



**PAYMENTS
CANADA**

TSP-005

LYNX MX PAYMENT MESSAGE TYPES AND FORMATS

2023 CANADIAN PAYMENTS ASSOCIATION

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IMPLEMENTED

November 20, 2022

AMENDMENTS

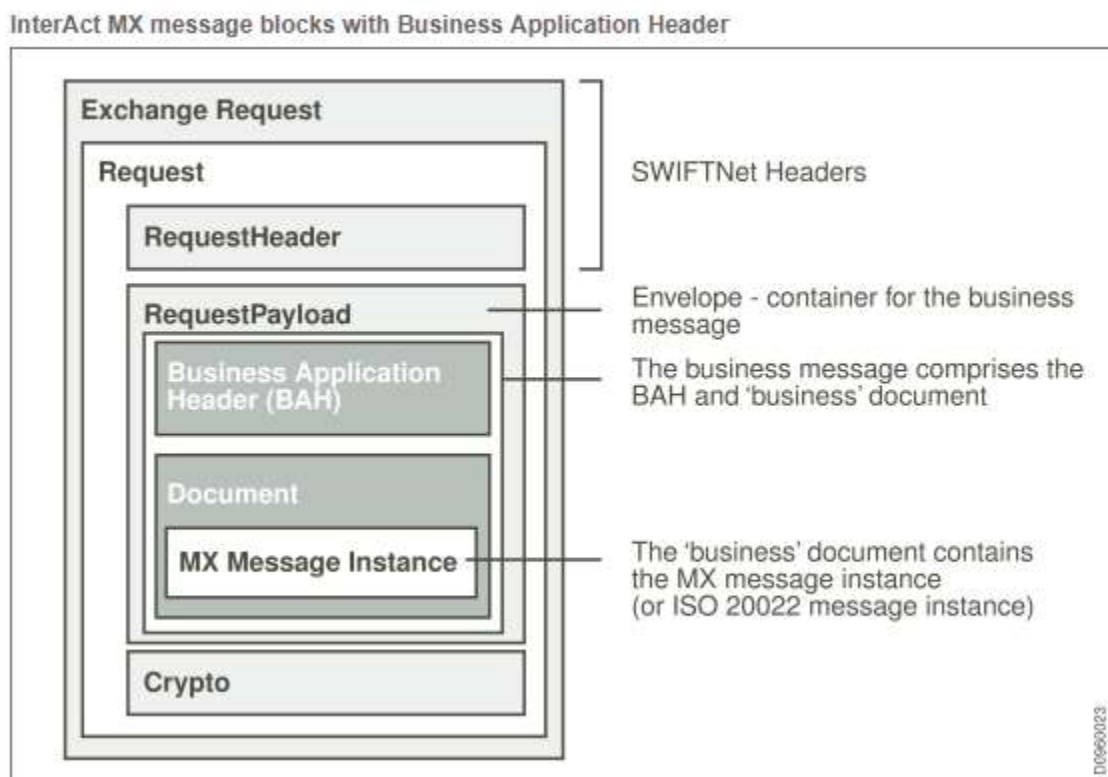
1. Amendments throughout rule to accommodate Swift name rebranding. Approved by the Board May 12, 2023, effective July 11, 2023.

MX PAYMENT MESSAGE FORMATS

Lynx Payment Messages must adhere to Lynx format requirements to ensure proper and timely processing by Lynx. Participants must use Swift to send and receive Payment Messages. When processing Payment Messages in the Lynx MX Format, only pacs.008, pacs.009 core, pacs.009 cov and pacs.004 are acceptable for use. Payment Messages sent using the Lynx MX Format which do not meet the Lynx message header requirements will not qualify as valid Payment Messages in Lynx and will be rejected by Swift.

MESSAGE STRUCTURE

A Payment Message in Lynx MX Format (SwiftNet InterAct message) is made up of the following components:



LYNX MESSAGE REQUIREMENTS

a. Request Header

The Request Header must include the Service data element "paymentscanada.lynx". This element must be present for any Payment Messages in Lynx MX Format sent to another Lynx

Participant in Canadian dollars or it will be rejected by Swift. The Request Type (pacs.008.001.08, pacs.009.001.08, pacs.004.001.09) and Request Subtype data elements (paymentsca.lynx.02 or paymentsca.lynx.cov.02¹) must also be included.

b. Request PayLoad

In order for the Payment Message in the Lynx MX Format to pass the CUG validations, the following will apply:

- The BIC used in the Requestor Distinguished Name matches the BIC used in the 'From' and the 'Instructing Agent' in the BAH/pacs message;
- The BIC used in the Responder Distinguished Name matches the BIC used in the 'To' and 'Instructed Agent' in the BAH/pacs message; and
- The 'Request Subtype' in the Request Header matches the 'Business Service' element in the BAH.

The Request PayLoad must include a same day value in the InterbankSettlementDate data element. The Sending Participant may direct a transfer of an amount specified in the Settlement Instructions to occur at a specific time later in the current Payments Processing Cycle by using the future time capability. The future timed capability option, located in the Settlement Time Request/FromTime element, may be used by the Sending Participant to indicate the time from which the Settlement Instruction will be released for settlement in Lynx.

The LocalInstrument data element must also be included in order to designate the Settlement Mechanism to which to direct a Payment Message. The priority may also be included in the LocalInstrument. The first character of the LocalInstrument represents the Settlement Mechanism and the next 2 characters, if present, represent the settlement priority for the Liquidity Savings Mechanism (LSM).

During Settlement Window 1, the 1st character in the LocalInstrument represents the Settlement Mechanism and the next 2 characters, if present, represent the settlement priority for the LSM. There are six acceptable values which include:

- '1' to direct a payment to the UPM
- '2' to direct a payment to the LSM
- '201' to direct a payment to the LSM with priority 1
- '203' to direct a payment to the LSM with priority 3
- '205' to direct a payment to the LSM with priority 5
- 'R' to direct a payment to the RCM

If any of the characters in the LocalInstrument contain a value other than what is outlined above, or no value at all, the Payment Message will be rejected.

¹ The Request Subtype paymentsca.lynx.02 is used for pacs.008, pacs.009 core and pacs.004 while paymentsca.lynx.cov.02 is used for pacs.009 cov.

Within the Request Payload, remittance information can be provided within the "Structured" component within the "Remittance Information" component (and sub-elements). Within this "Structured" component, the Sending Participant must not exceed 9,000 characters (excluding tags) of total business data within the "Structured" component of the "Remittance Information" component.

During Settlement Window 2, the only valid value for the LocalInstrument data element is: '1' to direct a payment to the RTM. If the first character of the LocalInstrument data element contains a value other than '1' after Pre-finalization, the Payment Message will be rejected.

The remaining details are placed in the appropriate data elements. The details of the Request Payload for all of the Payment Messages are to be constructed according to the Lynx ISO 20022 Message Specifications.

Message Name*	Message ID	Message Function
BusinessApplicationHeader	head.001.001.02	Business Application Header
FIToFICustomerCreditTransfer	pacs.008.001.08	Single Customer Credit Transfer
FinancialInstitutionCreditTransfer	pacs.009.001.08 (core)	Single FI To FI Credit Transfer (Core)
FinancialInstitutionCreditTransfer	pacs.009.001.08 (cov)	Single FI To FI Credit Transfer (Cov)
PaymentReturn	pacs.004.001.09	Single Credit Transfer Return

*For details on the structure of each message, see the Lynx ISO 20022 Message Specifications.

Inbound and Outbound Payment Message in the Lynx MX Format - PCRN Information

Sending Participants must be capable of receiving and processing the contents of ThirdPartyToSenderInformation in the xsys.002 (Y-Copy Authorization Notification) that will include the PCRN.

Receiving Participants must also be capable of receiving and processing the contents of ThirdPartyToReceiverInformation in the Request Header of the pacs.008, pacs.009 core, pacs.009 cov, and pacs.004 that they receive through Swift that will include the same 16 character PCRN.

The format for the PCRN will be 'LVTS1A2B3C4D9TR1' where:

Character Range	Description	Values																				
1-4	Fixed String	'LVTS'																				
5-13	Alphanumeric Value	9-digit Payment Confirmation Reference Number (PCRN) generated by Lynx when the payment settles																				
14-16	Settlement Mechanism	<p>'TR1' or 'TR2' from LocalInstrument element in the xcop.001 as follows:</p> <table border="1"> <thead> <tr> <th>LocalInstrument element (xcop.001)</th> <th>Settlement Mechanism</th> <th>LOM Agreement #</th> <th>ThirdPartySenderTo ReceiverInformation in xsys.001 (last 3 char)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>UPM LOM</td> <td>001</td> <td>TR1</td> </tr> <tr> <td>2</td> <td>LSM LOM</td> <td>002</td> <td>TR2</td> </tr> <tr> <td>R</td> <td>RCM LOM</td> <td>003</td> <td>TR1</td> </tr> <tr> <td>1 After pre-finalization event</td> <td>RTM</td> <td>n/a</td> <td>TR1</td> </tr> </tbody> </table>	LocalInstrument element (xcop.001)	Settlement Mechanism	LOM Agreement #	ThirdPartySenderTo ReceiverInformation in xsys.001 (last 3 char)	1	UPM LOM	001	TR1	2	LSM LOM	002	TR2	R	RCM LOM	003	TR1	1 After pre-finalization event	RTM	n/a	TR1
LocalInstrument element (xcop.001)	Settlement Mechanism	LOM Agreement #	ThirdPartySenderTo ReceiverInformation in xsys.001 (last 3 char)																			
1	UPM LOM	001	TR1																			
2	LSM LOM	002	TR2																			
R	RCM LOM	003	TR1																			
1 After pre-finalization event	RTM	n/a	TR1																			

Examples:

For a payment processed on the UPM, the value will be 'LVTS1A2B3C4D9TR1'.

For a payment processed on the LSM, the value will be 'LVTS1A2B3C4D9TR2'.

For a payment processed on the RCM, the value will be 'LVTS1A2B3C4D9TR1'.

For a payment processed on the RTM, the value will be 'LVTS1A2B3C4D9TR1'.

Note: The PCRN for all Settled Lynx Payment Obligations will also be viewable via the Lynx Web Client.

SPECIFIC USE PACS.009 MESSAGES

pacs.009 Payment to Bank of Canada (for CDS) - Type R Payment

Type R Payments are for the sole purpose of paying an obligation to CDS during CDSX Payment Exchange. This Payment Message is sent by the Sending Participant on its own behalf (or on behalf of another CDSX settling participant financial institution which is a customer of the Sending Participant) directly to the Receiving Participant (the Bank) for payment to CDS as Payee. (Note: *In this instance CDS is the ultimate beneficiary of the payment*). If the Receiving Participant is any Participant other than the Bank, the Settlement Instructions will be rejected by Lynx.

pacs.009 Payment to Bank of Canada (for CLS)

This Payment Message type is sent by the Sending Participant directly to the Bank for the account of the CLS settlement member. This Payment Message is sent by the Sending Participant on its own behalf (or on behalf of another CLS settling participant financial institution which is a customer of the Sending Participant) directly to the Receiving Participant (the Bank) for payment to CLS as Payee.

Y-COPY AUTHORIZATION NOTIFICATION XSYS.002

Description

The Y-Copy Authorization Notification is a system message generated by Swift to the Sending Participant upon Settlement of the Lynx Payment Obligation. This notification will be sent using an xsys.002.001.01 with AuthstnSts equal to Authorized and will also include the PCRN in the ThirdPartyToSenderInformation.

Y-COPY AUTHORIZATION (REFUSAL) NOTIFICATION XSYS.003

Description

The Y-Copy Authorization (Refusal) Notification is generated by Swift to alert the Sending Participant that a Payment Message has been rejected. This notification will be sent using an xsys.003.001.01 with AuthstnSts equal to Refused and will also include the ThirdPartyRefusalReason containing one of the following Lynx Reject Codes:

Reject Code	Reject Reason Description
61	The Settlement Instructions cannot be validated because of a fundamental problem with the instructions.

62	The Settlement Instructions have one or more validation errors such as duplicate elements.
63	The Settlement Instructions were rejected due to insufficient funds.
65	The Settlement Instructions were removed by the Sending Participant.
66	Duplicate Swift Payment Message with PDE ignored.
67	Rejected due to a holiday or a non-standard business day.

Additional information regarding the reason for rejection is available to Participants via the Lynx Web Client.

CAMT.053 - BANK TO CUSTOMER STATEMENT

Lynx will produce camt.053 end of day statements to send to Lynx Participants². Statements can be produced for the following:

- RTM settlement account
- Loan account
- LOM account(s)
- Consolidated accounts (RTM, LOMs).

Note that these statement messages are sent through the Lynx MX Closed User Group (CUG) but are not part of the copy service. They will be sent from the Association's Swift BIC (CPAACA22). A valid Swift Relationship Management Application (RMA) with the Association is not required to receive these messages. Multiple statements are available for the different LOM accounts. A Participant is not required to receive the camt.053 message from Lynx.

The camt.053 consists of the following building blocks:

- GroupHeader
- Statement

The details of the camt.053 structure can be found in the Lynx ISO 20022 Message Specifications. *(Note: The camt.053 will be optionally available starting November 2022.)*

LYNX BUSINESS VALIDATION RULES

² During the MT/MX co-existence period, Lynx Participants can enroll in either the MT950 account statements or camt.053 bank to customer statements as both will capture the MT and MX transactions.

All Settlement Instructions received in Lynx are subject to structural and business validation. In the event that Settlement Instructions fail any of these validations (outlined below), they will be rejected as an “error” for the purposes of the Lynx By-law, paragraph 30(2)(b).

When Settlement Instructions are received, they are immediately checked for structural validation (i.e. if the message format is correct) which includes:

- Payment Message type can be processed by Lynx (pacs.008, pacs.009 core and cov or pacs.004)
- Settlement Instructions adhere to Lynx format requirements outlined in this TSP
- Settlement Instructions verified successfully with decrypted signature

Once the Settlement Instructions pass structural validation, business validation is performed which includes, the following:

Business Validation Type	Description
Business Day Validation	Interbank settlement date within Settlement Instructions must be the current Business Day.
BIC Validation	Sending and Receiving Participant BIC must be registered in Lynx.
Currency Validation	Interbank settlement amount currency must always be CAD.
Duplicate Check Validation	As described in Rule 8, Section 19, Settlement Instructions must not be a duplicate of Settlement Instructions that have already been received by Lynx. Note: Potential duplicate Settlement Instructions as outlined in Rule 8, Section 18 will be placed in the CRM.
LOM Agreement Validation	Assigned priority must be registered and active and linked to the LOM agreement specified for the Settlement Mechanism in the Settlement Instructions (priorities not applicable to RTM).
	Sending and Receiving Participants must be registered under the given LOM agreement.
Settlement Instruction Amount Validation	All Settlement Instructions amounts must be a positive value.
Suspension Validation	Sending and Receiving Bank must not be Suspended.
Payment Message Type Validation	In Settlement Window 1, only Settlement Instructions based off of pacs.008, pacs.009 core and cov and pacs.004 Payment Messages will be accepted.

	In Settlement Window 2, only Settlement Instructions based off of pacs.009 core and pacs.004 Payment Messages will be accepted.
LocalInstrument Validation	Settlement Instructions will always contain the LocalInstrument element (with the exception of Web Client payments that will be settled on the identified Settlement Mechanism).
	Must have at least one character populated.
	During Settlement Window 1, the first character of LocalInstrument must always be populated with either 1, 2, or R.
	During Settlement Window 2, the first character of LocalInstrument must always be populated with 1 (Settlement Instructions will be rejected if blank).
RCM Validation	For RCM Settlement Instructions, either the Sending Participant or the Receiving Participant must be the Bank of Canada.