

**Pre-Authorized Debits (PADs)
Mandatory Elements of Confirmation
(Electronic Agreements)**

Introduction

This Appendix IV sets out the mandatory elements of a Confirmation form of an Electronic Agreement for the purposes of Canadian Payments Association Rule H1 – Pre-Authorized Debits (PADs), but does not preclude a Payee from including additional provisions or using a different format provided that the mandatory elements below are included. Capitalized terms used in this Appendix IV have the meanings ascribed to those terms in Rule H1.

Form of Confirmation:

[TO BE PLACED ON PAYEE LETTERHEAD]

To: [Payor name] Date: _____
 [Payor address]

Re: Confirmation of Pre-Authorized Debit (PAD) Sign-up

Thank you for signing up for Pre-Authorized Debits from [Payee name]. We have accepted your PAD Agreement and are writing to confirm the following details:

1. Account Name: _____
2. Financial Institution (Name & Transit #): _____
3. Account Number: _____
4. Amount of Payment: _____
5. Frequency of Payment: _____
6. Payment Start Date: _____
7. Type of Pre-Authorized Debit: BUSINESS _____ PERSONAL _____
8. Statement with regard to Pre-notification

Examples:

For fixed-amount PADs

In the event that the amount of this PAD changes, we will send you a written notice identifying the new amount at least 10 days before the first PAD for that amount, with the exception of a reduction in the amount due to a change in tax rate.

For variable PADs:

We will send you a notice identifying the amount of each PAD at least 10 days before each debit.

If Payee has agreed to reduce or waive standard pre-notification period:

You have agreed that we may reduce the standard period of pre-notification for variable amount PADs. We will send you notice of the amount of each PAD five days before the PAD is due.

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OR

You have waived your right to receive pre-notification of the amount of the PAD and agreed that you do not require advance notice of the amount of PADs before the debit is processed.

Your Payor's PAD Agreement may be cancelled provided notice is received [Payee to insert agreed upon period – not to exceed thirty (30) days] before the next scheduled PAD. If any of the above details are incorrect, please contact us immediately at [insert contact information]. If the details are correct, you do not need to do anything further and your Pre-Authorized Debits will be processed and start on the Payment Start Date indicated above.

You have certain recourse rights if any debit does not comply with these terms. For example, you have the right to receive a reimbursement for any PAD that is not authorized or is not consistent with this PAD Agreement. To obtain more information on your recourse rights, contact your financial institution or visit www.cdnpay.ca.” (Exception: If a Funds Transfer PAD and coded “650” or “83”, CPA Member initiating the Funds Transfer must advise that the Payor will not have recourse within the CPA Rules).

Thank you,
Payee Name
Payee Contact information