

What we heard summary: Registration pilot

About the pilot

On April 9, 2024, the Bank of Canada's Retail Payments Supervision (RPS) team launched a pilot to test our registration application process. The pilot was an opportunity for us to ensure the readiness of our web-based portal—PSP Connect—and find any areas to improve before the registration application period opens on November 1, 2024.

In the first phase of the pilot, we asked volunteer participants to submit a mock registration application using PSP Connect. Participants were also invited to provide us with feedback on the overall process for registering, including our support documents and tools. We then tested the Bank's internal process for reviewing registration applications. At the end of this phase of the pilot, we deleted all data collected from participants.

In the second phase, we tested our methods for exchanging information with the Department of Finance Canada and the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC). We exchanged dummy data with these external partners to test the processes for sharing registration application information, as will be required under the *Retail Payment Activities Act*.

Who participated

Before the pilot began, we invited interested companies to apply to participate by completing a form on the Bank's website. We promoted the opportunity to participate in the pilot on the Bank's website, in the RPS newsletter and through RPS staff engagement with the public. A total of 54

companies volunteered to take part in the first phase of the pilot, including providers of:

- billing and accounting software
- digital wallets
- payment aggregator services
- neobank services
- cross-border payment services
- buy now, pay later services

Most participants were based in Canada, with representation from across the country. Several companies from the United States and Europe also took part. All participants were able to use the official language of their choice, either English or French.

During the second phase of the pilot, Bank staff worked with counterparts from the Department of Finance Canada and FINTRAC.

What we heard

Phase 1

Overall, participants found PSP Connect easy to navigate and the Bank's supporting documentation helpful. However, they noted two areas for improvement. The first related to the functionality of PSP Connect. The second related to the clarity of the registration application form and supporting guidance, such as the Bank's step-by-step guide to completing the form. Specifically, participants recommended the following:

- Simplify the process for creating accounts in PSP Connect.
- Streamline the application form, where possible.
- Clearly define terms and concepts in PSP Connect and supporting documentation.

In addition, participants identified some technical issues in PSP Connect. The Bank's technical support team resolved many of these issues and flagged for further investigation those they could not resolve in real time. The support

team noted that users experienced fewer issues when they opened PSP Connect with either Google Chrome or Microsoft Edge. As well, participants had a better experience completing the application form on a desktop or laptop computer than they did on a mobile device.

Participants also noted that it takes time to complete the registration application form due to its detailed nature and the extensive information required to fully answer all the questions asked.

Phase 2

The Department of Finance Canada and FINTRAC noted that both PSP Connect and the processes for exchanging information worked well. Their feedback focused on certain technical issues identified through the pilot that could interrupt the efficient exchange of data when assessing registration applications.

What's next

Our priority is to ensure that the industry is well prepared for registration and that PSP Connect is ready to receive applications when the 15-day application period opens on November 1, 2024. We have updated PSP Connect in response to feedback from pilot participants, and will soon finish testing the changes.

We will also revise the step-by-step guide for completing a registration application so that the instructions are clear and align with the application form in PSP Connect. The revised guide will be published to our website before registration opens. Given the feedback we received regarding the length and complexity of the application form, we recommend that entities review the questions in advance and begin gathering the necessary information before the application period opens.