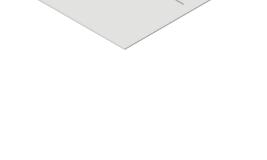


UNVEILING THE IMPACT OF CANADA'S RETAIL PAYMENT ACTIVITIES ACT ON MERCHANT PROCESSING

OVERVIEW OF RETAIL PAYMENT ACTIVITIES ACT

Establishing a federal framework, RPAA addresses national security risks and enhances reliability in Canada's retail payment sector. Over 2,500 PSPs are impacted, with eligibility criteria emphasizing a secure retail payment environment.



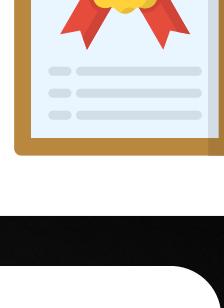
APPLICABILITY TO PAYMENT SERVICE PROVIDERS



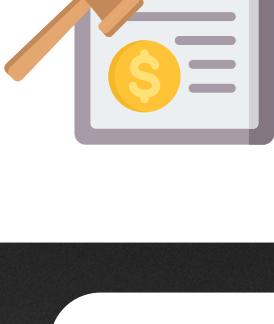
Extending beyond Canadian borders, RPAA covers both Canadian-based and international PSPs serving end users in Canada. Virtual currencies are excluded, but digital wallets fall under scrutiny.

REQUIREMENTS AND STANDARDS

Finalized Regulations, effective from September 8, 2025, mandate registration with the Bank of Canada, operational risk management, fund safeguarding, and robust reporting. Striking a balance, these standards aim for compliance while minimizing the burden on PSPs.



ENFORCEMENT AND PENALTIES



Adherence to RPAA's enforcement mechanisms is vital, with penalties reaching up to CAD 10 million for serious violations. The Act empowers the Minister of Finance to conduct national security reviews, ensuring a robust regulatory framework.

TRANSITION AND PREPARATION FOR PSPS

With RPAA implementation on the horizon, PSPs should anticipate supervisory policies from the Bank of Canada, participate in a registration pilot program, and adhere to a registration deadline of November 15, 2024. Proactive measures are essential for a smooth transition.



DID YOU KNOW?

THE RPAA SETS THE STAGE FOR REGULATORY COMPLIANCE FOR OVER 2,500 PSPS.