RTR Rule 7

Funds Availability Exceptions And Returns

TABLE OF CONTENTS

IMPLEMENTED

August 24, 2026

AMENDMENTS

[TBD]

INTRODUCTION - SCOPE

This Rule outlines the exception handling procedures applicable to RTR Payment Obligations exchanged in the RTR Exchange and Settled in RTR Clearing and Settlement in circumstances where the Receiving Participant is relieved of its obligation to make the amount of an RTR Payment Message available to the Payee on a final and irrevocable basis.

For clarity, nothing in this Rule affects any right or remedy that a Participant or any person may have under the general law in relation to a payment made or credited in error.

1. Exceptions to Crediting of Payee

In accordance with section 45 of the *RTR By-law*, where certain exceptional circumstances exist, a Receiving Participant is relieved of its obligation to make the amount of an RTR Payment Message available to the Payee within the time limit for funds availability as set out in Rule 6. In such circumstances, the Receiving Participant must instead comply with the procedures set out in sections 2 to 8.

ID# RTR-R7-0001 **Effective: August 24, 2026**

2. Errors

a. In accordance with subsection 45(a) of the *RTR By-law*, where a Receiving Participant discovers, before making the amount of an RTR Payment Message available to a Payee, that:

   i. the RTR Payment Message is a duplicate, as identified by the presence of an UETR identical to a UETR contained in an RTR Payment Message previously sent to the Receiving Participant by the Sending Participant; or

   ii. there is an error or omission in the RTR Payment Message by reason of which the Receiving Participant cannot make the amount of the RTR Payment Message available to the Payee, the Receiving Participant must, in accordance with the procedures outlined in section 21, initiate the return of the amount of the RTR Payment Message to the Sending Participant as soon as possible but no later than the Participant's next business day following receipt of the Settlement Outcome Message associated with the RTR Payment Message that is duplicated or contains the error.

b. A Receiving Participant has no duty to detect the circumstances described in subsection (a).

ID# RTR-R7-0002 **Effective: August 24, 2026**

3. Foreign Currency Account

In accordance with subsection 45(b) of the *RTR By-law*, if a Receiving Participant receives an RTR Payment Message for a Payee with a foreign currency (non-Canadian dollar) account and chooses not to convert the amount, the Receiving Participant must initiate the return of the amount. This return must be initiated in accordance with the return procedures in section 21, below as soon as possible, and no later than the next business day after receiving the Settlement Outcome Message.

ID# RTR-R7-0003 **Effective: August 24, 2026**

4. Malicious or Harmful Content

In accordance with subsection 45(c) of the *RTR By-law*, where a Receiving Participant receives an RTR Payment Message and has reasonable grounds to believe that it contains Malicious Content or Harmful Content, the Receiving Participant must either:

a. initiate the return of the amount of such RTR Payment Message to the Sending Participant, as soon as possible but no later than the Participant's next business day following receipt of the Settlement Outcome Message associated with the

RTR Payment Message, in accordance with the return procedures outlined in section 21;

b. make the amount of the RTR Payment Message available to the Payee, in accordance with section 43 of the *RTR By-law*, as soon as reasonably practicable; or

c. otherwise treat the amount in accordance with the contractual arrangements between the Receiving Participant and the Payee.

ID# RTR-R7-0004 **Effective: August 24, 2026**

5. Events Beyond Control

In accordance with subsection 45(d) of the *RTR By-law*, where a Receiving Participant cannot make the amount of an RTR Payment Message available to a Payee due to a technical malfunction or other event that:

a. is beyond the reasonable control of the Participant; and

b. directly impairs the continued normal functioning of the Participant's operating systems and procedures,

the Receiving Participant must make the amount of the RTR Payment Message available to the Payee in accordance with section 43 of the *RTR By-law* as soon as reasonably practicable after the restoration of the normal functioning of the Receiving Participant's operating systems and procedures.

For clarity, an event that is beyond the reasonable control of the Participant is one that arises despite the Participant having exercised a reasonable standard of care in the operation of its systems, including employing reasonable alternative operations and procedures to make the amount of the RTR Payment message available to the Payee.

ID# RTR-R7-0005 **Effective: August 24, 2026**

6. Restriction Imposed by Receiving Participant

In accordance with subsection 45(e) of the *RTR By-law*, where the Receiving Participant cannot make the amount of a RTR Payment Message available to the Payee because of a restriction it has imposed on the Payee or the account to which the payment is to be credited, the Receiving Participant must initiate the return of the amount of the RTR Payment Message to the Sending Participant as soon as possible but no later than the Participant's next business day following receipt of the Settlement Outcome Message associated with the RTR Payment Message, in accordance with the return procedures outlined in section 21.

ID# RTR-R7-0006 **Effective: August 24, 2026**

7. Restriction Imposed by Law or Order of Court

a. In accordance with subsection 45(f) of the *RTR By-law,* where a Receiving Participant cannot make the amount of an RTR Payment Message available to the Payee in order to comply with a law or an order of a court, the Receiving Participant must return the amount of the RTR Payment Message to the Sending Participant or otherwise treat the amount of the RTR Payment Message in accordance with law. For greater certainty, "law" as used in this section includes domestic and foreign taxation, anti-terrorist financing, anti-money laundering, and economic sanctions laws.

b. Where the Receiving Participant requires additional information to complete the sanction screening of the RTR Payment Message, the Receiving Participant must send an inquiry to the appropriate contact identified in Rule 3 in accordance with procedures set out in the Request for Information - Sanction Screening Procedures Document.

c. Where the Receiving Participant has treated the amount of the RTR Payment Message in accordance with law and is subsequently permitted to provide the amount of the RTR Payment Message to the Payee or return the amount to the Sending Participant, it must, as soon as reasonably practicable, either:

i. make the amount of the RTR Payment Message available to the Payee in accordance with section 43 of the *RTR By-law*; or

ii. return the amount of such RTR Payment Message to the Sending Participant in accordance with the return procedures outlined in section 21.

ID# RTR-R7-0007 **Effective: August 24, 2026**

8. Restriction Imposed by Payee

In accordance with subsection 45(g) of the *RTR By-law*, where the Receiving Participant has agreed to a request by the Payee that the amount of a RTR Payment Message not be made available to that Payee, the Receiving Participant must initiate the return of the amount of the RTR Payment Message to the Sending Participant as soon as reasonably practicable but no later than the Participant's next business day following receipt of the Settlement Outcome Message associated with the RTR Payment Message, in accordance with the return procedures outlined in section 21.

ID# RTR-R7-0008 **Effective: August 24, 2026**

9. Return Reasons - Prior to Crediting of Payee

A Receiving Participant initiating a return in accordance with section 21 must use the following reasons for returning the amount of an RTR Payment Message:

a. "Duplicate RTR Payment", if the return is being made due to the circumstances described in paragraph 2(a)(i);

b. "Error or Omission", if the return is being made due to the circumstances described in paragraph 2(a)(ii);

c. "Foreign Currency Account", if the return is being made due to the circumstances described in section 3;

d. "Malicious or Harmful Content", if the return is being made due to the circumstances described in section 4;

e. "Payee/Account Restriction" if the return is being made due to the circumstances described in section 6;

f. "Regulatory Restriction/Court Order", if the return is being made due to the circumstances described in section 7; and

g. "Payee Requested", if the return is being made due to the circumstances described in section 8.

ID# RTR-R7-0009 **Effective: August 24, 2026**

RETURN OF FUNDS FOLLOWING PAYMENT TO PAYEE

10. Return Reasons - Exceptions to Final and Irrevocable Payment to the Payee

In accordance with subsection 43(3) of the *RTR By-law*, where the Receiving Participant has made the amount of the RTR Payment Message available to the Payee the payment is final and irrevocable except in circumstances where the Receiving Participant has identified or, in the case of subsection (b), been made aware that:

a. a Processing Error occurred;

b. an End-User Error occurred;

c. the payment was an Unauthorized RTR Payment;

d. the payment was made as a result of Authorized RTR Payment Fraud; or

e. the amount of the RTR Payment Message was made available to the Payee prior to the Receiving Participant becoming aware that:

i. the Payee is deceased; or

ii. the Receiving Participant must remove the amount of the payment from the account of the Payee in order to comply with a law or order of a court. For greater certainty, "law" as used in this section includes law pertaining to domestic and foreign taxation, anti-terrorist financing, anti-money laundering, and economic sanctions.

ID# RTR-R7-0010 **Effective: August 24, 2026**

11. Return Timeframes - Exceptions to Final and Irrevocable Payment to the Payee

Where the Receiving Participant has identified that any of the circumstances set out in section 10 exist, the Receiving Participant may return the amount of the RTR Payment Message. Such return must be initiated as soon as reasonably practicable in accordance with the return procedures outlined in section 21.

ID# RTR-R7-0011 **Effective: August 24, 2026**

12. Return Reasons - Other

A Receiving Participant that has made the amount of the RTR Payment Message available to the Payee and elects to return the amount as a result of a request by or authorization from the Payee must initiate a return of the amount within 90 calendar days following the receipt of the original RTR Payment Message.

For clarity, nothing in this Rule precludes any person, including a Sending Participant or Receiving Participant, from exercising its rights or seeking recourse outside the Rules.

ID# RTR-R7-0012 **Effective: August 24, 2026**

PAYMENT RETURN REQUESTS

13. Initiating Payment Return Requests

a. A Sending Participant may initiate a Payment Return Request within 60 calendar days from the date the RTR Payment Message was exchanged, but must not submit more than one Payment Return Request for the same original RTR Payment Message.

b. The Payment Return Request made under subsection (a) must be sent to the designated payment returns contact of the Receiving Participant, as identified in Rule 3 and in accordance with the Request for Returns/Returns Procedures document, and include the following information with respect to the original RTR Payment Message:

    i. the UETR of the RTR Payment Message;

    ii. the date and time indicated in the Acceptance Date and Time element in the RTR Payment Message as set out in the RTR ISO 20022 Message Specifications;

    iii. the amount of the RTR Payment Obligation; and

    iv. the reason for making the Payment Return Request from the list set out in section 14.

ID# RTR-R7-0013 **Effective: August 24, 2026**

14. Reasons for Payment Return Requests

A Sending Participant making a Payment Return Request may use any of the following reasons for initiating such request to return the amount of the RTR Payment Message:

a. Requested by Payor;

b. Processing Error;

c. End-User Error;

d. Authorized RTR Payment Fraud; or

e. Unauthorized RTR Payment.

ID# RTR-R7-0014 **Effective: August 24, 2026**

15. Receiving a Payment Return Request

A Receiving Participant that receives a Payment Return Request initiated due to any of the reasons identified in section 14 must:

a. respond within 10 calendar days from the receipt of the Payment Return Request with:

   i. an acceptance of the Payment Return Request in accordance with the procedures set out in section 18;

   ii. a rejection of the Payment Return Request in accordance with the procedures set out in section 19; or

   iii. A request for an extension to provide either an acceptance or rejection of the Payment Return Request in accordance with section 16;

   and

b. send its response to the designated payment returns contact of the Sending Participant that initiated the Payment Return Request, as identified in Rule 3.

ID# RTR-R7-0015 **Effective: August 24, 2026**

16. Extension and Deemed Rejection

a. A Receiving Participant that requests an extension to a Payment Return Request under paragraph 15(a)(iii), may be granted an extension by the Sending Participant of no more than 30 calendar days from the date of receipt of the Payment Return Request to provide either an acceptance or rejection of such Payment Return Request.

b. If the Receiving Participant does not provide a response of either an acceptance or rejection within 30 calendar days from the date of receipt of the Payment Return Request, such request is deemed rejected by the Receiving Participant.

ID# RTR-R7-0016 **Effective: August 24, 2026**

17. Request for Additional Information

The Receiving Participant may contact the designated payment returns contact of the Sending Participant to seek any additional information relating to a Payment Return Request it receives.

ID# RTR-R7-0017 **Effective: August 24, 2026**

18. Accepting a Payment Return Request

When accepting a Payment Return Request, the Receiving Participant must include the following information about the original RTR Payment Message in the response:

a. the UETR of the RTR Payment Message;

b. the date and time indicated in the Acceptance Date and Time element in the RTR Payment Message as set out in the RTR ISO 20022 Message Specifications;

c. the amount to be returned; and

d. the means by which the amount will be returned.

If the Receiving Participant is unable to return the full amount and the amount to be returned differs from the original amount of the RTR Payment Message, the Receiving Participant may include a reason explaining the difference.

ID# RTR-R7-0018 **Effective: August 24, 2026**

19. Rejecting a Payment Return Request

a. When rejecting a Payment Return Request, the Receiving Participant must include the following information about the original RTR Payment Message in the response:

   i. the UETR of the RTR Payment Message;

   ii. the date and time indicated in the Acceptance Date and Time element in the RTR Payment Message as set out in the RTR ISO 20022 Message Specifications;

   iii. the amount of the RTR Payment Obligation; and

   iv. the reason for rejecting the Payment Return Request set out in subsection (b).

b. A Receiving Participant may use any of the following reasons for rejecting a Payment Return Request:

   i. “Insufficient Funds”;

   ii. “Closed Account”;

   iii. “Already Returned”;

   iv. “Payee Decision”;

   v. “No Answer from Payee”; or

vi. "Other" (NARR - please provide an alternate reason) where the reason for rejecting the Payment Return Request is other than one outlined in subsections (i) to (v) above.

ID# RTR-R7-0019 **Effective: August 24, 2026**

20. Indemnity

The Receiving Participant may request an indemnity from the Sending Participant, in a form acceptable to the Receiving Participant, against loss, costs or damages incurred as a result of providing reimbursement of funds upon acceptance of a Payment Return Request to the Sending Participant. Such indemnity arrangements are optional and related matters must be addressed between the parties outside of the rules.

ID# RTR-R7-0020 **Effective: August 24, 2026**

METHOD OF RETURN

21. Effecting a Return

Where the Receiving Participant elects or is required to return the amount of an RTR Payment Message to the Sending Participant in accordance with this Rule, the Receiving Participant making the return must:

a. initiate the return in accordance with its proprietary methods, in accordance with procedures set out in the Request for Returns/Returns Procedures Document, or procedures agreed upon with the Sending Participant; and

b. provide the following information in respect of the original RTR Payment Message:

   i. the UETR of the RTR Payment Message;

ii. the date and time indicated in the Acceptance Date and Time element in the RTR Payment Message as set out in the RTR ISO 20022 Message Specifications;

iii. amount of the RTR Payment Obligation; and

iv. the appropriate return reason from the list in section 9 if the Receiving Participant has not yet made the amount of the RTR Payment Message available to the Payee, or from the list in section 22 if the amount of the RTR Payment Message has been made available to the Payee.

ID# RTR-R7-0021 **Effective: August 24, 2026**

22. Return Reasons - Funds Credited to Payee

A Receiving Participant who initiates a return pursuant to sections 10 or 12 must use one of the following reasons for returning the amount of the RTR Payment Message:

a. “Requested by Payor/Payee” where the return is initiated due to a request from the Payor or Payee for reasons not related to subsections (c), (g) or (h);

b. “Misapplied” where the return is initiated due to the credit being inappropriately applied;

c. “End-User Error” where the return is initiated due to an error, caused by Payor;

d. “Account holder Deceased” where the return is being initiated following the receipt of a notification that the account holder is deceased;

e. “Regulatory Restriction or Court Order” where the return is initiated due to court order or other legal obligation;

f. “Processing Error” where the return is initiated due to an error, caused by the Sending or Receiving Participant;

g. "Unauthorized RTR Payment" where the return is initiated due to fraudulent activity; or

h. "Authorized RTR Payment Fraud" where the return is initiated due to a fraud.

ID# RTR-R8-0022 **Effective: August 24, 2026**

REQUIRED POLICIES AND PROCEDURES

23. Required Policies and Procedures for Exceptions

a. In addressing claims or complaints relating to exceptions including Processing Errors, End-User Errors, Unauthorized RTR Payments or Authorized RTR Payment Fraud, each Participant must have policies and procedures that set out:

i. the Participant's obligations to its clients, whether the Payor or Payee, including its obligation to investigate claims of exceptions under certain circumstances;

ii. the obligations of the Participant's clients as either Payor or Payee;

iii. the circumstances in which the Participant will reimburse the Payor or request a return of funds on the Payor's behalf; and

iv. an escalation process as described in section 30.

b. Each Participant must ensure that its clients, whether the Payee or Payor, are made aware of their rights and obligations related to the policies and procedures referred to in subsection (a).

ID# RTR-R7-0023 **Effective: August 24, 2026**

24. Duty to Cooperate

Each Participant must:

a. cooperate with other Participants in investigations to determine whether a Processing Error, End-user Error, Unauthorized RTR Payment or Authorized RTR Payment Fraud has occurred; and

b. where appropriate, cooperate with other Participants to return funds as soon as reasonably practicable.

ID# RTR-R7-0024 **Effective: August 24, 2026**

25. Claims or Complaints - Sending Participant

A Sending Participant may:

a. investigate claims or complaints initiated by the Payor, relating to the exceptions set out in section 23, in a timely manner; and

b. subject to the *RTR By-law* and Rules, take any action it deems appropriate in the circumstances including submitting a Payment Return Request to the Receiving Participant.

ID# RTR-R7-0025 **Effective: August 24, 2026**

26. Claims or Complaints - Receiving Participant

A Receiving Participant may:

a. investigate claims or complaints initiated by the Payee, relating to the exceptions set out in section 23, in a timely manner; and

b. subject to the *RTR By-law* and Rules, take any action it deems appropriate in the circumstances including reimbursing the Sending Participant following receipt and acceptance of a valid Payment Return Request.

ID# RTR-R7-0026 **Effective: August 24, 2026**

27. Processing Errors - Sending Participant

Where the Sending Participant causes a Processing Error, it must correct the error promptly upon receipt of notification or discovery of such error in accordance with the terms and conditions under an agreement established with the Payor, and where appropriate, may provide reimbursement to the Payor of an amount that is equal to the amount of the RTR Payment Obligation.

ID# RTR-R7-0027 **Effective: August 24, 2026**

28. Processing Errors - Receiving Participant

Where the Receiving Participant causes a Processing Error, it must correct the error promptly upon receipt of notification or discovery of such error in accordance with the terms and conditions under an agreement established with the Payee, and where appropriate, may provide reimbursement to the Sending Participant.

ID# RTR-R7-0028 **Effective: August 24, 2026**

29. RTR System Errors

The Association will reasonably cooperate with Participants to correct any errors where the RTR System is the source of such error.

ID# RTR-R7-0029 **Effective: August 24, 2026**

30. Escalation Process

a. Pursuant to Rule 4, each Participant must be a member of a Complaints Body and must have procedures for escalating claims and complaints relating to the exceptions set out in section 23 where a Payor or Payee disputes the actions or decisions of a Participant with regards to such claims or complaints.

b. Each Participant must ensure that its clients (the Payee or Payor, as applicable) are informed of the escalation procedures referred to in subsection (a). For clarity, this does not preclude the Participant providing additional claims and compensation requirements outside of these Rules.

ID# RTR-R7-0030 **Effective: August 24, 2026**