PAYMENTS CANADA

RULE E5

EXCHANGE OF POINT-OF-SERVICE DELAYED AUTHORIZATION DEBIT PAYMENT ITEMS FOR THE PURPOSE OF CLEARING AND SETTLEMENT

2026 CANADIAN PAYMENTS ASSOCIATION

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IMPLEMENTED

January 27, 2020

AMENDMENTS

1. New Rule approved by the BOARD November 28, 2019, effective January 27, 2020.
2. Amendments to update roles and responsibilities of Direct Clearers with regard to Representative arrangements for Delayed Authorization Point-of-Service Payment Items. Approved by the Board September 14, 2023, effective November 13, 2023.
3. Amendments to accommodate the ACSS clean-up exercise, approved by the Board February 27, 2025, effective April 28, 2025.
4. 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. This Rule sets out requirements for the Exchange, Clearing and Settlement of Delayed Authorization POS Debit Payment Items pursuant to the *Canadian Payments Act* and the *By-law No. 3 – Payment Items and ACSS*.

   Inter-Member Exchanges may take place throughout the day via a series of interactive electronic messages.

   While this Rule makes functional distinctions, it is recognized that one entity may play several roles in the context of a single Delayed Authorization POS Transaction. For example, the Acquirer and Acquirer FI may be one and the same. Further, this Rule does not preclude either the establishment of agency relationships for the performance of particular functions under this Rule or Members from performing functions on behalf of non-Members, provided such agents or non-Members are required to comply by agreement with the applicable provisions of this Rule and all other applicable Association rules and/or standards.

Scope

2. This Rule addresses Payment Items arising from individual Delayed Authorization POS Transactions initiated by a Payor using a Payment Application that resides on a device (such as a debit card, key fob, or cellular phone) at a Delayed Authorization POS Gateway which result in debits to a Payor's Account for the purpose of making payments for goods or services, or credits to the Payor's account, in the case of refunds or returns. Payment Applications must conform to the EMV™ Chip Specifications or equivalent technology or standards. Note that pre-funded Delayed Authorization POS programs are also governed by this Rule.

   Unlike Rule E1, this Rule neither requires nor prohibits the use of a PIN or other identifier to verify the identity of the Payor. These Payment Items involve Validation of the Payment Application and Delayed Authorization of the transaction, which will be performed on-line, and which, when approved, results in an obligation on the part of the Payor's FI to Settle for that Payment Item (thereby making all duly Authorized Payment Items not subject to subsequent repudiation by the Payor or dishonour by the Payor FI). Nothing in this Rule requires a Payor FI to Authorize a Delayed Authorization POS Transaction.

   This Rule recognizes that an Acceptor may provide goods or services to a Payor prior to the transaction being Authorized and as a result, the Acceptor incurs the risk that it may not receive payment for the goods or services.

   (Note: For transactions resulting in a credit to the Payor's Account – such as a return/refund, the functions described in this Rule will operate in the reverse manner and may be initiated by the Acceptor and completed without the need for the Payment Application to be present.)

References

3. a. This Rule must be read in conjunction with the following:
    i. Introduction to the ACSS;
    ii. Rule A1;
    iii. Rule B1;
    iv. Rule B2;
    v. Rule D1;
    vi. Rule L1;
    vii. Rule L2;
    viii. Standard 018; and
    ix. List of Institution Numbers and Clearing Arrangements.

    b. Additional guidelines pertaining to other aspects of the Canadian PIN-less POS environment are contained in the following:

        i. *Electronic Authentication Principles* (Industry Canada, November 2003 Rev); and

        ii. Principles Applicable to Shared Electronic Point-of-Service Environments (Canadian Payments Association, June 15, 1997).

Definitions

4. In this Rule,

    a. "Acceptor" means the owner or operator of the Delayed Authorization 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;

    b. "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;

    c. "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;

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

    e. "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;

f. "Connection Service Provider – Delayed Authorization POS" (or "Connection Service Provider") means an entity that connects directly to a Delayed Authorization POS Payments Service network on behalf of another entity;

g. "Member" means any of those persons who are Members of the Canadian Payments Association pursuant to section 4 of the *Canadian Payments Act*;

h. "Delayed Authorization" means the Authorization of a Delayed Authorization POS Transaction following the provision of goods or services;

i. "Delayed Authorization POS Gateway" means a Payment Application-activated user interface approved by the Service to facilitate Delayed Authorization Transactions (e.g. payment terminal, merchant application, or merchant website payment form) and used by a Payor to initiate a Delayed Authorization POS Transaction;

j. "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;

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

l. "Delayed Authorization POS Transaction" means an electronic payment transaction that uniquely identifies it 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;

m. "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;

n. "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);

o. "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);

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

q. "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 Payment Item;

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

s. "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;

t. "PIN" means personal identification number;

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

v. "POS Identifier" means the first four characters in a four- to six- character alphanumeric code that is used by an electronic POS network or a network service provider to identify a Connection Service Provider;

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

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

y. "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 Payor; and

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

PART A – ROLES, RESPONSIBILITIES AND RELATIONSHIPS FOR DELAYED AUTHORIZATION POS PAYMENTS

Part A of this Rule contains general rules pertaining to the roles, responsibilities and relationships applicable to the parties involved in the Exchange, Clearing and Settlement of Delayed Authorization POS Payment Items.

General

5. a. In all matters relating to the Exchange, Clearing and Settlement of Delayed Authorization POS Payment Items for the purpose of Clearing and Settlement, each Member must respect the privacy and confidentiality of Payor, and Acceptor personal and financial information in accordance with applicable Canadian provincial and federal legislation governing the treatment of personal and financial information. In particular, only that information or data that is necessary to effect the processing of the Delayed Authorization POS Payment Item is to be made

available to the Acquirer, and/or the Acceptor during the session. For greater clarity, the Payor's personal banking information, such as but not limited to, the account balance, must not be made available at any time to the Acquirer and/or the Acceptor during the Delayed Authorization POS Transaction.

b. Where an Acquirer FI Exchanges Delayed Authorization POS Payment Items for the purpose of Clearing and Settlement on behalf of a non- Member Acquirer, that Member must obtain a written undertaking from each such non- Member for which it acts to be bound by, adhere to and comply with the requirements of this Rule.

c. Subject to subsection 8(g), each Acquirer FI is responsible and liable for every Delayed Authorization POS Payment Item, and every Item purporting to be a Delayed Authorization POS Payment Item, that it delivers and must indemnify the Association and its Members for any direct loss, costs or damages incurred by virtue of the Exchange of that Item for the purpose of Clearing and Settlement.

d. Compliance with this Rule does not absolve a Member from complying with any other required legislation or rule. Such legislation may include the *Personal Information Protection and Electronic Documents Act* (2000, c. 5) ("*PIPEDA*") or *the Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (2000, c. 17) ("*PCMLTFA*").

Acquirer FI Responsibilities

6. Each Member that functions as an Acquirer FI in a Service is responsible for the following:

   a. registering with the Service;

   b. ensuring each Acquirer for which it acts is registered with the Service;

   c. entering into, or maintaining, an agreement with each Acquirer whereby the Acquirer agrees, in all respects, to comply with the following:

      i. all Association by-laws and rules, including in particular this Rule, and any Association standards that may be applicable;

      ii. to ensure that the Service has adequate information about each Acceptor for which it acts;

      iii. to enter into, or maintaining, an agreement with each Acceptor for which it acts whereby the Acceptor agrees, in all respects, to;

         A. comply with all applicable Association by-laws and rules, including in particular this Rule, and any Association standards that may be applicable;

         B. make available to Payors its policies regarding security, privacy, returns and reimbursements;

         C. employ security measures and controls for the Delayed Authorization POS Gateways that are consistent with current industry standards to protect the privacy and confidentiality of the

Delayed Authorization POS Transaction and any information provided by the Payor; and

iv. to immediately begin an investigation to determine what action should be taken to remedy a situation where the Acquirer becomes aware that there is reasonable evidence or suspicion that the Acceptor is not complying with this Rule. Such action may require the Acceptor to amend its operating practices or a suspension of the clearing services for the Acceptor;

d. Acquiring, Exchanging, Clearing and Settling Delayed Authorization POS Payment Items for the Acquirer and its Acceptors;

e. where the Acquirer FI is not the Acceptor's FI, holding the funds in a segregated account such that the funds are legally protected for the benefit of and subsequent payment to the Acceptor; and

f. where in any instance, the Acquirer FI becomes aware that there is reasonable evidence that the Acceptor is not complying with this Rule, the Acquirer FI must immediately begin an investigation to determine what action should be taken to remedy the situation. Such action may require the Acceptor to amend its operating practices or, if required, a suspension of the clearing services for the Acceptor.

7. a. Where an Acquirer FI also functions as an Acquirer, or the Acquirer and Acceptor are one and the same, the responsibilities with respect to Acquirers and Acceptors as set out in section 6 apply, as applicable; and

b. Where an Acquirer uses an agent, such as but not limited to a reseller or aggregator, the Acquirer FI must ensure the Acquirer is party to the agreement between the agent and the Acceptor and that all parties are complying with the requirements set out in this Rule and in section 6 in particular.

Payor FI Responsibilities

8. Each Member that functions as a Payor FI in a Service is responsible for the following:

a. issuing Payment Applications that conform to EMV™ Chip Specifications or equivalent technology and other applicable industry, security and technical standards;

b. registering with the Service;

c. entering into, or maintaining, an agreement with the Service whereby the Service agrees, in all respects, to:

i. comply with all applicable Association by-laws and rules, including in particular this Rule, and any Association standards that may be applicable; and

ii. employ security measures and controls for its Service that are consistent with current industry standards to protect the privacy and confidentiality of

the Delayed Authorization POS Transaction and any information provided by the Payor, and Acceptor;

d. providing the Payor with a POS Agreement, which clearly identifies the Payor FI

e. if a Payor FI enters into a valid agency agreement with a third party to supply a POS Agreement to its Payors, the Payor FI remains responsible for the content of the agency agreement and clearly indicates that the Member is identified as the issuer of the Payment Application;

f. where the Payor FI opts to use the services of a TSP, entering into, or maintaining, an arrangement with the TSP whereby the TSP agrees, in all respects, to:

   i. comply with all applicable Association by-laws, rules and standards that may be applicable;

   ii. comply with EMV Payment Tokenisation Specifications, or an industry accepted equivalent; and

   iii. employ security measures and controls that are consistent with current industry standards to protect the privacy and confidentiality of the POS Transaction and any information provided by the Payor and Acceptor; and

g. ensuring Validation of the Payment Application by the Service and conducting Authorization for its customers who are Payors in a Delayed Authorization POS Transaction. Authorization must be conducted on-line. Once Authorization has occurred, the Payor FI must honour, Exchange and effect Settlement for the resulting Delayed Authorization POS Payment Item. In the event that there is a failure in either the Service's Validation or the Payor FI's Authorization technology and/or its security controls and policies, the Payor FI is liable to the Payor and Members, as applicable, for any unauthorized Delayed Authorization POS Transactions.

Disclosure

9. Each Member that functions as a Payor FI in a Service is responsible for disclosing to its Payors:
   a. prior to the first usage of the Payment Application, the terms, conditions and risks associated with using the Payment Application; and

   b. the procedures for dispute resolution in accordance with Part C of this Rule.

Delayed Authorization Pre-Funded Programs

10. Where a Payor FI offers pre-funded debit Payment Applications to its Payors, the Payor FI will be liable for the aggregate value of all pre-funded debit Payment Applications issued that have access to the account(s) associated with that pre-funded program.

11. A third party may not offer pre-funded debit Payment Applications without entering into a valid agency agreement with a Payor FI to Authorize a Payor's consent to a Delayed

Authorization POS Transaction. Despite the valid agency agreement, the Payor FI must remain obligated to Settle for the Delayed Authorization POS Payment Items once those Items have been Authorized.

12. Where a Payor FI enters into a valid agency agreement with a third party to offer pre-funded debit Payment Applications to its Payors, the Payor FI will be liable for the aggregate value of all pre-funded debit Payment Applications issued that have access to the account(s) associated with that pre-funded program.

13. For greater certainty, where a Payor FI has entered into an agreement with a non- Member to offer pre-funded debit Payment Applications to its Payors, the Payor FI must remain the drawee.

Registration

14. Acquirer FIs participating in a Service must exercise due diligence and "know your customer" principles to ensure that only Acquirers in good standing are registered with the Service and, in turn, that Acquirers are exercising the same due diligence when signing up Acceptors. At a minimum, the following information must be captured:

    a. the full legal name and address of Acquirers and Acceptors;

    b. the type of business being offered by the Acquirers and Acceptors;

    c. the length of time that the Acquirers and Acceptors have been operating in their business; and

    d. any other information that will help identify Acquirers and Acceptors and the type of business in which they are engaged.

Relationships

15. a. Where an Indirect Clearer uses a Connection Service Provider to process its Delayed Authorization POS Transactions in a Service that Indirect Clearer must ensure that a clearing arrangement and a Settlement Account are established in accordance with Rule D3.

    b. For greater certainty, the establishment of an arrangement solely between an Indirect Clearer and a Connection Service Provider does not fulfil the requirement of section 16 of *By-law No. 3 - Payment Items and ACSS* and Rule D3.

    c. Every Indirect Clearer must give written notice to the President of its clearing arrangement(s) for Delayed Authorization POS Payment Items in accordance with Rule D3.

    d. Where an Indirect Clearer Payor FI offers pre-funded debit Payment Applications to its Payors, the Indirect Clearer Payor FI must disclose such pre-funded debit arrangements to its Clearing Agent.

e. A Direct Clearer that acts as a Settlement Intermediary must give notice of this arrangement to the President in accordance with Rule D1.

f. A Direct Clearer intending to act as a Representative for another Direct Clearer or one intending to terminate its representation, must give notice of this arrangement to the President in accordance with Rule D1. For a Direct Clearer intending to act as a Representative for another Direct Clearer, such notice must include the Institution Number the Representative intends to use in accordance with subsection 15(g).

g. Each Direct Clearer that acts as a Representative making entries into the ACSS in respect of Delayed Authorization POS Payment Items on behalf of another Direct Clearer as a result of that Direct Clearer employing the services of a Connection Service Provider must:

    i. use the Institution Number of the Direct Clearer for which it is acting; or

    ii. use its own Institution Number.

h. Each Direct Clearer that uses its own Institution Number for entries into the ACSS in accordance with paragraph 15(g)(ii) is responsible and liable for the underlying Delayed Authorization POS Payment Items as if they were its own transactions for the purpose of Settlement in the ACSS. It is the responsibility of the Direct Clearer acting as a Representative to ensure it has in place any necessary agreements in support of its Representative arrangements, which must at minimum include the requirement that the Representative agrees to adhere to the provisions of the Canadian Payments Act and all related Association by-laws, rules and standards as they apply to all entries made into the ACSS on behalf of the other Direct Clearer(s). Issues that may arise between a Direct Clearer acting as a Representative and the Direct Clearer for which it acts related to the use of Representative arrangements must be addressed by the parties outside of these Rules.

    For greater clarity, nothing in this Rule precludes a Member from exercising its rights and seeking recourse outside of the Association rules.

i. The relationships referred to in subsections 15(c) and 15(f) must be recorded in the "List of Institution Numbers and Clearing Arrangements" available on payments.ca.

j. A Member may Exchange Delayed Authorization POS Payment Items, for the purpose of Clearing and Settlement, for a non-Member but is responsible and liable for those transactions as if they were their own.

PART B – GENERAL RULES FOR DELAYED AUTHORIZATION POS PAYMENTS

Part B of this Rule contains general rules applicable to the processing of Delayed Authorization POS Transactions and the Exchange of Delayed Authorization POS Payment Items.

16. Each Member must ensure that its entries or entries made on its behalf into the ACSS in respect of Delayed Authorization POS Payment Items originate from an environment that adheres to the following:

    a. Information

        i. All messages comprising of a Delayed Authorization POS Payment Item and the associated information relating to the Payor must be protected to ensure their integrity and authenticity.

    b. Payment Application Validation

        i. The Service is responsible for Validation by the Delayed Authorization POS Gateway of the Payor's Payment Application. Such Validation must occur prior to undertaking each Delayed Authorization POS Transaction.

        ii. Validation techniques must use the accepted Card Authentication Methods (CAMs) outlined by the current EMV™ Chip Specifications, or equivalent technology or accepted industry standards.

    c. Amount

        i. The total or maximum amount of the transaction must be accessible to the Payor, online, within reasonable proximity to the Delayed Authorization POS Gateway, or otherwise at the request of the Payor, prior to or during Validation.

    d. Submission for Authorization

        i. A Delayed Authorization POS Transaction must only be submitted for the purposes of Authorization a maximum of four times within 8 calendar days of Validation, **of which the initial submission must be within 30 hours of Validation.**

        ii. Each submission or resubmission of a Delayed Authorization POS Transaction in accordance with paragraph 16(d)(i) must be for the same amount.

        iii. Despite paragraph 16(d)(i), a Delayed Authorization POS Transaction that has been Authorized must not be submitted again.

    e. Payment Authorization

        i. The Payor's FI must conduct Authorization in an on-line environment, using the current, applicable EMV™ Chip Specifications, or equivalent technology or standards, prior to debiting the Payor's Account.

ii. Authorization must only be conducted if the Payment Application has been duly Validated by the Service.

iii. Upon Authorization, the Payor's FI is deemed to have accepted the Delayed Authorization POS Transaction, which must give rise to a Delayed Authorization POS Payment Item, which must create an obligation on the part of the Payor FI to Settle for that Item.

iv. Where the Payor FI is an Indirect Clearer, it must Settle with the Receiving Direct Clearer. Subject to paragraph (vi), the Receiving Direct Clearer is then obliged to Settle for that Delayed Authorization POS Payment Item with the Delivering Direct Clearer.

v. For greater certainty, where the Payor FI is an Indirect Clearer that uses a Connection Service Provider, the Payor FI must Settle with the Receiving Direct Clearer that is one of its designated Clearing Agent(s) for Delayed Authorization POS Payment Items. That Receiving Direct Clearer is then obliged to Settle for those Delayed Authorization POS Payment Items with the Delivering Direct Clearer.

vi. Where the Payor FI is a Direct Clearer that uses:

A. a Settlement Intermediary, it must Settle with that Settlement Intermediary in lieu of Settling with the Delivering Direct Clearer for those Delayed Authorization POS Payment Items. The Settlement Intermediary must then Settle for those Delayed Authorization POS Payment Items with the Delivering Direct Clearer; or

B. a Representative that, in accordance with paragraph 15(g)(ii) of this Rule has opted to use its own Institution Number for the purpose of making entries into the ACSS, must ensure Settlement is effected between its Representative and the Delivering Direct Clearer. Arrangements for Settlement between the Representative and the Direct Clearer that is the Payor FI must be made by the parties outside of the rules.

Subsequent Dishonour

17. Delayed Authorization POS Payment Items may not be dishonoured. As such, Rule A4 does not apply to these Payment Items.

(Note: For greater certainty, a Delayed Authorization POS Transaction may be submitted for Authorization in accordance with paragraph 16(d)(i), however once the Payor FI Authorizes the Delayed Authorization POS Transaction, it results in an obligation on the part of the Payor's FI to Settle for that Delayed Authorization POS Payment Item (thereby making all duly Authorized Delayed Authorization POS Payment Items not subject to subsequent repudiation by the Payor or dishonour by the Payor FI.

Reconciliation

18. Each Member must maintain sufficient internal records of Delayed Authorization POS Payment Items to determine and confirm that the amounts due to and from other Members, calculated by the ACSS, are correct. These records must be maintained for a period of 1 year. Errors in Delayed Authorization POS Payment Item deliveries entered into the ACSS may be contested and corrected in the manner provided for in Rule B1.

Settlement

19. Rule B1 and Rule B2 apply to the Clearing of Delayed Authorization POS Payment Items through the ACSS. In particular,

    a. All entries into the ACSS in respect of Delayed Authorization POS Payment Items must be made in the National Electronic Settlement Region, using the POS – Debit (P) and POS – Credit (Q) stream identifiers.

    b. ACSS entries must be made in accordance with ACSS procedures and must be made as soon as possible and no later than the ACSS closing time applicable to the Business Day following Authorization.

    c. Such entries must be made in a manner that reflects both the volume and value involved.

    d. ACSS entries using the stream identifier "P" or "Q" must include the appropriate POS Identifier where the entries are in respect of Delayed Authorization POS Payment Items involving:

        i. a Connection Service Provider, who is a non- Member; or

        ii. a Member with multiple direct connections to a Service.

    e. Errors in ACSS entries may be contested and corrected in the manner provided for within the ACSS procedures (refer to Rule B1).

Audit Trail, Tracing

20. Each Member participating in a Service must maintain or have access to an audit trail of each Delayed Authorization POS Transaction for a minimum period of 12 months that contains the information necessary for tracing requests. Each Member that is involved in the Exchange of a Delayed Authorization POS Payment Item for the purpose of Clearing and Settlement must trace the disposition of that Payment Item, if so requested by another Member. Each trace request must contain the following information:

    a. the unique Delayed Authorization POS Payment Item identifier that identifies the Payor and the Payor FI;

    b. local transaction time, if available;

    c. total transaction amount; and

d. Acceptor identification.

PART C – PAYOR INQUIRIES / COMPLAINTS

Part C of this Rule contains the procedures that apply to each Member involved in the Exchange, Clearing and Settlement of Delayed Authorization POS Payment Items if a Payor claims that an Approved Delayed Authorization POS Transaction, purportedly voluntarily initiated by the Payor that gave rise to a Delayed Authorization POS Payment Item, was actually initiated as a result of fraud or theft or was coerced by trickery, force or intimidation. None of the procedures outlined below preclude a party to a Delayed Authorization POS Payment Item from exercising its rights and seeking recourse outside of the Association rules.

Payor FI Responsibilities

21. Payor FIs must have clear, timely procedures for dealing with Payor claims, which must include:
    a. procedures to investigate the claim; and
    b. provisions for review of claims at a senior level within their institution.
22. When a Payor contacts its Payor FI with a claim, the Payor FI must inform the Payor that:
    a. the Payor FI will investigate the Delayed Authorization POS Payment Item(s) in question;
    b. a determination regarding any reimbursement will be dependent on the outcome of the investigation;
    c. the Payor FI will respond to the Payor's claim as soon as possible, but no later than 10 Business Days; and
    d. during the investigation, the Payor FI may require a statement or affidavit from the Payor or request information from another Member which may result in the temporary suspension of the 10 Business Day time limit until the requested information is received.

Member Responsibilities During Investigation

23. Each Member contacted by a Payor FI during the course of an investigation must assist in the investigation and, if requested, trace the disposition of the Delayed Authorization POS Payment Item(s) in question as soon as possible in accordance with section 20 above.