

Retail Payment Activities Act, Payments Canada Membership, and Access to Payments Canada System(s)

Supervisory Framework under the Retail Payment Activities Act (RPAA)

Captures entities that are payment service providers to be supervised by the Bank of Canada

Payment service providers will need to be registered with the Bank of Canada and comply with operational risk management and end-user fund safeguarding standards

RPAA includes safeguards, under the authority of the Minister of Finance, to address risks related to national security

Payments Canada Membership

Department of Finance and Payments Canada working on broadening the membership to Payments Canada

Part of the Government's initiative to enable Payments Canada to promote the efficiency, safety, and soundness of its systems while taking into account the interests of users

Department of Finance Canada will undertake stakeholder consultations and any legislative amendments will be sequenced with the coming into force of the RPAA

Access to Payments Canada's Real-Time Rail

A Payments Canada member may choose to directly participate in the Real-Time Rail

Direct participation requirements are determined by Payments Canada as the system operator

There are two types of direct RTR participation: Exchange only or Exchange & Settlement

All members (banks, PSPs, credit unions) must meet Payments Canada's operational risk and other requirements to access Payments Canada's systems

To become a direct settlement participant, which requires the opening of a settlement account at the Bank of Canada, all members must meet the Bank of Canada's operational and risk requirements.

How would these intersect?

Payment service providers registered with the Bank of Canada **would be eligible** to be a member of Payments Canada

Eligible members then need to meet **participation requirements** for access to various systems operated by Payments Canada

Payment service providers, like any other Payments Canada member, will need to meet those participation requirements for access to these payment systems