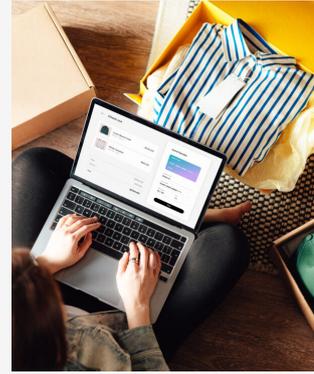


The carrot: Payments Canada publishes Real-Time Rail Participation Guide for Payment Service Providers

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Key Takeaways

- Payments Canada published the “Real-Time Rail Participation Guide for Payment Service Providers” to help participants understand eligibility and requirements.
- The RTR system will allow participants to offer real-time payments, transforming Canada’s payments landscape once operational.
- New amendments to the *Canadian Payments Act* expand RTR access to a broader range of participants, including PSPs.
- To become an RTR participant, PSPs must complete several steps: *Retail Payment Activities Act* registration, Payments Canada membership, RTR application and participant readiness for go-live.
- RTR participants must meet comprehensive operational and technical requirements, including fraud controls, liquidity management and ISO 20022 readiness.

In conjunction with the *Retail Payment Activities Act* (RPAA) coming fully into force on September 8, 2025, Payments Canada published the “[Real-Time Rail Participation Guide for Payment Service Providers](#)” (the guide) on August 21, 2025. The guide is intended to assist payment service providers (PSPs) in determining whether to apply to become participants in the real-time rail (RTR) system, to outline the eligibility criteria and the pathway to participation and to provide an overview of the technical, operational, security and business requirements for RTR participants.

RTR participation has been touted as the carrot to the RPAA’s stick. PSPs who can meet Payments Canada’s criteria will, once the RTR is operational, be able to directly offer and deliver immediate, irrevocable, account-based payments in real time, with the potential to transform Canada’s payments landscape. This Update highlights the guide’s key requirements and considerations for PSPs seeking to register as RTR participants.

RTR overview

The RTR is a national payment platform that is owned, and will be operated by, Payments Canada. Once the RTR is operational, RTR participants will be able to use the RTR payment

system to offer real-time payment solutions to customers who hold accounts with them.

The guide contemplates a role for supporting actors, such as third-party payment solution providers that engage with RTR participants to offer payment solutions to RTR participants' customers, connection service providers that offer connectivity and other technical services to RTR participants and settlement agents that settle all completed transactions as agents for RTR participants.

RTR participants will need to determine whether they will offer their own RTR payment solution and connectivity, use a third party for such services or a combination of the two, each of which has its own value proposition. Participants will also need to determine whether they will be direct or indirect settlement participants. Similar to the RPAA regime, RTR participants will remain accountable under the RTR legal framework for any obligations carried out by third parties.

Eligibility and pathway to participation

Recent amendments to the *Canadian Payments Act* came into force on September 29, 2025, expanding Payments Canada membership eligibility to include PSPs registered with the Bank of Canada under the RPAA, thereby providing RTR access to a broader range of PSPs, including non-financial institution entities. The pathway to participation involves several key steps:

1. **RPAA registration:** PSPs must be registered with the Bank of Canada under the RPAA.
2. **Payments Canada membership:** Once registered, PSPs may apply for membership in Payments Canada. Membership applications are typically reviewed quarterly by the board of directors in March, May, September and December of each year.
3. **RTR participation application:** Eligible members may apply to participate in the RTR system. Applications will be reviewed by Payments Canada staff, who will make a recommendation to Payments Canada's president for conditional approval. This process is anticipated to take approximately two to three weeks.
4. **Participant readiness:** Upon receipt of conditional approval, the participant begins onboarding activities that include a detailed implementation plan developed with Payments Canada. The participant must complete RTR certification testing in the RTR testing environment and submit a go-live attestation form. Upon receipt of final approval, the participant will complete all production environment testing and rollout. Once complete, the participant will be ready for RTR go-live. This process will likely take several months.

Operational, technical, security and business requirements

RTR participants must meet comprehensive operational, technical, security and business requirements, including the following:

- **Continuous operations:** Participants must maintain the ability to process payments, monitor balances and manage incidents 24/7/365. Payments initiated on the RTR must be exchanged, cleared and settled within 10 seconds and funds must be available to the payee within 60 seconds following acceptance and confirmation.
- **Liquidity and settlement risk management:** RTR participants will have several risk

control measures to identify, monitor and mitigate financial risks in the RTR payment flow. Each participant must ensure sufficient funds are available for settlement at all times. Funding and defunding the settlement account are managed through the Lynx system, so non-Lynx participants must establish an arrangement with a Lynx participant for this purpose.

- **Fraud and risk controls:** The National Payment Fraud Services (NPFS), which supports the monitoring, detection and prevention of fraud, will be mandatory for all participants. NPFS participation includes contributing to the Central Risk List, having processes in place to receive and respond to fraud scores received via API from Central Fraud Analytics and contributing to the Confirmation of Payee data. The NPFS requires real-time transaction monitoring capability and fraud decisioning. Participants will also be required to comply with fraud threshold requirements.
- **ISO 20022 readiness:** Participants must ensure all systems can handle ISO 20022 messages and support the enriched data requirements. Use of the ISO 20022 standard should also assist with complying with the travel rule requirements under Canada's anti-money laundering laws.
- **Claims and complaints:** Participants must have clear policies for handling claims and complaints relating to processing errors, end-user errors and fraudulent payments. PSPs must be members of an external complaints body. As of November 2024, the Ombudsman for Banking Services and Investments (OBSI) is the sole approved body.
- **Reporting and governance:** Ongoing obligations include committee participation, bi-annual payment volume reporting for direct settlement participants and annual attestations of compliance and business continuity.

Looking ahead

Although the roll-out of the RTR has been delayed over the years, Payments Canada previously announced that internal technical testing was on track to complete in Q3 2025 and it held a public consultation on the proposed legal framework earlier in the summer of 2025. The publication of the guide is another indication that RTR implementation remains on track.

The RTR represents a significant opportunity for PSPs to enhance their service offerings and participate in a modern, secure and efficient payments ecosystem, but early preparation and alignment with regulatory and operational requirements will be critical to successful participation. The participation requirements are significant. Prospective applicants are encouraged to review the guide thoroughly and plan for the necessary resource allocation and development so that they may be able to take advantage of the RTR once operational.