

Safeguarding end-user funds: Self-assessment tool

Introduction

This self-assessment tool is a voluntary tool that payment service providers (PSPs) can use to assess whether they meet the Bank of Canada’s supervisory expectations for safeguarding end-user funds. Completion of the tool does not constitute the PSP demonstrating compliance with applicable requirements.

The tool is based on the Bank’s [Safeguarding end-user funds guideline](#) (the guideline). The self-assessment statements reflect the Bank’s supervisory expectations set out in the guideline. Although the tool refers to the *Retail Payment Activities Act* (RPAA) and the *Retail Payment Activities Regulations* (RPAR), it does not replace the legal requirements set out in the RPAA and RPAR.

PSPs are encouraged to use this tool alongside other Bank resources on [safeguarding end-user funds](#). The tool is not exhaustive, and PSPs remain responsible for complying with all applicable requirements under the RPAA and RPAR.

PSPs should have appropriate documentation, policies and procedures in place to support and demonstrate how they meet the applicable self-assessment statements. The tool may be used to support PSPs’ internal review of compliance with the RPAA requirements. PSPs should complete the tool based on their retail payment activities associated with holding end-user funds.

How to use this tool

- PSPs may use this tool to:
- review their current safeguarding arrangements and practices,
 - identify areas that meet, partially meet, or do not meet the guideline’s expectations,
 - identify and prioritize remedial actions, where appropriate, and
 - prepare for supervisory assessments conducted by the Bank

For terminology about retail payment supervision, refer to the [glossary](#).

Safeguarding end-user funds self-assessment tool (version October 2026)	
Name of the PSP	
Tool completed by (Name and Position)	
Tool reviewed by (Name and Position)	
Date of completion	

1. Application of the requirements for safeguarding end-user funds

RPAA 2(b) payment function means the holding of funds on behalf of an end user until they are withdrawn by the end user or transferred to another individual or entity.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 1.3	A1	<div>The PSP properly identifies and safeguards end-user funds.<ul style="list-style-type: none">End-user funds are considered held where the PSP keeps funds of a payer or payee at rest and available for future withdrawal or transfer, and the PSP is indebted to the end user in respect of those funds.End-user funds are not considered held where the PSP receives the funds with concurrent instructions for their immediate transfer or withdrawal (i.e., funds that are “in transit”).The PSP applies safeguarding requirements to end-user funds that are considered held.The PSP understands that it is not considered to hold funds before it is in receipt of the end users’ funds, including where the PSP makes funds available to the end user in advance of receiving the funds from the transaction.</div>	Choose an item.			
Guideline 1.4.1	A2	The PSP makes clear to end users which funds will and will not be safeguarded.	Choose an item.			

RPAA 4 Subject to sections 6 to 10, this Act applies in respect of any retail payment activity that is performed by a payment service provider that has a place of business in Canada.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 1.5	A3	The PSP considers the geographic scope of the safeguarding requirements. For a PSP that has a place of business in Canada, the PSP safeguards end-user funds that it holds, including funds held on behalf of an end user that is located outside of Canada.	Choose an item.			

RPAA 5 Subject to sections 6 to 10, this Act also applies in respect of any retail payment activity that is performed for an end user in Canada by a payment service provider that does not have a place of business in Canada but directs retail payment activities at individuals or entities that are in Canada.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 1.6	A4	The PSP considers the geographic scope of the safeguarding requirements. For a PSP that does not have a place of business in Canada but performs retail payment activities for end users in Canada and directs retail payment activities at individuals or entities that are in Canada, the PSP safeguards end-user funds it holds for end users in Canada.	Choose an item.			
Guideline 1.8	A5	The PSP understands that, in a merchant processing scenario, funds that have been reserved specifically for mitigating chargeback or fraud-related risks do not meet the interpretation of holding funds, as these funds are not available for the end user to withdraw or transfer to another individual or entity.	Choose an item.			

RPAA 87 An individual or entity is liable for a violation that is committed by any of its employees, third-party service providers, or agents or mandataries acting in the course of their employment, their contract or the scope of their authority as agent or mandatary, whether or not the employee, third-party service provider or agent or mandatary that actually committed the violation is identified.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 1.9	A6	The PSP ensures that it complies with the requirements for safeguarding end-user funds when activities, processes or operations are carried out by its employees, third-party service providers, agents or mandataries acting in the scope of their employment, contract or authority as agent or mandatary.	Choose an item.			

2. Means of safeguarding end-user funds

RPAA 20(1) If a payment service provider performs a retail payment activity that is the holding of end-user funds until they are withdrawn by the end user or transferred to another individual or entity, the payment service provider must (a) hold the end-user funds in trust in a trust account that is not used for any other purpose; (b) hold the end-user funds in a prescribed account or in a prescribed manner and take any prescribed measures in relation to the funds, the account or the manner; or (c) hold the end-user funds in an account that is not used for any other purpose and hold insurance or a guarantee in respect of the funds that is in an amount equal to or greater than the amount held in the account.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.1-2.2	B1	The PSP safeguards end-user funds either <ul style="list-style-type: none">by holding end-user funds in trust in a trust account that is not used for any other purpose;by holding end-user funds in an account that is not used for any other purpose and holding insurance or a guarantee in respect of the funds that is in an amount equal to or greater than the amount held in the account; orby using a combination of these means.	Choose an item.			
Guideline 2.4	B2	The PSP segregates end-user funds from all its other funds in an account not used for any other purpose (a safeguarding account), regardless of which means a PSP uses to safeguard end-user funds (i.e., in trust or using insurance or guarantee).	Choose an item.			
Guideline 2.5	B3	The PSP does not use end-user funds for any other purpose, including making corporate payments to fund the PSP's operations (e.g., salaries, operating expenses or legal expenses) or holding end-user funds in an account from which these expenses are paid.	Choose an item.			
Guideline 2.6	B4	The PSP has in place systems, policies, processes, procedures, controls or any other means necessary to segregate end-user funds from all other funds, including its own funds, by placing them in a safeguarding account on receipt.	Choose an item.			
Guideline 2.7	B5	Where it is not feasible for the PSP to place end-user funds in a safeguarding account on receipt due to processing constraints that cannot be avoided despite the PSP's best efforts, the PSP:				
Guideline 2.7.1	B5-1	(a) Does not use the funds that are yet to be placed in the safeguarding account for any other purpose and treats those funds in accordance with the guideline.	Choose an item.			
Guideline 2.7.2	B5-2	(b) Is able to demonstrate the reason why the end-user funds are not placed into the safeguarding account on receipt.	Choose an item.			
Guideline 2.7.3	B5-3	(c) Adequately describes and discloses to the end users all situations where the funds may not be immediately transferred to (and protected in) the safeguarding account on receipt.	Choose an item.			
Guideline 2.7.4	B5-4	(d) Records the funds in its ledger, and records that the funds have yet to be placed in the safeguarding account as described in paragraph 3.7 of the guideline.	Choose an item.			

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.7.5	B5-5	(e) Identifies the funds that have not yet been placed in the safeguarding account as a shortfall as described in paragraph 4.3 of the guideline, and reports them as part of its annual report, as described in paragraph 4.7 of the guideline.	Choose an item.			
Guideline 2.8	B5-6	(f) Places end-user funds into a safeguarding account, at the latest, on the business day following the day of receipt.	Choose an item.			
Guideline 2.10	B6	The PSP holds end-user funds in a safeguarding account that is separate from the accounts it uses to hold all other funds and that has an account number distinct from the PSP's other accounts.	Choose an item.			
Guideline 2.11	B7	The PSP safeguards end-user funds in a safeguarding account until it receives an instruction from the end user for immediate transfer or withdrawal or, for future-dated transfers, when the transfer date arrives.	Choose an item.			

RPAR 13 A payment service provider that holds end-user funds in accordance with paragraph 20(1)(a) or (c) of the Act must ensure that the account in which they are held is provided by an entity that is referred to in one of paragraphs 9(a) to (d) or (f) to (h) of the Act or by a foreign financial institution that is regulated by a regulatory regime that imposes standards in respect of capital, liquidity, governance, supervision and risk management that are comparable to those that apply to those entities.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.12	B8	The PSP ensures that each safeguarding account is provided by an entity described in section 13 of the RPAR. This includes either: <ul style="list-style-type: none">a Canadian financial institution referred to in paragraphs 9(a)–(d) or (f)–(h) of the RPAA, ora foreign financial institution that is prudentially regulated under a regulatory regime imposing capital, liquidity, governance, supervision, and risk-management standards comparable to those applied to Canadian financial institutions	Choose an item.			
Guideline 2.14-2.15	B9	[If using a foreign financial institution as an account provider], the PSP is able to demonstrate, using publicly available information, that the foreign financial institution is subject to prudential standards that are comparable to those applied to entities regulated in Canada.	Choose an item.			

RPAA 20(3) No right of set-off or compensation may be asserted by an individual or entity that maintains an account that is referred to in paragraph (1)(a), (b) or (c) in respect of the funds held in that account.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.16	B10	The PSP is able to demonstrate that no right of set-off or compensation may be asserted by the account provider in respect of the funds held in that account, and that the account provider has no interest in, recourse to or right against those funds for any sum owed to it by the PSP or any other third party. The PSP has received written acknowledgement of this from the account provider.	Choose an item.			

Funds held in trust in a trust account

RPAA 20 (1) If a payment service provider performs a retail payment activity that is the holding of end-user funds until they are withdrawn by the end user or transferred to another individual or entity, the payment service provider must (a) hold the end-user funds in trust in a trust account that is not used for any other purpose;

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.20, 2.22	B11	<p>For trust arrangements established in jurisdictions other than Quebec: the PSP has established a trust arrangement that forms a valid express trust and is able to demonstrate that the arrangement satisfies the three certainties of trust. The PSP is acting as the trustee or has appointed a third party to act as the trustee.</p> <p>The trust instrument and related documents may include:</p> <ul style="list-style-type: none">▪ A trust agreement, a trust declaration, a service agreement with trust provisions, and a form of end-user acknowledgement.▪ The agreement between the PSP and a third-party trustee, if any (e.g., a compensation agreement setting out the fees to be paid to the trustee in respect of its services as such).	Choose an item.			
Guideline 2.23	B12	<p>For trust instruments established in the province of Quebec: the PSP ensures that the trust arrangement:</p> <ul style="list-style-type: none">▪ qualifies as a “trust” as defined in the Civil Code of Québec and constitutes a formal contract formed between a settlor (who transfers the funds to the trust) and a trustee (who should not be the same person as the settlor unless there is another trustee), who agrees to hold and administer such funds; or▪ clearly establishes that the PSP holds and administers end-user funds as administrator of the property of the end users, with the administrator duly appointed by the beneficiaries. <p>The trust instrument and related documents may include:</p> <ul style="list-style-type: none">▪ The trust agreement establishing a formal trust as defined in the Civil Code of Québec; or documentation that establishes that the PSP holds and administers the end-user funds as an administrator of the property of the end users (simple administrator regime).▪ Copy of any French translation of any document referred to above.▪ The agreement between the PSP and a third-party trustee, if any (e.g., a compensation agreement setting out the fees to be paid to the trustee in respect of its services as such).	Choose an item.			
Guideline 2.24-2.25	B13	<p>For a PSP with more complex arrangements for holding and safeguarding end-user funds, the PSP has sought legal advice to assess the validity of the trust arrangement and how the arrangement satisfies applicable law. More complex arrangements for holding and safeguarding end-user funds include but are not limited to:</p> <ul style="list-style-type: none">▪ a PSP without a place of business in Canada that holds funds on behalf of end users in Canada▪ a PSP with a place of business in Canada that holds funds on behalf of end users in multiple countries▪ a PSP that safeguards end-user funds in multiple accounts across multiple countries. <p>The PSP is able to demonstrate that, as part of the opinion it received, it has considered:</p> <ul style="list-style-type: none">▪ the involvement of foreign courts, regulators or financial institutions in any potential insolvency proceeding and the process for returning funds to end users;▪ any potential complications with foreign jurisdictions’ recognition of the trust arrangement between the PSP and its end users.	Choose an item.			
Guideline 2.21	B14	<p>The PSP is able to provide, upon request, a legal opinion that describes how a valid express trust arrangement has been established under common law or the Civil Code of Québec, as applicable. The legal opinion should describe any risks or challenges identified with respect to the validity of</p>	Choose an item.			

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
		<p>the trust arrangement and how these risks or challenges may be addressed by the PSP. In particular, the legal opinion should address any risks or challenges respecting:</p> <ul style="list-style-type: none"> ▪ The PSP's receipt of any interest, dividends or capital gains earned on the assets held in the trust account and the legal basis for such receipt. ▪ The PSP's reliance on an unaffiliated PSP (intermediary) to gain access to a safeguarding account in circumstances where the PSP does not have a direct relationship with an account provider (if applicable). 				
Guideline 2.26-2.28	B15	If the PSP safeguards end-user funds in trust in a trust account, the PSP ensures:				
Guideline 2.26	B15-1	The use of that account does not compromise the trust arrangement.	Choose an item.			
Guideline 2.27	B15-2	It does not pay expenses (other than trust expenses) from the trust account. For example, the PSP settles the PSP's obligations to a financial institution or payment network from a separate account.	Choose an item.			
Guideline 2.28	B15-3	[If it intends to pay any administrative expenses from the trust account], the PSP has sought legal advice on what qualifies as an administrative expense that can be paid. Further, the trust arrangement clearly describes how these expenses are allocated among end users.	Choose an item.			
Guideline 2.29	B16	The PSP has informed its account provider that it is holding end-user funds in trust.	Choose an item.			
Guideline 2.30	B17	The PSP's legal agreement with its account provider clearly identifies that the funds in the account are in trust for (or in the context of a simple administration under Quebec laws, for the benefit of) the PSP's end users.	Choose an item.			
Guideline 3.21	B18	[If the PSP holds end-user funds in the form of secure and liquid assets other than cash and safeguards these funds by holding them in trust in a trust account], the PSP is able to demonstrate, through legal due diligence, that the trust arrangement is not compromised by the end-user funds being held in these assets and that the validity of the trust arrangement, explained in section 2 of the guideline, continues to be met.	Choose an item.			
Guideline 3.21	B19	[If the PSP holds end-user funds in the form of secure and liquid assets other than cash and safeguards these funds by holding them in trust in a trust account], the PSP ensures that the market value of those assets is always equal to or greater than the equivalent amount of end-user funds that the PSP is required to safeguard.	Choose an item.			
Guideline 3.35	B20	<p>[If the PSP holds end-user funds as a trustee], the PSP has identified the internal controls it has in place to ensure trust funds are available in the event of insolvency, including</p> <ul style="list-style-type: none"> ▪ signing authority protocols ▪ periodic verification procedures ▪ internal reporting to a PSP's senior management or board of directors ▪ other measures that protect a trust account from unauthorized withdrawals or transfers, or any other misconduct. 	Choose an item.			

Insurance or guarantee

RPAR 14(1) A payment service provider that holds end-user funds in accordance with paragraph 20(1)(c) of the Act must ensure that the insurance or guarantee referred to in that paragraph is provided by an entity that

(a) is referred to in one of paragraphs 9(a) to (h) of the Act or is a foreign financial institution that is regulated by a regulatory regime that imposes standards in respect of capital, liquidity, governance, supervision and risk management comparable to those that apply to those entities; and

(b) is not affiliated with the payment service provider within the meaning of section 3 of the Act.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.37	B21	The PSP ensures that the insurance or guarantee is provided by an entity described in subsection 14(1) of the RPAR, which includes: <ul style="list-style-type: none">a Canadian financial institution referred to in one of paragraphs 9(a) to (h) of the RPAA (i.e., an entity described in paragraph 2.13 of the guideline or a company to which the <i>Insurance Companies Act</i> applies, or an insurance company regulated by a provincial act), ora foreign financial institution that is prudentially regulated under a regulatory regime that imposes standards in respect of capital, liquidity, governance, supervision and risk management comparable to those that apply to Canadian financial institutions, andis not affiliated with the payment service provider within the meaning of section 3 of the RPAA	Choose an item.			
Guideline 2.39	B22	[If using a foreign financial institution as an insurance or guarantee provider], the PSP is able to demonstrate, using publicly available information, that the foreign financial institution is subject to prudential standards that are comparable to the standards applied to entities regulated in Canada.	Choose an item.			

RPAR 14(2) The payment service provider must ensure that

(a) the proceeds from the insurance or guarantee will not form part of the payment service provider’s estate;

(b) the proceeds from the insurance or guarantee will be payable for the benefit of end users as soon as feasible following an event referred to in subsection (3);

(c) the insurance or guarantee will survive the payment service provider’s insolvency, as well as any compromise or arrangement with the payment service provider’s creditors and any extinguishment of the payment service provider’s obligations to end users, including those resulting from restructuring; and

(d) the Bank is notified at least 30 days before any cancellation or termination of the insurance or guarantee.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.34	B23	The PSP ensures that the insurance or guarantee is a legal agreement between the PSP and the provider of the insurance or guarantee and that the legal agreement includes terms that demonstrate the insurance or guarantee satisfies the conditions set out in paragraphs 14(2)(a) to (d) of the RPAR, which are:				
	B23-1	(a) the proceeds from the insurance or guarantee will not form part of the PSP’s estate.	Choose an item.			
	B23-2	(b) the proceeds from the insurance or guarantee will be payable for the benefit of end users as soon as feasible in the event of the PSP’s insolvency, as defined in subsection 14(3) of the RPAR.	Choose an item.			
	B23-3	(c) the insurance or guarantee will survive the PSP’s insolvency as well as any compromise or arrangement with the PSP’s creditors and any extinguishment of the PSP’s obligations to end users, including those resulting from restructuring.	Choose an item.			
	B23-4	(d) the PSP will be notified at least 30 days before the insurance or guarantee contract is cancelled or terminated	Choose an item.			

RPAA 20(1) If a payment service provider performs a retail payment activity that is the holding of end-user funds until they are withdrawn by the end user or transferred to another individual or entity, the payment service provider must (c) hold the end-user funds in an account that is not used for any other purpose and hold insurance or a guarantee in respect of the funds that is in an amount equal to or greater than the amount held in the account.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.40	B24	The PSP ensures that the value of any insurance or guarantee (the agreed-upon amount to be paid out in the insurance or guarantee contract after an event triggers such a payout) is an amount equal to or greater than the amount held in the account.	Choose an item.			
Guideline 2.41	B25	[If the PSP uses more than one means of safeguarding its end-user funds], the PSP is able to demonstrate that the value of the insurance policy or guarantee is equal to or greater than the amount of end-user funds the PSP has chosen to safeguard using the insurance or guarantee.	Choose an item.			
Guideline 2.42	B26	The PSP accounts for daily fluctuations in the amounts of end-user funds held by maintaining insurance or guarantee whose value is equal to or greater than the amount of end-user funds in the PSP's safeguarding account. The PSP has developed and documented a methodology for determining the value of the insurance or guarantee, taking into consideration factors such as: <ul style="list-style-type: none"> daily end-user funds safeguarded from previous year(s) any trends or peaks in the amount of end-user funds safeguarded at certain points during a year or in correlation to specific events in the market the PSP operates in growth projections for the PSP's retail payment activities. 	Choose an item.			
Guideline 2.45	B27	[If the PSP safeguards funds using insurance or a guarantee and holds end-user funds in the form of secure and liquid assets], the PSP ensures that the value of the insurance or guarantee is equal to or greater than the book value of the funds that the PSP holds for the end user.	Choose an item.			
Guideline 2.46	B28	The PSP has established systems, policies, procedures, processes, controls or other means necessary to detect when the amount covered by an insurance or guarantee falls below the amount of end-user funds that are designated as safeguarded through that insurance or guarantee.	Choose an item.			
Guideline 2.47	B29	[If the PSP becomes aware that its insurance or guarantee covers less than the amount of end-user funds that are designated to be safeguarded], the PSP ensures that it acts in a timely manner to rectify this shortfall by: <ul style="list-style-type: none"> increasing the amount covered by the insurance or guarantee obtaining another insurance or guarantee to safeguard the unprotected amount safeguarding the unprotected amount of end-user funds in trust in a trust account. 	Choose an item.			
Guideline 2.48	B30	The PSP has identified in advance what actions it would take if the coverage amount of its insurance or guarantee became insufficient. For example, the PSP has documented whether and how to achieve the following, if required on short notice: <ul style="list-style-type: none"> increase the amount covered by the existing insurance or guarantee through pre-established agreements with the insurance or guarantee provider obtain insurance or a guarantee from a different provider establish trust arrangements and obtain a trust account in which to place a portion of its end-user funds. 	Choose an item.			

RPAR 14(2) The payment service provider must ensure that (d) the Bank is notified at least 30 days before any cancellation or termination of the insurance or guarantee.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 2.49	B31	The PSP has established policies and processes to ensure that it notifies the Bank 30 days before any insurance or guarantee is cancelled or terminated through PSP Connect.	Choose an item.			

3. Safeguarding-of-funds framework

RPAR 15(1) A payment service provider that holds end-user funds must establish, implement and maintain a written safeguarding-of-funds framework that conforms to subsections (2) to (5) for the purpose of ensuring that (a) end users have reliable access without delay to the end-user funds that are being held by the payment service provider; and (b) if an event referred to in subsection 14(3) occurs in respect of the payment service provider, those end-user funds, or proceeds of the insurance or guarantee referred to in paragraph 20(1)(c) of the Act, are paid to end users as soon as feasible.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.1	C1	The PSP has established, implemented and maintains a written safeguarding-of-funds framework (framework) for meeting the objectives set out in section 15(1) of the RPAR.	Choose an item.			
Guideline 3.2	C2	The PSP’s framework includes the elements set out in subsections 15(2) to (5) of the RPAR and described in paragraphs 3.5 to 3.38 of the guideline:				
	C2-1	(a) Ledger of end-user funds;	Choose an item.			
	C2-2	(b) Liquidity arrangements;	Choose an item.			
	C2-3	(c) Procedures for returning end-user funds in the event of a PSP’s insolvency;	Choose an item.			
	C2-4	(d) Legal and operational risk analysis;	Choose an item.			
	C2-5	(e) The senior officer, board of directors and framework approval	Choose an item.			
Guideline 3.3	C3	The PSP’s framework is suitable for those who will use it (e.g., the PSP’s employees or other human resources) and conveys all necessary information and is readily understood in an accessible format.	Choose an item.			
Guideline 3.4	C4	The PSP’s framework supports the PSP’s broader compliance with the recordkeeping requirements set out in section 40 of the RPAR.	Choose an item.			

RPAR 15(2) The safeguarding-of-funds framework must describe the payment service provider’s systems, policies, processes, procedures, controls and other means for meeting the objectives referred to in subsection (1), including (b) a requirement to keep a ledger, which is to be identified and classified as an asset in accordance with paragraph 5(1)(e), that sets out (i) the name and contact information of each end user whose funds are held by the payment service provider, and (ii) the amount of funds belonging to each of those end users that is held by the payment service provider at the end of each day;

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.5	C5	The PSP has in place systems, policies, procedures, processes, controls or any other means necessary to accurately record and update: <ul style="list-style-type: none">the amount of funds held on behalf of each end user, andthe name and contact information of each end user.	Choose an item.			
Guideline 3.7	C6	The PSP keeps a ledger that serves as an accurate record of the amount of funds held on behalf of each end user. For each end user, the ledger accurately records a breakdown of funds held in a safeguarding account and funds yet to be placed in a safeguarding account. The ledger records the total amounts of: <ul style="list-style-type: none">end-user funds held, i.e., the total amount of funds that a PSP holds on behalf of end usersend-user funds that are “in transit”,end-user funds safeguarded,end-user funds to be safeguarded.	Choose an item.			
Guideline 3.9	C7	The PSP accurately updates its ledger each day with the amount of end-user funds it is holding.	Choose an item.			
Guideline 3.10	C8	The PSP identifies its ledger as an asset in its risk management and incident response framework in accordance with paragraph 5(1)(e) of the RPAR and classifies it according to its sensitivity and criticality.	Choose an item.			
Guideline 3.11	C9	The PSP ensures that the name and contact information of each end user in its ledger is up to date, including an email address, phone number or mailing address.	Choose an item.			
Guideline 3.13	C10	The PSP ensures that its agents and mandataries adhere to the requirements of any role they have in keeping a ledger of end-user funds.	Choose an item.			

RPAR 15(2) The safeguarding-of-funds framework must describe the payment service provider’s systems, policies, processes, procedures, controls and other means for meeting the objectives referred to in subsection (1), including (a) those in relation to the payment service provider’s use of liquidity arrangements and its holding of end-user funds in the form of secure and liquid assets;

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.15-3.16	C11	The PSP sets out in its framework the approach for meeting liquidity demands generated by end users’ requests for withdrawals and transfers. The PSP’s liquidity approach describes the following: <ul style="list-style-type: none">the amount or proportion of end-user funds the PSP intends to hold in the form of cash and cash equivalents at all timesthe PSP’s policies and procedures for converting assets to cash if a PSP holds some or all its end-user funds in the form of secure and liquid assets other than cashthe PSP’s use of a liquidity arrangement, such as a line of credit, a liquidity facility, or similar contractual arrangement for borrowing liquid funds from a third party for the purposes of providing end users with access to their funds, if applicable.	Choose an item.			
Guideline 3.19	C12	[If the PSP holds end-user funds in the form of secure and liquid assets other than cash], the PSP documents its approach to forecasting its future liquidity needs to meet end-user requests for withdrawal or transfer.	Choose an item.			

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.22	C13	<p>[If the PSP holds end-user funds in the form of secure and liquid assets other than cash], the PSP ensures that end-user funds are held only in assets considered secure and liquid by the Bank, which include the following assets denominated in the Canadian dollar or the currency of another country:</p> <ul style="list-style-type: none">▪ cash and cash equivalents▪ guaranteed investment certificates▪ securities issued or guaranteed by the Government of Canada or another sovereign with a risk rating of at least A-▪ securities issued or guaranteed by a provincial, municipal or state government and with a rating of at least A-▪ promissory notes with a rating of at least A-▪ commercial paper with a rating of at least AA-▪ corporate bonds with a rating of at least AA-▪ funds comprised of assets listed above.	Choose an item.			
Guideline 3.23	C14	<p>The PSP ensures that end-user funds are not held in the following assets that the Bank does not consider secure and liquid given the risk of loss of value when being converted into cash or the longer time frame that may be required to convert into cash:</p> <ul style="list-style-type: none">▪ residential mortgage-backed securities▪ corporate bonds or commercial paper with a credit risk rating of A+ or below▪ common equity shares.	Choose an item.			

RPAR 15(2) The safeguarding-of-funds framework must describe the payment service provider’s systems, policies, processes, procedures, controls and other means for meeting the objectives referred to in subsection (1), including (c) in respect of the objective referred to in paragraph (1)(b),

- i. **the means by which it will be ensured that the insolvency or bankruptcy administrator or trustee or other person appointed to carry out insolvency proceedings as defined in subsection 14(4), or the insurance or guarantee provider, as the case may be, is able to**
 - (a) **access all relevant records or documentation in relation to end-user funds,**
 - (b) **contact end users as soon as feasible, and**
 - (c) **identify any errors or deficiencies in the payment service provider’s ledger of end-user funds and address any shortfall in the funds to be returned to each end user,**
- ii. **the procedures to be followed to return funds to end users, and**
- iii. **the role of any of the payment service provider’s agents, mandataries or third-party service providers in facilitating the execution of the tasks referred to in subparagraphs (i) and (ii).**

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.26	C15	[If the PSP becomes subject to an insolvency proceeding event], the PSP has arrangements in place to notify the Bank as per section 18 of the RPAA.	Choose an item.			
Guideline 3.28	C16	The PSP’s framework documents the means by which an insolvency or bankruptcy administrator, trustee or other person is able to access relevant records, including:				
Guideline 3.28.1	C16-1	<ul style="list-style-type: none">▪ the ledger of end-user funds and any other records related to end-user funds that are critical to determining the amount of funds that should be returned to each end user.	Choose an item.			
Guideline 3.28.2	C16-2	<ul style="list-style-type: none">▪ legal agreements or contracts that relate to end-user fund safeguarding, such as:<ul style="list-style-type: none">○ the agreement between the PSP and its end users	Choose an item.			

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
		<ul style="list-style-type: none"> the trust agreement (if applicable and separate from the above agreement) the account agreements between the PSP and its account providers the insurance or guarantee policy (if applicable). 				
Guideline 3.29	C17	<p>The PSP's framework documents procedures to be followed for returning funds to end users, accounting for:</p> <ul style="list-style-type: none"> how the provider of the insurance or guarantee, if one is used by the PSP, will be informed that the event triggering the payout of the insurance or guarantee has occurred how the PSP's end users will be contacted in the event of a PSP's insolvency and who will execute this task what information or instructions will be provided to the PSP's end users to receive the funds belonging to them or, in instances where funds were not safeguarded, advising end users that the funds were not safeguarded and informing end users of the process by which they may advance claims to recover their funds what payment methods the PSP's end users will have as options for receiving their funds how the funds will be returned; for example, how an insolvency or bankruptcy administrator, trustee or other person is able to access and distribute end-user funds that are deposited at a financial institution. 	Choose an item.			
Guideline 3.30	C18	<p>The PSP's framework documents procedures that include processes for a final reconciliation of the PSP's accounts and identify who would complete this reconciliation. These processes provide for:</p> <ul style="list-style-type: none"> a final breakdown of the end-user funds held and the funds in transit, for all the funds received at the time of insolvency a final reconciliation between the end-user funds held and the end-user funds safeguarded options that would be available for an insolvency or bankruptcy administrator, trustee or any other person appointed to address any shortfall. 	Choose an item.			
Guideline 3.31	C19	<p>[If the PSP uses agents and mandataries or third-party service providers to receive funds belonging to end users and take end-user requests to transfer or withdraw their funds], the PSP's procedures document the role of agents or mandataries in returning funds to end users, including:</p> <ul style="list-style-type: none"> how the agents and mandataries or third-party service providers will be directed to stop performing retail payment activities, especially receiving funds belonging to end users and taking end-user requests to transfer or withdraw their funds whether the agents and mandataries or third-party service providers have documents that must be accessible to the insolvency or bankruptcy administrator, trustee or any person appointed to carry out the insolvency proceeding whether the agents and mandataries or third-party service providers will be leveraged to operationally return funds to end users. 	Choose an item.			

RPAR 15(3) The safeguarding-of-funds framework must identify legal risks and operational risks that could hinder the meeting of the objectives referred to in subsection (1) and the means of mitigating those risks, including having regard to

- (a) the jurisdictions in which the payment service provider, its end users, the providers of the accounts in which it holds end-user funds and, if applicable, its insurance or guarantee providers are located;
- (b) the identity of the payment service provider’s account providers and, if applicable, its insurance or guarantee providers;
- (c) the terms of the payment service provider’s trust arrangements with its end users, if applicable; and
- (d) the terms of the payment service provider’s insurance policies or guarantees, if applicable.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.32-3.33	C20	In meeting the requirement in RPAR 15(3), the PSP’s framework identifies the legal and operational risks that could hinder its ability to meet the framework’s objectives; and an approach for mitigating legal and operational risks. The PSP’s framework considers the following factors (paragraph 3.34 of the guideline contains some non-exhaustive examples):				
	C20-1	<div><div>▪</div>the jurisdictions in which the PSP, its end users, the providers of the accounts in which it holds end-user funds and, if applicable, its insurance or guarantee providers are located;</div>	Choose an item.			
	C20-2	<div><div>▪</div>the identity of the PSP’s account providers and, if applicable, its insurance or guarantee providers;</div>	Choose an item.			
	C20-3	<div><div>▪</div>the terms of the PSP’s trust arrangements with its end users, if applicable;</div>	Choose an item.			
	C20-4	<div><div>▪</div>the terms of the PSP’s insurance policies or guarantees, if applicable.</div>	Choose an item.			

RPAR 15(4) The safeguarding-of-funds framework must, unless the payment service provider is an individual, identify a senior officer who is responsible for overseeing the payment service provider’s practices for safeguarding end-user funds and for ensuring the payment service provider’s compliance with sections 13 to 17 of these Regulations and subsection 20(1) of the Act.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.36	C21	[If the PSP is not an individual], the framework identifies a senior officer who is responsible for overseeing the PSP’s practices for safeguarding end-user funds and for ensuring the PSP’s compliance with the end-user fund safeguarding requirements.	Choose an item.			
Guideline 3.37	C22	[If the PSP is not an individual], the senior officer identified in the framework is an employee of the PSP, occupies a specific position within the PSP, or reports directly to certain persons within the PSP as defined in section 1 of the RPAR.	Choose an item.			

RPAR 15(5) The safeguarding-of-funds framework must be approved (a) by the senior officer, if any, at least once a year and following each material change that is made to the framework; and (b) by the payment service provider’s board of directors, if any, at least once a year.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.38	C23	[If the PSP is not an individual], the PSP’s framework is approved:				
	C23-1	<div><div>▪</div>by the senior officer at least once a year and following each material change that is made to the framework; and</div>	Choose an item.			
	C23-2	<div><div>▪</div>by the PSP’s board of directors (if any) at least once a year.</div>	Choose an item.			

RPAR 15(6) The payment service provider must review, at the following times, the safeguarding-of-funds framework to ensure the framework’s conformity with subsections (2) to (5) and its effectiveness at meeting the objectives referred to in subsection (1): (a) at least once a year; (b) after any change to the means, among those set out in paragraphs 20(1)(a) to (c) of the Act, by which the payment service provider safeguards end-user funds; and (c) after any of the following changes, if they could reasonably be expected to have a material impact on the manner in which end-user funds are safeguarded:

- (i) the opening or closure of any account in which the payment service provider holds end-user funds,**
- (ii) a change in the entity that provides any account in which the payment service provider holds end-user funds,**
- (iii) a change to the terms of the account agreement in respect of any account in which the payment service provider holds end-user funds, or**
- (iv) in the case of a payment service provider that holds funds in accordance with paragraph 20(1)(c) of the Act, a change in its insurance or guarantee providers or to the terms of the insurance policy or guarantee.**

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.39	C24	The PSP reviews its framework to ensure that the framework: <ul style="list-style-type: none">conforms with the requirements in subsections 15(2) to (5) of the RPAR, andmeets the objectives in subsection 15(1) of the RPAR.	Choose an item.			
Guideline 3.40	C25	The PSP reviews its framework:				
	C25-1	<ul style="list-style-type: none">at least once a year;	Choose an item.			
	C25-2	<ul style="list-style-type: none">after any change to the PSP’s means of safeguarding, as set out in subsection 20(1) of the RPAA and described in paragraph 2.1 of the guideline;	Choose an item.			
	C25-3	<ul style="list-style-type: none">after any of the following changes, if they could reasonably be expected to have a material impact on the manner in which end-user funds are safeguarded:<ul style="list-style-type: none">the opening or closure of a safeguarding accounta change in the entity that provides any safeguarding accounta change to the terms of the account agreement for any safeguarding accounta change in the PSP’s insurance or guarantee providera change to the terms of the PSP’s insurance policy or guarantee.	Choose an item.			

RPAR 15(7) The payment service provider must, in respect of each review, keep a record of the date on which it is conducted and its scope, methodology and findings.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.42	C26	For each review, the PSP keeps a record of the date on which the review was conducted and its scope, methodology and findings.	Choose an item.			

RPAR 15(8) The payment service provider must ensure that the findings of each review are reported to the senior officer referred to in subsection (4), if any, for their approval.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 3.43	C27	[If the PSP is not an individual], the PSP ensures that the findings of each review are reported to the senior officer for their approval.	Choose an item.			

4. Evaluation of insolvency protection

RPAR 16(1) A payment service provider referred to in subsection 20(1) of the Act must take measures to ensure the identification of any instance, as soon as feasible after it occurs, in which the end-user funds held by the payment service provider — or equivalent proceeds from any insurance or guarantee referred to in paragraph 20(1)(c) of the Act — would not have been payable to end users had an event referred to in subsection 14(3) of these Regulations occurred.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 4.1	D1	The PSP takes measures to ensure the identification of any instance, as soon as feasible after it occurs, in which the end-user funds held by the payment service provider—or equivalent proceeds from any insurance or guarantee—would not have been payable to end users in the event of the PSP’s insolvency.	Choose an item.			
Guideline 4.3, 4.8	D2	<div>The PSP has developed a methodology that incorporates the PSP’s systems, policies, procedures, processes, controls or any other means for identifying any shortfall where:<ul style="list-style-type: none">the amount of end-user funds safeguarded is less than the end-user funds held by a PSP that is holding funds in trust in a trust account (see subparagraph 3.7.1 of the guideline for a description of these amounts)the amount covered by insurance or a guarantee is less than the end-user funds held by the PSP that is using insurance or a guaranteeend-user funds that are not safeguarded on receipt due to processing constraints (see paragraphs 2.7 and 2.8 of the guideline) are considered shortfalls.</div>	Choose an item.			
Guideline 4.4	D3	The PSP takes daily measures to identify instances of shortfalls.	Choose an item.			
Guideline 4.5	D4	The PSP ensures that it rectifies any shortfall in a timely manner.	Choose an item.			

RPAR 16(2) The payment service provider must, immediately after identifying such an instance, investigate its root cause and, as soon as feasible, take the necessary measures to prevent similar instances from recurring.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 4.6	D5	The PSP ensures that it immediately investigates the root cause and, as soon as feasible, takes the necessary measures to prevent similar instances from recurring after identifying an instance of a shortfall.	Choose an item.			
Guideline 4.7-4.8	D6	<div>The PSP keeps a record of any instance of shortfall that it identifies and reports it to the Bank in the annual report as set out in paragraph 19(3)(c) of the RPAR. Such reporting includes:<ul style="list-style-type: none">the amount of the shortfallthe root cause of the instancedetails of any measures taken to prevent similar instances of shortfalls from recurring.</div>	Choose an item.			

5. Independent review

RPAR 17(1) A payment service provider referred to in subsection 20(1) of the Act must ensure that, at least once every three years, a sufficiently skilled individual who has had no role in establishing, implementing or maintaining the safeguarding-of-funds framework, in taking the measures referred to subsection 16(1) or in identifying the instances referred to in that subsection carries out an independent review of the payment service provider’s compliance with subsection 20(1) of the Act and sections 13 to 16 of these Regulations.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 5.1	E1	The PSP ensures that an independent review is conducted at least once every three years to assess the extent of its compliance with subsection 20(1) of the RPAA and sections 13 to 16 of the RPAR.	Choose an item.			
Guideline 5.2-5.3	E2	<div>The PSP ensures that the independent review is carried out by a sufficiently skilled individual, internal or external to the PSP, who has had no role in:<ul style="list-style-type: none">establishing, implementing or maintaining the PSP’s frameworktaking measures to identify shortfallsidentifying instances of shortfalls referred to in subsection 16(1) of the RPAR (and as described in section 4 of the guideline).</div>	Choose an item.			

RPAR 17(2) The payment service provider must obtain a record that sets out the independent reviewer’s name — or, if they carried out the review on behalf of an entity other than the payment service provider, that entity’s name — and the date of the review and describes the review’s scope, methodology and findings.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 5.4	E3	<div>The PSP obtains and keeps a record of the independent review that sets out:<ul style="list-style-type: none">the independent reviewer’s name, or—if the independent review was carried out on behalf of an entity (other than the PSP)—that entity’s namethe date of the independent reviewthe scope of the independent reviewthe methodology used by the independent reviewerthe independent reviewer’s findings.</div>	Choose an item.			
Guideline 5.5	E4	<div>The PSP:<ul style="list-style-type: none">assesses whether the findings of the independent review indicate that additions or modifications to its means of safeguarding end-user funds or its framework are required, andtakes any measures needed to ensure that it can continue to meet the requirements established in subsection 20(1) of the RPAA and sections 13 to 16 of the RPAR.</div>	Choose an item.			

RPAR 17(3) The payment service provider must report any gaps and vulnerabilities that are identified by the independent review, and any measures being taken to address them, to the senior officer referred to in subsection 15(4), if any.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 5.6	E5	[If the PSP is not an individual], the PSP ensures that any gaps and vulnerabilities that are identified by the independent review, and any measures being taken to address them, are reported to the senior officer.	Choose an item.			

6. Indirect arrangements

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 6.1-6.4	F1	[If the PSP is involved in indirect arrangements as described in paragraph 6.2 of the guideline], the PSP is able to demonstrate that: <ul style="list-style-type: none">It ensures compliance with the safeguarding requirements, including the requirements for segregating end-user funds and keeping a ledger.It has sought legal advice to ensure that the arrangement meets safeguarding objectives and requirements under the RPAA and RPAR.All the regulatory barriers and operational challenges identified in paragraph 6.3 of the guideline are addressed, at the minimum.	Choose an item.			

7. Exception under subsection 20(2) of the RPAA

RPAA 20(2) Subsection (1) does not apply to a payment service provider in respect of end-user funds it holds in a province if the payment service provider accepts deposits that are insured or guaranteed under an Act of that province and those end-user funds are deposits that are guaranteed or insured under that Act.

Reference	ID	Statement	Rating	Evidence and control description to support the rating	Supporting document(s)	Remedial action
Guideline 7.3	G1	[If the PSP qualifies for the exception under subsection 20(2) of the RPAA, but holds funds that do not qualify for or exceed the insurance limit of a provincial deposit insurance program], the PSP safeguards those funds in trust in a trust account or with insurance or a guarantee, and ensures that it complies with the requirements for safeguarding end-user funds.	Choose an item.			
Guideline 7.4	G2	[If the PSP relies on the exception under subsection 20(2) of the RPAA], the PSP is able to provide the following information to the Bank:				
	G2-1	<ul style="list-style-type: none">documentation that establishes that the PSP accepts deposits as defined in a relevant statute established in the province where the PSP is a member of that provincial deposit insurance program;	Choose an item.			
	G2-2	<ul style="list-style-type: none">documentation from the provincial deposit insurer that confirms that the deposits accepted by the PSP are insured or guaranteed by that provincial deposit insurer;	Choose an item.			
	G2-3	<ul style="list-style-type: none">documentation that establishes the PSP as a member of a provincial deposit insurance program and therefore that in the event of the PSP's insolvency, payout of the deposit insurance from the provincial deposit insurer will be made to the depositors.	Choose an item.			