PAYMENTS CANADA

RULE G8

PROCEDURES / CRITERIA PERTAINING TO THE ENCASHMENT OF RECEIVER GENERAL

2025 CANADIAN PAYMENTS ASSOCIATION

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TABLE OF CONTENTS

IMPLEMENTED 3

AMENDMENTS PRE-NOVEMBER 2003 3

AMENDMENTS POST-NOVEMBER 2003 3

INTRODUCTION 4
DEFINITIONS 4
ITEMS TO BE ACCEPTED 4
VERIFICATION 4
AMOUNT LIMITATION 4
IDENTIFICATION REQUIREMENTS 4
ENDORSEMENTS 5
STALE DATED RG WARRANTS 5
REIMBURSEMENT FOR RG WARRANTS 6

APPENDIX I - EXAMPLES OF IDENTIFICATION DOCUMENTS 7

APPENDIX II – PROFORMA 9

IMPLEMENTED

November 1, 1994

AMENDMENTS PRE-NOVEMBER 2003

February 1989, April 1, 1992, December 1, 1997, June 18, 1998, May 25, 2000, July 24, 2000, and May 21, 2001

AMENDMENTS POST-NOVEMBER 2003

1. Section 5; 6; 8(a), (b), Appendix I; and Appendix II , approved by the Board June 29, 2004, effective September 20, 2004.
2. Section 8(c), approved by the Board June 29, 2004, effective January 5, 2005.
3. Amendment to contact information in section 8, approved by the President February 1, 2010.
4. 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.
5. Consequential amendments to reflect changes to Rules G2 and G3. Approved by the Board December 3, 2020, effective January 2, 2021.
6. Amendments to include verification of non-customer encashments and clarification regarding endorsements and the reimbursement procedures for Fraudulently Endorsed RG Warrants, approved by the Board September 23, 2021, effective November 22, 2021.
7. Amendments to the identification requirements of non-customer encashment and the increase to the indemnification amount from $1500 to $1750. Approved by the Board on May 13, 2022, effective June 30, 2022.
8. Amendments to accommodate the ACSS clean-up exercise, approved by the Board February 27, 2025, effective April 28, 2025.

Introduction

1. This Rule outlines procedures pertaining to the encashment of Receiver General (RG) Warrant for a recipient who is not an established account holder (Non-customer). When these procedures are followed, Members will be indemnified by the Government of Canada against fraud losses arising from the encashment of RG Warrants for no more than $1,750.

Definitions

2. In this Rule,
    a. "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.

Items to be Accepted

3. a. RG Warrants to be accepted under these procedures include all RG Warrants, which carry the institution number 117 in the MICR Encoding band, which contain the usual Government of Canada logo but are Cleared through another FI rather than directly to the Government of Canada.

    b. RG Warrants which have been altered will not qualify for reimbursement.

    c. With appropriate notice, the Government of Canada reserves the right to restrict Items included.

Verification

4. If, for any reason, an Authorized Institution wishes to verify an RG Warrant it may do so in accordance with the procedures set out in Rule G7.

Amount Limitation

5. The indemnification will not apply in respect of RG Warrants in excess of $1,750, however, where RG Warrants over $1,750 are accepted by a Member, compensation and fraud-loss reimbursement will be paid to a maximum value of $1,750.

Identification Requirements

6. At the time the RG Warrant is presented for encashment, one of the following identification requirements must be met:
    a. One piece of identification that is issued by the Government of Canada or the government of a province and that bears the signature and photograph of the individual;

b. At least two pieces of identification or two documents including, but not limited to, those set out in Appendix I, one of which indicates the Person's name and address and the other the Person's name and date of birth. If the name shown on one of the pieces of identification presented differs from the name shown on any other piece of identification presented by the individual, the individual must provide a certificate evidencing the change of name that has occurred or a certified copy of the certificate; or

c. Any document from a reliable source provided that:

   i. the document indicates the name and date of birth of the individual; and

   ii. the identity of the individual is also confirmed by a client in good standing with the Member or by an individual in good standing in the community where the Member is situated.

   For a personal reference, the Payee must endorse the Item, and the Member must record the following details on the back of the Item;

   - The word "sponsored";
   - The initials of the Branch employee who verified the Person who vouched for the Payee, followed by the Member name; and
   - The date, either stamped or written.

Also, at the time of presentation of the RG Warrant for encashment, particulars of all identification, including the type of identification, presented by the Payee must be recorded on the reverse side of the Item by the employee of the Member encashing the Item.

For greater clarity, the pieces of identification required to be presented by an individual must be:

- original, valid and not substantially defaced; and
- in the case of a piece of identification issued by the government of a province, usable for identification purposes under the law of the province.

Endorsements

7. RG Warrants must be cashed for the Payee, only when endorsed by the Payee in the teller's presence.
8. RG Warrants that have been signed by both the named Payee and a Person who is not the named Payee will not qualify for reimbursement. Also, the Payee must be an individual, not a business enterprise (either incorporated or unincorporated).

Stale Dated RG Warrants

9. RG Warrants are not subject to the Stale Dated provision in Rule A4. RG Warrants dated 6 months or more prior to the date of presentation may be verified with the Receiver General

Operations (RGO) of Public Services and Procurement Canada (PSPC) in accordance with Rule G7.

Reimbursement for RG Warrants

10. When the RGO returns an RG Warrant with the usual payee affidavit, the Branch of the Authorized Institution is responsible for trying to recover the funds.

    Where funds are not recovered within a reasonable time, the following procedures apply:

    a. The Branch of the Authorized Institution must forward the RG Warrant along with a note confirming that attempts were made to recover the funds (see Reimbursement for Fraudulently Endorsed Items - Claims, attached as Appendix II)

    b. For an RG Warrant that was encashed on the basis of a personal reference, pursuant to subsection 6(c), the "Reimbursement of RG Warrants - Claims" form must be signed by an authorized bank employee other than the Branch employee who initialed the back of the RG Warrant for encashment.

    c. A copy of the RG Warrant must be retained by the Authorized Institution for a period of 12 months in the event that further investigation at the Branch level is required.

    d. The documentation described in subsection 10(a) should be inserted in a RICE (refer to Rule A4). The properly completed RICE (encoded with Institution Number 117 - Receiver General for Canada) and relevant documentation should then be forwarded to the RGO along with other negotiated Government Instruments by the Bank of Canada/RGO courier to Bank of Canada Banking Services Ottawa in accordance with the procedures outlined in Rule G3. The reason for the return on the RICE should read "Reimbursement for RG Warrants." The Government of Canada will reimburse the Authorized Institution to a maximum value of $1,750 provided the identification requirements set out in section 6 have been met.

    e. Where local authorities request the RG Warrant, they should be advised to discuss the matter directly with PSPC. Such request should be directed to the:

Receiver General Operations
C.P. 1000
Matane (Québec)
G4W 4N3
Telephone: 1-844-370-7728

APPENDIX I - EXAMPLES OF IDENTIFICATION DOCUMENTS

1. A driver's license issued in Canada, as permitted to be used for identification purposes under provincial law.
2. A Canadian passport.
3. A Certificate of Canadian Citizenship or a Certificate of Naturalization, in the form of a paper document or card but not a commemorative issue.
4. A Permanent Resident card or Citizenship and immigration Canada Form that meets the requirements outlined in section 6 of this Rule.
5. A birth certificate issued in Canada.
6. An Old Age Security card issued by the Government of Canada bearing the Social Insurance Number of the person named on the card.
7. A Certificate of Indian Status issued by the Government of Canada.
8. A provincial or territorial health insurance card, as permitted to be used for identification purposes under provincial or territorial law.
9. A document or card, bearing the individual's photograph and signature, issued by the government of a province, including, but not limited to the following authorities or their successors:
    a. Insurance Corporation of British Columbia;
    b. Alberta Registries;
    c. Saskatchewan Government Insurance;
    d. Department of Service Nova Scotia and Municipal Relations;
    e. Department of Transportation and Public Works of the Province of Prince Edward Island;
    f. Service New Brunswick;
    g. Department of Government Services and Lands of the Province of Newfoundland and Labrador;
    h. Department of Transportation of the Northwest Territories; and
    i. Department of Community Government and Transportation of the Territory of Nunavut.
10. A Canadian National Institute for the Blind (CNIB) client card bearing the individual's photograph and signature.
11. A foreign passport.
12. A recent notice of tax assessment issued by the Government of Canada or the government of a province or municipality.

13. A recent statement of benefits from the Government of Canada or the government of a province.
14. A recent Canadian public utility bill.
15. A recent bank account or credit card statement.

APPENDIX II – PROFORMA

REIMBURSEMENT FOR RG WARRANTS – CLAIMS

Date_____

Branch_____

Institution Name_____

Details of Returned Items:

Payee Name_____

Cheque Number_____ Amount_____

( ) Check (x) if the sponsorship provisions of Rule G8 were applied

Negotiating Institution Statement:

In regards to this claim for reimbursement, we have been unsuccessful in our endeavours to recover the funds. This claim is being made under Rule G8. Enclosed is the returned RG Warrant.

_____

Signature of Branch Official

NOTE: The above-captioned form should fit the RICE without being forced.