

CANADIAN PAYMENTS ASSOCIATION
ASSOCIATION CANADIENNE DES PAIEMENTS

G9

**MANUAL PREPARATION AND USE IN A
MANUAL BALANCING SITUATION OF
THE GOVERNMENT ITEMS CLEARING LOGS**

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G9 – Manual Preparation and Use in a Manual Balancing Situation of the Government Items Clearing Logs

Implementation and Revisions

Implemented

April 2, 2012

Amendments

1. Amendment to reduce the number of manual simulations to perform for government items in alignment with requirements in B9 and K5, approved by the Board October 11, 2012, effective December 10, 2012.
2. Consequential amendments to accommodate the new ACSS Streams for ISO AFT Government items, approved by the Board February 18, 2016, effective April 18, 2016.
3. Amendments to section 10 to replace operational committee names ('National Clearings Committee' to 'Senior Operational Committee') to reflect the restructuring of operational committees. Approved by the Board December 1, 2016, effective January 3, 2017.

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Introduction

1. This Rule outlines procedures pertaining to the manual preparation of Government Item Clearing Logs, where computer generated logs are not possible or in the event that a National Failure of the Automated Clearing Settlement System (ACSS) is declared in accordance with Rule B9,

Use of Logs and Actual Items Delivered

2. (a) Manually prepared Government Item Clearing Logs shall be used as follows (a sample Log is attached as Appendix I):
 - (i) Where a Log-producing terminal or printer is inoperative, a manually prepared Government Item Clearing Log shall be completed, in duplicate, by each Direct Clearer for each Region
 - (ii) Each Direct Clearer within each Region shall delivered one “recap” clearing log to the Bank of Canada summarizing the claims for all Government Items from that region.
 - (iii) The original Log shall be included with the delivery and the duplicate retained by the delivering Direct Clearer.
- (b) A Government Item Clearing Log shall reflect only the number and dollar value of the Items in the corresponding delivery.

Log Completion

3. When completing each Government Item Clearing Log the sending Direct Clearer shall identify in the appropriate area:
 - (a) the Direct Clearer name;
 - (b) the region for which the claim is being submitted;
 - (c) the Settlement date;
 - (d) The volume (number) and the value (amount) of Items for each stream; and
 - (e) the total volume and value of Items for all entries.

Classification of Items

4. The following stream identifiers shall be used for the classification of Items:
 - (a) “B” – Canada Savings Bonds (series 32 and up) and Canada Premium Bonds;
 - (b) “G” – Receiver General Warrants;
 - (c) “H” – Other Government Paper Instruments (Canada Savings Bonds (series 1-31), Treasury Bills, Marketable Bonds, Coupons, Interest Blocks);
 - (d) “M” – Government Direct Deposits; and

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- (e) “AFTG” – Government ISO AFT Direct Deposits.

Use of Logs in a Manual Balancing Situation

5. The procedures outlined in Sections 6 to 9 of this Rule shall be followed in the event of a National Failure of the Automated Clearing Settlement System (ACSS) necessitating manual balancing of Government of Canada Instruments for the purpose of Redemption in all ACSS regions.

Delivery

6. Each Direct Clearer shall submit only one recap clearing log per Region summarizing all Government Streams for which they are submitting a claim to the Bank of Canada. Government Item Clearing Logs should be faxed or emailed to the Bank of Canada (refer Appendix I).

Payment for Redemption Claims

7. Payment will be made to the sending Direct Clearer according to the following procedures:
- (a) The Bank of Canada will combine redemption claims for payment in the same manner as is used in non-contingency situations; and
 - (b) The Bank of Canada will effect payment on the basis of the same standing payment instructions as are used in non-contingency situations.

Error Correction

8. The following procedures apply to the correction of errors on Government Item Clearing Logs:
- (a) where a Direct Clearer wishes to amend any information recorded on a Government Item Clearing Log, that Direct Clearer shall give telephone notice to the Bank of Canada in respect of its wish to amend; and
 - (b) the Government Item Clearing Log may be amended only where the Bank of Canada and the delivering Direct Clearer concur and the LVTS payment for the log has not previously been made.

Note: Refer to Rule G3 for the applicable Adjustment Procedures where the LVTS payment for the Log has been made.

Resumption of ACSS

9. Once the ACSS resumes normal operations, the CPA shall input to the system the records of all exchanges that took place while the manual balancing procedures were in effect.

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Simulations

10. Each RCA shall undertake a simulation of the manual balancing of Government Items in parallel with the automated system (i.e. the ACSS will remain operational). The number of the simulations shall be determined by the CPA each year in consultation with the Senior Operational Committee, but shall never be less than twice per calendar year. Each RCA Chairperson shall advise the Operations and Technology Division of the CPA and Bank of Canada, Payment and Settlement Operations, Ottawa (see Appendix I), of the date of each simulation and the location of the manual balancing for the purpose of Payment function. Each Chairperson shall also ensure that the requirements set out in section 12 are met for purposes of the simulation.

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