PAYMENTS
CANADA

RTR Rule 1

Interpretation

TABLE OF CONTENTS

IMPLEMENTED

August 24, 2026

AMENDMENTS

[TBD]

1. Authority

This Rule and all other rules related to the exchange, clearing and Settlement between Participants of account-based Real-Time Rail (RTR) Payment Items, are made pursuant to the *Canadian Payments Act*, RSC 1985, c. C-21 (the "*Act*"). The RTR Rules must be read in conjunction with the *Act*, *Canadian Payments Association By-law No. 10 – RTR* (the "*RTR By-law*") and other applicable by-laws made pursuant to the *Act*.

Nothing in the RTR Rules will affect or be interpreted to affect the rights or liabilities of any party to any Payment Item, except as expressly provided.

ID# RTR-R1-0001 **Effective: August 24, 2026**

SCOPE

2. Definitions

Except as otherwise provided in a rule or other document, the following definitions apply in this Rule and all other RTR Rules, and all Association documents referenced in such rules.

For clarity, the defined terms in rule sets applicable to other Association systems will not apply unless indicated in these RTR Rules.

"Association" means the Canadian Payments Association.

"Authorized RTR Payment Fraud" means the intentional misrepresentation committed by a person who is or is purporting to be the intended Payee, which results in the authorized initiation of an RTR Payment Message by a Payor or by an authorized agent of the Payor.

"Bank" as defined in subsection 1(1) of the *RTR By-law*, means the Bank of Canada.

"Bank Rate" means the minimum interest rate that the Bank is prepared to charge in respect to advances, as made public in accordance with the *Bank of Canada Act*.

“Board” means the board of directors of the Association.

“Central Confirmation of Payee” means the centrally managed tool operated by the Central Fraud Services Provider that verifies a Payee's name and the account number before the RTR Payment Message is sent to the RTR Exchange.

“Central Fraud Analytics” means the centrally managed tool operated by the Central Fraud Services Provider that detects patterns of fraudulent behaviour, generates the Fraud Score, and enables a Participant to track, analyze and report on its fraud risk exposure.

“Central Fraud Services” means the four central fraud capabilities: i.e., Central Confirmation of Payee, Central Fraud Analytics, Central Risk List, and Central Fraud Reporting, made available to Participants by the Central Fraud Services Provider.

“Central Fraud Services Provider” means an entity (i) that operates a service and has met the requirements as determined by the Association, (ii) that has been approved by the Association to operate that service in order to provide the Central Fraud Services and (iii) with whom a Participant has entered into an agreement for the provision of the Central Fraud Services.

“Central Fraud Reporting” means the centrally managed reporting tool operated by the Central Fraud Services Provider that generates fraud statistics.

“Central Risk List” means the centrally managed database operated by the Central Fraud Services Provider that contains a list of Suspected Fraud or Confirmed Fraud entries.

“Competitive Service” means a payment scheme, product, or service, other than the service of a Connection Service Provider as defined in this Rule, identified in the RTR Payment Message that supports the processing of an RTR Payment Message.

“Competitive Service Identifier” means a unique identifier allocated by the Association for a Competitive Service and listed in the Registered Competitive Service Identifier directory set out in Rule 3.

“Complaints Body” means an organization that is independent from a Participant that deals with Payor/Payee complaints about financial services and products that have been disputed or have not been resolved to the Payee's/Payor's satisfaction by the Participant. In some cases, the organization may be the Participant's regulator.

"Connection Service Provider" means an entity, identified in the RTR Payment Message, that connects a Participant to the RTR Exchange to facilitate the exchange of RTR Payment Messages with the RTR Exchange on behalf of that Participant.

"Connection Service Provider Identifier" means a unique identifier allocated by the Association for a Connection Service Provider and listed in the Registered Connection Service Provider Identifier directory set out in Rule 3.

"Direct Settlement Participant" as defined in subsection 1(1) of the *RTR By-law*, means a Participant whose RTR Payment Obligations are cleared and Settled through its Settlement Account.

"End-User Error" means an error in an RTR Payment Message caused by the Payor that results in a duplicate payment, misdirected payment, a payment with an incorrect amount or any other type of payment-related end-user error.

"Extended Remittance Information" means all details provided within the "Related Remittance Information" Component and the "Remittance Information" Component in an RTR Payment Message.

"Fraud Assessment" means an assessment made by the Central Fraud Services Provider that consists of a fraud recommendation, a Fraud Score, a risk rating, and a reason code.

"Fraud Control Standards" means the internal controls, processes, and procedures Participants use to mitigate fraud.

"Fraud Data" means all information provided by a Participant to the Central Fraud Services Provider pursuant to an agreement between that Participant and the Central Fraud Services Provider required for the operation of the Central Fraud Services.

“Fraud Score” means the numerical output of the Central Fraud Analytics that indicates the likelihood of fraudulent behaviour with respect to an RTR Payment Message.

“Harmful Content” means content that may harm the Payee, a Participant, the Association or a Member if provided or processed.

“Indirect Settlement Participant” (ISP) as defined in subsection 1(1) of the *RTR By-law*, means a Participant whose RTR Payment Obligations are cleared and Settled through the Settlement Account of a Settlement Agent.

“Institution Number” means a three-digit number, allocated by the Association, which may be utilized on Payment Items to identify a Member.

Note: Institution Number is also referred to as Financial Institution Number (FIN) or Participant identifier.

“ISP Net Position” means the net amount in RTR Clearing and Settlement due to or from an Indirect Settlement Participant from or to its Settlement Agent.

“Malicious Content” means a deceptive or malicious URL that may cause harm to the Payee, a Participant, the Association or a Member that transmits, receives or processes the URL.

“Member” means any of those persons who are members of the Association pursuant to section 4 of the *Act*.

“Member Non-Participant” means a Member that is not a Participant and has entered into an agreement with a Direct Settlement Participant to offer payments to their customers that will be exchanged, cleared and Settled via the RTR System, using the services of such Direct Settlement Participant.

“Net Debit Cap” means a value that may be set by a Settlement Agent in RTR Clearing and Settlement to establish the maximum negative or positive position, including zero, of the Indirect Settlement Participant’s ISP Net Position for whom it acts as a Settlement Agent.

“Non-Financial Message” means a message, formatted in accordance with the RTR ISO 20022 Message Specifications, that is used for communication between the

Participants and the RTR Exchange including the Payment Acceptance Status Message (pacs.002), Payment Outcome Report (pacs.002), and Settlement Outcome Message (pacs.002).

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

"On-Us Payment" means a Payment Message where the Payor and Payee accounts are held with the same Participant.

For clarity, this includes situations where the Payor and Payee accounts are held by two Member Non-Participants that are using the same Direct Settlement Participant for their RTR real-time payment services.

"On-We Payment" means a Payment Message where the Payor and Payee accounts are held with different Participants that use the same Settlement Agent.

For clarity, this includes situations where one of the accounts is held at a Direct Settlement Participant that is acting as a Settlement Agent for an Indirect Settlement Participant where the other account is held except in the case where such Participants have a parent-subsidiary relationship.

"Participant" as defined in subsection 1(1) of the *RTR By-law*, means a Member whose application to participate in the RTR System has been approved under subsection 5(2) of the *RTR By-law*.

"Participant Business Day" means a Participant's local business hours.

"Participant-to-Participant Transfer" as defined in subsection 1(1) of the *RTR By-law*, means a transfer of an amount of funds in RTR Clearing and Settlement from one Direct Settlement Participant to another Direct Settlement Participant who is the ultimate beneficiary of the amount.

"Participant Workstation" means the computing device that meets the minimum requirements set out in the RTR Service Level Description and is used by RTR Authorized Personnel to access the RTR Exchange and RTR Clearing and Settlement Portals.

"Payee" as defined in subsection 1(1) of the *RTR By-law*, means the person to whom the fixed amount set out in a Payment Message is to be paid or credited, whether or not that person is the ultimate beneficiary of the amount.

Note: The Payee is also referred to as the Creditor.

"Payment Acceptance Status Message" means a Non-Financial Message (FItoFIPaymentStatusReport Message - pacs.002) submitted by the Receiving Participant to the RTR Exchange indicating whether it accepts or rejects the RTR Payment Message.

"Payment Capacity" means the amount of funds in the Settlement Account of a Direct Settlement Participant other than the Reserved Balance.

"Payment Exchange" as defined in subsection 1(1) of the *RTR By-law*, means an electronic system that facilitates the exchange of payment messages.

"Payment Message" as defined in subsection 1(1) of the *RTR By-law*, means an electronic message that sets out an RTR Payment Obligation and is, or is to be, exchanged in a Payment Exchange

"Payment Outcome Report" means a Non-Financial Message (FItoFIPaymentStatusReport Message - pacs.002) sent by the RTR Exchange to the Sending Participant and Receiving Participant indicating whether the RTR Payment Message has been accepted or rejected by the RTR Exchange

"Payment Return Request" means a request by a Sending Participant to a Receiving Participant for the return of the amount set out in the RTR Payment Message .

"Payment Status Request Message" means a Non-Financial Message (FItoFIPaymentStatusRequestReport Message - pacs.028) submitted by a Participant to the RTR Exchange to request the status of an RTR Payment Message and formatted in accordance with the RTR ISO 20022 Message Specifications.

"Payor" means a person from whom the amount specified in a Payment Message is debited whether or not that person is the ultimate payor of the amount.

Note: The Payor is also referred to as the Debtor.

"Processing Error" means an error, beyond the control of the Payor and Payee, in an RTR Payment Message caused by a system, process or technical failure of a Participant, including the Participant's Connection Service Provider or Competitive Service, that results in a duplicate payment, misdirected payment, payment with an incorrect payment amount or any other type of payment-related processing error.

"Receiving Participant" as defined in subsection 1(1) of the *RTR By-law*, means the Direct Settlement Participant or Indirect Settlement Participant who, in an RTR Payment Message or in Settlement Instructions, is identified as the Participant who is to receive the fixed amount set out in the RTR Payment Message or in those instructions.

Note: The Receiving Participant is also referred to as the Instructed Agent.

"Related Remittance Information Component" means any detail provided in the "Related Remittance Information" element within an RTR Payment Message in the RTR ISO 20022 Format (including any of their respective sub-elements) as defined in the RTR ISO 20022 Message Specifications.

"Remittance Information Component" means any detail provided in the "Unstructured" element or "Structured" element within the "Remittance Information" element (and sub-elements) of the RTR Payment Message as defined in the RTR ISO 20022 Message Specifications.

"Reserved Balance" means the total amount in the Settlement Account of a Direct Settlement Participant that has been reserved, in accordance with subsection 35(1) of the *RTR By-law*, for the Settlement of RTR Payment Obligations.

"RTR Authorized Personnel" means an individual, including a third-party provider engaged by a Participant or the Bank, authorized by a Participant or the Bank to access both or either the RTR Exchange Portal or the RTR Clearing and Settlement Portal on its behalf.

"RTR Clearing and Settlement" as defined in subsection 1(1) of the *RTR By-law*, means the electronic system that is a component of the RTR System and in which RTR Payment Obligations are cleared and Settled.

"RTR Clearing and Settlement Portal" means the graphical user interface that enables RTR Authorized Personnel to perform RTR Clearing and Settlement activities as described in the RTR Participant User Guide.

"RTR Clearing and Settlement Registry" means a registry held in RTR Clearing and Settlement that contains information relating to RTR Clearing and Settlement such as supported Payment Exchanges, Participants' configuration information, Settlement Agents and their relationships and corresponding participation in supported Payment Exchanges, and financial risk control parameters.

"RTR Clearing and Settlement Value Limit" means the maximum Canadian dollar value of an RTR Payment Obligation, set by the Association, that applies to all Settlement Instructions received in RTR Clearing and Settlement other than those arising from Participant-to-Participant Transfers.

"RTR Exchange" as defined in subsection 1(1) of the *RTR By-law*, means the Payment Exchange that is a component of the RTR System.

"RTR Exchange Portal" means the graphical user interface that enables RTR Authorized Personnel to perform RTR Exchange activities described in the RTR Participant User Guide.

"RTR Exchange Registry" means a registry held in the RTR Exchange that contains Participants' configuration information relating to the RTR Exchange including information on the Participants' Competitive Services and Connection Service Providers.

"RTR Exchange Value Limit" means the maximum Canadian dollar value of an RTR Payment Obligation, set by the Association, that applies to all RTR Payment Messages.

"RTR Emergency Committee" is a group comprising of representatives of the Association, the Bank, and Participants convened for the purpose of addressing any issue, including Severity 1 and Severity 2 Incidents, relating to the RTR System.

"RTR Financial Institution Number Lookup Database" means an electronic directory maintained by the Association based on Participant input. It includes information essential to facilitating the processing of RTR Payment Messages.

"RTR Financial Institution Number Lookup Database Update Report" means a detailed report of changes in the current cycle of the RTR Financial Institution Number Lookup Database.

"RTR Operating Cycle" means the period in the day during which the RTR System is operational.

"RTR Payment Message" as defined in subsection 1(1) of the *RTR By-law*, means a Payment Message that is, or is to be, exchanged in the RTR Exchange.

"RTR Payment Obligation" as defined in subsection 1(1) of the *RTR By-law*, means the obligation of a Participant to pay another Participant a fixed amount in RTR Clearing and Settlement.

"RTR System" as defined in subsection 1(1) of the *RTR By-law*, means a real-time exchange, clearing and Settlement system, also known as the Real-Time Rail, that is owned and operated by the Association.

"Sending Participant" as defined in subsection 1(1) of the *RTR By-law*, means a Direct Settlement Participant or Indirect Settlement Participant who, in an RTR Payment Message or in Settlement Instructions, is identified as the Participant who is to pay the fixed amount set out in the RTR Payment Message or in those instructions.

Note: The Sending Participant is also referred to as the Instructing Agent.

"Settlement" means the transfer of the amount of an RTR Payment Obligation by means of entries made by the Association to the Settlement Accounts of the Sending Participant and the Receiving Participant or, where the Sending Participant or Receiving Participant is an Indirect Settlement Participant, entries to the Settlement Account of that Indirect Settlement Participant's Settlement Agent. "Settle" and "Settled" have corresponding meanings.

"Settlement Account" as defined in subsection 1(1) of the *RTR By-law*, means an account on the books of the Bank that a Direct Settlement Participant has in RTR Clearing and Settlement and to which the Association makes entries respecting the clearing and Settlement of RTR Payment Obligations.

"Settlement Agent" as defined in subsection 1(1) of the *RTR By-law*, means a Direct Settlement Participant who is approved under section 16 of the *RTR By-law* to clear and Settle RTR Payment Obligations in RTR Clearing and Settlement on behalf of Indirect Settlement Participants.

"Settlement Instructions" as defined in subsection 1(1) of the *RTR By-law*, means information that sets out the details necessary for the clearing and Settlement of an RTR Payment Obligation in RTR Clearing and Settlement and:

a. is generated by a Payment Exchange and sets out the RTR Payment Obligation from a Payment Message; or

b. is generated by RTR Clearing and Settlement for a Participant-to-Participant Transfer and sets out the RTR Payment Obligation.

"Settlement Outcome Message" means a Non-Financial Message (FItoFIPaymentStatusReport Message - pacs.002) sent by the RTR Exchange to the Sending Participant and Receiving Participant, under subsection 41(3) of the *RTR By-law*, notifying whether or not Settlement of an RTR Payment Obligation has occurred.

"Severity 1 Incident" means an incident where a Participant's RTR-related services are affected in a way that threatens or harms the RTR System, including a cyber attack on a Participant's system or service or other large-scale Participant incidents.

"Severity 2 Incident" means an incident where a Participant is unable to exchange, clear, or Settle RTR Payment Messages or make the funds available in accordance with the RTR Rules but that does not threaten or harm the RTR System.

"Temporary Restriction" means the temporary removal of a Participant's ability to send or receive an RTR Payment Message to or from the RTR Exchange, or the ability to clear and Settle RTR Payment Obligations in RTR Clearing and Settlement, by the President exercising their discretion in accordance with section 48 of the *RTR By-law*.

"Third-Party Exchange" as defined in subsection 1(1) of the *RTR By-law*, means a Payment Exchange that, under an agreement with the Association, may submit Settlement Instructions to RTR Clearing and Settlement.

"Unauthorized RTR Payment" means an RTR Payment Message initiated by a person other than the person or persons who are authorized to do so.

"Unique End-to-End Transaction Reference" (UETR) means a unique identifier that provides an end-to-end reference of a payment as defined within the *RTR ISO 20022 Specifications*.

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3. Reference To Time

Where reference is made to the time of day in the RTR Rules, such time is "Eastern Time" unless otherwise specifically stated.

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4. Effective Date

Subject to the exercise of the rule disallowance powers by the Minister of Finance under section 19.2 of *the Act*, a new rule or rule amendment will come into force 60 calendar days following Board approval or on a day otherwise selected in consultation with the RTR Operational Committee and specified by the Board.

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5. Compliance

All matters relating to compliance will be dealt with by the Association and, as appropriate, in accordance with the procedures outlined in the *Canadian Payments Association By-law No. 6 – Compliance*.

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6. RTR Audit

The Association will provide Participants with a copy of its annual external audit report that will include audit scope and results of testing of key controls in place for operating the RTR System.

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7. Reference

The RTR Rules must be read in conjunction with the following user guides, procedural and technical documentation as may be updated from time to time:

a. RTR Service Level Description;

b. RTR Participant User Guide;

c. RTR ISO 20022 Message Specifications;

d. RTR ISO 20022 Message Specification Companion Document;

e. RTR Exchange API Specifications;

f. RTR Connection Service Provider Onboarding Guide;

g. RTR Clearing and Settlement Reporting API Specifications;

h. RTR Participant Onboarding Guide;

i. RTR Emergency Description Document;

j. RTR Fraud Services Manual;

k. RTR Financial Institution Number Lookup Database Manual;

l. Request for Information - Sanctions Screening Procedures Document;

m. Request for Returns/Returns Procedures Document;

n. Guideline - Establishing Criteria for Adding Suspected and Confirmed Fraud to the Central Risk List; and

o. Guideline on Processes and Approaches to Handling Fraud Assessments.

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