

## The Electronic Transactions Association's

### 2022 Canadian Policy Priorities

Since 2018, ETA has provided our members a voice in Canada to advocate for policies that advance payments innovation to enable safe and secure commerce. Our efforts in 2022 will focus on the following policies to foster a modern payments system:

**Privacy** — The payments industry has long been committed to protecting the privacy of consumers' data. That commitment, along with the industry's commitment to security, is at the core of the public's trust in the industry. ETA supports a strong federal privacy standard that is principles-based to ensure predictability and consistency for consumers. Because privacy and security are intertwined, any privacy regime must also ensure that data can continue to be used to further the industry's robust and effective fraud-protection efforts. Finally, we support the inclusion of data mobility provisions in the implementation of Canada's Digital Charter.

**The Future of Payments** — The payments industry is vibrant, innovative, and continuously evolving. ETA members are constantly developing and deploying new products and services to make it easier for consumers to make purchases and move money. Regulations must, too, evolve and encourage this innovation. ETA supports:

- The finalization of the regulatory framework to enable the Retail Payments Activity Act (Faster Payments,
- Advocating for the implementation of Consumer Directed Finance (Open Banking), and
- Encouraging the Federal Government's utilization of prepaid cards to distribute, benefits and other payments to both citizens and businesses.

**Buy Now Pay Later (BNPL)** — BNPL has seen quick uptake among consumers interested in the option of spreading a purchase over several installments. BNPL is one example of innovation in payments that, when adopted carefully and thoughtfully, provides additional payments choice. ETA supports a regulatory approach that fosters innovations and encourages the development and deployment of new products and services that benefit consumers.

**Smart Security** — Protecting the payments industry and the customers who use it from fraud is paramount. ETA members work tirelessly to identify and defeat fraud to ensure a robust payments system and garner continued confidence by customers and merchants. ETA will,

- Work with government as it establishes establishment of the first nation-wide agency to investigate financial crimes including fraud, insider trading, organized crime, and money laundering,
- Oppose efforts to codify technology-specific standards,
- Encourage innovation for new technologies to be used in reducing fraud, and
- Support usage of individual digital identities.

## **Additional Issues**

**Preventing new taxes and other forms of rent seeking** — Following the pandemic, the threat of increased taxation on large technology companies, financial institutions, and other financial service providers have increased. ETA will,

- Advocate for Canada to work within a multilateral approach to support the taxation of digital services (DST), and
- Prevent the implementation of the government's proposed 3% tax on large financial institutions.

**Efforts to help small businesses prepare to identify and repel cyberattacks.**

- ETA supports creating a tax incentive for compliant small businesses to purchase cyber-security insurance.

**Artificial Intelligence/Machine Learning** — ETA members have developed advanced tools to combat fraud, improve access to credit, and reduce operational costs, all of which help consumers and small businesses. ETA supports a flexible regulatory approach that accommodates the variety of uses to which AI can be put and encourages the appropriate use of Artificial Intelligence and Machine Learning.