

December 1, 2022

The Honourable Chrystia Freeland, P.C., M.P.  
Deputy Prime Minister and Minister of Finance  
90 Elgin St.  
Ottawa, Ontario K1A 0G5

Hon. Minister Freeland,

On behalf of the Electronic Transactions Association (“ETA”), I am writing regarding the Government of Canada’s payments modernization initiative. ETA and its members support an inclusive financial system that provides high quality, secure and affordable financial services for the broadest set of consumers and businesses. Accordingly, ETA supports Canada’s payments modernization agenda given its benefits for these constituencies.

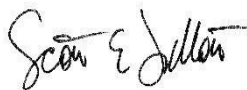
For several years the government has been undertaking important changes to Canada’s payments system, notably through the establishment of a new retail payments activities oversight framework alongside the modernization of payments infrastructure and the development of the new Real-Time Rail (“RTR”). These processes have the potential to increase consumer protection while unlocking increased innovation and competition in Canada’s payments ecosystem.

Currently, however, only Payments Canada members can participate directly in the regulated payments system. This excludes many new and innovative firms such as payment processors and FinTechs from accessing the RTR and other core payments functions. Finance Canada has proposed to address this by expanding Payments Canada’s membership to allow access to these functions to payment service providers that meet specific criteria. This change would be achieved through amendments to the Canadian Payments Act (“CPA”), and consequential changes to Payments Canada’s by-laws and governance.

Given the need to establish fair access to the RTR for new system participants at the outset of its establishment, ETA encourages the government to prioritize this important work to increase access to Canada’s payment systems by launching the public consultation on proposed changes to Payments Canada’s membership at the earliest opportunity. Furthermore, ETA recommends that the government include a commitment in the 2023 Budget that it will amend the CPA to facilitate the expansion of Payments Canada’s membership and provide certainty for payment service providers wishing to participate in the RTR.

ETA thanks you for the opportunity to submit these comments and looks forward to providing any additional information that may be helpful to advance this important initiative.

Respectfully submitted,



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