PAYMENTS CANADA

RULE G9

MANUAL PREPARATION AND USE IN A MANUAL BALANCING SITUATION OF THE GOVERNMENT ITEMS CLEARING LOGS

2025 CANADIAN PAYMENTS ASSOCIATION

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IMPLEMENTED

April 2, 2012

AMENDMENTS

1. Amendment to reduce the number of manual simulations to perform for government items in alignment with requirements in B9 and K5, approved by the Board October 11, 2012, effective December 10, 2012.
2. Consequential amendments to accommodate the new ACSS Streams for ISO AFT Government items, approved by the Board February 18, 2016, effective April 18, 2016.
3. Amendments to section 10 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.
4. Consequential amendments to accommodate changes associated with the electronic exchange of Image Captured Government of Canada Paper Instruments, approved by the Board, September 21, 2020, effective November 29, 2020.
5. Amendments to accommodate changes associated with the ACSS Refresh, approved by the Board September 21, 2020, effective November 29, 2020.
6. Consequential amendments to reflect changes to Rules G2 and G3. Approved by the Board December 3, 2020, effective, January 2, 2021.
7. Administrative amendment to replace LVTS references with Lynx, approved by President, effective April 5, 2023.
8. Amendments resulting from ACSS/USBE Contingency Measures Review. Approved by Board March 7, 2024, effective May 6, 2024.
9. Amendments to update the frequency of manual balancing procedures, approved by the Board September 26, 2024, effective November 25, 2024.
10. 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 manual preparation of Government Instruments Clearing Logs, where computer generated Logs are not possible or in the event that a National Failure of the Automated Clearing Settlement System (ACSS) is declared in accordance with Rule B9.

Electronic Manual Balancing Templates and Clearing Exchange Report Data

2. The Association will; make available to each Direct Clearer, in accordance with procedures outlined in the ACSS/USBE User Guide, the following:

    a. electronic templates of manual balancing and Settlement forms; and,

    b. Clearing Exchange Report data entered by that Direct Clearer into the ACSS web application prior to the failure.

Use of Logs and Actual Items Delivered

3. a. Manually prepared Government Instruments Clearing Logs must be used as follows (a sample Log is available in the Manual Balancing SFTP server):

        i. Where a Workstation is unable to connect to the ACSS/USBE web application, a manually prepared Government Instruments Clearing Log must be completed, in duplicate, by each Direct Clearer for each region.

        ii. Each Direct Clearer within each region must deliver one "recap" Government Instruments Clearing Log to the Bank of Canada summarizing the claims for all Government Instruments from that region.

        iii. The original log must be included with the delivery and the duplicate retained by the delivering Direct Clearer.

    b. A Government Instruments Clearing Log must reflect only the number and dollar value of the Government Instruments in the corresponding delivery.

Log Completion

4. When completing each Government Instruments Clearing Log the sending Direct Clearer must identify in the appropriate area:

    a. the Direct Clearer name;

    b. the region for which the claim is being submitted;

    c. the Settlement date;

    d. the volume (number) and the value (amount) of Items for each stream; and

    e. the total volume and value of Items for all entries.

Classification of Government Instruments

5. The following stream identifiers must be used for the classification of Government Instruments:
    a. "B" – Canada Savings (series 32 and higher) and Canada Premium Bonds;
    b. "G" – Receiver General Warrants;
    c. "H" – Other Government Instruments (Canada Savings Bonds (series 31 and lower), Treasury Bills, Marketable Bonds, Coupons, Interest Blocks);
    d. "M" – Government Direct Deposits;
    e. "T" – Receiver General Warrants exchanged in an ICP File;
    f. "W" – Canada Savings Bond certificates (series 32 and higher) and Premium Bond exchanged in an ICP File; and
    g. "AFTG" – Government ISO AFT Direct Deposits.

Use of Logs in a Manual Balancing Situation

6. The procedures outlined in sections 8 to 11 of this Rule must be followed in the event of a National Failure of the ACSS necessitating manual balancing of Government Instruments for the purpose of redemption in all ACSS regions.

Use of Logs in a Manual Balancing Situation – Exception

7. In the event of a National Failure of the ACSS, a Member may hold Government Instruments for the purpose of redemption in all ACSS regions until the next ACSS Cycle. Each Direct Clearer's Senior Operational Committee (SOC) representative must give notice to the Bank of Canada and the Association of its decision.

    Note: The detailed procedures that must be followed by each Direct Clearer are outlined in the ACSS/USBE Contingency Playbook.

Delivery

8. Each Direct Clearer must submit only one recap Government Instruments Clearing Log per region summarizing all Government streams for which they are submitting a claim to the Bank of Canada. Government Instruments Clearing Logs must be faxed or emailed to the Bank of Canada.

Payment for Redemption Claims

9. Payment will be made to the sending Direct Clearer according to the following procedures:
    a. the Bank of Canada will combine redemption claims for payment in the same manner as is used in non-Contingency Situations; and

b. the Bank of Canada will effect payment on the basis of the same standing payment instructions as are used in non-Contingency Situations.

Error Correction

10. The following procedures apply to the correction of errors on Government Instruments Clearing Logs:

    a. where a Direct Clearer wishes to amend any information recorded on a Government Instruments Clearing Log, that Direct Clearer must give telephone notice to the Bank of Canada in respect of its wish to amend; and

    b. the Government Instruments Clearing Log may be amended only where the Bank of Canada and the delivering Direct Clearer concur and the Lynx payment for the Log has not previously been made.

       Note: Refer to Rule G3 for the applicable Adjustment procedures where the Lynx payment for the Log has been made

Resumption of ACSS

11. Once the ACSS resumes normal operations, the Association will input to the system the records of all exchanges that took place while the manual balancing procedures were in effect.

Simulations

12. Each Regional Clearing Association (RCA) must undertake a simulation of the manual balancing of Government Instruments in parallel with the automated system (i.e. the ACSS will remain operational). The number of the simulations will be determined by the Association each year in consultation with the SOC, but must occur at least once per calendar year. Each RCA chairperson must advise the Association and the Bank of Canada, Payment and Settlement Operations, Ottawa, of the date of each simulation and the location of the manual balancing for the purpose of payment function. Each chairperson must also ensure that the requirements set out in this Rule are met for purposes of the simulation.

APPENDIX I

Canadian Payments Association

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