PAYMENTS CANADA

LYNX RULE 9

END OF PAYMENTS PROCESSING CYCLE

2025 CANADIAN PAYMENTS ASSOCIATION

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TABLE OF CONTENTS

IMPLEMENTED 3

AMENDMENTS 3

AGREEMENT TO SEND PAYMENT MESSAGES IN SETTLEMENT WINDOW 2 4
UNAPPROVED PACS.009 CORE, OR PACS.004 4
SETTLEMENT WINDOW 2 4
FINALIZATION WINDOW 4

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 decommission of the Lynx MT Format and the Lynx clean-up exercise. Approved by the Board September 18, 2025, effective November 24, 2025.

Agreement to Send Payment Messages in Settlement Window 2

1. During Settlement Window 2 the Sending Participant must not send any Payment Message to a Receiving Participant the receipt of which has not been specifically agreed to by the Receiving Participant. It is the Sending Participant's responsibility to obtain the prior agreement required by this section and the onus of proving the existence of such agreement rests with the Sending Participant. A recorded telephone communication or email evidencing such prior agreement will satisfy such onus of proof.

Unapproved pacs.009 core, or pacs.004

2. Despite the requirement for mutual agreement between the Sending Participant and the Receiving Participant prior to any pacs.009 core or pacs.004 being sent during Settlement Window 2, the Receiving Participant does not have the right to refuse acceptance of any such Payment Message sent in violation of section 1. The Receiving Participant may seek compensation as set out in Rule 14 or file a complaint pursuant to the provisions outlined in *By-law No. 6 - Compliance* in the case of any such breach of the Lynx rules.

Settlement Window 2

3. At the end of Settlement Window 1, the Association must transfer all remaining Intraday Liquidity in the Participant's LOMs to the Participant's RTM.

Finalization Window

4. During the Finalization Window, the Association must make account Entries to effect repayment of each Participant's Intra-day Loan and, as required, to effect the making of Overnight Advances from the Bank in accordance with the provisions of the *Lynx By-law* and in accordance with the terms of the agreements between each Participant and the Bank which govern Lynx finalization activities. The Association and the Bank, with the collaboration of the Participants as required, will use their best efforts to complete finalization activities by 19:00 hours, including the following:

    a. The Association must debit the Intraday Liquidity available in the Participant's RTM Lynx Account and credit its Intraday Loan Account in the lesser of the following amounts:

        i. an amount equal to the Intraday Loan Account balance; or

        ii. the full amount of Intraday Liquidity remaining in the RTM Lynx Account, to reduce the Intraday Loan Account balance as close to zero as possible;

    b. The Association must send the Participant's Intraday Loan Account and RTM Lynx Account positions to the Bank;

c. If the Intraday Loan Account balance is not zero after transferring the Intraday Liquidity in the RTM in accordance with subsection a) above, the Association must make the following account Entries to record the making of an Overnight Advance by the Bank to enable the Participant to repay its Intraday Loan:

    i. debit the Bank's RTM Lynx Account and credit the Participant's RTM Lynx Account and then;

    ii. debit the Participant's RTM Lynx Account and credit its Intraday Loan Account;

d. If the Intraday Loan Account balance is zero after transferring the Intraday Liquidity in the RTM in accordance with subsection (a) above, the Association must sweep any remaining balance from the Participant's RTM Lynx Account back to the Bank's RTM Lynx Account and this amount will be applied by the Bank in accordance with the Bank's agreements with Participants;

e. The Association will send a notification of any Overnight Advance granted to the Participant; and

f. The Association will send to the Bank a list of all the Overnight Advances granted to all Participants.

Note: Where an Overnight Advance threshold has been determined by the Bank and communicated to the Association, the Association will notify the Bank where a Participant's Intraday Loan Account balance is equal to or more than that threshold following the transfer of remaining Intraday Liquidity from the Participant's RTM Lynx Account. Where an Overnight Advance threshold is met or exceeded, the Bank must provide manual approval of the Overnight Advance as soon as practicable and no later than 20:00 hours. The Association must suspend the end of day processes until such time as the Bank's approval has been provided and communicate this suspension of processes to Participants. The Association will resume end of day processes after all Overnight Advances have been processed.