



**PAYMENTS
CANADA**

RULE F4

RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

2023 CANADIAN PAYMENTS ASSOCIATION

This Rule is copyrighted by the Canadian Payments Association. All rights reserved, including the right of reproduction in whole or in part, without express written permission by the Canadian Payments Association.

Payments Canada is the operating brand name of the Canadian Payments Association (CPA). For legal purposes we continue to use "Canadian Payments Association" (or the Association) in these rules and in information related to rules, by-laws, and standards.

payments.ca

TABLE OF CONTENTS

IMPLEMENTED	5
AMENDMENTS POST-APRIL 2016	5
INTRODUCTION	6
SCOPE.....	6
GENERAL - REFERENCE	6
DEFINITIONS.....	7
PART I – GENERAL REQUIREMENTS	11
PARTICIPATION.....	11
REGISTRATION FOR THE EXCHANGE OF ISO AFT TRANSACTIONS.....	11
ADDITIONAL REQUIREMENTS FOR DIRECT CLEARER PARTICIPATION.....	12
ADDITIONAL REQUIREMENTS FOR INDIRECT CLEARER PARTICIPATION.....	12
PROHIBITED CONTENT.....	12
CHANGES TO AN AFT EXCHANGE POINT	13
PART II – EXCHANGE & PROCESSING PROCEDURES	13
AFT FILE LAYOUT	13
EXCHANGE DEADLINES AND PERIODS.....	13
SERVICEABILITY CODE ASSIGNMENT	14
CREDIT TRANSACTION LEAD TIMES & EXCHANGE	14
CREDIT TRANSACTION FUNDS AVAILABILITY.....	14
DEBIT TRANSACTION EXCHANGE DATES.....	15
TRANSMISSION REQUIREMENTS.....	15
AFT FILE RECEIPT	15
AFT INITIAL FILE EDIT AND REJECTED FILES.....	15
DELIVERY OF AFT FILES TO INDIRECT CLEARERS	16
TRANSACTION EDIT, ACCOUNT VALIDATION AND REJECTED TRANSACTIONS	16
RESUBMISSION OF REJECTED TRANSACTIONS	17
PROHIBITION AGAINST AMALGAMATION	17
REMITTANCE INFORMATION.....	17
PART III – RETURNS & EXCEPTION PROCESSING	19
TIME LIMITATION FOR RETURN	19
EXCEPTIONS TO TIME LIMITATION: DEBTOR/CREDITOR INITIATED RETURNS	19
UNPOSTED/DISHONoured TRANSACTIONS/TRANSACTIONS REFUSED BY PAYOR/PAYEE	19

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

RE-PRESENTMENT AND REJECTED RETURNED ISO TRANSACTIONS.....	19
RE-ROUTING OF TRANSACTIONS	20
REIMBURSEMENT CLAIM	20
ACCURACY AND DELIVERY OF RETURNED TRANSACTIONS	20
PAYMENT REVERSAL TRANSACTIONS	21
TIME FRAMES FOR PAYMENT REVERSAL.....	21
TIME LIMIT FOR REFUSAL OF AN ISO AFT PAYMENT REVERSAL TRANSACTION ..	21
REJECTED PAYMENT REVERSAL TRANSACTIONS	21
PART IV – RETENTION & TRACING.....	22
MESSAGE IDENTIFICATION NUMBERS RECORDS	22
TRACING.....	22
TRACE REQUESTS, TRACING LIMITS AND TRACING PROCEDURES.....	22
PART V – SETTLEMENT PROCEDURES.....	23
SETTLEMENT	23
ACSS ENTRIES	23
DEFAULT	24
PART VI – DIRECT CLEARER AND CSN INCIDENTS.....	24
DIRECT CLEARER INCIDENTS AND NOTIFICATION TO THE CPA.....	24
DIRECT CLEARER INCIDENT EMERGENCY CONFERENCE CALL MEETING(S).....	24
CSN INCIDENT	25
CSN INCIDENT EMERGENCY CONFERENCE CALL MEETING(S)	25
RESPONSIBILITIES OF DIRECT CLEARERS DURING A CSN INCIDENT	25
RESPONSIBILITIES OF THE CPA DURING A CSN INCIDENT	25
RESPONSIBILITIES OF DIRECT CLEARERS RELATING TO EXCHANGE OF AFT FILES	25
RESPONSIBILITIES OF INDIRECT CLEARERS RELATING TO EXCHANGE OF AFT FILES	25
DISASTER RECOVERY SITE	26
INCIDENT REPORTS	26
PART VII – IDENTIFICATION MODIFICATION ADVICE PROCEDURES ...	26
IDENTIFICATION MODIFICATION ADVICE	26
PARTICIPANTS	26
NOTIFICATION OF IMA PARTICIPATION.....	27
OBLIGATION OF THE PARTICIPATING MEMBER ORIGINATING AN IMA AND INACCURATE IMAS	27

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

OBLIGATION OF THE PARTICIPATING MEMBER PROCESSING AN IMA AND REJECTED FILES AND TRANSACTIONS..... 27

IMA MESSAGE IDENTIFICATION NUMBERS..... 28

FORWARDING OF IMAS 28

RECORD RETENTION..... 28

TRACING FACILITIES..... 28

APPENDIX I: ISO AFT EXCHANGE PARTICIPATION NOTIFICATION FORM..... 29

APPENDIX II: REMITTANCE INFORMATION REMOVAL NOTIFICATION FORM..... 30

APPENDIX III: ISO AFT SAMPLE TRACE REQUEST FORM..... 31

APPENDIX IV: ISO AFT SAMPLE REIMBURSEMENT CLAIM REQUEST FORM..... 32

APPENDIX V: SUMMARY OF ISO AFT DATA DELIVERED 33

APPENDIX VI: PAYMENTS CANADA SERVICE DESK CONTACT INFORMATION..... 35

APPENDIX VII: PROCEDURES FOR THE MAINTENANCE OF AFT TRANSACTION CODES..... 36

IMPLEMENTED

April 18, 2016

AMENDMENTS POST-APRIL 2016

1. Amendments to Appendix VII section 3 replace operational committee names ('AFT Sub Committee' to 'E-Payments Working Group') to reflect the restructuring of operational committees. Approved by the Board December 1, 2016, effective January 3, 2017.
2. Amendments to replace references to Standard 017 with the Canadian ISO 20022 Usage Guidelines, approved by the Board December 1, 2016, effective January 30, 2017.
3. Amendment to include reasons for reversals and to reference Standard 018, approved by the Board February 23, 2017, effective April 24, 2017.
4. Amendments to accommodate Phase 1 of the AFT Enhancements, including an additional daily AFT exchange and changes to the funds availability requirements, approved by the Board June 22, 2017, section 18 effective October 15, 2018, and all other sections effective September 17, 2018.
5. Amendments to clarify the requirements of notification of a mission or rejected file. Approved by the Board September 21, effective November 23, 2020.
6. Amendments to update the definitions of "Severity 1 Contingency Situations" (now "Direct Clearer Incidents"), "Severity 2 Contingency Situations" (now "CSN Incident") and notification requirements for those incidents to reflect operational practices. Approved by the Board September 21, 2020, effective November 23, 2020.
7. Amendments to provide clarity regarding time frames for Error Corrections. Approved by the Board, September 21, 2020, effective November 23, 2020.
8. Amendments to provide a notification period where Direct Clearers will receive requests made for changes to the List of Account Formats and Validation Criteria document. Approved by the Board December 2, 2021, effective January 31, 2022.
9. Amendments to Appendix VII to introduce new lead time requirements for new AFT Transaction Codes and Return Reason Codes. Approved by the Board March 2, 2023, effective May 3, 2023.

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Introduction

This Rule governs the Exchange of Automated Funds Transfer (AFT) Transactions through the use of the ISO Usage Guidelines available on the CPA website between Canadian financial institutions that are Participating Members, for the purposes of Clearing and Settlement. It includes general rules relating to the Exchange of ISO AFT Files, procedures applicable to the processing of ISO AFT Transactions, as well as the Settlement of obligations arising from the Exchange and Clearing of ISO AFT Debits and Credits Transactions between Participating Members. It also contains procedures applicable to exception processing, problem resolution, incidents, and escalation procedures in the ISO 20022 AFT environment.

Nothing in this Rule is intended to impede or restrict any Member from complying with applicable legislation. Such legislation may include the Personal Information Protection and Electronic Documents Act, SC 2000, c 5, or the Proceeds of Crime (Money Laundering) and Terrorist Financing Act, SC 2000, c 17.

References to Eastern Time (ET) in this Rule are to be understood as either Eastern Standard Time or Eastern Daylight Time, depending on the time in Ottawa.

Scope

This Rule applies to all Canadian and US dollar ISO AFT Transactions as defined within the ISO AFT Usage Guidelines, subject to the exceptions outlined in Rule K8.

For rules and procedures applicable to AFT Transactions issued in accordance with CPA Standard 005, refer to Rule F1.

General - Reference

This Rule shall be read in conjunction with the following Rules, Standards and guidelines:

- a. Introduction to the Rules Manual;
- b. Rule A4;
- c. Rule F7;
- d. Rule F8;
- e. Rule K5;
- f. Rule K8;
- g. Rule H1;
- h. Rule H3;

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

- i. Rule G12;
- j. CPA Standard 007;
- k. CPA Standard 018; and
- l. The ISO AFT Usage Guidelines.

Definitions

In this Rule,

“AFT” means Automated Funds Transfer by electronic media and in accordance with CPA Standard 005 and the ISO AFT Usage Guidelines;

“AFT Exchange Point” means the electronic site from which a Direct Clearer delivers and receives AFT Files;

“AFT File” means a file containing one or more AFT Transactions as outlined in ISO AFT Usage Guidelines;

“AFT Initial File Edit” means the process of validating an exchanged AFT File;

“AFT Transaction” means a Payment Item exchanged in an AFT File as defined in Standard 005 or the ISO AFT Usage Guidelines;

“CPA Services Network (CSN)” means the CPA managed network that is used by CSN Participants to transmit certain electronic Payment Items, and which may be used to transmit proprietary files on a bilateral basis, as agreed to by the parties and with the consent of the CPA;

“Creditor” means a Payee of an ISO AFT Transaction;

“Debtor” means a Payor of an ISO AFT Transaction;

“Due Date” means the date indicated by the Payment Originator of the transaction on which AFT Transaction funds are to be credited to a Creditor’s account, in case of an ISO AFT Credit Transaction, or debited from a Debtor’s account, in case of an ISO AFT Debit Transaction;

“Exchange Deadline” means the point in time at the end of an Exchange Period. For example, where the Exchange Period is between 09:30:01 ET and 16:30:00 ET, the Exchange Deadline is 16:30:00 ET;

“Exchange Period” means a period of time defined in this Rule in which an AFT File may be Exchanged between an Originating and a Processing Direct Clearer;

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

“Extended Remittance Information” means any detail provided in an ISO AFT Debit Transaction or an ISO AFT Credit Transaction in the following elements (including their respective sub-elements) as defined in the ISO AFT Usage Guidelines, Parts A and B:

- i. Ultimate Debtor;
- ii. Ultimate Creditor;
- iii. Initiating Party;
- iv. Related Remittance Information; or
- v. Structured Remittance Information;

“IC Cut-off” means, in relation to an ISO AFT Credit Transaction, the point in time 2 hours following the end of the Exchange Period in which the AFT File containing the transaction was Exchanged. For example, where the Exchange Period is between 09:30:01 ET and 16:30:00 ET, the IC Cut-off is 18:30:00 ET;

“Identification Modification Advice (IMA)” means a non-financial transaction created by a Participating Member to allow the Originating Participating Member to inform a Payment Originator of a change to the payment routing information, including the Account Number; [Note this is equivalent to a Notice of Change (NOC) as defined in Rule F1];

“IMA Message” means a message containing one or more IMAs as outlined in the ISO AFT Usage Guidelines;

“Instructed Agent” means the Participating Member that is instructed by the previous Member to carry out the payment instruction;

“Instructing Agent” means the Participating Member instructing the next Member to carry out the payment Instruction;

“ISO AFT Credit Transaction” means a credit Payment Item exchanged in an AFT File as defined in the ISO AFT Usage Guidelines, Part A;

“ISO AFT Debit Transaction” means a Pre-authorized Debit Payment Item within the meaning of Rule H1 exchanged in an AFT File as defined in the ISO AFT Usage Guidelines, Part B;

“ISO AFT File” means an AFT File containing one or more ISO AFT Transactions;

“ISO AFT Message Types” means the structure of an ISO AFT File created in accordance with the ISO AFT Usage Guidelines;

“ISO AFT Transaction” means an AFT Transaction as defined in the ISO AFT Usage Guidelines;

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

“Originating Direct Clearer” means the Direct Clearer that delivers AFT Files to another Direct Clearer;

“Originating Participating Member” means a Participating Member that originates an ISO AFT File or receives an ISO AFT File from a Payment Originator;

“Participating Member” means any CPA Member that registers to participate in the Exchange of ISO AFT Transactions;

“Payment Originator” means a business, association, government or other entity which, upon authorization from its Payee or Payor, initiates an AFT Transaction;

“Payment Reversal Transaction” means an AFT Transaction used to correct an error made by the Payment Originator or the Originating Direct Clearer as defined in the ISO AFT Usage Guidelines, Part D. [Note: This is the CPA Standard 005 equivalent to an Error Correction Transaction];

“Processing Direct Clearer” means the Direct Clearer that receives AFT Transactions from an Originating Direct Clearer;

“Rejected ISO AFT Transaction” means an ISO AFT Transaction which has not passed the Transaction Edit by the Processing Direct Clearer, and is delivered back to the Originating Direct Clearer in an AFT File as defined the ISO AFT Usage Guidelines, Part C;

“Remittance Beneficiary” means the Debtor or Creditor to whom the Payment Originator is providing Remittance Information;

“Remittance Information” means all detail provided within the Extended Remittance Information and the Unstructured Remittance Information elements in an ISO AFT Debit Transaction or an ISO AFT Credit Transaction;

“Returned ISO AFT Transaction” means an ISO AFT Transaction which is unpostable, dishonoured or refused by the Payor or Payee at the Branch of account and is delivered back to the Participating Member that initiated the original AFT Transaction in an AFT File as defined in the ISO AFT Usage Guidelines;

“Return Reason Code” means a three (3) digit code, as assigned by the CPA and defined in CPA Standard 007, which is used by the Processing Direct Clearer or Indirect Clearer to identify the reason for the return of the payment to the Payee/Payor;

“Serviceability Code” means a code representing the number of Business Days required to credit a Payee’s account with an AFT Credit Transaction on the date those funds are to be made available;

“Summary of ISO AFT Data Delivered” means a summary substantially in the form of Appendix V, listing the total number and dollar amount of the AFT Transactions contained in an ISO AFT File;

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

“Trace Request” means a request by the Originating Direct Clearer for the trace of an AFT Transaction which has been delivered to a Processing Direct Clearer;

“Transaction Code” means a three (3) digit code, as assigned by the CPA and defined in CPA Standard 007, which is used by the Payment Originator to identify the type of payment, and by the Processing Direct Clearer or Indirect Clearer to further identify the payment to the Payee/Payor;

“Transaction Edit” means the process of validating individual AFT Transactions contained on an exchanged AFT File in accordance with CPA Standard 005, the ISO AFT Usage Guidelines and the Financial Institution File (FIF);

“Unstructured Remittance Information” means the information contained within the Unstructured Remittance Element as defined in the ISO AFT Usage Guidelines, Parts A and B;

“Universal Resource Locator (URL)” means a unique address for an object on the internet, containing a “protocol” (e.g. http, https, ftp, ldap, mailto, etc.) and an address that identifies the location of something (e.g. a domain and path to a file such as “xyz.com/index.htm”, an email address, a telephone number, etc.). A domain name (e.g. “example.com”) by itself is not a URL;

“Warehoused AFT Transactions” means those AFT Transactions held by a Direct Clearer for future processing.

PART I – GENERAL REQUIREMENTS

Participation

1. Subject to sections 2 and 3, each Direct Clearer shall participate in the Exchange of AFT Files via the CSN.

Registration for the Exchange of ISO AFT Transactions

2.
 - a. Each Member that elects to participate in the Exchange of ISO AFT Transactions shall register by providing notice in the form of Appendix I to the CPA, at least 180 days in advance of their first intended Exchange.
 - b. Registration with the CPA constitutes notice that the Member will:
 - i. develop the capability to deliver and receive all ISO AFT Message Types as defined in the ISO AFT Usage Guidelines, by the date of their first Exchange; and
 - ii. Employ security controls to protect the integrity, privacy and confidentiality of ISO AFT Transaction content, including any personal or otherwise sensitive information, in accordance with Standard 018 – Payment Item Information Security Standard;

Note: For further clarity, the requirement to develop the capability to deliver and receive all ISO AFT Message Types does not obligate Members to initiate any ISO AFT Transaction(s) or restrict the right and discretion of an Originating Participating Member to decline acceptance or inclusion of any content, from its Payment Originator, that is intended to form Remittance Information.

- c. Prior to the Exchange of ISO AFT Files, the Participating Member shall ensure successful completion of a test of its ISO AFT Message Types using tools and criteria as set out by the CPA in its on-boarding process.
- d. Each Participating Member shall receive all ISO AFT Message Types destined for all of its Branches and any Financial Institution for which it is a Clearing Agent.
- e. Each Originating Participating Member shall be responsible and liable for any direct loss, costs or damages incurred by other Participating Members or the CPA as a result of every ISO AFT Credit Transaction, and every Payment Item purporting to be an ISO AFT Credit Transaction, that it exchanges for the purpose of Clearing and Settlement. Each Originating Participating Member shall indemnify the CPA and its Members for any direct loss, costs or damages caused by the Originating Participating Member's failure to comply with this Rule. In no event is an Originating Participating Member responsible for any indirect, consequential, special,

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

aggravated, punitive or exemplary damages, including lost profits, regardless of the cause of action.

Additional Requirements for Direct Clearer Participation

3. Direct Clearers registering to participate in accordance with Section 2 shall:
 - a. deliver and receive ISO AFT Files at a minimum of one AFT Exchange Point (i.e., 10 – Montreal, 20 – Toronto, 90 – Calgary and 00 – Vancouver) and provide notice of which it will use to the CPA;
 - b. provide the Association with its Account Number Formats and Validation Criteria (for all Canadian and U.S. dollar accounts domiciled in Canada) for reproduction in the CPA’s “List of Account Number Formats and Validation Criteria”;
 - c. submit a request for change, as necessary, to the CPA in accordance with the procedures outlined in the CSN Service Level Description (SLD); and
 - d. ensure bilateral testing has been successfully completed with at least two Participating Direct Clearers. At a minimum, such testing shall include the following: file creation, file transmission, forward presentment of ISO AFT Debit and Credit Transactions, returns and reversals of such debits and credits, re-presentment of returned debits, notices of change (IMA Message Type) and end of day reporting. The CPA shall be notified of the successful completion of the bilateral testing by each Participating Direct Clearer.

Note: Bilateral testing may take place with only one testing partner where there are only two Participating Direct Clearers.

Additional Requirements for Indirect Clearer Participation

4. An Indirect Clearer shall not provide notice of intent to participate in the Exchange of ISO AFT Files, unless its Clearing Agent is already a Participating Member.

Prohibited Content

5. Each Participating Member that exchanges an ISO AFT Transaction for a Payment Originator will prescribe terms and conditions prohibiting the Payment Originator from including any harmful content in the ISO AFT Transaction. For greater certainty, harmful content includes anything that:
 - a. is illegal, relates to illegal activities, or the inclusion or transmission of which is otherwise in contravention of applicable law;
 - b. is the personal information of an individual, unless such inclusion has been appropriately consented to by that individual, in accordance with applicable law, including personal information protection legislation; or

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

- c. the receipt or use of which may cause harm to the Remittance Beneficiary or any CPA Member that transmits or processes the ISO AFT Transaction (examples of content that may cause harm include malicious code and deceptive or malicious URLs).

For further certainty, the foregoing list is not exhaustive. Each Participating Member may describe and prohibit such additional harmful content as it deems appropriate.

Changes to an AFT Exchange Point

6.
 - a. A Direct Clearer may cease to accept ISO AFT Files at any AFT Exchange Point by providing 180 days' written notice to the CPA, provided they continue to Exchange through a minimum of one AFT Exchange Point. The CPA shall give notice to all other Direct Clearers. Withdrawal from an AFT Exchange Point with less than 180 days' notice requires the unanimous consent of all Direct Clearers.
 - b. Where a Direct Clearer wish to add an additional Exchange Point, it shall provide the CPA with at least 90 days' notice in advance of the effective date of the addition.

PART II – EXCHANGE & PROCESSING PROCEDURES

AFT File Layout

7. The content and structure of an ISO AFT File shall be in accordance with the ISO AFT Usage Guidelines.
8. No ISO AFT Transaction shall include a URL unless the URL is contained in the Related Remittance Information Element as defined in the ISO AFT Usage Guidelines, Parts A and B.

Exchange Deadlines and Periods

9. An AFT File may be Exchanged within the following Exchange Periods, as organized by the applicable Exchange Deadline (in ET):

	Exchange Deadline (for receipt of file) (Business Days only)	Exchange Period
1	09:30:00 hours	21:00:01 – 09:30:00 hours (this period begins on one Business Day and ends on the next Business Day)
2	16:30:00 hours	09:30:01 – 16:30:00 hours
3	21:00:00 hours	16:30:01 – 21:00:00 hours

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Serviceability Code Assignment

10. Each Direct Clearer shall designate on the Financial Institutions File a Serviceability Code of:
- a. "0" for each of its destination Branches; and
 - b. Either "0", "1", or "2" for each destination Branch of a Financial Institution for which it acts as a Clearing Agent.

Credit Transaction Lead Times & Exchange

11. Each Originating Direct Clearer shall Exchange AFT Credit Transactions, where available, on or before the Due Date, in accordance with the lead time requirement and Serviceability Code of the destination Branch. Serviceability Codes and associated lead times are as follows:
- a. Serviceability Code "0" – Credit Transactions shall be Exchanged on the earlier of (i) the Business Day prior to the Due Date, where the Credit Transactions are available for Exchange; or (ii) the Due Date;
 - b. Serviceability Code "1" – Credit Transactions shall be Exchanged one Business Day before the Due Date; and
 - c. Serviceability Code "2" – Credit Transactions shall be Exchanged two Business Days before the Due Date.

Credit Transaction Funds Availability

12. Where a Credit Transaction is received by a Creditor's FI in accordance with sections 11 and 18, that Processing Direct Clearer or Indirect Clearer shall, unless precluded by a prior restriction placed on the Creditor's account, be responsible for ensuring the funds are available for withdrawal or other use in accordance with the terms of agreement (for example, an account agreement) between the Creditor's FI and the Creditor within the following timeframes:
- a. Subject to subsections (c) and (d), below, where the destination branch is a Serviceability Code "0", funds shall be made available within 2 hours of the Exchange Deadline by which the transaction was received;
 - b. Where the destination branch is a Serviceability Code "1" or "2", funds shall be made available by the opening of business on the Due Date of the transaction;
 - c. Subject to subsection (d), below, where the destination branch is an Indirect Clearer with a Serviceability Code "0", funds shall be made available within 2 hours of the IC Cut-off by which the transaction was received by the Indirect Clearer.

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

- d.
 - i. Where a Credit Transaction is received the Business Day prior to the Due Date, funds shall be made available by the opening of business on the Due Date.
 - ii. Where a Credit Transaction is destined to an account other than a demand deposit account, the transaction may be treated as though destined to a Serviceability Code “1” branch.

Debit Transaction Exchange Dates

13. No Originating Direct Clearer shall deliver an ISO AFT Debit Transaction to a Processing Direct Clearer prior to the Due Date.

Transmission Requirements

14.
 - a. An Originating Direct Clearer shall make reasonable efforts to transmit AFT Files with sufficient time to allow the Processing Direct Clearer to receive the file prior to the applicable Exchange Deadline.
 - b. A Summary of ISO AFT Data Delivered, substantially in the Form Appendix V, shall be sent to the Processing Direct Clearer concurrent with the Exchange of the associated AFT File.

AFT File Receipt

15.
 - a. An AFT File is considered delivered in the Exchange Period in which the Processing Direct Clearer receives the file, regardless of whether transmission was initiated in a previous Exchange Period.
 - b. With respect to the first and second Exchange Period, where a Processing Direct Clearer does not receive an AFT File from an Originating Direct Clearer within the applicable Exchange Period, the Processing Direct Clearer shall give notice to the Originating Direct Clearer of non-receipt or late receipt as soon as possible and no later than one hour after the applicable the Exchange Deadline.
 - c. With respect to the third Exchange Period, where a Processing Direct Clearer does not receive an AFT File from an Originating Direct Clearer, the Processing Direct Clearer shall give notice to the Originating Direct Clearer of non-receipt or late receipt as soon as possible and prior to the first Exchange Deadline.

AFT Initial File Edit and Rejected Files

16.
 - a. With respect to the first and second Exchange Period, the Processing Direct Clearer shall perform an initial edit check on each ISO AFT File received, in accordance with the ISO AFT Usage Guidelines, and if unable to process the ISO AFT File, shall give notice to the Originating Direct Clearer as soon as possible and no later than one hour after the applicable Exchange Deadline, by indicating the Message

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Identification Number(s), the Creation Date and Time(s), and the reason for rejecting the ISO AFT File.

- b. With respect to the third Exchange Period, a Processing Direct Clearer shall perform an edit check on each ISO AFT File received, in accordance with the ISO AFT Usage Guidelines, and if unable to process the ISO AFT File, shall give notice to the Originating Direct Clearer as soon as possible and prior to the first Exchange Deadline, by indicating the Message Identification Number(s), the Creation Date and Time(s), and the reason for rejecting the ISO AFT File.
 - c. If the Originating Direct Clearer is unable to resend an AFT File rejected under subsection (a) in the same Exchange Period, the Originating Direct Clearer may resend the file in a subsequent Exchange Period.
17. A Participating Member may reject an ISO AFT Transaction containing a URL located in an element other than the Related Remittance Information Element, as defined in the ISO AFT Usage Guidelines, Parts A and B.

Delivery of AFT Files to Indirect Clearers

18. A Processing Direct Clearer acting for an Indirect Clearer with branch(es) bearing Serviceability Code “0” shall deliver, at a minimum, all ISO AFT Credit Transactions destined for that Indirect Clearer’s Serviceability Code “0” branch(es) no later than the IC Cut-off applicable to the ISO AFT Credit Transactions.

Note: For further certainty, nothing in this rule prevents a Processing Direct Clearer and an Indirect Clearer from establishing a mutually agreed upon time for the delivery of transactions that is earlier than the IC Cut-off. This section 18 shall enter into effect on October 15, 2018.

Transaction Edit, Account Validation and Rejected Transactions

- 19.
- a. ISO AFT Transactions failing to pass the Transaction Edit shall be rejected and delivered back to the Originating Direct Clearer in an ISO AFT File no later than the Business Day following editing of the original ISO AFT File. The total number of Rejected Transactions due on each Settlement date shall be included with the appropriate totals in the Summary of ISO AFT Data Delivered.
 - b.
 - i. Each Direct Clearer shall notify the CPA of additions or revisions to validation routines and account number formats by submitting an Account Validation Input Sheet. Direct Clearers will have the greater of 180 days or the stated effectiveness date to implement the change upon circulation of the Account Validation Input Sheet by the CPA.
 - ii. A Processing Direct Clearer may not reject ISO AFT Transactions destined to an Indirect Clearer for which it acts as Clearing Agent for reason of invalid account number, where the Clearing Agent has not made available the

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Indirect Clearer's account number formats and validation routines for publication in the CPA's "List of Account Number Formats and Validation Criteria" in accordance with subsection (i), above.

- c.
 - i. Rejected ISO AFT Transactions, bearing a 900 Return Reason Code and the appropriate invalid data element(s), shall be delivered back to the Originating Direct Clearer in accordance with the ISO AFT Usage Guidelines, Part C.
 - ii. Where an ISO AFT File contains 50 or more Rejected Transactions, the Processing Direct Clearer shall immediately notify the Originating Direct Clearer.
- d.
 - i. Credit Transactions with a Due Date more than 30 calendar days prior to the file creation date shall be rejected.
 - ii. Debit Transactions with a Due Date more than 173 days prior to the creation date and time element of the ISO AFT File may be rejected.

Resubmission of Rejected Transactions

20. If an ISO AFT Transaction has been rejected by a Processing Direct Clearer, it may only be resubmitted by the Originating Direct Clearer as a new Transaction.

Prohibition against Amalgamation

21. Each ISO AFT Transaction received by a Processing Direct Clearer shall be handled individually and shall not be amalgamated with any other AFT Transaction.

Remittance Information

22.
 - a. Subject to subsection (b), no Participating Member that receives Remittance Information contained in an ISO AFT Transaction from another Participating Member shall remove or alter the Remittance Information.
 - b. Where a Participating Member reasonably believes that the Remittance Information in an ISO AFT Transaction contains content the receipt or use of which poses a real risk of immediate and significant harm to the recipient, it may remove or withhold the Remittance Information provided that it:
 - i. passes along the ISO AFT Transaction to the next Instructed Agent in furtherance of posting or posts the transaction to the account of the Remittance Beneficiary, as applicable; and
 - ii. promptly provides notice, substantially in the form of Appendix II, to the next Instructed Agent or Remittance Beneficiary, as applicable, of the removal or withholding of the Remittance Information unless otherwise required by applicable law.

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

- c. Where a Participating Member receives a Notification of Removal, it shall, as applicable, promptly pass the notification to the Participating Member holding the account of the Remittance Beneficiary or, where it is the holder of the account, provide the details of the Remittance Information removal or withholding to the Remittance Beneficiary.

Note: For further clarity, no Participating Member is required by subsection (b) to scan or otherwise examine the Remittance Information contained in any ISO AFT Transaction received from another Participating Member, or to remove or withhold any such Remittance Information. Nothing in this section detracts from the responsibility and liability obligations of an Originating Participating Member as established in subsection 2(e) of this Rule, or of a Member that Exchanges a PAD as established in section 6 of Rule H1. For procedures addressing circumstances in which an ISO AFT File or one or more ISO AFT Transactions does not pass the initial edits or cannot be posted, see sections 16, 17, 19 and 29.

23. The obligations set out in section 22 do not apply to transactions destined to a Financial Institution that has not registered pursuant to section 2.
24. Subject to subsection 22(b), a Remittance Beneficiary's Participating Member shall provide or make available all Unstructured Remittance Information to the Remittance Beneficiary as soon as possible and no later than the Business Day following the date funds are debited from or credited to the Remittance Beneficiary's account.
25.
 - a. Subject to subsection 22(b), a Participating Member shall provide or make available the Extended Remittance Information to the Remittance Beneficiary, in accordance with an agreement between those parties, where requested in advance of the item being debited from or credited to the Remittance Beneficiary's account.
 - b. Extended Remittance Information requested in accordance with subsection (a) shall be provided or made available as soon as possible and no later than the Business Day following the date the Remittance Beneficiary's account was debited or credited unless otherwise requested by the Remittance Beneficiary and agreed to by the Participating Member.
 - c. The Participating Member shall provide or make available the Extended Remittance Information, in accordance with its internal tracing procedures, where requested by the Remittance Beneficiary within 90 days of the date the item was debited from or credited to the Remittance Beneficiary's account.

PART III – RETURNS & EXCEPTION PROCESSING

Time Limitation for Return

26. Subject to sections 27 and 28, where a Financial Institution is returning an ISO AFT Debit Transaction or ISO AFT Credit Transaction, it shall return the transaction no later than the Business Day following receipt by the first organizational unit that is able to make or act upon a decision to dishonour or refuse an Item.

Exceptions to Time Limitation: Debtor/Creditor Initiated Returns

27. Each ISO AFT Debit Transaction being returned due to a Debtor's claim for reimbursement shall be returned in accordance with the time limitation set out in Rule H1.
28. An ISO AFT Credit Transaction may be refused by a Creditor up to and including 90 days after the date on which the transaction was processed to the Creditor's account. Credit Transactions being refused after this time shall be addressed outside of the Clearing.

Unposted/Dishonoured Transactions/Transactions Refused by Payor/Payee

29. ISO AFT Transactions issued in accordance with the ISO AFT Usage Guidelines, Parts A, B and C, that are accepted in the AFT Initial File Edit by the Processing Direct Clearer and subsequently unposted, dishonoured or refused by a Debtor or a Creditor shall be returned using the applicable Return Reason Code indicated in Standard 007.
30. A Returned ISO AFT Transaction, as defined in the ISO AFT Usage Guidelines, Part C, accepted in the AFT Initial File Edit shall not be returned for the purpose of Clearing and Settlement. It shall be treated as an Item in Dispute. (Refer to Rule A6.)

Re-presentation and Rejected Returned ISO Transactions

31. An ISO AFT Debit Transaction which has been returned for the reason "Non-Sufficient Funds" (Return Reason Code 901), or "Funds Not Cleared" (Return Reason Code 908), may be re-presented on a one-time only basis. The Payment Originator may re-present an Item within 30 days following the return of the original Debit Transaction. In addition, a Pre-Authorized Debit shall only be re-presented for the same amount as the original Pre-Authorized Debit (i.e. shall not include additional charges). If the ISO AFT Debit Transaction is dishonoured a second time, it shall not be re-presented by the Originating Participating Member.
32. Notwithstanding section 31, a Processing Direct Clearer shall not resubmit a Returned ISO AFT Transaction that has been rejected by the Originating Direct Clearer.

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Re-Routing of Transactions

33. Where a Participating Member undertakes the re-routing of an ISO AFT Debit Transaction or an ISO AFT Credit Transaction, any liability resulting directly from the re-routing shall be borne by that Financial Institution.
34. Where a Participating Member has elected to re-route an ISO AFT Debit Transaction or an ISO AFT Credit Transaction and wishes to advise the Payment Originator of corrections to Branch account information, the re-routing Financial Institution shall deliver an Identification Modification Advice (IMA), as defined in the ISO AFT Usage Guidelines, Part E.

Reimbursement Claim

35. Where a Reimbursement Claim is required for the return of an ISO AFT Debit Transaction (refer to Rule H1), the Payor's FI shall retain the Reimbursement Claim for a minimum period of twelve (12) months from the date the Item was returned.
36. In the event that a copy of the Reimbursement Claim is required, the following procedures shall apply:
 - a. The Originating Direct Clearer shall submit a Reimbursement Claim Request Form (sample provided in Appendix III) to the Processing Direct Clearer (refer to the AFT Master Contact List) prior to the expiration of the twelve (12) month retention timeframe.
 - b. Where the Debtor's FI is an Indirect Clearer, the Processing Direct Clearer shall forward the completed Reimbursement Claim Request Form to that Indirect Clearer as soon as possible but no later than the next Business Day.
 - c. The Debtor's FI shall fulfill the request within 30 days of receipt by:
 - i. providing a copy of the Reimbursement Claim to the requestor; or
 - ii. if unable to do so, by reimbursing the amount of the claim, according to the instructions provided in the Reimbursement Claim Request Form.

Accuracy and Delivery of Returned Transactions

37. A Direct Clearer initiating a Returned ISO AFT Transaction is responsible for ensuring the accuracy of every Returned ISO AFT Transaction it delivers to another Direct Clearer. Where an incorrect debit Returned ISO AFT Transaction is delivered, the Direct Clearer that initiated the Transaction shall reimburse the receiving Direct Clearer for the value equal to the inaccurate Returned ISO AFT Transaction and any service or interest charges incurred.

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Payment Reversal Transactions

- 38.** Payment Reversal Transactions (as defined in the ISO AFT Usage Guidelines) may only be originated to reverse an AFT transaction for the following reasons:
- Duplicate payment;
 - Incorrect amount in original payment;
 - Incorrect account number;
 - Canceled PAD agreement; and
 - Transaction not in accordance with PAD agreement.
- 39.** Returned ISO AFT Transactions (as defined in the ISO AFT Usage Guidelines, Part C) are not eligible for reversal using a Payment Reversal Transaction.
- 40.** Payment Reversal Transactions shall not be originated to protect a Member from an insolvent Payment Originator.
- 41.** An Error Correction Transaction shall not be rejected for the reason that the original transaction, where received in the same Exchange Period, has not yet been processed.

Time Frames for Payment Reversal

- 42.** Delivery of Payment Reversal Transactions shall be made as soon as possible following the exchange of the original ISO AFT Debit Transaction or ISO AFT Credit Transaction, and no later than three (3) Business Days following the Settlement date.

Time Limit for Refusal of an ISO AFT Payment Reversal Transaction

- 43.** A customer may refuse a Payment Reversal Transaction as defined in the ISO AFT Usage Guidelines, Part D, provided that it does so within 90 days subsequent to the posting date. The Payment Reversal Transaction shall be returned using Return Reason Code 915 for debits or 922 for credits in accordance with Standard 007.

Rejected Payment Reversal Transactions

- 44.** An Originating Direct Clearer shall not resubmit a Payment Reversal Transaction that has been rejected by the Processing Direct Clearer.

PART IV – RETENTION & TRACING

Message Identification Numbers Records

45. Each ISO AFT Message Type delivered by the Originating Direct Clearer to the Processing Direct Clearer shall bear a Message Identification number unique to that Processing Direct Clearer. Message Identification Numbers shall not be repeated within a twelve-month period. Each new Message Identification number shall be numbered in sequence, increasing by increments of one (i.e., [previous message identification number] +1).

Tracing

46. All Direct Clearers shall adhere to the record retention requirements outlined in Rule B10, section 15.

Trace Requests, Tracing Limits and Tracing Procedures

- 47.
- a. A Trace Request (refer to Appendix III) shall be initiated by the Originating Direct Clearer to the Processing Direct Clearer at the AFT Exchange Point subject to Regional Clearing Association arrangements. The Originating Direct Clearer shall not be obliged to respond to an enquiry from a customer of a Processing Direct Clearer.
 - b. A Processing Direct Clearer shall not be obliged to respond to any Trace Requests received more than 12 months after the Settlement date of the ISO AFT Transaction.
 - c. A Processing Direct Clearer shall not be obliged to respond to any Trace Requests regarding an ISO AFT Transaction of less than \$20.00.
 - d. At the option of the Processing Direct Clearer, a Trace Request may be accepted by telephone. Adequate records of telephone requests shall be kept by the Processing Direct Clearer.
 - e. The Processing Direct Clearer shall determine the disposition of the ISO AFT Transaction and shall advise the Originating Direct Clearer of the status and of any action taken, as follows:
 - i. within two (2) Business Days of the date of receipt of the request, for Trace Requests with Settlement dates of up to 30 days; or
 - ii. within five (5) Business Days of the date of the receipt of the request, for Trace Requests with Settlement dates of greater than 30 days.

PART V – SETTLEMENT PROCEDURES

Settlement

- 48.
- a. Each Direct Clearer shall maintain a summary of ISO AFT Debit Transactions and ISO AFT Credit Transactions, by ISO AFT File, and by Due Date for all ISO AFT Transactions Exchanged for a period of one year.
 - b. No Settlement shall be made for obligations arising from any transactions contained in a rejected ISO AFT File.
 - c. Settlement must be effected for obligations arising from the Exchange and Clearing of Rejected ISO AFT Transactions.
 - d. The Settlement date shall be the Business Day following the Due Date or the Business Day following the date of Exchange for ISO AFT Transactions delivered after the Due Date.
 - e. Where applicable, the rules and regulations of the Regional Clearing Association for the handling of Clearing Logs and settling of balances shall apply.

ACSS Entries

- 49.
- a. Each Processing Direct Clearer shall initiate, in the National Electronic Settlement Region and using stream identifier "AFTC", a debit entry against each of the other Direct Clearers from which it has received credit transactions (i.e., ISO AFT Credit Transactions, Payment Reversals for ISO AFT Debit Transactions, and returned ISO AFT Credit Transactions) for Settlement in accordance with subsection 47(d). Each debit entry shall specify the total volume and value of ISO AFT Transactions received from the Direct Clearer being debited. Such debit entry shall be made by 05:00 ET on the Settlement date, except where the Settlement date is a Business Day following a Regional or Civic Holiday, in which case entries may be made up to 09:30 ET on that day.
 - b. Each Originating Direct Clearer shall initiate, in the National Electronic Settlement Region and using stream identifier "AFTD", a debit entry against each of the other Direct Clearers from which it has delivered Debit Transactions (i.e., ISO AFT Debit Transactions, Payment Reversals for ISO AFT Credit Transactions, and returned ISO AFT Debit Transactions). Each debit entry shall specify the total volume and value of ISO AFT Transactions delivered to each Direct Clearer being debited. Such debit entry shall be made by 05:00 ET on the Settlement date, except where the Settlement date is a Business Day following a Regional or Civic Holiday, in which case entries may be made up to 09:30 ET on that day.

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Default

50. In the event of a Default, AFT Transactions shall be returned or rejected in accordance with the procedures outlined in Rules L1 (for Default of a Direct Clearer) or L2 (for Default of an Indirect Clearer).

PART VI – DIRECT CLEARER AND CSN INCIDENTS

Direct Clearer Incidents and Notification to the CPA

51. Each Direct Clearer encounters a “Direct Clearer Incident” if it:

- a. cannot process AFT Files and an Exchange Deadline is missed;
- b. cannot send or receive AFT Files and an Exchange Deadline is missed;
- c. cannot make funds available, in accordance with section 12, to the Payee’s account for Credit Transactions; or
- d. has an internal incident that is likely to impact more than one other Direct Clearer.

Within 15 minutes of becoming aware of encountering a “Direct Clearer Incident”, the Direct Clearer shall give notice to the CPA by contacting the Service Desk (see Appendix VI of this Rule).

Direct Clearer Incident Emergency Conference Call Meeting(s)

52. Upon the CPA receiving notice from a Direct Clearer encountering a Direct Clearer Incident, it shall advise the AFT representatives of each Direct Clearer and such other persons or entities considered appropriate. Emergency conference call meetings shall be arranged as deemed necessary by the CPA in consultation with the AFT representatives.
53. During each emergency conference call meeting or as otherwise requested by the CPA, the Direct Clearer encountering a Direct Clearer Incident shall report on the following information:
- a. the nature of the Direct Clearer Incident, anticipated recovery time, what systems or processes are affected, and suggested schedule of update for communication; and
 - b. if possible, specific details on the cause of the Direct Clearer Incident (e.g., hardware, software, procedural or personnel), what additional Payment Items (if any) are affected, the customer impact (if any), and a summary of the procedures that are being conducted to resolve the Direct Clearer Incident.

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

CSN Incident

54. A “CSN Incident” shall be declared if the CPA Services Network is not operational for all Direct Clearers (in any situation other than a Force Majeure Situation).

CSN Incident Emergency Conference Call Meeting(s)

55. Upon the CPA discovering or receiving notice of a potential CSN Incident, it shall advise the AFT representatives of each Direct Clearer and such other persons or entities considered appropriate. The CPA, in consultation with the AFT representatives of each Direct Clearer, shall determine the nature and extent of the incident and arrange conference call meetings as deemed necessary.

Responsibilities of Direct Clearers during a CSN Incident

56. In the event the CSN is not operational for Direct Clearers, Direct Clearers shall give notice to the CPA within 15 minutes of becoming aware unless the CPA originally identified the CSN Incident.

Responsibilities of the CPA during a CSN Incident

57. In the event of a CSN Incident, the CPA shall report on the CSN Incident during each emergency conference call meeting. This report shall include, at a minimum, the following information:

- a. the nature of the CSN Incident, anticipated recovery time, what systems or processes are affected, likely time for resolution of the CPA Services Network problem and suggested schedule of update for communication; and
- b. if possible, specific details of the cause of the CSN Incident (e.g., hardware, software, procedural or personnel), what additional Payment Items (if any) are affected, and a summary of the procedures that are being conducted to resolve the CSN Incident.

Responsibilities of Direct Clearers Relating to Exchange of AFT Files

58. In the event of a CSN Incident, Direct Clearers shall delay pre-scheduled transmissions of AFT Files to each Direct Clearer until such time that the network becomes operational.

Responsibilities of Indirect Clearers Relating to Exchange of AFT Files

59. Where an Indirect Clearer with one or more Serviceability Code “0” branches experiences an interruption in services and cannot make funds available to the Creditor’s account in accordance with section 12, it shall immediately give notice to the CPA by contacting the Service Desk (see Appendix III of this Rule).

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Disaster Recovery Site

60. Each Direct Clearer shall have, and maintain, two separate and distinct sites (primary site and disaster recovery site) connected to the CPA Services Network at all times, for the transmission of AFT Files.
61. Each Direct Clearer shall test its disaster recovery site at least once per calendar year. The tests shall be coordinated by the CPA on pre-determined dates.
62. The Originating Direct Clearer is prepared to recreate and resubmit an AFT File upon request from a Processing Direct Clearer, provided that such a request is made within three business days of the AFT File Exchange.

Incident Reports

63. Each Direct Clearer that is required to report on a Direct Clearer Incident in accordance with this Rule shall complete and forward an AFT Incident Report Form to the CPA as soon as possible and no later than 10 Business Days of encountering a Direct Clearer Incident (contact the CPA Service Desk to obtain report).

PART VII – IDENTIFICATION MODIFICATION ADVICE PROCEDURES

Identification Modification Advice

64. This Part outlines procedures for a Participating Member to issue an Identification Modification Advice (IMA) to a Payment Originator via the Originating Participating Member, using an automated method.
 - a. The procedures outlined below shall be applicable to all changes to payment routing information affecting Canadian and U.S. dollar accounts. IMA transactions are zero-dollar transactions.
 - b. The procedures outlined shall be applicable to ISO IMA Transactions as defined in the ISO AFT Usage Guidelines, Part E.

Participants

65.
 - a. It shall be mandatory for Participating Members to receive IMAs.
 - b. A Participating Member that elects to use an IMA to notify other Participating Member of changes to payment routing information shall register with the CPA as an IMA participant, in accordance with section 67 below.

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Notification of IMA Participation

- 66.**
- a. Prior to delivering IMAs, a Participating Member shall advise the CPA at least 180 days in advance of the implementation date.
 - b. The CPA shall notify other participants that the Participating Member is prepared, as of its implementation date, to deliver IMA Files (subject to subsection 64 (b)). The CPA shall notify Participating Member of all new registrations, including implementation dates, and the delivery frequency.
 - c. IMA participants shall exchange and successfully process test files with a minimum of two other participants prior to exchanging production files.

Obligation of the Participating Member Originating an IMA and Inaccurate IMAs

- 67.**
- a. The Participating Member originating an IMA shall be responsible for the accuracy of the IMA.
 - b. A Summary of IMA Transactions Delivered form shall be provided by the Participating Member originating the IMA.
 - c. The Participating Member originating the IMA shall be responsible for every IMA that it delivers and shall be liable for the indemnification of the Association and its Members for any direct loss, costs or damages, incurred by them as a result of an IMA that it has delivered, except where such loss, costs or damages resulted from an error by the Participating Member processing the IMA.
 - d. A Payment Item that is misdirected as a result of an inaccurate IMA, may be treated as an Item in Dispute and dealt with in accordance with Rule A6.
 - e. The Participating Member originating the IMA shall ensure that IMAs for Canadian and US dollar accounts are delivered in separate IMA message.

Obligation of the Participating Member Processing an IMA and Rejected Files and Transactions

- 68.** The Data Centre of the Participating Member processing an IMA shall edit each IMA message received and, if unacceptable give notice to the Participating Member originating the IMA message that the IMA message is unacceptable, within three (3) Business Days after receipt, along with the reason for rejection.
- 69.** Where an IMA transaction is rejected, the Participating Member processing the IMA shall give notice of rejection to the Participating Member originating the IMA within five (5) Business Days after receipt of the original IMA File, along with the reason for rejection.
- 70.** In the case of IMAs for Credit Transactions, where the IMA Participating Member forwards an IMA to a Payment Originator, the IMA Processing Participating Member shall ensure the

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

Payment Originator has been made aware of the importance of accepting and acting upon the IMA in relation to Credit Transactions similar to the importance of accepting and acting upon an IMA in relation to Debit Transactions as set out in Rule H1.

IMA Message Identification Numbers

71. Each IMA message delivered by the Participating Member originating the IMA to the Participating Member processing the IMA shall bear a Message Identification Number unique to that processing Participating Member. That Message Identification Number cannot be repeated within a twelve-month period. Each new Message Identification Number shall be numbered sequentially (i.e., [previous Message Identification Number]+1). If the IMA Message Identification Number does not conform to the ISO AFT Usage Guidelines, the IMA message shall be rejected.

Forwarding of IMAs

72. The Participating Member processing the IMA shall forward the IMA to the Payment Originator within seven (7) Business days of receipt of the IMA from the Participating Member originating the IMA.

Record Retention

73. The Participating Member originating the IMA shall have the ability to recreate the IMA message, for a period of seven (7) Business days after delivery.

Tracing Facilities

74. Each Direct Clearer shall maintain adequate tracing facilities to ensure that all Participating Members originating IMAs and all Participating Members processing IMAs are able to trace IMAs for a period of two years. Traces of IMAs shall not be initiated to determine whether an IMA has been acted upon

APPENDIX I: ISO AFT EXCHANGE PARTICIPATION NOTIFICATION FORM

Name of Financial Institution:	Institution Number:
--------------------------------	---------------------

This is to provide notice that the Financial Institutions named above hereby gives notice to the CPA of its intent to commence Exchange of ISO AFT Files with Exchange Partner(s) named below.

Name of Exchange Partner:	Institution Number:
Approximate Implementation Date:	Exchange Point:
Name of Exchange Partner:	Institution Number:
Approximate Implementation Date:	Exchange Point:
Name of Exchange Partner:	Institution Number:
Approximate Implementation Date:	Exchange Point:

Registration Form Completed by:

Name:	Phone:	Email:
-------	--------	--------

Date:

Please return this form to:

Canadian Payments Association
 Suite 800, 350 Albert Street, Ottawa, K1R 1A4 – Fax: (613) 233-3385, Tel: (613) 238-4173
 Email: opshd@payments.ca

APPENDIX II: REMITTANCE INFORMATION REMOVAL NOTIFICATION FORM

CAD USD

TO:	FROM:
NAME OF PREVIOUS/NEXT AGENT	AGENT
CONTACT NAME:	CONTACT NAME:
TELEPHONE:	TELEPHONE:
FAX:	FAX:
EMAIL:	EMAIL:

This section to be completed from information supplied in the original transaction:

PAYMENT ORIGINATOR NAME OR ORGANIZATION IDENTIFICATION #:	AMOUNT:
GROUP MESSAGE NAME AND IDENTIFICATION NUMBER:	INTERBANK SETTLEMENT DATE:
END TO END IDENTIFICATION #:	DEBTOR AGENT ID:
TRANSACTION IDENTIFICATION #:	ACCOUNT #:
NAME OF DEBTOR/CREDITOR	
FIELD CONTENT REMOVED FROM:	REASON FOR REMOVAL:

COMMENTS:

COMPLETED BY:	DATE:
---------------	-------

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

APPENDIX III: ISO AFT SAMPLE TRACE REQUEST FORM

CAD USD

TO:	FROM:
NAME OF INSTRUCTING AGENT	NAME OF INSTRUCTED AGENT
FAX:	CONTACT:
	TELEPHONE:
	FAX:
	EMAIL:

This section to be completed from information supplied by the originator:

DEBTOR NAME OR ORGANIZATION IDENTIFICATION NUMBER:	AMOUNT:
GROUP MESSAGE NAME AND IDENTIFICATION NUMBER:	INTERBANK SETTLEMENT DATE:
END TO END IDENTIFICATION #:	DEBTOR AGENT ID:
TRANSACTION IDENTIFICATION #:	ACCOUNT #:
NAME OF DEBTOR/CREDITOR	
This section to be completed by processing direct clearer:	POSTING DATE:
COMMENTS:	
SIGNATURE:	DATE COMPLETED:

APPENDIX IV: ISO AFT SAMPLE REIMBURSEMENT CLAIM REQUEST FORM

CAD USD

TO:	FROM:
NAME OF INSTRUCTING AGENT	
ADDRESS:	ADDRESS:
CITY:	CITY:
POSTAL CODE:	POSTAL CODE:
EMAIL:	EMAIL:
TEL. NO.:	TEL. NO.:
FAX. NO.:	FAX. NO.:
SIGNATURE:	SIGNATURE:

Transaction Details

DEBTOR NAME:	DEBTOR ACCOUNT NUMBER:
RETURNED TRANSACTION IDENTIFICATION NUMBER:	ORIGINAL INTERBANK SETTLEMENT DATE:
MESSAGE CREATION DATE AND TIME:	RETURN INTERBANK SETTLEMENT DATE:
ORIGINAL END TO END IDENTIFICATION NUMBER:	RETURN REASON CODE:
	AMOUNT:
DEBTOR AGENT IDENTIFICATION NUMBER:	
REQUEST FORM COMPLETED BY:	DATE COMPLETED:

Please provide signed claim form or, where not available, reimburse the amount of the claim to:

ATTENTION:	
ADDRESS:	
CITY:	PROVINCE:
POSTAL CODE:	FAX. NO.:
SIGNATURE:	DATE COMPLETED:

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

APPENDIX V: SUMMARY OF ISO AFT DATA DELIVERED

To: Direct Clearer B Processing Direct Clearer Data Centre Location, 99999			From: Direct Clearer A Originating Direct Clearer Data Centre Location, 99999	
PAYMENT DETAIL		DEBIT	CREDIT	
Date:	Number of Transactions	(Due to Amount)	Number Transactions	(Due From Amount)
Message Name Identification: Pacs.008.001.04 Message Creation Date and Time: YYYY-MM-DDThh:mm:ss.sss				
June 23			99,999,999	\$999,999,999.99
June 24			99,999,999	\$999,999,999.99
...				
Subtotals			99,999,999	\$999,999,999.99
Message Name Identification: Pacs.003.001.04 Message Creation Date and Time: YYYY-MM-DDThh:mm:ss.sss				
June 23	99,999,999	\$999,999,999.99		
June 34	99,999,999	\$999,999,999.99		
...				
Subtotals	99,999,999	\$999,999,999.99		
Message Name Identification: Pacs.007.001.04 Message Creation Date and Time: YYYY-MM-DDThh:mm:ss.sss				
June 23	99,999,999	\$999,999,999.99		
June 34	99,999,999	\$999,999,999.99	99,999,999	\$999,999,999.99
...				
Subtotals	99,999,999	\$999,999,999.99	99,999,999	\$999,999,999.99

RULE F4 – RULES APPLICABLE TO AUTOMATED FUNDS TRANSFER (AFT) TRANSACTIONS EXCHANGED USING ISO 20022 MESSAGES

APPENDIX V: SUMMARY OF ISO AFT DATA DELIVERED (CONTINUED)

To: Direct Clearer B Processing Direct Clearer Data Centre Location, 99999			From: Direct Clearer A Originating Direct Clearer Data Centre Location, 99999	
PAYMENT DETAIL		DEBIT	CREDIT	
Date:	Number of Transactions	(Due to Amount)	Number Transactions	(Due From Amount)
Message Name Identification: Pacs.004.001.04 Message Creation Date and Time: YYYY-MM-DDThh:mm:ss.sss				
June 23	99,999,999	\$999,999,999.99	99,999,999	\$999,999,999.99
June 34	99,999,999	\$999,999,999.99		
...				
Subtotals	99,999,999	\$999,999,999.99	99,999,999	\$999,999,999.99
Totals	99,999,999	\$999,999,999.99	99,999,999	\$999,999,999.99
Total Rejects & Returns	99,999,999	\$999,999,999.99	99,999,999	\$999,999,999.99

APPENDIX VI: PAYMENTS CANADA SERVICE DESK CONTACT INFORMATION

Hours of Availability	
Payments Canada Service Desk – (On hours support)	By phone or email from Sunday at 21:30 hrs to Friday at 21:30 hrs ET.
Payments Canada Service Desk – (Off hours support)	<u>Monitored voicemail only</u> from Friday at 21:30 hrs to Sunday at 21:30 hrs ET.
Telephone Number *	
1-800-263-8863	
Fax Number	
1-613-688-1123	
Email Address	
opshd@payments.ca	
* The telephone number is automatically re-routed to the alternate help desk in the event of a problem at the primary help desk.	

APPENDIX VII: PROCEDURES FOR THE MAINTENANCE OF AFT TRANSACTION CODES

Introduction

1. This Appendix outlines procedures that are required to add and modify Transaction Codes and Return Reason Codes in CPA Standard 007.

Annual Process for Updates to Transaction Codes

2. The addition or modification to a Transaction Code or Return Reason Code by all Direct Clearers and Public Services and Procurement Canada (PSPC) shall occur once per calendar year as described in sections 3 and 4, subject to the evaluation of any ad-hoc requests as described in section 5.
3. Requests for adding or modifying a Transaction Code or Return Reason Code shall be submitted to the CPA by a Direct Clearer or PSPC no later than the first business day of January for implementation on the first business day of July of the same year using the “AFT Transaction Code Application Form,” below.
4. Where no requests for the addition or modification to a Transaction Code or a Return Reason Code are made by any Direct Clearer or PSPC by the January deadline, a request may be submitted to the CPA no later than the first business day of April for the implementation on the first business day of October of the same year.
5. All requests received outside of the submission deadlines shall be evaluated by the E-Payments Working Group on the basis of potential volume of transactions, potential percentage of total transactions exchanged bearing the modified or additional Transaction Code, applicability of the modified or additional Transaction Code to a broad cross-section of Debtor/Creditor, and other issues related to the benefit of the modified or additional Transaction Code as may be identified by the applicant.

Requests for new Transaction Codes for financial transactions that are restricted to a limited range of Creditors or Debtors shall not be considered. Where a Transaction Code is deemed previously allocated at a generic level, the request for a new Transaction Code shall be denied with the recommendation that appropriate descriptive fields, such as originator long name, Debtor Name and sundry information, be utilized instead.

Notification of Approved Codes

6. Upon approval by the Board, Direct Clearers shall be notified of the additions or modifications of AFT Transaction Codes and their effective dates.

