

**Pre-Authorized Debits (PADs) Rule H1
Payor's PAD Agreement – Mandatory and Supplementary Elements**

Introduction

This Appendix II sets out the mandatory elements which *must* be included in every Payor's PAD Agreement for the purposes of Rule H1 and certain supplemental elements which *may* be included in a Payor's PAD Agreement for the purposes of Rule H1. The Payee is not precluded from including other provisions, using a different format or incorporating the provisions within a contract for goods or services provided or another document provided that the mandatory elements are also included. For clarity, the mandatory elements set out in this Appendix II are in addition to and do not replace any provisions of any other agreement between a Payor and a Payee and do not limit a Payee's obligations under Rule H1. Capitalized terms used in this Appendix II have the meanings ascribed to those terms in Rule H1.

Each and every Payor's PAD Agreement is subject to any and all applicable laws including, without limitation, any and all applicable laws relating to consumer protection.

Mandatory Elements:

Mandatory Element	Description of Mandatory Element
Date and Signature	A date field wherein the execution date of the Payor's PAD Agreement can be recorded. For Paper Agreements, a signature field wherein the Payor can sign the agreement.
Authority to Debit Account	A statement by the Payor that must be duly Authorized in accordance with its account agreement with its Processing Member, clearly and unambiguously authorizing the Payee to debit an account specified by the Payor.
PAD Category	A statement that is either pre-printed on the Payor's PAD Agreement or clearly indicated by the Payor as to whether the PADs are Personal PADs (e.g. for mortgage payments, utility payments, charity donations, etc.), Business PADs (e.g. for supplies, lease payments, etc.) or Funds Transfer PADs (e.g. for registered retirement savings plan payments, mutual funds payments, etc.).
Amount, Timing or Specified Event/Action	A statement that is either pre-printed on the Payor's PAD Agreement or clearly indicated by the Payor as to the amount (i.e. whether fixed or variable) and timing (i.e. weekly, bi-weekly, semi-monthly, monthly, bi-monthly, annual, on set dates or otherwise) of the PAD or whether each PAD is to be triggered by a specified act, event or other criteria or whether each PAD is to be Sporadic and, if each PAD is to be triggered by a specified act, event or other criteria, then an unambiguous description of that act, event or other criteria.
Cancellation of Agreement	A Payor's PAD Agreement shall include cancellation information to the effect that the Payor may revoke their Authorization at any time, subject to providing notice (Payee shall set out the notice period which shall not exceed 30 days). A Payor's PAD Agreement shall also advise that the Payor may obtain a sample cancellation form, or further information on their right to cancel a PAD Agreement, at their financial institution or by visiting www.payments.ca .
Contact Information	A Payor's PAD Agreement shall include reasonable and accurate contact information of the Payee so that a Payor may contact the Payee by any method of communication used by the Payee (e.g. postal address, fax number, telephone number, email address) to make inquiries, obtain information or seek recourse with respect to any PAD issued by the Payee.
Recourse/ Reimbursement Statement	Except for Fund Transfer PADs coded "650" or "83", each Payor's PAD Agreement must contain the following statement in its entirety: "You [or I/We, depending on the context] have certain recourse rights if any debit does not comply with this agreement. For example, you [I/we] have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on your [my/our] recourse rights, [I/we may] contact your [my/our] financial institution or

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Mandatory Element	Description of Mandatory Element
	visit www.payments.ca ."

Supplementary Elements (not limited to the following):

Supplemental Element	Description of Supplemental Element
Pre-notification	A Payor's PAD Agreement that provides for Personal PADs or Business PADs to be issued at Set Intervals may state that the Payor is entitled to receive Pre-notification in the manner and at the time(s) set out in Rule H1.
Waiver/Modification of Pre-notification/ Confirmation periods	A Payor's PAD Agreement that provides for Personal PADs or Business PADs to be issued at Set Intervals may permit the Payor and Payee to mutually waive Pre-notification or modify the Pre-notification/Confirmation requirements of Rule H1 provided the Payor specifically indicates its acceptance of the waiver or modification in the Payor's PAD Agreement or otherwise by way of a separate Authorization. Any such clause to reduce or waive the standard pre-notification periods must be prominently displayed (e.g. bold, highlighted or underlined).
Sporadic PADs	A Payor's PAD Agreement that authorizes Sporadic PADs must specify that the Payee is required to obtain due Authorization from the Payor in accordance with Rule H1 for each Sporadic PAD that the Payee issues against the Payor.
Validation by Processing Member	A Payor's PAD Agreement may state that the Processing Member is not responsible for validating the terms of the Payor's PAD Agreement in respect of a PAD issued under that agreement
Contract for Goods and Services	A Payor's PAD Agreement may state that it only applies to the method of payment between the Payor and the Payee and that the agreement and any termination of the agreement does not have any effect whatsoever with respect to any contract for goods or services between the Payor and Payee.
Payor's Rights of Dispute: Personal PADs, Business PADs and Funds Transfer PADs	A Payor's PAD Agreement that provides for Personal PADs, Business PADs or Funds Transfer PADs for which Rule H1 provides the Payor with the right to make a claim for reimbursement under one of the declared conditions set out in subsection 20(b) of Rule H1 subject to completing a Reimbursement Claim, may include language relating to how a claim for reimbursement may be made.
Funds Transfer PADs Coded "650" or "83"	Where a Funds Transfer PAD is coded "650" or "83", the CPA Member initiating the Funds Transfer must advise that the Payor will not have recourse within the CPA Rules.
Change of Account Information	A Payor's PAD Agreement may require that the Payor must give Written notice to the Payee of any change with respect to the account against which it has designated PADs to be drawn.
Notice of use of a Payment Service Provider	Where a Payee intends to use a payment service provider to administer a PAD, the Payor's PAD Agreement shall include a statement that a third party will be administering the PAD and further set out the name of the third party administrator. Where a Payor's PAD Agreement is entered into by way of Electronic Agreement, the Confirmation shall include a statement that a third party will be administering the PAD and further set out the name of the third party administrator.

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SAMPLE A

Pre-authorized Debit (PAD) Agreement

ABC Charity

Date: _____

I want to support [ABC Charity or insert description of the activity] through monthly donations.

Please debit my bank account: (attach VOID cheque)

____ \$25 ____ \$50 ____ \$75 Other Amount _____ (specify)

The debit will be processed to your account on the 18th day of each month or the next business day.

Signature: _____

Donor Name: _____

Address/Contact Information: _____

This donation is made on behalf of: _____ an Individual _____ a Business

I may revoke my authorization at any time, subject to providing notice of (Payee to insert period - not to exceed 30 days). To obtain a sample cancellation form, or for more information on my right to cancel a PAD Agreement, I may contact my financial institution or visit www.payments.ca.

ABC Charity
1234 Main Street
City, Province, Postal Code
Tel: 1-800-999-9999
E-mail: departmentname@abccharity.org

I have certain recourse rights if any debit does not comply with this agreement. For example, I have the right to receive reimbursement for any debit that is not authorized or is not consistent with this PAD Agreement. To obtain more information on my recourse rights, I may contact my financial institution or visit www.payments.ca.

LEGEND

1	Date and Signature	5	Cancellation of Agreement
2	Authorization to Debit Specific Account	6	Contact Information
3	PAD Category (personal, business, funds transfer)	7	Recourse Statement
4	Amount/Timing		

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SAMPLE B

ABC Utilities Inc.

Please complete the Pre-Authorized Debit (PAD) Plan agreement below.

I/we authorize ABC Utilities Inc., and the financial institution designated (or any other financial institution I/We may authorize at any time) to begin deductions as per my/our instructions for monthly regular recurring payments and/or one-time payments from time to time, for payment of all charges arising under my/our ABC Utilities account(s). Regular monthly payments for the full amount of services delivered will be debited to my/our specified account on the 5th day of each month. ABC Utilities will provide 10 days written notice of the amount of each regular debit. ABC Utilities will obtain my/our authorization for any other one-time or sporadic debits.

This authority is to remain in effect until ABC Utilities Inc. has received written notification from me/us of its change or termination. This notification must be received at least ten (10) business days before the next debit is scheduled at the address provided below. I/We may obtain a sample cancellation form, or more information on my/our right to cancel a PAD Agreement at my/our financial institution or by visiting www.payments.ca.

ABC Utilities may not assign this authorization, whether directly or indirectly, by operation of law, change of control or otherwise, without providing at least 10 days prior written notice to me/us.

I/we have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any PAD that is not authorized or is not consistent with this PAD Agreement. To obtain a form for a Reimbursement Claim, or for more information on my/our recourse rights, I/we may contact my/our financial institution or visit www.payments.ca

PLEASE PRINT

DATE: _____

Name(s): _____ ABC Utilities Inc. Account Number: _____

Type of Service: Personal Business

Address: _____

City/Town: _____ Province: _____ Postal Code: _____

Phone Number: (Bus.) _____ (Res.) _____

Financial Institution (FI): _____

FI Account Number: _____ FI Transit Number: _____ - _____

(branch -5 digits; FI – 3 digits)

Address: _____

City/Town: _____ Province: _____ Postal Code: _____

Authorized Signature(s): _____

ABC Utilities Inc.
Attention: Customer Billing Department
987 First Avenue
City, Province, Postal Code
Tel: (999)-999-9999 ext 222
E-mail: billing@abcutilities.com

LEGEND

1 Date and Signature	5 Cancellation of Agreement
2 Authorization to Debit Specific Account	6 Contact Information
3 PAD Category (personal, business, funds transfer)	7 Recourse Statement
4 Amount/Timing	

