the Association of any changes to the initial application, with the exception of changes to ACSS/USBE Authorized Personnel. For changes to ACSS/USBE Authorized Personnel within the same jurisdiction for which approval has been granted, the Direct Clearer must notify the Association of the change within 30 days of the change coming into effect. For greater certainty, a new application is

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required to be submitted in accordance with section 4 for an ACSS/USBE Authorized Personnel to access the ACSS/USBE Application from a new jurisdiction.

### Attestation

12. A Direct Clearer must submit an attestation every two (2) years attesting that the information provided to the Association in relation to its cross-border arrangements remains accurate. The attestation must be submitted by January 31 from an independent source or internal auditor.

### Audit

13. The President may, at the President's discretion, request an independent audit of all, or any part, of the Direct Clearer's ACSS/USBE Application usage from countries outside of Canada in accordance with the requirements outlined in this Rule.

### Expenses

14. A Direct Clearer must bear any and all expenses incurred by the Association in evaluating the application for cross-border arrangements, and notice of change or any audit or review, including any legal expenses, the expense of any independent third-party auditor or other expert engaged to review the proposal or the operations of the Direct Clearer.