



**PAYMENTS
CANADA**

TSP-004

LYNX THROUGHPUT TARGET

2021 CANADIAN PAYMENTS ASSOCIATION

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TSP-004 – LYNX THROUGHPUT TARGET

IMPLEMENTED

August 29, 2021

AMENDMENTS

Introduction

1. Lynx throughput targets are intended to incentivize Participants to settle payments earlier in the Lynx cycle. The desired outcome of all Participants meeting their target throughput is a more efficient payment system from an intraday liquidity and delay perspective. Uneven Payment Message submission and settlement of the associated Lynx Payment Obligations by Participants have the potential to create liquidity risks in Lynx and to its Participants.

The throughput targets set out expectations in order to reduce these risks and promote coordination. Payments Canada, as operator of Lynx, is required to have due regard and give due weight in accordance with the Bank's Risk-management Standards for Designated Financial Market Infrastructures numbers 4 and 7. These Standards require Payments Canada to manage overall systemic risks that may affect the financial stability of the payments system as a whole.

Lynx throughput targets are not intended to have negative consequential impacts on the relationship between Participants and their customers; the monitoring framework provides for Participant business models, geographic location, and historical payment profiles to be taken into consideration.

Targets

2. Terms used in this document, but which are not defined, must have the meaning given to them in the Lynx By-law and Lynx Rules.

Since earlier submission of Payment Messages does not necessarily result in earlier settlement of the associated Lynx Payment Obligations, the targets will be applied to the value and volume of settled Payment Messages.

Each Participant, excluding the Bank, should avoid delaying payment submission, where possible, and endeavor to meet the following targets:

- a. 40% of its daily Payment Messages volume and 25% of its daily Payment Message dollar value before 10:00 hours Eastern Time;
- b. 60% of its daily Payment Message volume and 60% of its daily Payment Message dollar value before 13:00 hours Eastern Time; and
- c. 80% of its daily Payment Message volume and 80% of its daily Payment Message dollar value before 16:30 hours Eastern Time.

Monitoring

3. Payments Canada regularly monitors Participants' performance against the targets, as well as trends over time, and follows up with Participants when required.

It is understood that certain Participants, due to the lack of international overnight traffic or geographic concentration outside of the Eastern Time zone, may have difficulty in meeting the earliest target (10:00 hours Eastern Time). Payments Canada takes these factors into consideration when reviewing each Participant's performance against the throughput targets.