

## **The Electronic Transactions Association**

### **2026 Canadian Public Policy Priorities**

The digital payments industry is one of the most innovative, dynamic, and competitive sectors in the American economy—and also one of the most highly regulated. Built on sophisticated, interconnected infrastructure, it delivers secure, reliable financial products and services that drive economic growth, empower small businesses, and expand opportunities for consumers. These services are not only safe and highly secure; they are essential to advancing financial inclusion by ensuring that all consumers—including those historically underserved or excluded—can access and participate in everyday financial activity.

ETA supports a policy environment that protects consumers while enabling innovation, competition, and continued investment in modern payments technology. Smart, forward-looking policy is critical to preserving consumer choice, strengthening economic participation, and making true financial inclusion a reality for millions of Americans.

ETA's policy priorities for 2026 include:

#### **Artificial Intelligence in Payments**

Artificial intelligence—including traditional, generative, and agentic AI—is rapidly transforming Canada's payments landscape, powering fraud detection, risk management, and customer experience. ETA supports policy efforts that maintain a consistent national framework, avoid conflicting or duplicative provincial requirements, and rely on existing federal laws and standards. Oversight should be risk-based, technology-neutral, and focused on outcomes and accountability, with clear guardrails and human oversight to ensure fairness, accuracy, and security.

For Traditional AI and Generative AI, ETA supports policy efforts that:

- Maintain a consistent national framework by avoiding conflicting or duplicative provincial-level AI requirements.
- Rely on existing federal laws and standards that already govern AI use in payments.
- Apply risk-based, technology-neutral oversight that focuses on outcomes and accountability rather than specific AI modeling techniques.
- Support responsible deployment of AI workflows through clear guardrails, human oversight, and safeguards against model drift and bias.

For Agentic AI, ETA supports policy efforts that:

- Align agentic AI governance with existing model risk, operational risk, and consumer protection frameworks, avoiding parallel or conflicting regulatory regimes.



- Focus supervisory expectations on outcomes, such as fairness, accuracy, security, and consumer protection.
- Preserve the ability to innovate, recognizing that agentic tools can significantly improve fraud prevention, operational efficiency, compliance workflows, and customer experience.

### **Competition and Interchange**

ETA believes that competitive markets are the most effective mechanism for delivering innovation, efficiency, and consumer choice. ETA opposes government-imposed price controls and artificial caps that distort market signals, discourage investment, and ultimately harm consumers. ETA advocates for a comprehensive approach to interchange policy that considers system infrastructure funding, consumer benefits, merchant value proposition, and potential market impacts.

### **Fraud Prevention and Detection**

The payments industry deploys sophisticated anti-fraud measures to protect consumers and the financial system. ETA supports regulatory frameworks that encourage continued innovation in fraud prevention, preserve the ability to use data for fraud prevention purposes, and protect consumer information. ETA advocates for regulatory coordination and flexible, technology-driven compliance solutions.

### **Payments Canada Membership and Faster Payments**

ETA supports the expansion of membership eligibility in Payments Canada, allowing direct participation in national payment systems and strengthening the open, competitive, and innovation-friendly payments ecosystem. ETA will continue to work with Parliament, the Bank of Canada, and Payments Canada to advance the Real-Time Rail initiative and oversight of new participants under the Retail Payment Activities Act (RPAA).

### **Payment Stablecoins and Tokenized Deposits**

Payment stablecoins and tokenized deposits offer new opportunities for faster, programmable, and efficient payments. ETA supports comprehensive, risk-proportionate regulatory frameworks that ensure safety, soundness, operational resilience, and consumer protection. Policymakers should adopt clear standards for reserve assets, governance, and transparency, and coordinate across agencies to reduce fragmentation.



### **Consumer-Driven Banking and Open Banking**

Consumer-driven banking has the potential to improve payments, expand consumer choice, and enhance financial transparency. ETA supports policies that provide a principles-based framework, rely on private-sector innovation and secure APIs, center consumer control, and ensure consistent national standards and realistic, phased compliance timelines.

### **Continuation of CUSMA**

As the United States, Mexico, and Canada prepare for the scheduled 2026 joint review of the USMCA/CUSMA, ETA supports the preservation of seamless data movement, innovation in digital payments, and regulatory coordination across North America. ETA will engage with Canadian trade and financial agencies to ensure that renegotiation protects the ability of payments providers to operate efficiently across borders.

### **AML/Financial Crimes Frameworks**

ETA supports a harmonized, risk-based approach to AML regulations and fraud prevention. ETA advocates for interagency coordination to centralize oversight and minimize regulatory fragmentation, and for the use of artificial intelligence and machine learning tools to enhance fraud detection capabilities.

### **Privacy and Cybersecurity**

Protecting consumer privacy is crucial to maintaining trust in the payments industry. ETA supports privacy laws that are principles-based and harmonized, and supports the inclusion of data mobility provisions in future privacy legislation. ETA also supports targeted amendments to cybersecurity legislation that address undue burdens on payments providers, particularly small and emerging firms, while strengthening laws to keep Canadians safer in a cyber environment.