PAYMENTS CANADA

RTR Rule 12

Suspension, Revocation, Withdrawal & Reinstatement

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IMPLEMENTED

August 24, 2026

AMENDMENTS

[TBD]

INTRODUCTION - SCOPE

This Rule outlines the requirements related to the suspension, revocation and reinstatement of a Participant's permission to participate in the RTR System, as well as the procedure for the voluntary withdrawal of a Participant from participation.

This Rule also includes requirements related to the suspension, revocation and reinstatement of the approval given to a Direct Settlement Participant to act as a Settlement Agent.

SUSPENSION - PARTICIPANT

1. Suspension - Access to Settlement Account

Pursuant to section 9 of the *RTR By-law*, the President must suspend a Direct Settlement Participant's permission to participate in the RTR System, upon notice provided to the President by the Bank that the Direct Settlement Participant no longer has access to its Settlement Account.

ID# RTR-R12-0001 **Effective: August 24, 2026**

2. Suspension - Other

A Participant's permission to participate in the RTR System may be suspended by the President, in accordance with subsection 10(1) of the *RTR By-law*, if:

a. in the case of an Indirect Settlement Participant, it does not have a designated Settlement Agent who may act on its behalf;

b. the Participant no longer meets the technical, operational, security (including the fraud requirements set out in Rule 13), Settlement Account funding (in Rule 8) or testing requirements set out in Rule 4; or

c. the Participant fails to pay an applicable fee.

ID# RTR-R12-0002 **Effective: August 24, 2026**

3. Suspension — Exceptional Circumstances

Pursuant to subsection 11(1) of the *RTR By-law*, with the concurrence of the Minister and the Governor of the Bank, the President may suspend a Participant's permission to participate in the RTR System if

a. an agent of His Majesty in right of Canada, an agent or mandatary of His Majesty in right of a province, a regulator or supervisory body has

   i. taken over control of a Participant or any of its assets, or

   ii. made a declaration that the Participant is no longer considered to be viable, or

   iii. made a declaration that the Participant is unable to meet its liabilities as they become due,

and its further participation could adversely affect the efficiency, safety or soundness of the RTR System.

ID# RTR-R12-0003 **Effective: August 24, 2026**

4. Notification to the Bank

Pursuant to subsection 10(2) of the *RTR By-law*, the President must notify the Bank of its intention to suspend a Participant's permission to participate in the RTR, prior to the suspension.

ID# RTR-R12-0004 **Effective: August 24, 2026**

5. Suspension Notice

Subject to section 4, where the President has made a decision to suspend a Participant's permission to participate pursuant to sections 1 to 4 above, the President will:

a. without delay, notify such Participant that its permission to participate in the RTR System is suspended;

b. restrict the Participant's access to the RTR System; and

c. as soon as feasible after suspending the Participant, notify the following of the suspension:

   i. Official Contact of each of the other remaining Participants

   ii. RTR Operational Committee, and

   iii. RTR Emergency Committee.

ID# RTR-R12-0005 **Effective: August 24, 2026**

REVOCATION

6. Board Revocation of Approval of Participation

Under subsection 13(1) of the *RTR By-law*, a Member's approval to participate in the RTR System may be revoked by the Board if:

a. in the case of a Direct Settlement Participant, the Member no longer has access to its Settlement Account;

b. in the case of an Indirect Settlement Participant, the Member does not have a designated Settlement Agent who may act on its behalf;

c. the Member no longer meets the technical, operational, security (including the fraud requirements set out in Rule 13), Settlement Account funding (Rule 8) or testing requirements set out in Rule 4.

ID# RTR-R12-0006 **Effective: August 24, 2026**

7. Notice of Revocation

a. Prior to revoking a Participant's approval to participate in the RTR System pursuant to section 6 above, the President will notify the Bank of its intention.

b. Following the revocation, the President must:

  i. without delay, notify the impacted Member of the revocation; and

  ii. as soon as feasible, notify the Official Contact of each of the other Participants and the RTR Operational Committee of the revocation.

ID# RTR-R12-0007 **Effective: August 24, 2026**

REINSTATEMENT

8. Application for Reinstatement following Revocation or Suspension

Pursuant to subsection 14(1) of the *RTR By-law*, a Participant whose permission is suspended under section 1 or 2 or a Member whose approval to participate in the RTR System is revoked under section 6 may submit an application (substantially in the form of Appendix I) to the President to have that permission or approval reinstated. The Participant must provide all documentation, evidence and information as may reasonably be required by the Association to support reinstatement.

ID# RTR-R12-0008 **Effective: August 24, 2026**

9. Reinstatement

In accordance with subsection 14(2) of the *RTR By-law*, the President must reinstate the permission or approval if the application described in section 8 of this Rule demonstrates that the circumstances giving rise to the suspension or revocation no longer exist.

ID# RTR-R12-0009 **Effective: August 24, 2026**

10. Non-Approval

Where the President determines that the criteria for reinstatement have not been met, the President will refuse to approve the application for reinstatement.

ID# RTR-R12-0010 **Effective: August 24, 2026**

11. Reasons in Writing

Where the President decides not to approve an application for reinstatement, the President will communicate that decision in writing to the Participant or Member, including the reasons for non-approval of the application.

ID# RTR-R12-0011 **Effective: August 24, 2026**

12. Reinstatement Notice

Where the Member or Participant has been reinstated pursuant to section 14 of the *RTR By-law*, the President must:

a. without delay notify the Member or Participant of the reinstatement of their approval or permission;

b. reinstate the Participant's access to the RTR System; and

c. as soon as feasible, notify the Official Contacts of each Participant and the RTR Operational Committee (as applicable) of the reinstatement.

ID# RTR-R12-0012 **Effective: August 24, 2026**

13. Reinstatement from Suspension - Exceptional Circumstances

Pursuant to subsection 11(2) of the *RTR By-law*, where the Participant's permission to participate in the RTR System is suspended in accordance with section 3 above, the President may reinstate the Participant's permission with the concurrence of the Minister and the Governor of the Bank, if the President determines that the Participant's further participation in the RTR System will not adversely affect the efficiency, safety or soundness of the RTR System.

ID# RTR-R12-0013 **Effective: August 24, 2026**

WITHDRAWAL

14. Participant Withdrawal

Pursuant to section 15 of the *RTR By-law*, a Participant may withdraw from participation in the RTR System by providing written notice to the President of its intention to withdraw at least 60 calendar days in advance of the effective date of its withdrawal specified in the notice.

ID# RTR-R12-0014 **Effective: August 24, 2026**

15. Notice to Participant

The Association will, as soon as feasible, notify the Official Contacts of each of the other Participants and, as applicable, the RTR Operational Committee of the withdrawal notice and the effective date of withdrawal.

ID# RTR-R12-0015 **Effective: August 24, 2026**

WITHDRAWAL DUE TO AN AMALGAMATION

16. Notice of Amalgamation

In the event of an intended amalgamation between two or more Participants, the amalgamating Participants must jointly give written notice to the President at least 60 calendar days in advance of the expected date of amalgamation. The notice of amalgamation must:

a. provide the expected date of amalgamation;

b. indicate which of the amalgamating Participants is to be designated as the new or continuing Participant for the purpose of effecting Settlement and making entries into the RTR System;

c. request, if applicable, a transition period, as contemplated in section 17;

d. if applicable, provide a list of all RTR arrangements associated with the withdrawing Participant(s) referenced under the rules to be transferred to the continuing Participant that will continue to exist solely for the exchange of Payment Items for a particular amalgamating Participant during such 1 year period; and

e. provide any other pertinent details.

If there are any changes to the information in the notice of amalgamation, the amalgamating Participants will notify the President in writing as soon as practicable. Additionally, for greater certainty, the notice of amalgamation does not change or impact any other notification requirements under the Rules.

ID# RTR-R12-0016 **Effective: August 24, 2026**

17. Amalgamation Transition Period

The amalgamating Participants may:

a. submit a request for a transition period of up to 1 year from the date of amalgamation, specifying the required duration. The President will provide approval of the request as soon as practicable unless the President determines, in consultation with the Bank, that such approval would adversely affect the efficiency, safety and soundness of the RTR System, or if the Bank indicates that it will not support the continued participation of the amalgamating Direct Settlement Participant(s);

b. if the request in subsection (a) is approved, continue to participate in RTR as separate Participants during the transition period; and

c. request an extension of the transition period, in writing, including the reason for the extension and the duration, at least 30 calendar days prior to the expiration of the transition period, for approval by the President in accordance with the process described in subsection (a).

ID# RTR-R12-0017 **Effective: August 24, 2026**

18. Amalgamation Transition Period Requirements

During the transition period, if applicable:

a. the purposes of RTR Emergency Committee voting pursuant to Rule 9, only the continuing Participant will have a vote; and

b. both the continuing Participant and the withdrawing Participant(s) may maintain an Official Contact.

ID# RTR-R12-0018 **Effective: August 24, 2026**

19. Transfer of Arrangements

RTR related arrangements associated with the withdrawing Participant(s) referenced under the Rules will not be available upon the later of the date of amalgamation or the expiration of the transition period if applicable, unless a transfer of such arrangements to the continuing Participant is approved by the Association.

For greater certainty, such RTR related arrangements include any rights, designations, authorizations, approved hardware, third party service or other specifications under the Rules associated with the withdrawing Participant(s), and may include the official contact, RTR Authorized Personnel, Participant Workstations, and cross-border arrangements.

ID# RTR-R12-0019 **Effective: August 24, 2026**

20. Effective Date of Withdrawal

The withdrawal of a Participant will take effect as follows:

a. at the end of the RTR Operating Cycle on the effective date of withdrawal specified in the notice given to the President; or

b. in the case of a Participant(s) withdrawing due to an amalgamation, at the end of the RTR Operating Schedule on the later of the date of amalgamation or the expiration of the transition period if applicable.

ID# RTR-R12-0020 **Effective: August 24, 2026**

21. Remaining Obligations

The withdrawal of a Participant does not relieve the Participant of its obligations to pay any unpaid expenses charged to the Participant for services provided by the Association relating to RTR and to complete such other documentation as may reasonably be required by the Association.

ID# RTR-R12-0021 **Effective: August 24, 2026**

22. Fees or Dues Paid

A Participant that withdraws from participation in RTR either on their own accord or due to an amalgamation, is not entitled to a return of any amounts paid by that Participant including an application fee, annual dues or transaction fees relating to RTR participation.

ID# RTR-R12-0022 **Effective: August 24, 2026**

23. Copy of Notice

a. The Association will forward a copy of any notice of withdrawal received by the President; or

b. In the event of a notice of amalgamation, provide the information contemplated under section 17, including whether a requested transition period will be permitted, to all other Participants including the Bank as soon as feasible.

ID# RTR-R12-0023 **Effective: August 24, 2026**

SUSPENSION - SETTLEMENT AGENT

24. Suspension - Access to Settlement Account

The President must suspend a Direct Settlement Participant's approval as a Settlement Agent provided under section 16 of the *RTR By-law* if the Bank notifies the President that the Direct Settlement Participant no longer has access to its Settlement Account used in relation to its activities as a Settlement Agent as referred to in paragraph 16(2)(a) of the *RTR By-law*.

ID# RTR-R12-0024 **Effective: August 24, 2026**

25. Suspension - Other

Pursuant to subsection 18(1) of the *RTR By-law,* the President may suspend a Direct Settlement Participant's approval to act as a Settlement Agent if the Direct Settlement Participant no longer meets the applicable requirements as set out in Rule 4 or it fails to pay a Settlement Agent fee, if applicable.

ID# RTR-R12-0025 **Effective: August 24, 2026**

26. Notification to the Bank

Pursuant to subsection 18(2) of the *RTR By-law*, the President must notify the Bank of its intention to suspend a Direct Settlement Participant's approval to act as a Settlement Agent as set out in section 25, prior to the Direct Settlement Participant's suspension.

ID# RTR-R12-0026 **Effective: August 24, 2026**

27. Notification - Settlement Agent Suspension

Where the President has made a decision to suspend permission to act as a Settlement Agent pursuant to sections 24 and 25 above, the President must:

a. without delay, notify the Direct Settlement Participant that its approval to be a Settlement Agent is suspended;

b. as soon as feasible, notify each Official Contacts of each of the other Participants and the RTR Operational Committee of the suspension; and

c. convene a meeting of the RTR Emergency Committee if, the Association in its discretion, decides it is necessary to do so.

ID# RTR-R12-0027 **Effective: August 24, 2026**

REVOCATION - SETTLEMENT AGENTS

28. Board Revocation of Approval of Settlement Agent

The Board may revoke a Direct Settlement Participant's approval to be a Settlement Agent under section 16 of the *RTR By-law* if, as outlined in the requirements in Rule 4, it:

a. no longer has access to the Settlement Account used in relation to its activities as a Settlement Agent;

b. no longer meets the technical, operational, security (including the fraud requirements set out in Rule 13), settlement account funding or testing requirements that are applicable to a Settlement Agent; or

c. fails to pay a fee that is applicable to Settlement Agents.

ID# RTR-R12-0028 **Effective: August 24, 2026**

29. Notification - Revocation of Approval of Settlement Agent

Where the Board has made a decision to revoke the approval of a Direct Settlement Participant to act as a Settlement Agent pursuant to section 28 above, the President will:

a. notify the Bank prior to revocation of the approval to act as a Settlement Agent;

b. without delay, notify the Direct Settlement Participant that its approval to act as a Settlement Agent is revoked;

c. as soon as feasible, notify the Official Contacts of each of the other Participants of the revocation and the RTR Operational Committee as applicable; and

d. convene a meeting of the RTR Emergency Committee if the Association, in its sole discretion, decides it is necessary to do so.

ID# RTR-R12-0029 **Effective: August 24, 2026**

REINSTATEMENT - SETTLEMENT AGENT

30. Application for Reinstatement

Pursuant to subsection 21(1) of the *RTR By-law*, a Direct Settlement Participant whose approval to act as a Settlement Agent has been suspended pursuant to section 24 or 25 or revoked pursuant to section 28, may, submit an application (substantially in the form of Appendix II) to the President to have the approval reinstated.

ID# RTR-R12-0030 **Effective: August 24, 2026**

31. Reinstatement

The President must reinstate the approval to act as a Settlement Agent if the application for reinstatement demonstrates that the circumstances giving rise to the suspension or revocation no longer exist.

ID# RTR-R12-0031 **Effective: August 24, 2026**

32. Non-Approval

Where the President determines that the criteria for reinstatement of the approval to act as a Settlement Agent has not been met, the President will refuse to approve the application for reinstatement.

ID# RTR-R12-0032 **Effective: August 24, 2026**

33. Reasons in Writing

Where the President decides not to approve an application for reinstatement of a Direct Settlement Participant as described in section 32, the President will communicate that decision in writing to the Participant, including the reasons for non-approval of the application.

ID# RTR-R12-0033 **Effective: August 24, 2026**

34. Notification of Reinstatement

Upon reinstatement of the approval as outlined in section 31, the President, notify the following of the reinstatement:

a. the Bank;

b. the Participant that is the subject of the reinstatement without delay;

c. the Official Contacts of each of the other Participants; and

d. the RTR Operational Committee, as applicable.

ID# RTR-R12-0034	**Effective: August 24, 2026**

PARTICIPANT OBLIGATIONS

35. Official Contact Obligation

Upon receipt of any notification from the Association outlined in this Rule, each Participant shall be responsible for notifying each person within its organization which requires notification.

ID# RTR-R12-0035	**Effective: August 24, 2026**

APPENDIX I - APPLICATION FOR REINSTATEMENT FOLLOWING REVOCATION OR SUSPENSION - PARTICIPANT

1. Name of Institution:____
2. Financial Institution Number:_______________________________________
3. Name, title, address (including e-mail) telephone number of a duly authorized officer of the Applicant responsible for matters related to RTR Participation:

   Name: ____
   ____

   Address: ____
   ____

   Tel: ___________________________ Email :__________________________

4. Reinstatement following: ___ Suspension OR ____ Revocation
5. Please attach supporting documentation, e.g., relevant audit reports etc., to demonstrate that the conditions that led to the organization's suspension/revocation from participation in the RTR System no longer exist.
6. Signature of a duly authorized officer of the Applicant:

   Signature:____

   Name:____

   Title:____

   Date:____

Please complete this form and submit to the Association (c/o Legal Department).

APPENDIX II - APPLICATION FOR REINSTATEMENT FOLLOWING REVOCATION OR SUSPENSION - SETTLEMENT AGENT

1. Name of Institution:____
2. Financial Institution Number:________________________________
3. Name, title, address (including e-mail) telephone number of a duly authorized officer of the Applicant responsible for matters related to RTR Participation:

   Name: ____
   ____
   ____

   Address: ____
   ____

   Tel: __________________________ Email :_____________________
4. Reinstatement following: ____ Suspension OR _____ Revocation
5. If reinstatement of a Direct Settlement Participant, is the institution also seeking reinstatement as a Settlement Agent? ____ Yes ____No
6. Please attach supporting documentation, e.g., relevant audit reports etc., to demonstrate that the conditions that led to the organization's suspension/revocation from participation in the RTR System no longer exist.
7. Signature of a duly authorized officer of the Applicant:

   Signature:______________________________________

   Name:____

   Title:____

   Date:____

Please complete this form and submit to the Association (c/o Legal Department).