



VIA EMAIL ([fin.payments-paiements.fin@canada.ca](mailto:fin.payments-paiements.fin@canada.ca))

**July 23, 2018**

Financial Systems Division  
Financial Sector Policy Branch  
Department of Finance Canada  
90 Elgin Street  
Ottawa, Canada, K1A 0G5

**Re: Canadian Payments Act Consultation**

Dear Sirs/Mesdames:

Hyperwallet Systems Inc. ("Hyperwallet") is grateful for the opportunity to provide comments for the Consultation on the Review of the Canadian Payments Act, commenced on May 25, 2018 (the "Consultation").

#### **Hyperwallet's Business**

Hyperwallet offers a combination of technology and payment services to businesses. A typical customer is a small- or medium-sized enterprise generating sales through the efforts of a global fleet of independent salespeople who earn commission. Hyperwallet's solutions bridge information and geography gaps between our business payor and its payees, and we help deliver payments globally through a variety of means, including transfers to bank accounts or onto prepaid cards. Hyperwallet is a money services business registered with both FINTRAC and Quebec's AMF, as well an affiliate of numerous equivalently-regulated foreign entities.

#### **Submissions**

With respect to the first theme of the Consultation – the impact of changes to Payments Canada's governance structure – our lack of membership precludes any meaningful submission. We do, however, look forward to the results of the Consultation to understand how Payments Canada's most recent improvement initiatives have benefitted (or not) current members.

With respect to the second theme of prospective associate membership in Payments Canada, Hyperwallet has the following comments:

- Generally, Hyperwallet regards the "seat at the table" that associate membership in Payments Canada represents as a welcome change and a

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highly attractive prospect. As a leading fintech business, Hyperwallet believes it can lend a strong and constructive voice to the discussion of the future of payments in Canada. To fulfil this potential, we think that associate membership should involve full incorporation into the voting structure enjoyed by existing members, as well as participation at the board level.

- We also believe that unique access to the RTR, particularly direct and indirect settlement, is another attractive element to associate membership. We look forward to learning more detail about the Bank of Canada's requirements for an RTR settlement account as well as Payments Canada's technical requirements, but generally we prize opportunities for increased operational efficiency and decreased costs.
- Of course, given that associate membership depends upon the satisfaction of as-yet undefined criteria related to the proposed Retail Payment Oversight framework, we require further detail to properly compare how these potential benefits stack up against the requirements of an entirely new and separate regulatory regime. In a prior submission to the Department of Finance, we indicated concerns with certain elements of the proposed framework. Chief amongst those concerns is a need for better recognition of the challenge of PSPs reconciling competing international regulatory frameworks, and the necessity of Canadian regulators to strive for harmonization. We eagerly await details of the framework.

### Consent

We consent to the disclosure of the entirety of our submission.

### Conclusion

We hope these comments will offer some value, and we welcome any further opportunity to meet with you to discuss them. I can be reached at 1.877.449.3737 or at [raustin@hyperwallet.com](mailto:raustin@hyperwallet.com).

Sincerely,



Ryan Austin  
Deputy General Counsel and Senior Vice President, Regulatory Affairs  
Hyperwallet Systems Inc.

cc.: Mr. David Herron  
General Counsel  
Hyperwallet