PAYMENTS CANADA

LYNX RULE 3

ACCESS

2025 CANADIAN PAYMENTS ASSOCIATION

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IMPLEMENTED

August 29, 2021

AMENDMENTS

1. Updates to accommodate the introduction of Payment Messages in the Lynx MX Format. Approved by the Board June 23, 2022 and September 15, 2022, effective November 20, 2022.
2. Amendments to accommodate the date change for the annual SLD attestation submission deadline. Approved by the Board June 23, 2022 and September 15, 2022, effective November 20, 2022.
3. Amendments to accommodate the repeal of LVTS and to align terminology throughout Rule. Approved by the Board June 23, 2022 and September 15, 2022, effective November 20, 2022.
4. Amendments throughout rule to accommodate Swift name rebranding. Approved by the Board May 12, 2023, effective July 11, 2023.
5. Amendments to clarify Participant withdrawal requirements due to amalgamation, approved by the Board November 3, 2023, effective December 4, 2023.
6. Amendments to add attestation requirements for new Participants prior to onboarding, approved by the Board December 12, 2024, effective February 10, 2025.
7. Amendments to accommodate the decommission of the Lynx MT Format and the Lynx clean-up exercise. Approved by the Board September 18, 2025, effective November 24, 2025.

Admission of New Participant

1. Any Member may become a Participant by completing the application procedures set out in this Rule to the satisfaction of the President. Where the President is not satisfied with the form and content of the application and all supporting documentation provided by the Participant, the President may request additional information or clarification.

Application for Participation

2. An applicant must submit a fully completed application (form to be provided by the Association) along with the following documentation for approval by the President:

    a. confirmation from the Bank that the applicant has been approved for accounts at the Bank needed for the purpose of Settlement of Lynx Payment Obligations and the making and repayment of Intraday Loans and Overnight Advances, and related requirements, as set out in the *Lynx By-law*;

    b. confirmation that:

        i. the applicant is a member of Swift;

        ii. the Swift BIC address(es) associated with the application is/are designated as a Canadian address(es);

        iii. the Distinguished Name associated with the application includes a BIC with a Canadian country code;

        iv. the applicant has completed all qualification and certification tests required by Swift;

    c. a description by the applicant of its back-up capability for its Lynx operations;

    d. a completed attestation form (form to be provided by the Association), along with internal audit sign-off, confirming that the applicant meets the requirements outlined in the Lynx Service Level Description and the CSN Service Level Description; and

    e. such other documentation as may be required by the Association, including a service subscription form for the Lynx MX Closed User Group.

Approval in Writing

3. Where the President determines that the criteria for approval of the application have been sufficiently met, the President will notify the applicant in writing of the approval of the application and the effective date of its participation.

Non-approval

4. Where the President determines that the criteria for approval of the application have not been sufficiently met, the President may refuse to approve the application.

Reasons in Writing

5. Where the President decides not to approve an application because the approval criteria have not been met, the President will communicate that decision in writing to the applicant including the reasons for non-approval of the application.

Appeal of Decision

6. Where the President decides not to approve an application, the applicant may appeal the decision to the Board.

Swift Authorization and Swift Closed User Group (CUG) Confirmation

7. Each Member that wants to become a Participant must, prior to admission as a Participant, complete to the Association's satisfaction the following:

    a. exchange of the appropriate Swift authorization (for example Swift Relationship Management Application (RMA) which is required for InterAct Services) with each of the Participants and, if necessary, the Association; and

    b. have their Distinguished Name entered into the Lynx MX Closed User Group.

Training and Testing

8. Each Member that wants to become a Participant must, prior to admission as a Participant, complete to the Association's satisfaction the following steps:

    a. completion of a Lynx training program designed by the Association for use of Lynx, which program may include a testing and training period for trial operations;

    b. completion of testing established by the Association, which may include:

        i. testing of the applicant's ability to properly access and use the Lynx Web Client;

        ii. testing of the applicant's ability to manage its balances in the Settlement Mechanisms along with its Credit Limit and Intraday Loan Account; and

        iii. testing of the ability of the applicant to maintain an appropriate level of payment environment availability as determined by technical specifications for Lynx as issued by the Association.

Technical Requirements and Pledging

9. Each Member that wants to become a Participant must, prior to admission as a Participant, and at any time after admission upon reasonable request being made by the Association, provide evidence satisfactory to the Association that the applicant has the operational ability to Pledge Collateral to the Bank, including by using the CDSX directly, or indirectly through an agent and has made satisfactory arrangements with the Bank with respect to access to HABS.

Minimum Requirements

10. Each applicant must, prior to admission as a Participant, and at any time after admission upon reasonable request being made by the Association, provide evidence satisfactory to the Association that the applicant meets the following minimum requirements:

    a. the applicant has at least three Participant Workstations, which are configured to access Lynx via the CSN through internal networks at all times, with a minimum of two nodes on the CSN (i.e. two sets of CSN routers and switches), all of which are in compliance with the configuration and other requirements established by the Association as described in the Lynx Service Level Description and CSN Service Level Description, as these may be amended and communicated to Participants from time to time;

    b. the applicant is connected to the Swift network and is able to receive and accept Payment Messages;

    c. the applicant has sufficiently trained, qualified personnel available at all times between indicating its readiness to participate in the current Business Day and the end of the Payments Processing Cycle;

    d. the applicant has an established process to ensure that its payments processing capabilities must be available at least 98% of the time every calendar month between 00:30 hours and the end of Settlement Window 2 for each Payments Processing Cycle if the Participant is “active” from 00:30 hours, and otherwise between 08:00 hours and the end of Settlement Window 2 for each Lynx Payment Processing Cycle;

    e. the applicant has an established process to ensure that it has the ability to reconcile Payment Messages sent with acceptance or rejection notifications received, to identify any unmatched Payment Messages;

    f. the applicant has established a secure Participant Workstation environment and a secure payments environment;

    g. the applicant has an established process to ensure that its Intraday Liquidity needs are met for each Payments Processing Cycle;

h. the applicant is compliant with the Swift Customer Security Controls Framework; and

i. the applicant has produced and distributed Inter-Member Debits, as defined in the Introduction to the ACSS Rules, to all other Lynx Participants.

Service Level Description Attestation

11. Each Participant must ensure that it remains in compliance with all requirements outlined in the Lynx Service Level Description and the CSN Service Level Description (as applicable), as these may be amended and communicated to Participants from time to time. Each Participant must provide to the Association, by way of an attestation form, confirmation of this compliance for each calendar year. The completed attestation form, along with internal audit sign-off, must be provided to the Association by each Participant's SOC representative no later than March 1 of the following year. The attestation form will be provided by the Association.

Admission Fee

12. Upon receipt of a duly completed application, the Association will calculate the admission fee payable by such applicant in accordance with the fee schedule outlined in Appendix 1. The admission fee will be composed of the administrative costs related to the admission of the applicant and may include a submission fee, a certification fee, an initial implementation and set-up fee and any such other fees as may be determined by the President.

    Any additional expenditure for travel, overtime and disbursements will be invoiced directly to the applicant on a cost recovery basis.

Timing of Payment

13. The applicant must pay to the Association the admission fee and any expense charges within 30 calendar days of receipt of such invoice. The admission fee is non-refundable; in the event the applicant withdraws its application or the applicant's application is refused for any reason, no refund will be issued unless the President determines otherwise.

Minimum Lynx Authorization Personnel

14. Each Participant must have a minimum of two Security Officers, two Lynx Administrators, and two Lynx Users to support their Lynx operations.

Lynx Non-Participants and Tiered Reporting

15. Each Participant that processes Lynx payments on behalf of one or more Non-Participant Members must provide the Association with a listing of all of the Members for which it processes payments, and must report to the Association, on a bi-annual basis, all of the volumes and values sent and received on behalf of all Non-Participant Members for which it processes payments. This bi-annual report is due within 60 calendar days of the reporting period end date (these end period end dates are June 30 and December 31). A copy of the reporting form will be provided by the Association.

Lynx Non-Participants Listing

16. The Association will publish the listing of Non-Participant Members with the name of the Participant acting as its agent for Lynx purposes. The Association will distribute changes to the listing of Non-Participant Members within a reasonable period of time following notification of any change. Each Participant must provide the Association with 30 calendar days advance notice of any change to such listing. A copy of the listing may also be obtained from the Association upon request.

Swift BIC Registration in Lynx

17. a. Each Participant must register in Lynx one primary Swift BIC (8 or 11), and any other Swift BICs used for processing Payment Messages (either different Swift BIC 8 or 11 with branch code), and have them linked to the primary Swift BIC in Lynx.

    b. Any Payment Message originated by a Swift BIC that is not registered in Lynx will be rejected.

Distinguished Name (DN) for a Payment Message

18. a. Each Participant must register in the MX CUG for Lynx, a DN, which must consist of three levels with the second level consisting of an eight character registered BIC and the third level being a three character valid branch code (or xxx if no branch code is specified) [e.g. ou=<branch>,o=<bic8>,o=swift].

    b. The same DN may be used for pilot and live operations.

    c. A fourth level DN may be used to support any internal testing, but only a third level DN will be permitted for inter-member testing.

Evidence of Compliance

19. a. Where the Association requests evidence to confirm the completion of any procedure or step by an applicant for participation in Lynx, such confirmation must be by way of a current (i.e., completed within the previous 18 months) audit report, pertinent extract, or

management attestation statement dealing with any such steps or procedures, filed with the Association by the Participant's internal audit group, inspection group or management representative executed by a duly authorized officer of the applicant.

b. Where, after admission for participation in Lynx, the Association requests evidence that a Participant continues to meet the requirements set out in this Rule, such evidence must be by way of an audit report with controls set out by the Association. The audit report must be filed with the Association by the Participant's internal audit group, inspection group or management representative executed by a duly authorized officer of the Participant.

Participant Withdrawal

20. Any Participant, with the exception of the Bank, may withdraw from participation in Lynx by giving at least 60 calendar days advance notice to the President of its intention to withdraw.

Participant Withdrawal - Notice of Amalgamation

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

    a. provide the expected date of the amalgamation;

    b. designate one of the amalgamating Participants as the Continuing Participant;

    c. provide a list of all Lynx arrangements associated with the Withdrawing Participant(s) referenced under the Lynx rules to be transferred from the Withdrawing Participant(s) to the Continuing Participant pursuant to section 24. If an Amalgamation Transition Period is requested, such a list may be provided either 60 calendar days in advance of the expiration of the Amalgamation Transition Period if approved, or as soon as practicable following the President's decision not to approve;

    d. request, if applicable, an Amalgamation Transition Period, as contemplated in subsection 22(a); 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.

Participant Withdrawal - Amalgamation Transition Period

22. Despite the definition of "Participant" in Rule 1, the amalgamating Participants may:

a. submit a request for an Amalgamation Transition Period of up to 1 year starting from the date of amalgamation, specifying the required duration of the Amalgamation Transition Period. The President will provide approval as soon as practicable unless, in consultation with the Bank, the President determines that such approval would adversely affect the efficiency, safety or soundness of Lynx, or the Bank indicates that it will not support the continued participation of the amalgamating Participants as separate Participants in Lynx during the requested period;

b. if the request in subsection (a) is approved, continue to participate in Lynx as separate Participants during the Amalgamation Transition Period; and

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

For greater certainty, during the Amalgamation Transition Period, any reference in the Lynx rules to a "Participant" refers to the separate but continuing rights and obligations associated with the Continuing Participant and Withdrawing Participant(s) respectively, including their respective Swift BICs, Intraday Loan Accounts, Minimum Liquidity Requirements, and Lynx Accounts, subject to section 23.

Participant Withdrawal - Requirements during Amalgamation Transition Period

23. During the Amalgamation Transition Period, if applicable:

a. the purposes of Lynx Emergency Committee voting pursuant to Rule 12, only the Continuing Participant will have a vote; and

b. despite the definition of "Official Contact", both the Continuing Participant and the Withdrawing Participant(s) may maintain an Official Contact.

Participant Withdrawal - Calculation of MLR Following Amalgamation

24. On the later of the date of amalgamation or the expiration of the Amalgamation Transition Period if applicable, the Continuing Participant will be treated as a new Participant for the purposes of the calculation of its Minimum Liquidity Requirement in TSP-003.

Participant Withdrawal - Transfer of Arrangements

25. Lynx arrangements associated with the Withdrawing Participant(s) referenced under the Lynx rules will not be available upon the later of the date of amalgamation or the expiration of the Amalgamation Transition Period if applicable, unless a transfer of such arrangements to the Continuing Participant is approved by the Association.

    For greater certainty, such Lynx arrangements include any rights, designations, authorizations, approved hardware, or other specifications under the Lynx rules associated with the Withdrawing Participant(s), and may include the Official Contact, Lynx Authorized Personnel, Participant Workstations, cross-border arrangements, and nodes on the CSN.

Participant Withdrawal – Effective Date of Withdrawal

26. The withdrawal of a Participant will take effect at the end of the Lynx Operating Schedule on the effective date of withdrawal specified in the notice given to the President**,** or in the case of a Withdrawing Participant(s), at the end of the Lynx Operating Schedule on the later of the date of amalgamation or the expiration of the Amalgamation Transition Period if applicable.

Participant Withdrawal - Remaining Obligations

27. 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 Lynx and to complete such other documentation as may reasonably be required by the Association.

Participant Withdrawal - Fees or Dues Paid

28. A Participant that withdraws from participation in Lynx is not entitled to a return of any amounts paid by that Participant including an admission fee, annual dues or transaction fees relating to Lynx participation.

Participant Withdrawal - Copy of Notice

29. The Association will forward a copy of any notice of withdrawal received by the President, or in the event of a notice of amalgamation, provide the information contemplated under subsections 20(a), 20(b), and 20(d), including whether a requested Amalgamation Transition Period will be permitted, to all other Participants including the Bank as soon as feasible.

APPENDIX 1

Admission Fee	$80,000
The Admission Fee is comprised of two components:	
Submission Fee [1]	$5,000
Certification Fee [2]	$75,000

1. The submission fee covers the costs associated with the time and effort required by Association staff to review and process the application and ensures that the applicant has all the proper documentation in place for the purposes of Swift and the Bank.

2. The certification fee includes the costs associated with the time and effort required by Association staff to verify that the applicant has the appropriate technical/systems capabilities to participate in Lynx. This fee also covers the cost of Association resources to assist in any testing required which involves the Association, in order to certify the applicant's systems (testing requirements are outlined in Rule 11).