



**PAYMENTS
CANADA**

LYNX RULE 15

CROSS-BORDER ARRANGEMENTS

2023 CANADIAN PAYMENTS ASSOCIATION

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IMPLEMENTED

August 29, 2021

AMENDMENTS

1. Amendments to clarify notification of changes requirements related to Lynx Authorized Personnel for Cross-Border Arrangements as well as general security-related requirements. Approved by the Board May 12, 2023, effective July 11, 2023.

Cross-Border Arrangements

1. A Participant may apply to the Association to locate any part of its Lynx operations or set up Lynx Authorized Personnel to access Lynx in a country other than Canada by completing the application procedures set out in this Rule. Where the President is not satisfied with the form and content of the application and all supporting documentation provided by the Participant, the President may request additional information or clarification. For greater certainty, a Participant's Lynx operations include Participant Workstations, CSN connection point(s) for Lynx (i.e., CSN routers/switches), Payment Processing Centre(s) or Data Centre(s).

A Participant must submit a fully completed application (form to be provided by the Association), along with the following, for approval by the Association:

- a. The jurisdiction(s) the Participant wishes to locate any part of its Lynx operations including country, state and city;
- b. A list of Lynx Authorized Personnel who plan to access Lynx outside Canada and the jurisdiction from where they plan to access it;
- c. A diagram/schematic setting out the location of each of the relevant components which will be used to process payments or access Lynx outside of Canada.
- d. Confirmation that the Participant has established a principal office within Canada and appointed a principal officer who is ordinarily resident in Canada, regardless of the location of any Lynx component outside of Canada, including the civic address of the principal office and the name and title of the principal officer;
- e. Confirmation that:
 - i. The Participant is capable of complying with all the requirements contained in the Lynx By-law, Lynx Rules (including the Technical Specifications and Procedures documents), the Lynx Contingency Playbook, Lynx Service Level Description, and the CSN Service Level Description as applicable, from the jurisdiction in question;
 - ii. The laws of the jurisdiction where the processing will occur will not preclude the Participant from doing anything with the information or data that is reasonably expected to do in Canada;
 - iii. The nature of the information or data to be maintained and processed outside Canada, and the actual maintenance and processing of the information or data outside of Canada, will not have a significant negative impact on the Participant's business operations and services in Canada, including the confidentiality, availability and integrity of the operations and services. This

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includes consideration of the adequacy of the back-up facilities to handle operations without a major disruption to services; and

- iv. The Lynx token(s) obtained from the Association can be exported to the jurisdiction in question. The Association will deliver any new Lynx token(s) to a Lynx Access Officer within Canada or the United States. It will be the Participant's responsibility to securely provide the token(s) to their Lynx Authorized Personnel;
- f. Confirmation that the Participant's CSN connection points for Lynx are located in either Canada or the United States, including civic address for each installation;
- g. Confirmation that the Association will have access to the Participant's operations on an ongoing basis for any system audit or operations review that the Association may reasonably request to carry out in connection with Lynx;
- h. Evidence that it has obtained the approval of its appropriate internal authority or executive;
- i. Any documentation that is submitted by a Participant to the Association in relation to Lynx access or Lynx operations location must be signed by a "duly authorized officer" of the Participant, unless otherwise specified.

Non Approval

- 2. Where the President determines, at the President's discretion, that the criteria for approval of the application have not been sufficiently met, the President may refuse to approve the application.

Reasons in Writing

- 3. Where the President decides not to approve an application, the President must communicate that decision in writing to the Participant including the reasons for non-approval of the application.

Revocation

- 4. Where the President determines, in the President's discretion, that the Participant has not fulfilled one or more of the obligations which were agreed to under the application for cross-border arrangements, the President may determine that the Participant no longer meets the requirements, and the approval of the application for cross-border arrangements may be revoked.

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Appeal of Decision

5. Where the President decides not to approve an application or to revoke an approval, a Participant may appeal the decision to the Board.

Lynx Authorized Personnel

6. Lynx Authorized Personnel with access to Lynx in Canada may access Lynx outside of Canada if the Lynx Authorized Personnel satisfies the requirements outlined in section 1. For greater certainty, the Participant is responsible for performing the necessary due diligence as it relates to the Lynx Authorized Personnel that have access to the system.

Notification of Changes

7. A Participant that is granted access to Lynx outside of Canada or approval to locate any part of its Lynx operations outside of Canada must give at least 30 days advance written notice to the Association of any changes to the initial application, with the exception of changes to Lynx Authorized Personnel. For changes to Lynx Authorized Personnel within the same jurisdiction for which approval has been granted, the Participant must notify the Association of the change within 30 days of the change coming into effect. For greater certainty, a new application is required to be submitted in accordance with section 1 for a Lynx Authorized Personnel to access the Lynx Application from a new jurisdiction.

Attestation

8. A Participant must submit an attestation every two (2) years attesting that the information provided to the Association in relation to its cross-border arrangements remains accurate. The attestation must be submitted by January 31 from an independent source or internal auditor.

Audit

9. The President may, at the President's discretion, request an independent audit of all, or any part, of the Participant's Lynx operations located in a country other than Canada.

Expenses

10. A Participant must bear any and all expenses incurred by the Association in evaluating the application for cross-border arrangements, and notice of change or any audit or review, including any legal expenses, the expense of any independent third-party auditor or other expert engaged to review the proposal or the operations of the Participant.