



**PAYMENTS  
CANADA**

# DELIVERY ROADMAP

2022 UPDATE

[payments.ca](https://payments.ca)

# Overview

Payments Canada is modernizing Canada's payment systems and the associated by-laws, rules and standards that enable financial transactions to occur efficiently and securely every day. Working with our financial institution members, regulators and stakeholder partners, we are transforming our country's payment infrastructure to meet the changing needs of Canadians and to help ensure Canada remains globally competitive in today's digital economy.

**In 2022, we achieved a number of key milestones:**



We celebrated one year of operating [Lynx](#), Canada's new high-value payment system, which cleared and settled approximately \$115 trillion in its first year.



We introduced the first new direct clearer to the [Automated Clearing Settlement System \(ACSS\)](#) since the system launched in 1984.



We tested all components of the [Real-Time Rail \(RTR\)](#) together for the first time.

We also had to make some difficult but necessary decisions. We determined the [need for revised launch timing for the RTR](#) and are working closely with our members, regulators and stakeholders to confirm the revised launch date, which will be shared as soon as possible.

We continued to work towards broadening access to our systems by [calling for changes to the Canadian Payments Act](#).

**Explore the 2022 Delivery Roadmap to learn more about our recent accomplishments and the future of Canada's payment systems.**

We all want payments to be easier, smarter and safer for Canada and we are working together to attain that goal.

GARRY FOSTER

CHAIR OF PAYMENTS CANADA'S BOARD OF DIRECTORS



# Leveraging ISO 20022 to make payments easier, smarter and safer

ISO 20022 is an international financial messaging standard designed to simplify global business communication. Introducing ISO 20022 to our payment systems will allow richer data to travel with each payment. As more financial institutions begin to send and receive ISO 20022-enabled payments, they will be able to leverage richer payments data such as purchase order details and invoice reference numbers to offer new products and services to their customers.



In 2022 and into 2023, we will continue to support our member financial institutions in their journey toward ISO 20022 adoption and implementation. This includes building awareness of the benefits of data-rich payments and supporting awareness and adoption of the standard.

In early 2022, we published the first [ISO 20022 message specifications for the RTR](#). These specifications will allow RTR participants to prepare their existing financial applications to use the ISO 20022 financial messaging standard at go-live. To support awareness of faster payments in Canada, we added to our growing library of ISO 20022 use cases. We published [a case study with Public Services and Procurement Canada](#) to examine the benefits of a real-time rail to the Government of Canada's payment processes.

To help Lynx participants prepare their existing financial applications to leverage the full value of ISO 20022 at go-live, we also published [updated ISO 20022 message specifications](#).

Our focus for 2023 also includes developing ISO 20022 market practices, which will provide additional context on the usage of some of the components and elements within ISO 20022 payment messages.

**ISO 20022 will create a common language and model for payment data across the organization and the industry – one that provides higher quality data and therefore higher quality payments and ultimately, a better customer experience.**

**ALEX KADE**

INDUSTRY LEAD, SWIFT, ANALYTICS AND CYBER,  
TD PAYMENT OPERATIONS AT TD BANK





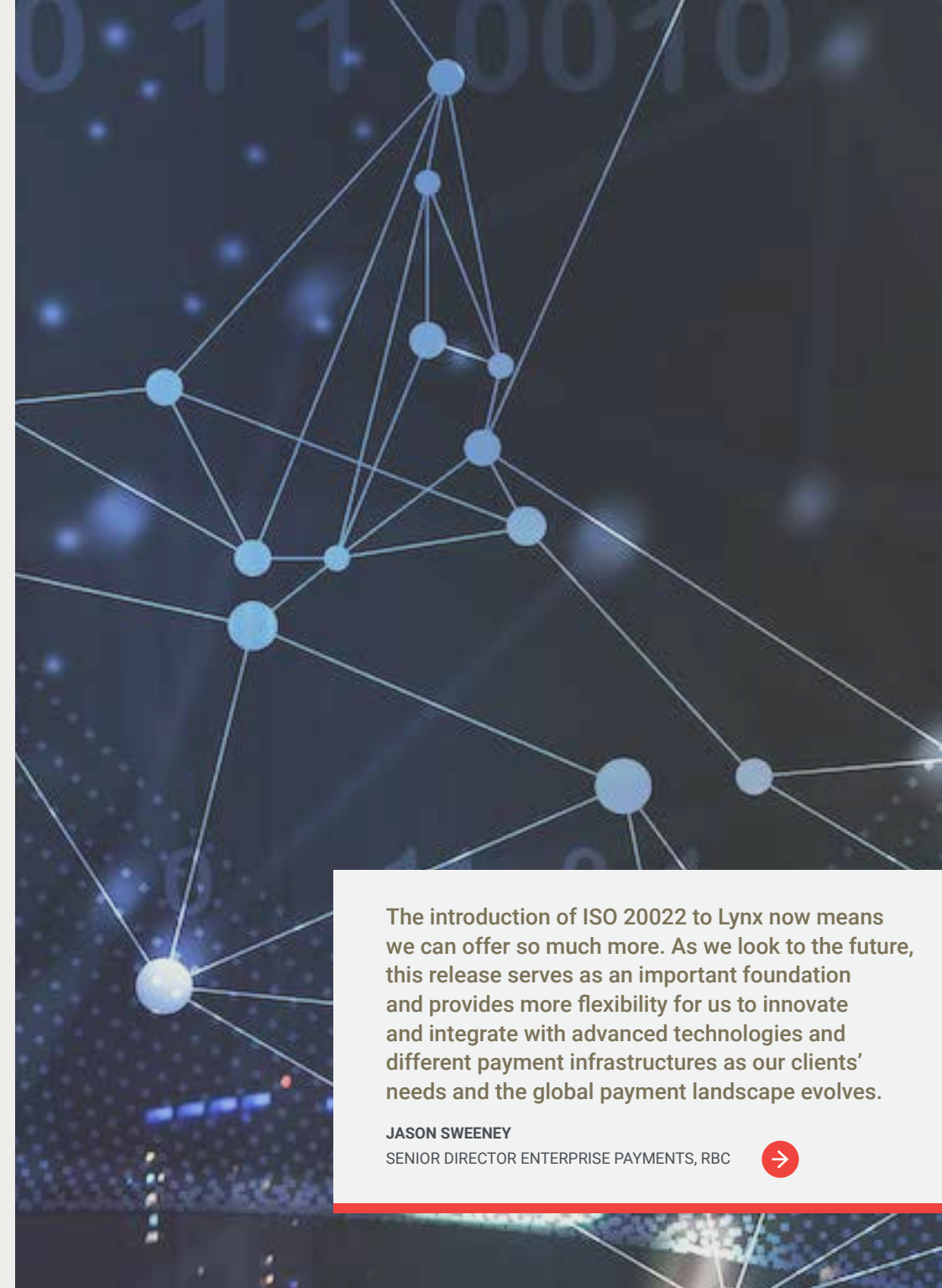


## Introducing data-rich messages to Lynx, Canada's high-value payment system

[Lynx](#) allows financial institutions to send wire payments securely on behalf of their customers. Based on the real-time gross settlement (RTGS) model, Lynx processes large value, time-critical payments with real-time settlement finality.

In October 2022, [Swift rescheduled](#) the start of the global ISO 20022 migration for cross-border payments and reporting (CBPR+) from November 2022 to March 2023. In November 2022, we [successfully deployed the technology](#) needed to introduce ISO 20022 to Lynx. In acknowledgement of the impacts on Lynx participants and after extensive consultation, we [postponed the activation of the technology](#) (go-live of Lynx Release Two) until March 2023, in alignment with Swift's revised implementation date.

We look forward to bringing the benefits of ISO 20022 to Canadians through Lynx at the same time as the global payment community in 2023.



The introduction of ISO 20022 to Lynx now means we can offer so much more. As we look to the future, this release serves as an important foundation and provides more flexibility for us to innovate and integrate with advanced technologies and different payment infrastructures as our clients' needs and the global payment landscape evolves.

JASON SWEENEY

SENIOR DIRECTOR ENTERPRISE PAYMENTS, RBC



# Building a real-time payment system that meets the needs of businesses and consumers

The Real-Time Rail (RTR), Canada's first national real-time payment system will support faster, data-rich payments and act as a platform for payment innovation and competition. With this new system, Canadians will be able to send and receive irrevocable payments in seconds, at any time of the day or night, 365 days per year.



Testing of a new payment system is integral to its success. To strengthen our testing function, we [selected Tata Consultancy Services \(TCS\)](#) as the integration lead for the RTR. Testing began in June 2022 and continues. In July 2022, [all RTR components were tested together](#) as one system for the first time. As of December 6, 2022, we have received and tested over 400,000 lines of code.

Activities in other work streams progressed, including the delivery of the legal framework. The legal framework (which includes the rules and by-laws) is essential to ensuring the smooth operation of our systems. The draft RTR by-laws were approved in December 2022. The RTR rules will be approved in 2023.

In October 2022, after extensive consultation with our program partners, we determined the need for [revised launch timing for the RTR](#) to provide additional time to validate and test both the system components and the end-to-end integration of the RTR system. We are working closely with our members, regulators, and stakeholders to replan and confirm a revised launch date. Part of this work includes conducting a third-party review of the RTR. These findings will be taken into account for our replan timeline. The new launch date will be publicly announced once confirmed.

In Canada, we really do need this to keep pace, an always available system that delivers data-rich payments within seconds. Providing that real-time capability is what will allow us to meet the needs of Canadians as identified during Payments Canada's public consultation on the future of payments in Canada.

JANET LALONDE  
SENIOR DIRECTOR, REAL-TIME RAIL, PAYMENTS CANADA





## Modernizing retail batch payments to benefit Canadians today and into the future

Canada's [retail batch payment system](#), made up of the Automated Clearing Settlement System (ACSS) and the United States Bulk Exchange (USBE) application, is where the vast majority of Canada's daily payments are processed.

In 2022, we successfully launched the first [APIs](#) for the ACSS and USBE application. Central 1 became the first direct clearer to leverage these APIs to automate data entry, eliminate manual errors and increase efficiencies in their business.

[Peoples Trust Company joined the ACSS](#) as the first new direct clearer since the system launched in 1984. As a direct clearer, Peoples Trust Company can now exchange and clear payment items on their own behalf and effect settlement directly with the Bank of Canada.

To improve the pre-authorized debit experience for both consumers and businesses, [Rule H1 was amended](#). We also continued to progress the thinking around the future of batch payments.

In 2023, we will continue to socialize and validate the work completed in 2022 and begin to explore the conceptual design for the future of retail batch payments that will leverage the investments made during the Modernization program.

Becoming an ACSS direct clearer is an essential step in our strategic roadmap and a major milestone in our journey forward as the partner of choice for fintechs and paytechs. We are continuing to enable them by providing access to the Canadian payment ecosystem.

GRANT MACKENZIE  
PRESIDENT AND CEO OF PEOPLES TRUST





# Broadening access to Canada's payment systems

A key focus of Canada's payment Modernization program is to broaden access to our systems. Providing risk-based access to more diverse payment providers including banks, credit unions, and other regulated payment service providers is expected to increase competition and innovation to the benefit of Canadian consumers and businesses.



As the Bank of Canada proceeds with the development of the Supervisory Framework under the [Retail Payments Activities Act \(RPAA\)](#) to regulate payment service providers doing business in Canada, it is critical that the Government of Canada introduces the required changes to the *Canadian Payments Act* to support broader Payments Canada membership. Until then, payment service providers will remain ineligible for Payments Canada membership and, by extension, unable to participate directly on our systems. We remain confident that the federal government is committed to and appreciates the importance of broader access. Payments Canada submitted a written response to the House of Commons Standing Committee on Finance (FINA) as part of its 2023 pre-budget consultation [calling for expanded membership](#) eligibility.

In 2023, we will continue to work with the Department of Finance to encourage amendments to the *Canadian Payments Act* to support greater competition and innovation for consumers and businesses across Canada.

We can learn from other countries about the potential that broader access to core payment systems can unlock for consumers, businesses and the industry at large. By allowing competition – and by making merit more important than historic dominance – the central bank (of England) gave consumers access to better and more affordable options. And fintechs were given greater opportunity to build, scale and ultimately succeed.

HANNA ZAIDI  
CHIEF COMPLIANCE OFFICER FOR  
PAYMENTS AT WEALTHSIMPLE



# Changing payment trends and behaviours

Payments Canada research provides overviews and insights about the evolving payment ecosystem. In 2022, we published a variety of research including:

- ▶ Global developments in wholesale approaches for [central bank digital currency](#)
- ▶ The COVID-19 pandemic's continued impact on [payments for small businesses](#)
- ▶ Whether payments data from Lynx and ACSS can be used to [forecast macroeconomic indicators](#) more quickly than traditional methods of economic measurement
- ▶ Working Canadian's understanding of their [paycheque details](#)

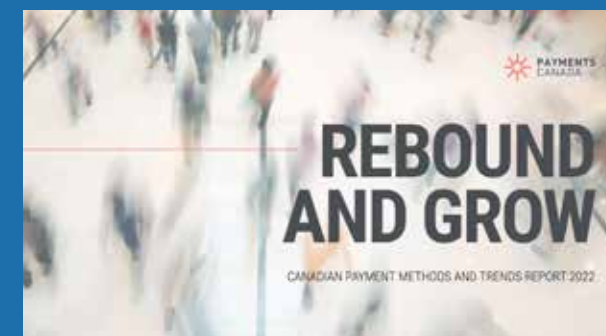
Canadians' preference for contactless and mobile payments continue, and we are seeing increasing use and interest in more diverse payment preferences such as biometrics, wearables, QR codes, 'buy now, pay later', and digital currencies.

JON FURTHER  
DIRECTOR OF MARKET INSIGHTS, PAYMENTS CANADA



We also published our annual flagship publication, the 2022 [Canadian Payment Methods and Trends report](#), which analyzes the 19.7 billion payment transactions made in 2021, totalling \$10.8 trillion.

In 2023, we will continue to provide payment insights through our [market research](#) that focuses on point-in-time trends, and in-depth, technical research and analysis on topics relevant to Canadian and international payment ecosystems through our [discussion papers](#).









## About Payments Canada

Payments Canada is a public purpose organization that owns and operates Canada's payment systems, Lynx and the Automated Clearing Settlement System (ACSS). Payments Canada is responsible for the physical infrastructure and the associated by-laws, rules, and standards that support these systems. It also has a duty to promote the efficiency, safety, and soundness of Canada's payment systems while taking into account the interests of end users. In 2021, Payments Canada's systems cleared and settled over \$135 trillion—more than \$539 billion every business day. Transactions that pass through these systems include debit card payments, pre-authorized debits, direct deposits, bill payments, wire payments and cheques initiated and received by Canadians and Canadian businesses. Payments Canada is working closely with the payment ecosystem to modernize Canada's payment systems to ensure Canada and Canadian businesses remain globally competitive.



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### MARK YOUR CALENDAR

[Register for The SUMMIT](#), our annual event, taking place in-person from May 3-5, 2023 in Toronto, Ontario.



### JOIN THE CONVERSATION

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